

[REPUBLIC ACT NO. 663, June 16, 1951]

AN ACT TO DEVELOP AND IMPROVE THE RICE AND CORN INDUSTRIES, TO STABILIZE THE PRICE OF RICE AND TO PROMOTE THE SOCIAL AND ECONOMIC CONDITIONS OF THE PEOPLE ENGAGED IN THE PRODUCTION OF THESE STAPLE FOODS.

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

SECTION 1. For the purpose of developing and improving the rice and corn industries in all their phases, of stabilizing the prices of rice and corn, and of promoting the social and economic conditions of the people who are engaged in the production of these staple foods, a corporation is hereby created which shall be known as the National Rice and Corn Corporation and shall be referred to herein as Corporation. All assets and liabilities of the defunct NARIC which were turned over to the PRISCO by virtue of Executive Order No. 350 are hereby transferred to this new Corporation. The National Rice and Corn Corporation shall be organized within one month after the date of the approval of this Act and shall exist for a term of thirty years from the said date. The Corporation shall have its main office in the City of Manila.

SEC. 2.

- a. The Corporation shall carry out its development work not by any form of regimentation, but thru-
 1. Education, inducements and actual practical demonstrations ;
 2. Promotion of initiative of, and cooperation among, the people;
 3. Facilities and guidance; and
 4. The help of existing Government agencies and private institutions.
- b. The Corporation shall carry out its stabilization work thru-
 1. The maintenance of a stable price consistent with the average cost of production, with the purchasing power of the people, and with the. national economic policy of the Government;
 2. The prevention of speculation in trading and of the exploitation of the consumers;
 3. The financing of producers of the raw products as well as of other activities of the industries needing such assistance;
 4. The study, promotion and execution of such measures as will improve the quality and unit yield as well as improve and reduce the cost of production, handling, storage, conservation, processing, transportation and general trading of rice, corn, and their by-products;

5. The study, promotion, and establishment of such industries as will make the most use of the by-products of the industry and produce commodities of economic importance to the people;
 6. The study, promotion and execution of such measures as will improve the nutritive value and assimilability of rice and corn as well as of their by-products;
 7. The study, promotion and execution of such measures as will solve the problems that may arise from over production of rice and corn.
- c. The Corporation shall carry out its work of promoting the economic and social conditions of the people engaged in the production of rice and corn thru-
1. General agricultural development, industrialization of agricultural products and promotion of home industries in the rice and corn producing regions,
 2. Promotion of cooperative associations among them.

SEC. 3. For carrying out the foregoing objectives, the Corporation shall have authority-

- a. To act as the agent or instrumentality of the Government in any of its governmental, social or civic functions in such a manner and under such conditions as may be prescribed by law or by executive order or proclamation;
- b. To buy, sell, import, export, deal in, barter, exchange and handle in every other manner, rice and corn, as well as the by-products of said cereals;
- c. To own, lease, operate or otherwise hold, subject to existing laws, trucks, railway lines and any other means of transportation, elevators, mills, factories, irrigation systems, power plants, machinery and equipment of all kinds, and warehouses and structures of every nature and kind for the protection, storage, handling, processing, utilization, and sale of rice and corn and other agricultural products, and of other commodities necessary for development work;
- d. To give loans on reasonable terms, and finance activities in the rice and corn industries;
- e. To borrow, or raise or secure money and to mortgage or otherwise encumber any property belonging to the Corporation or otherwise give security therefor;
- f. To enter into, make, perform and carry out contracts of every class and description necessary or incidental to the realization of its purpose with any person, firm, or corporation, private or public, and with any foreign government;
- g. To have one or more offices outside of the Philippines, and to conduct its business and exercise its powers in any part of the Philippines or in any foreign country, State or territory;
- h. To undertake research on industrialization, conservation and better utilization of agricultural products;
- i. To study and promote home industries among the families engaged in the production of rice and corn;

