

AN ACT TO PROVIDE FOR THE LIMITATION, REGULATION AND ALLOCATION OF SUGAR PRODUCED IN THE PHILIPPINE ISLANDS, AND FOR THE PROCESSING AND MARKETING THEREOF, AND FOR OTHER PURPOSES.

Acts No. 4166, December 04, 1934

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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. Definitions.—(a) All sugar produced in the Philippine Islands shall be classified as follows:

- "A Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands from sugar cane grown in the Philippine Islands which is permitted to be transported to, processed in, or marketed in Continental United States.

- "AA Sugar" shall consist only of such refined sugar as may be manufactured in the Philippine Islands from "A Sugar" which is permitted to be transported to, processed in, or marketed in Continental United States.

- "B Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands from sugar cane grown in the Philippine Islands, for consumption within the Philippine Islands, whether in its original form or not.

- "C Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands to be held as an emergency reserve to make up any deficiency in "A Sugar" or "B Sugar" or for marketing elsewhere than in Continental United States or the Philippine Islands.

(b) The term "person" includes a body of persons, whether incorporated or not.

(c) The term "mill district" is used to mean a centrifugal sugar mill together with all plantations adherent thereto. A plantation is adherent by virtue of sugar cane being delivered therefrom to a mill regardless of contract relations between the mill company and the plantation owner and/or any other person cultivating sugar cane on the plantation.

(d) The term "mill" is used to mean any power factory manufacturing centrifugal sugar from sugar cane. The mill does not include auxiliary factories such as refineries and distilleries.

(e) The term "mill company" is used to mean any person, firm, corporation, or combination thereof, which owns or operates a mill.

(f) The term "plantation" is used to mean any specific area of land under sole or undivided ownership, on which, according to the sugar audit, sugar cane has been grown and delivered to a centrifugal sugar mill.

(g) The term "plantation owner" is used to mean the person, firm, corporation, or combination thereof, which, according to the sugar audit, owns a plantation.

(h) The term "sugar-cane producer" is used to mean the person, firm, corporation, or combination thereof, which produces and delivers sugar cane to a sugar mill for manufacture into centrifugal sugar, whether he be the owner of the land where such cane is grown or a lessee, tenant or usufructuary thereof.

(i) The term "sugar audit" is used to mean the audit of sugar mills, sugar plantations, and sugar stocks, provided for in Executive Order of the Governor-General No. 489, Manila, dated July 2, 1934.

(j) The term "centrifugal sugar" means any sugar manufactured in the centrifugal machines of a sugar mill having polarization of not less than eighty degrees (80°) nor more than ninety-nine and two-tenths degrees (99.2°).

(k) The term "refined sugar" means any sugar manufactured by a recognized remelting and recrystallization refining process, having a polarization of more than ninety-nine and two-tenths degrees (99.2°).

SEC. 2. The Government of the United States having, by legislation, undertaken various means to limit, control and allot the quantity of sugar which may be transported to, processed in, or marketed in Continental United States, thereby reducing the amount of Philippine sugar which may be marketed therein, and, the production of sugar in the Philippine Islands having reached such a degree of development that, unless restricted and regulated, a huge surplus of unmarketable sugar will inevitably result, thereby constituting a serious menace to the very existence of the industry, as well as to the happiness and well-being of the inhabitants of these Islands, a state of national emergency is hereby declared to exist and by reason thereof, and in order to meet the said emergency, the present legislation is hereby enacted.

SEC. 3. It is hereby declared to be the policy of the Philippine Legislature, during the time that this Act is in force—

First, to limit the production of sugar cane and sugar in the Philippine Islands to such an amount as would be sufficient to cover the quota allotted to the Philippine Islands under the United States laws and the needs of the local consumption, plus such reserves as may be determined from time to time in accordance with the provisions of this Act.

Second, to recognize the United States Sugar Authority in the Philippine Islands for the control and allotment of sugar to be transported to, processed in, and marketed in Continental United States under the laws of the United States seeking to effectuate the same, and to harmonize the laws of the Philippine Islands with those of the United States insofar as they affect production, manufacture and marketing of sugar cane and sugar produced in the Philippine Islands.

