

[**PRESIDENTIAL DECREE NO. 1648, October 25, 1979**]

REORGANIZING THE NATIONAL DEVELOPMENT COMPANY AND ESTABLISHING A REVISED CHARTER THEREFOR.

WHEREAS, there is an urgent need to accelerate the country's development;

WHEREAS, there are important national projects that need to be undertaken for continued growth;

WHEREAS, taking into account inflationary trends, it is imperative for the government to take an active role in the acceleration of major industrial projects, as well as other desirable development ventures;

WHEREAS, the National Development Company has been created by Commonwealth Act No. 182 to serve as an agency of the government in the furtherance of its economic policies;

WHEREAS, the National Development Company, a corporate vehicle of the government, designed to pursue commercial, industrial, agricultural or mining ventures, should be restructured and strengthened in order to give the necessary impetus to national economic development;

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

SECTION 1. Short Title.—This decree shall be known as the "Revised Charter of the National Development Company."

SEC. 2. Declaration of Policy.—It is the declared policy of the State to promote overall economic development through assistance to commercial, industrial, agricultural or mining ventures. For this purpose, when necessary or when private enterprise is not willing or able to undertake vital projects, it may, on its own or in joint venture with the private sector, undertake such projects.

SEC. 3. Corporate Existence.—The Company shall have a term of fifty (50) years from the issuance hereof, which shall be deemed renewed for an equal period unless sooner dissolved by law. The Company shall have a subsidiary corporation, which is hereby created, to be known as the "NDC Holdings Company." Existing personnel of the Company, together with appropriate assets, shall be transferred to the NDC Holdings Company as the Board of Directors of the Company may deem necessary.

SEC. 4. Powers and Functions of the Company.— The Company shall have the general powers provided in the Corporation Law, and such other powers as may be necessary to enable it to promote and maintain a sufficient level of 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 this Company as set forth in this section, it is expressly declared and provided that the Company shall exercise the following powers:

1. Engage or invest in or extend loans and guarantees to, or enter into joint ventures with Filipino and foreign investors, whether in the majority or minority position in commercial, industrial mining, agricultural, and other enterprises, which may be necessary or contributory to the economic development of the country, or important to the public interest;
2. 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;
3. Acquire, hold, mortgage, and alienate personal and real property in the Philippines or elsewhere;
4. 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;
5. Contract loans, 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;
6. Mortgage or pledge any share, stock, or other obligation, or any property which may be acquired by it;
7. Secure any bond or other obligation issued or incurred by it or its subsidiaries;
8. Make contracts of any kind and description;
9. 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 corporations or corporations, co-partnership or co-partnerships or this or any other country;
10. While the owner of any stock, exercise all the rights of ownership, including the right to vote thereof;
11. Guarantee domestic and foreign loans and other evidence of indebtedness both as to principal and interest, or either, issued by duly incorporated companies including its own subsidiaries;
12. Purchase bonds issued by any duly incorporated company engaged in desirable development projects;
13. Enter into contracts, with or without public bidding with any person or entity, domestic or foreign, and with governments for the undertaking of varied development projects, including the acquisition, by way of purchase, lease or rent or other deferred payment arrangements of equipment and/or raw materials and supplies, as well as for services connected therewith under such terms and conditions as it may deem proper and reasonable;
14. Exercise the right of eminent domain as may be necessary for the purpose for which the Company is created;
15. Invest in projects of the Association of Southeast Asian Nations (ASEAN):
16. Organize subsidiary companies to undertake any of the activities mentioned in Section 4 hereof;
17. Hold public lands, including logged over areas, which the President may allocate for specific projects of the Company;
18. Determine its organizational structure, and the number and salaries of its officers and employees; establish and maintain offices, branches, correspondents or other units anywhere as may be needed by the Company and reorganize or abolish the same as it may deem proper; employees separated from the service pursuant to the reorganization shall be entitled to at least one month gratuity for every year of service but in no case more than twenty-four months salary in addition to other benefits which they may be