

## **AN ACT TO FACILITATE AND PROMOTE THE OCCUPATION AND CULTIVATION OF PUBLIC LAND AT PRESENT UNOCCUPIED BY THE ESTABLISHMENT OF SETTLEMENT DISTRICTS, APPROPRIATE THE SUM OF ONE MIL...**

*Acts No. 4197, February 12, 1935*

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Six months after the approval of this Act and from time to time thereafter, the Director of Lands, with the concurrence of the Directors of Forestry, Plant Industry, Health and Public Works, shall recommend to the Governor-General the reservation of tracts of public land of not less than three hundred hectares each, taking into consideration their conditions as regards fertility, accessibility, proximity to markets, and sanitation and hygiene, for the establishment of such settlement districts as may be approved by the Governor-General, subject to the conditions hereinafter specified.

SEC. 2. Immediately upon the reservation of a settlement district by the Governor-General, the Director of Lands shall order the same to be surveyed and subdivided into four-hectare lots. Upon receipt by the Governor-General of the certificate of the Director of Lands that a settlement district has been properly surveyed and subdivided into lots, the said Governor-General, by proclamation or executive order, shall declare said district open for settlement and shall turn the administration thereof over to the Secretary of Labor. The Secretary of Labor shall in due time announce and publish the lots surveyed in the vernacular of the province in which said districts are located, and in two newspapers, one in English and the other in Spanish, of general circulation in the Philippine Islands.

SEC. 3. Any citizen of the Philippine Islands or of the United States, over the age of twenty-one years, who has the other qualifications required by existing law of homestead applicants may apply to the Secretary of Labor for the occupation and cultivation of four lots of the land subdivided as provided in the next preceding section. When a reasonable number of applications has been received and the Secretary of Labor is satisfied with regard to the good faith of the applicants and their capacity to properly cultivate the land applied for, said Secretary shall address a request for the preparation for cultivation of said lots to the Director of Plant Industry, who shall order the lots included in the approved applications to be cleared and broken. As soon as the lots applied for have been cleared and broken or when an applicant is ready to take possession immediately, the Secretary of Labor shall place the applicants concerned in possession of said lots. The Secretary of Labor may, if he deems it necessary, provide for the construction of a suitable house for each applicant and his family, which houses shall be built at a cost not to exceed fifty pesos each, and he may also turn over to the applicants one carabao for each lot applied for, as well as the agricultural implements and the seeds required by the applicants for the first crop year, in the judgment of the Director of Plant Industry. The Secretary of Labor may also grant to each applicant a loan not to exceed two hundred pesos during the first year of occupation, which shall be paid in periodical monthly payments and shall be repaid beginning with the first harvest, with interest at the rate of four per centum per annum: Provided, That naturalized citizens shall not be entitled to the benefits of this Act until five years after the date of

their naturalization.

SEC. 4. The Secretary of Labor shall concentrate as many settlers as possible on contiguous land in a locality, organizing them into settlements in such manner that the Government aid and cooperative action between them shall be easiest and most effective. Whenever such settlements are founded, the Secretary of Labor may, if he should deem it advisable, set aside a suitable portion of the lands selected for townsites and the necessary area for roads, schools and other public necessities.

SEC. 5. The Secretary of Labor is authorized to appoint for each district or for two or more contiguous districts a superintendent with a salary not to exceed thirty-six hundred pesos per annum, and such additional personnel as may from time to time be approved by the Governor-General, on recommendation of the Secretary of Labor. When necessary, the Secretary of Labor may also provide for the construction of a house for the office and residence of the superintendent, at a cost not to exceed one hundred pesos.

SEC. 6. Each applicant shall state in his application: (a) that he binds himself to cultivate and plant not less than sixty per centum of the area of the land applied for and assigned to him, to such crops or products as the district superintendent, with the advice of the Director of Plant Industry, may prescribe; (b) that in case he should be declared incompetent to engage in agriculture, or for any other good reason, his application may be cancelled, in which case his rights and interest in the land assigned to him under the provisions hereof shall revert to the Government; (c) that he, his successors or assigns, will not sell, assign or transfer the land awarded to him to any person not a citizen of the Philippine Islands or the United States; and (d) that he will strictly comply with the regulations and by-laws of the settlement and with the orders and instructions issued from time to time by the superintendent thereof.

SEC. 7. Whenever in the judgment of the district superintendent the number of settlers in any of the settlement districts established hereunder warrants it, it shall be his duty to establish therein an organization whereby a cooperative spirit and action can be easily encouraged among the occupants and through which Government aid can be efficiently extended to them, and for this purpose he may, with the approval of the Secretary of Labor, purchase tractors, agricultural implements, draft animals and other equipment, to be used under his administration and control or under those of his authorized representative, for tilling the land and, in general, for carrying on such work as the individual settlers cannot carry on unaided, with their own resources and of their own initiative. In the performance of this duty, the settlement district superintendent shall to the greatest extent possible employ as laborers the settlers of the respective districts at such wages as are generally paid by agricultural concerns in the locality. In case the laborers are the settlers themselves, they shall be paid only the portion of their wages considered necessary for the subsistence of each and his family, and the balance shall be retained and credited as payment on their indebtedness to the settlement. The district superintendent shall debit each settler with the cost of the survey, clearing, and breaking of the land he occupies, including all expenses defrayed by the Government for the construction of his house, the cost of the carabaos and implements issued to him or purchased on his account, and the unpaid balance of the two hundred pesos he received in accordance with section three hereof, plus a sum equivalent to four per centum per annum of the money spent by the Government on his lots. The total sum so charged to each settler shall be paid by him in ten equal annual installments, beginning on April first of the fifth year of occupation of the lots concerned.