Third, to allot among mills and plantation owners the quantity of sugar which may be produced and marketed for direct consumption or held for reserve in the Philippine Islands, and, to make such allocation in such a way as to offset and ameliorate hardships and inequalities that may result from allotments made under the laws of the United States.

SEC. 4. After this Act takes effect, it shall be unlawful to manufacture centrifugal or "AA" refined sugar without first obtaining a license therefor in accordance with the provisions of this Act.

SEC. 5. The total amount of centrifugal and "AA" refined sugar for the manufacture of which licenses may be issued for any crop or calendar year under the terms of this Act, shall be the sum total of the following:

- The quantity in short tons of "A" and "AA" which shall be identical with the amount of such sugar, under Act of Congress, may be shipped to Continental United States during the calendar year; plus
- Such a quantity in short tons of "B" sugar Governor-General may from time to time find to be required for consumption within the Philippines Islands, either in its original form or as refined sugar; plus

- A quantity in short tons of "C" sugar equivalent to ten per centum of the total of (a) and (b) or 100,000 short tons, whichever is greater, provided that in determining said amount the Governor-General may, in his discretion, deduct therefrom the whole or any part of the amount of "C" sugar in stock at time of determination.

SEC. 6. The Governor-General, or such other authority as the Government of the United States may so empower, together with such officials and employees of the Government of the United States or the Philippines Islands as such officer may designate, shall constitute the "United States Sugar Authority in the Philippine Islands," and as such, when acting within its legal powers, shall be given full faith and obedience by all persons affected. The allocation of all "A" and "AA" sugar permitted to be milled within any given calendar or crop year, shall be made by the United States Sugar Authority in the Philippine Islands among the sugar plantation owners, sugar mills and refining plants entitled thereto under the laws and regulations governing the same.

SEC. 7. The Governor-General is hereby authorized to fix and determine, by executive order or proclamation, the total amount of centrifugal and "AA" refined sugar for which manufacturing licenses may be issued hereunder in any given year, as provided in section five hereof, and for this purpose, within thirty days after the approval of this Act, or as soon thereafter as may be practicable, he shall, by such executive order or proclamation, fix the total amount of centrifugal and "AA" refined sugar that may be lawfully manufactured from the 1934-1935 crop of sugar cane, as well as the total amount of centrifugal and "AA" refined sugar which may be manufactured for the 1935-1936 crop. Similar executive orders or proclamations shall be issued from time to time with regard to subsequent crops.

SEC. 8. The Governor-General shall allocate or cause to be allocated among all the planters engaged in the growing of sugar cane, the total amount of "B" and "C" sugar the manufacture whereof may be permitted in any given year, as provided in section five of this Act. The allocation of said "B" and "C" sugar shall be effected in as fair and equitable a manner as may be possible; due regard, however, to be given to such as may deserve reasonable amelioration on account of reduced allotments, or the absence thereof, in "A" sugar permitted to be manufactured. The total amount of "B" and "C" sugar shall be allocated among the mill districts, and in turn among the plantations adherent thereto, based on their individual total production during the 1932-1933 or 1933-1934 crop, whichever is the largest: Provided, however, That the Governor-General shall have authority to set aside not more than ten per centum of the total amount of "B" and "C" sugar to be used as amelioration allotments for sugar cane and sugar producers with may be found to deserve such special consideration due their reduced allotments in "A" sugar, or the absence thereof.

In those mill districts where the mill or mills had not been in operation for at least three milling seasons up to and including the 1933-1934 crop, their allotment of "B" sugar hereunder shall consist of an amount which, together with the allotment of "A" sugar to which the mill district would be entitled from a quota of one million fifteen thousand one hundred eighty-five and sixty-eight hundredths short tons would be equal in quantity to the amount it can mill during twelve months of operation.

SEC. 9. The allotment corresponding to each piece of land under the provisions of this Act shall be deemed to be an improvement attaching to the land entitled thereto. Such allotments shall be transferable only in accordance with such rules and regulations as may be issued by the United States Sugar Authority as regards "A" and "AA" sugar, and by the Governor-General as regards "B" and of "C" sugar: Provided, That nothing herein shall be construed as forbidding the consolidation of producing areas within the limits of the plantation.

