

[REPUBLIC ACT NO. 1295, June 15, 1955]

AN ACT TO ESTABLISH THE ABACA CORPORATION OF THE PHILIPPINES

Be enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Chapter I

ESTABLISHMENT AND OBJECTIVES

Section 1. *Name, duration and domicile.*—A portion is hereby created which shall be known as the Abaca Corporation of the Philippines, which shall be organized immediately upon the approval of this Act and shall be under the direct supervision of the Office of Economic Coordination or its successor. It shall exist for a term of thirty years from the date of the approval of this Act, and shall have its main office in the City of Manila and branches and agencies within or outside the Philippines, as may be necessary for the proper conduct of its business.

Sec. 2. *Purposes and objectives.*—The Abaca Corporation of the Philippines shall have the following objectives:

- a. To insure a permanent, sufficient and balanced production of abaca for the requirements of the local industry and for exportation.
- b. To check all speculation tending to promote a decrease in the prices of abaca and to stabilize said prices at a level sufficient to cover the cost of production plus a reasonable profit.
- c. To assist in preventing a short as well as an excess production of abaca and in either case serve as a regulating organ in order to avoid a disorganization of this activity of the national economy and its consequences, such as suspensions of work, unemployment and other social calamities.
- d. To promote the effective merchandising of abaca in the domestic and foreign markets so that those engaged in the industry will be placed on a basis of economic security.
- e. To establish warehousing and marketing facilities in suitable centers and supervise the selling and buying of abaca and other fibers.
- f. To promote the prompt, extensive and thorough industrialization of the abaca industry.

In achieving the above-named purposes and objectives of this Act, the Abaca Corporation shall limit its activities or intervention simply in aid of private capital or enterprise already dedicated or read to be dedicated in any manner directly or indirectly to the promotion of abaca industry in the Philippines: *Provided, however* That if no private capital shall be interested in any of the proposed activities of the

Corporation, then may directly initiate, promote and develop such activities.

Chapter II

POWERS

SEC 3. *Specific and general powers.*—For carrying out the purposes mentioned in the preceding section, subject to the terms of the last paragraph thereof, the Abaca Corporation of the Philippines shall have authority:

- a. To buy, sell, export, barter, and in any other manner deal in abaca.
- b. To buy, sell, assign, own, operate, rent or lease, subject to existing law, merchant vessels, rails, railroad lines, and any other means of transportation, stripping machines, decorticators, presses, warehouses, buildings, and any other equipment and material for stripping, decorticating, warehousing and, in general, for everything connected with the proper handling of abaca.
- c. To act as agent, broker, commission merchant or representative of the producers, merchants, pressmen or other dealers in abaca and the products derived there from.
- d. To grant loans to abaca planters, cooperatives or centrals, guaranteed by a mortgage or pledge on abaca crops, fibers or other securities: *Provided, however,* That no loan shall be granted, which is in excess of eighty per cent of the market value of the securities: *And provided, further,* That interest thereon shall not be in excess of four percent *per annum*.
- e. To invest the funds of the Corporation in the form of ordinary or preferred shares, in any private corporation established for the purpose of raising, developing, managing or administering abaca plantations or establishing industrial plants using abaca or its by products as their prime raw materials, or warehouses for the storage of abaca fibers, its by-products, derivatives or resulting manufactured products, or cooperatives founded in aid of the abaca industry: *Provided, however,* That no investment in excess of one million pesos shall be granted without the approval of the Office of Economic Coordination or its successor.
- f. To borrow or otherwise raise funds for carrying out the objects of this corporation, whenever the needs of this industry require it, with the consent of the President of the Philippines.
- g. To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes, with any person, firm or public or private corporation, with the Governments of the Philippines or the United States or of any state, territory or possession thereof, or with any foreign government.
- h. In general, to do everything directly or indirectly necessary or incidental to, or in furtherance of the purposes of the Corporation.
- i. In the transaction of its business, to perform all acts which a co-partnership or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.
- j. Generally, to exercise such incidental powers as may be necessary to carry out the purposes and objectives of this Act within the limitations prescribed by the same.

Chapter III