

AN ACT TO CREATE A PUBLIC CORPORATION TO BE KNOWN AS THE "NATIONAL DEVELOPMENT COMPANY," TO DEFINE ITS POWERS AND DUTIES, TO APPROPRIATE THE NECESSARY FUNDS THEREFOR, REPEALING ...

Commonwealth Act No. 182, November 13, 1936

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. The Secretary of Agriculture and Commerce, the Secretary of Finance, and three other persons, who shall be the directors first appointed as hereinafter provided, are hereby created a body corporate and politic in deed and in law, by the name, style and title of "National Development Company," hereinafter called the corporation, to serve as an agency of the Commonwealth of the Philippines in the furtherance of its economic policies. The corporation shall have succession for a period of fifty years from and after the date of the approval of this Act. The principal office of the corporation shall be in the City of Manila, Philippines.

SEC. 2. The capital stock of the corporation shall be fifty million pesos, divided into five hundred thousand shares of stock, having a par value of one hundred pesos each, and no stock of said corporation shall be issued at less than par or except for cash.

Fifty-one per centum, at least, of said capital stock shall be subscribed by the Government of the Commonwealth of the Philippines, and the remainder thereof may be offered to provincial, municipal, and city governments of the Philippines. Ten per centum of the value of all stock subscribed shall be paid at the time of subscription, and the balance thereof shall be subject to call upon the vote of three-fifths of the Board of Directors of the corporation, with the approval of the Secretary of Finance, at such time or times as may be deemed advisable.

The voting power of all such stock owned by the Government of the Commonwealth of the Philippines shall be vested in the President of the Philippines or in such person or persons as he may designate, and the voting power of the stock owned by the provincial, municipal, or city governments shall be vested in the chief executive officer of such respective governments.

SEC. 3. The said corporation shall be subject to the provisions of the Corporation Law insofar as they are not inconsistent with the provisions of this Act, or the purposes for which the corporation is formed, and shall have the general powers mentioned in said Law, and such other powers as may be necessary to enable it to promote and maintain a sufficient general production by an efficient coordination of the productive forces of the country, or otherwise, and to secure a stable market for Philippine products. Without restricting in any manner any of the aims and purposes of the corporation as set forth in this section, it is hereby expressly declared and provided that the National Development Company may engage in commercial, industrial, mining, agricultural, and other enterprises which may be necessary or contributory to the economic development of the country, or important in the public interest, and for this purpose, it may hold public agricultural lands and mineral lands in excess of the areas permitted to private corporations, associations, and persons by the Constitution and by the laws of the Philippines, for a period not exceeding twenty-five years, renewable by the President of the Philippines for

another period not exceeding twenty-five years; to acquire, hold, mortgage, and alienate personal and real property in the Philippines or elsewhere; to make contracts and enter into such arrangements as it may consider convenient and advantageous to its interests, for the development, exploitation, and operation of any of its land or mineral holdings, as well as of its industrial enterprises; to contract loans, to issue bonds and other obligations as security therefor, and for property purchased or acquired by it, or for any other object in or about its business; to mortgage or pledge any share, stock, bond or other obligation, or any property which may be acquired by it; to secure any bond or other obligation by it issued or incurred, to make contracts of any kind and description; to purchase, hold, alienate, mortgage, pledge, or otherwise dispose of the shares of the capital stock of, or any bond, security, or other evidence of indebtedness created by, any other corporation or corporations, co-partnership or co-partnerships of this or any other country, and while the owner of said stock, to exercise all the rights of ownership, including the right to vote thereon; and for carrying on its business, or for the purpose of attaining or furthering any of its objects, or authorized in this Act, to perform any and all acts which a co-partnership or natural person is authorized to perform under the laws now existing or which may be enacted hereafter: Provided, That, unless the public interest so requires, the corporation herein constituted shall not engage in such activities as to bring it into competition with private enterprises.

SEC. 4. The management of the corporation shall be vested in a Board of Directors, consisting of the Secretary of Agriculture and Commerce, the Secretary of Finance, and three other persons, to be appointed by the President of the Philippines, with the consent of the Commission on Appointments of the National Assembly, The President of the Philippines shall designate and appoint the Chairman of the Board.

Of the three directors first appointed as above prescribed, the President shall designate one to serve for one year, one to serve for two years, and one to serve for three years; and thereafter, each director so appointed shall serve for three years. Whenever a vacancy shall occur among the directors so appointed, the person appointed director to fill any such vacancy shall hold office for the unexpired term of the member whose place he is selected to fill. Any director, except the ex-officio directors designated herein, shall be subject to removal by the President of the Philippines. Three members of the Board of Directors shall constitute a quorum for the transaction of business.

Before entering upon the discharge of their duties, each of the directors so appointed, and each officer of the corporation, shall take the oath prescribed in section twenty-three of Act Numbered Twenty-seven hundred and eleven and in the Constitution of the Philippines.

The members of said Board who are not in the employ of the Government of the Commonwealth of the Philippines shall each receive a per diem of not to exceed twenty-five pesos for each day of meeting of the Board actually attended by them.

The Board shall render reports to the President of the Philippines and the National Assembly as provided in section five hundred and seventy-four to five hundred and seventy-seven, inclusive, of Act Numbered Twenty-seven hundred and eleven.

SEC. 5. The National Development Company, created under Act Numbered Twenty-eight hundred and forty-nine, is hereby dissolved. The properties, assets, rights, choses of action, obligations, liabilities, and contracts, of the said Company are hereby transferred to, and are vested in, and assumed by, the public corporation herein created, and the business and affairs of such former National Development Company are liquidated as of the date of the approval of this Act, and are automatically assumed and continued by the corporation herein created.

The net book value of the properties and assets of the present National Development Company on the effective date of the approval of this Act, shall be received by the corporation herein created in payment for an equal value of shares of the capital stock of the corporation herein created. There shall be appropriated from time to time, and

when the finances of the Government so warrant, out of any funds in the Philippine Treasury, not otherwise appropriated, such amount as may be necessary, for the purpose of making payment upon the subscriptions of the Government of the Commonwealth of the Philippines, not covered by its subscription and payment as above provided.

All references made to the former National Development Company in any Act of the Philippine Legislature or of the National Assembly or in any Executive Order or Proclamation of the former Governor-General or the President of the Philippines, which is still in force, shall be deemed to be a reference to the National Development Company created in this Act.

SEC. 6. Acts Numbered Twenty-eight hundred and forty-nine and Twenty-eight hundred and seventy-three are hereby repealed.

SEC. 7. This Act shall take effect on January first, nineteen hundred and thirty-seven.

Approved, November 13, 1936.

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