Mill companies and plantation owners may sell, transfer, or assign their allotments received under the terms of this Act only in accordance with such rules and regulations as may be issued by the United States Sugar Authority in the Philippine Islands as regards "A" and "AA" sugar, and by the Governor-General as regards "B" and "C"

sugar.

SEC. 10. All licenses for the manufacture of sugar under the provisions of this Act shall be issued under the authority of the Governor-General. Each sugar mill licensed to manufacture sugar and each planter of sugar cane manufactured into sugar shall dispose of their shares in the gross amount of such sugar permitted to be manufactured under the terms hereof only in accordance with such rules and regulations as may be issued by the United States Sugar Authority in the Philippine Islands, or by the Governor-General, as the case may be. The Governor-General shall charge for the issuance of such licenses a fee of not less than twenty-five pesos nor more than fifty pesos for each one thousand short tons of sugar to be manufactured, or fraction thereof not less than five hundred short tons, the exact amount of the fee to be determined from year to year in accordance with the estimated expenditures for the enforcement of this Act. The amounts so collected shall be kept as a special fund to be expended by the Governor-General for the enforcement and carrying out of the purposes of this Act.

SEC. 11. The provisions of this Act to the contrary notwithstanding, all sugar cane existing at the date hereof on any plantation not entitled to a milling quota under the terms of this Act, may, by special permit to be granted by the Governor-General, be milled during the 1934-1935 milling season, under such terms and conditions as may be agreed upon between the sugar-cane producer and the mill to which such cane is to be delivered, subject to the further condition that the plantation owner and sugar-cane producer shall undertake not to plant and produce any more sugar cane in said plantation for manufacture into centrifugal sugar while this Act is in force.

SEC. 12. The Governor-General is hereby authorized to issue rules and regulations governing the issuance of allotments and licenses and such other rules and regulations as he may consider necessary for the carrying out of the purposes of this Act. Such rules and regulations and any modifications thereof or amendments thereto shall have the same force and effect as if originally forming a part of this Act.

SEC. 13. The Governor-General is hereby authorized to name and appoint such representatives or deputies as he may deem necessary to perform any of the duties and powers granted to him by this Act, with such compensation and emoluments as may be fixed by him; to require and obtain sworn statements from any and all parties on any information required by him for the proper enforcement of the terms of this Act; to subpoena and examine witnesses under oath in respect to matters related to any investigation contemplated in this Act; and, in general, to take all other action as in his opinion may be necessary and proper for the due enforcement of this Act.

SEC. 14. Any person required to make a report or to supply information under the authority of this Act, who refuses to make such report, or to supply such information, shall be punished by imprisonment for not more than six months or by a fine of not more than three thousand pesos, or both, in the discretion of the court. Any individual or any officer of any association or corporation who makes any false or fraudulent report or statement or furnishes any false or fraudulent information, with intent to defraud or evade the provisions of this Act, shall be punished by a fine of not more than four thousand pesos or by imprisonment for not more than one year, or both, in the discretion of the court.

SEC. 15. Any mill company or refining plant manufacturing centrifugal or "AA" refined sugar, respectively, in a quantity greater than the quantity prescribed in its license, or any person manufacturing centrifugal or "AA" refined sugar without a license shall be punished by a fine of fifty pesos for each short ton or fraction of more than one-half a short ton so manufactured and such sugar shall be seized and forthwith destroyed.

SEC. 16. Any person who shall commit any act prohibited herein or by the rules and regulations which may be promulgated by the Governor-General under the provisions of this Act, or who shall omit any act enjoined herein or by such rules and regulations, for which act or omission no specific penalty is provided in this Act, shall be punished by a fine of not more than six thousand pesos or by imprisonment for not more than three years, or both,

in the discretion of the court.

SEC. 17. This Act shall be known as "The Sugar Limitation Law."

SEC. 18. In case any of the provisions of this Act shall be held to be unconstitutional or inapplicable to any person, circumstance or product, the validity of the remainder of the Act and its application to other persons, circumstances or products shall not be, in any manner, affected thereby.

SEC. 19. This Act shall take effect upon its approval, and shall remain in force for three crop years commencing with the 1934-1935 crop unless the Governor-General determines that the state of emergency declared in this Act has ceased, in which case he shall so declare by proclamation, whereupon the effects of this Act shall thereby cease.

Approved, December 4, 1934.

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