

[PRESIDENTIAL DECREE No. 286, September 05, 1973]

AUTHORIZING THE CREATION OF A PHILIPPINE AEROSPACE DEVELOPMENT CORPORATION, APPROPRIATING FUNDS THEREFORE, AND FOR OTHER PURPOSES.

WHEREAS, in order to maximize the national utility of the aviation and aerospace industry, a definite policy for its rationalization has become imperative;

WHEREAS, such a rationalization calls for a positive government participation in development project for study and research in and assembly and manufacture of appropriate aircraft or devices and for the improvement of existing facilities for technical and maintenance support for such aircraft or devices;

WHEREAS, government initiative in and control of the industry in aircraft assembly and manufacture and technical, repair and maintenance support facilities shall result in substantial savings of valuable foreign exchange reserves and optimum utilization of skilled manpower in the country;

WHEREAS, the public utility and public service elements of the industry can, thus, be enhanced by standardized and modernized flight and ground equipment and a reasonable fare structure that shall allow air travel for a larger segment of the population;

WHEREAS, such a government venture shall best serve the interests of national security and facilitate the performance of other governmental functions, such as mail service, relief and other civic undertakings;

WHEREAS, a modernized and reliable aircraft technical repair and maintenance support system and a developed air craft assembly and manufacture industry shall likewise respond to the market demands of neighboring countries in Southeast Asia;

NOW, THEREFORE, I, FERDINAND E. MARCOS, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972 and General Order No. 1 dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the social and economic structure of our society, do hereby decree and order the creation and organization of a body corporate and politic to be known as the Philippine Aerospace Development Corporation, in accordance with the following:

SECTION 1. The Philippine Aerospace Development Corporation, hereinafter referred to as the Corporation, shall be governed by this Decree and its by-laws, as authorized hereunder, and shall have succession for a period of fifty years from and after the date of the approval of this Decree. The principal office of the Corporation shall be in the City of Manila.

1. To undertake all manner of activity, business or development projects for the establishment of a reliable aviation and aerospace industry, including the assembly and manufacture of all forms of aircraft, device, equipment or contraption and studies or researches for innovations and improvement thereon.

2. To engage in the maintenance, repair/overhaul, and modification of aerospace and associated flight and ground equipment and components thereof in order to provide technical services and overhaul support to the Philippine Air Force, the national airline, foreign airline companies, foreign air forces and to the aviation industry in general.

SEC. 2. *Powers of the Corporation.* In order to accomplish the foregoing corporate purposes, the Corporation shall be vested with the following powers:

1. To prepare the corporate by-laws;
2. To carry on any other lawful business whatsoever in pursuance of or in connection with the foregoing primary purposes;
3. To enter into, make and perform and carry out contracts of every kind and description for the foregoing corporate purposes with any person, firm, association or corporation; to have one or more officers in and outside of the Philippines, and to conduct its business and exercise its powers throughout and in any part of the Republic of the Philippines and/or in any and all foreign countries, states and territories;
4. To hold public agricultural lands and mineral lands in excess of the areas permitted to private corporations, associations and persons by the laws of the Philippines for a period not exceeding twenty-five years, renewable by the President of the Philippines for another twenty-five years.
5. To acquire, hold, mortgage and alienate personal and real property in the Philippines or elsewhere;
6. To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, security, of other corporations or associations 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;
7. To execute any and all acts which a partnership or a natural person is authorized to perform under the laws now existing or which may hereafter be enacted; and
8. To perform such other acts as it may deem appropriate for the proper enforcement of this Decree.

SEC. 3. *Capital Stock.* The initial authorized capital stock of the Corporation shall be Fifty Million (P50,000,000.00) Pesos, divided into five hundred thousand shares, having a par value of one hundred (P100.00) pesos no share of stock shall be transferred at less than par.

Such Capital stock shall be subscribed to, paid for and voted upon as follows:

(a) The amount of ten million (P10,000,000.00) pesos shall be subscribed and paid for by the Government of the Republic of the Philippines and for which purpose, said amount is hereby set aside and appropriated from the proceeds of the General Fund not otherwise appropriated.

(b) The amount of twenty million (P20,000,000.00) shall be subscribed and paid for by the Development Bank of the Philippines.