- j. To exercise, in the name of the Republic of the Philippines, the right of eminent domain, and in the purchase of any real estate or the acquisition of real estate by condemnation proceedings, the title to such real estate shall be taken in the name of the Republic of the Philippines, and thereupon all such real estate shall be entrusted to the Corporation as the agent of the Republic of the Philippines to accomplish the purposes of this Act: Provided, That such exercise of the right of public domain shall be resorted to only after the Corporation has completely failed to purchase such real estate at a price deemed reasonable by the Board of Directors;
- k. To procure and sell or donate fertilizers and lime, to be fairly and equitably distributed through the agency of provincial demonstration agents, Department of Agriculture, agricultural college, or otherwise as the Board of Directors may direct, for experimentation, education, and introduction of the use of such fertilizers and lime in cooperation with practical farmers so as to obtain information as to the value, effect, and best methods of their use;
- l. To establish its own demonstration farms and to arrange with farmers and farm organizations for the large-scale practical use of fertilizers and lime under conditions permitting an accurate measure of the economic return they produce, with the provision that said farmers and farm organizations shall keep records of the farm methods and performance, which records shall be open to the public;
- m. To cooperate with National, provincial and school experimental stations or demonstration farms, with farmers, landowners, tenants and associations of landowners, tenants, and farmers for the use of fertilizers and lime, or fertilizing and liming practices, and for promoting the prevention of soil erosion by the use of fertilizers or otherwise;
- n. To request the assistance and advise of any officer, agent or employee of any Executive Department or of any independent office of the Republic of the Philippines, to enable the Corporation to better carry out its powers successfully, and as far as possible, utilize the services of such officers, agents, and employees, and the President of the Philippines shall, if in his opinion, the public interest, service or economy so require, direct that such assistance, advice and service be rendered to the Corporation, and any individual that may be directed by the President to render such assistance, advice and service shall, thereafter be subject to the orders, rules and regulations of the Corporation : *Provided*, That any invention or discovery made by virtue of and incidental to such service by an employee of the Government of the Philippines serving under this section, or by any employee of the Corporation, together with any patents which may be granted thereon, shall be the sole and exclusive property of the Corporation, which is hereby authorized to grant such licenses thereunder as shall be authorized by the Board of Directors: *Provided, further*, That the Corporation may pay to such inventor such sum from the income from sale of licenses as it may deem proper;

- o. To adopt and undertake such measures as will improve the economic and social conditions of the people engaged in the production of rice and corn;
- p. Generally, to do all such other things and to transact all such business as may be directly or indirectly incidental or conducive to the attainment of the purposes of the corporation; and
- q. To do, in carrying on its business, any and all acts and things and to exercise any and all powers which a natural person should do and exercise and which now or hereafter may be authorized by law.

SEC. 4. The National Rice and Corn Corporation shall be subject to the provisions of the Corporation Law in so far as they are compatible with the provisions of this Act, and it shall enjoy the general powers mentioned in said Corporation Law in addition to those herein specified.

SEC. 5. In order to enable the Corporation to exercise the powers and duties vested in it by this Act-

- a. The Corporation is hereby exempted from the payment of import duty on rice and corn, and on such supplies, machinery and equipment such as fertilizers and lime as may be necessary for demonstration farming.
- b. The Corporation is hereby exempted from the payment of sales and milling taxes imposed or to be imposed by the National, or by any provincial or municipal governments, and the President of the Philippines is hereby authorized to further exempt the Corporation from the payment of other taxes whenever in his opinion such exemption is for public interest.
- c. The President of the Philippines is hereby authorized to transfer and assign to the Corporation, the parcels of land belonging to the Government and situated in the City of Manila bounded on three sides by Azcarraga Street, Quezon Boulevard and Evangelista Street, more specifically described as Lots Nos. 1, 2, 3, 4, 5 & 6, Block 2181, containing 9,398 square meters and such other real or personal property of the Republic of the Philippines as he may from time to time deem necessary and proper for the purposes of the Corporation.
- d. The Corporation is hereby authorized to inspect and take records of palay, rice and corn stocks stored by any person, partnership or corporation, and to enter the premises where these commodities may be found, for such inspection and records.

SEC. 6.

- a. In the appointment of officials and selection of employees for the said Corporation, and in the promotion of any employees or officials, no political test or qualifications shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any member of the Board of Directors who is found by the President of the Philippines to be guilty of a violation of this section shall be removed from office by the President of the Philippines, and any