

[REPUBLIC ACT NO. 3018, August 02, 1960]

AN ACT LIMITING THE RIGHT TO ENGAGE IN THE RICE AND CORN INDUSTRY TO CITIZENS OF THE PHILIPPINES, AND FOR OTHER PURPOSES.

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

SECTION 1. No person who is not a citizen of the Philippines, or association, partnership or corporation, the capital or capital stock of which is not wholly owned by citizens of the Philippines, shall directly or indirectly engage in the rice and/or corn industry except as provided in Section three of this Act.

As used in this Act, the term "rice and/or corn industry" shall mean and include the culture, milling, warehousing, transporting, exportation, importation, handling the distribution, either in wholesale or retail, the provisions of Republic Act Numbered Eleven hundred and eighty to the contrary notwithstanding, or the acquisition for the purpose of trade of rice (husked or unhusked) or corn and the by-products thereof: Provided, That public utilities duly licensed and registered in accordance with law may transport corn or rice.

SEC. 2. Within sixty days from the date of approval of this Act, all persons who are not citizens of the Philippines and associations, partnerships or corporations the capital or capital stock of which is not wholly owned by citizens of the Philippines, engaged and duly licensed to engage in the rice and/or corn industry as of the date of approval of this Act shall register and file under oath with the city or municipal treasurer of the place where they reside or have their principal office a verified statement in quadruplicate containing the names, addresses and nationality of the owners, partners or stockholders, the amount of their assets, the nature and the amount of their investments, the names of their principal officials and such other related matters as may be prescribed by the Secretary of Finance.

Copies of said statement shall be sent to the provincial treasurer and the Secretary of Finance.

SEC. 3. All such persons, associations, partnerships, or corporations that have complied with the requirements provided in Section two hereof, if they so apply, shall be allowed to continue to engage in their respective lines of activity in the rice and/or corn industry only for the purpose of liquidation, as follows:

- (a) Those engaged in the retail, wholesale, culture, w transportation, handling, distribution or acquisition for the purpose of trade of rice and/or corn and the by-products thereof shall be allowed to continue to engage therein for a period of two years from the date of effectivity of this Act; and

(b) Those engaged in the milling and/or warehousing of rice and/or corn and the by-products thereof shall be allowed to continue to engage therein for a period of three years from the date of effectivity of this Act:

Provided, That upon the termination of the periods above-provided none of said alien persons or entities shall be allowed and granted a license to engage in the rice and/or corn industry: *Provided, further*, That the maximum amount of capital investments of said alien persons or entities in their respective lines of activity in the industry shall be pegged to the amount of capital investments required to be declared under Section two hereof: *Provided, finally*, That after the date of approval of this Act no license to engage in the rice and/or corn industry in any field of activity shall be granted to any new alien applicant therefor.

The license to any alien to engage in the rice and/or corn industry as above-provided shall be forfeited for any violation of any provision of laws, rules, or regulations issued pursuant thereto on economic control, nationalization, monetary, foreign exchange, taxation, health, weights and measures, labor and other laws relating to trade, commerce and industry.

Failure of any alien to renew a license for any year within the periods above-provided shall mean voluntary retirement and shall bar renewal thereof.

SEC. 4. For the purpose of this Act, the Development Bank of the Philippines shall set aside an adequate revolving fund for loan of at least fifty million pesos, which shall be lent to Filipinos with interest of not more than seven per cent *per annum* against secured collaterals for milling, processing, warehousing, and marketing of rice and/or corn: *Provided*, That rice mills or warehouses, after evaluation by the lending banks, may also be included and allowed as collateral for corresponding loans extended to Filipinos who may wish to construct or purchase rice mills or warehouses.

Likewise, the Philippine National Bank shall set aside a similar adequate revolving loan fund of at least fifty million pesos for cultivation and production, including crop loans, and quedans which shall be lent to Filipinos with interest of not more than six per cent per annum against secured collaterals: *Provided*, That the Central Bank shall rediscount the commercial papers covering the loans contemplated in this section at the lowest possible rate in order to insure the maintenance of financial assistance to the rice and/or corn industry: *Provided, further*, That FaCoMas and other cooperatives, individual farmers, small landowners and tenants engaged in the production of palay, rice and/or corn shall be given priority in the grant of such loans.

Producers or planters of rice and/or corn shall be allowed to organize, any provisions of law to the contrary notwithstanding, irrespective of whether or not there may be any existing FaCoMas or farmers cooperative association in their places of business and as duly organized associations shall likewise be entitled to the credit facilities that shall be available from the Development Bank of the Philippines and the Philippine National Bank therein contemplated: *Provided*, That the said associations