SEC. 8. In order to facilitate the sale of the produce of the settlements established under this Act, the settlement superintendent, whenever it is possible and advisable, may, with the approval of the Secretary of Labor, provide for the construction in the district of a warehouse for storing the produce and shall in every possible way aid in securing the most favorable prices for the same. To this end, the settlement superintendent is authorized to grant loans to the settlers pending the sale of the produce belonging to them, on the security of their warehouse receipts,

not to exceed fifty per centum of the current market price of the produce stored, after deducting the expense of transportation to the market. Such warehouses shall be managed as nearly as possible like bonded warehouses. Any money lent to a settler under the provisions of this section shall be used for paying his indebtedness to the settlement or for such other purposes as may be approved by the Secretary of Labor or his authorized representative. From the proceeds of the sale of the produce of any settler, the district superintendent shall retain such sum as may be necessary to pay his indebtedness to the Government, in such manner as the Secretary of Labor may prescribe.

SEC. 9. As soon as the conditions of a settlement district permit it, the superintendent thereof shall promote among the settlers the organization of a corporation under the Corporation Law for the purchase and administration of the Government property and equipment such as warehouses, buildings, tractors and other agricultural machinery, and draft animals, used in the settlement, and to this end the settlement district superintendent shall direct each settler to invest annually, after paying his indebtedness, part of his income in stock of said corporation. The money derived from such investments shall be used for the purchase of the Government property and equipment on the installment plan, as above provided. When said property and equipment shall have been fully paid for, the superintendent shall surrender the same to the corporation.

SEC. 10. To foster or insure the success of a settlement district, the Director of Lands, on recommendation of the Secretary of Labor, shall grant title to the property applied for by the settler, subject to the following terms which the applicant must accept under oath:

- The settler must, during the time that he occupies the land, cultivate at least sixty per centum of the area thereof each year. The heirs and assigns of the applicant shall likewise be subject to these conditions.
- Beginning on April first of the fifth year after the occupation of the land, the settler, his heirs and assigns, shall refund to the settlement district superintendent, in ten equal annual installments, the expenses incurred in surveying, clearing, and breaking the land, and the cost of the house, carabaos, implements, and seeds furnished to him, with interest at the rate of four per centum per annum.
- In case any occupant, his heirs and assigns, should without good reason fail to cultivate at least sixty per centum of the area of the land occupied by him or them for three consecutive years during their occupation, before having completely paid their indebtedness in accordance with the next preceding paragraph, unless prevented by force majeure, the title to said land shall, after due investigation by the settlement district superintendent, be revoked and the property shall revert to the Government of the Philippine Islands, and the settler, his heirs and assigns, may thereafter continue to occupy the land as lessees, subject to the conditions specified in paragraphs (a) and (b), upon payment of a monthly rental of fifty centavos per hectare from and after the date of the revocation of the title, and in case the settler, his heirs or assigns, fail to pay such rental for two consecutive months, the Secretary of Labor may eject him or them, without need of any judicial proceedings. However, the settler shall be entitled to have his rights restored to him upon payment of his indebtedness.
- Any transfer of the land and any contract relative to it shall be approved by the Secretary of Labor and recorded in the office of the local register of deeds, subject to the conditions prescribed in this Act. Any sale of the land shall be null and void unless the settler, his heirs or assigns, have paid the entire indebtedness to the Government before the transfer is made in accordance with this section.

SEC. 11. The Secretary of Labor is hereby authorized to promulgate such regulations and by-laws for the settlement as may be necessary to properly enforce the provisions of this Act. The settlement district superintendent shall also be authorized to request the assistance of the Bureaus of Public Works, Plant Industry, Animal Industry, Forestry, and Commerce in connection with the direction and supervision of the cultivation of

the district, the construction of buildings and roads, the care of the draft animals, the sale of the produce, and in any other form or manner insuring the success of the settlements provided for in this Act.

SEC. 12. The Secretary of Labor, with the approval of the Governor-General, is hereby authorized to make the necessary readjustment in the personnel and activities of the Bureaus and Executive Departments concerned in order to bring such personnel under the jurisdiction of the Secretary of Labor, in which case, and until the Legislature shall provide otherwise, the salaries and expenses of the personnel transferred shall be paid out of the appropriation made in this Act.

SEC. 13. The sum of one million pesos, or so much thereof as may be necessary, is hereby appropriated, out of any funds in the Insular Treasury not otherwise appropriated, to carry out the purposes of this Act, in accordance with the provisions of the next following section and with such rules and regulations as the Secretary of Labor, with the approval of the Governor-General, may prescribe.

SEC. 14. The fund created by this Act shall be under the control of the Secretary of Labor who, through his representatives, shall have charge of all disbursements therefrom, of the amount thereof, and of all transactions concerning the establishment of the settlement districts herein authorized, and all refunds of expenses incurred in laying out, clearing, plowing, and surveying the land, and the cost of the houses, carabaos, agricultural implements, and seeds furnished to the settlers, with interest at the rate of four per centum per annum, and all other collections that may be received from the settlement districts shall constitute a special fund which shall be available for disbursement in the same manner and for the same purposes for which the original fund authorized in the next preceding section was established.

SEC. 15. No settlement superintendent shall engage in any private business within the settlement in which there shall be transactions with the settlers.

SEC. 16. Upon the express or implicit approval of this Act by the President of the United States, as provided in the Act of Congress approved on August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those Islands," the Governor-General shall so announce forthwith, by means of a proclamation, and this Act shall take effect on the date of such proclamation.[1]

Approved, February 12, 1935.

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[1] Declared in force by Proclamation No. 770 (1935). See Appendix, p. 402, post.

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