

AUTHORIZING THE NATIONAL DEVELOPMENT COMPANY TO ASSIST LOCAL SHIPBUILDERS AND PERSONS AND ENTITIES ENGAGED IN INTERISLAND SHIPPING AND APPROPRIATING FUNDS THEREFOR.

PRESIDENTIAL DECREE NO. 878, January 22, 1976

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WHEREAS, it is the current policy of the government to assist the development of the shipping industry of the country, a substantial portion of which is represented by interisland shipping;

WHEREAS, almost ninety per centum (90%) of the country's interisland vessels are already twenty (20) years old or over necessitating their replacement within a short period of time;

WHEREAS, there is a need to assist the interisland ship-owners to acquire new and modern vessels in order to fully realize the government's goal of a balanced and total development of the country's shipping industry; and

WHEREAS, it is also necessary that in the development of the shipping industry, the country's local shipbuilding capability should likewise be enhanced in order to ensure our self-sufficiency in this sector.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION 1. Any provision of law, decree, order or regulation to the contrary notwithstanding, there is hereby appropriated out of any funds in the National Treasury not otherwise appropriated or from loans which may be contracted locally for the purpose, the sum of Two Hundred Million Pesos (P200M) for the National Development Company to be used for the construction, purchase, or acquisition of interisland vessels for the purpose of resale, lease, or charter to persons, associations or corporations engaged in Philippine inter-island shipping. Provided, that, only citizens of the Philippines or associations or corporations sixty per centum (60%) of the capital of which is owned by such citizens may be qualified under the provisions of this Decree. The fund may also be invested in loans to such citizens, associations or corporations for the purpose of financing the construction, purchase, or acquisition and operation by such citizens, associations or corporations of inter-island vessels.

SEC. 2. All vessels acquired and/or financed under the provisions of this Decree shall be constructed by local shipowners registered with the Board of Investments.

SEC. 3. All moneys representing payments of rental, purchase price of vessels, and payments of principal and interest of loans made pursuant to this Decree shall constitute a revolving fund to be used exclusively to carry out the provisions of this Decree, the same to be administered and disbursed by the National Development Company.

SEC. 4. Any law, decree, order, rule or regulation inconsistent herewith is hereby repealed or amended accordingly.

SEC. 5. This Decree shall take effect upon approval.

Done in the City of Manila, this 22nd day of January, in the year of Our Lord, nineteen hundred and seventy-six.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JACOBO C. CLAVE

Presidential Executive Assistant

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