
MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER No. 355

CREATING THE LAND SETTLEMENT AND DEVELOPMENT CORPORATION AND DISSOLVING THE NATIONAL LAND SETTLEMENT ADMINIS-

TRATION, AND THE RICE AND CORN PRODUCTION ADMINISTRATION AND THE MACHINERY AND EQUIPMENT DEPARTMENT OF THE NATIONAL DEVELOPMENT COMPANY.

Pursuant to the powers vested in me by Republic Act Numbered Four hundred and twenty-two, I, Elpidio Quirino, President of the Philippines, do hereby order:

CREATION, POWERS AND FUNCTIONS

SECTION 1. There is hereby created a public corporation under the name of the Land Settlement and Development Corporation which, in short, shall be known as the "LASEDECO." This Corporation shall exist for a period of twenty-five years from the effective date of this Order. It shall have its main office in the City of Manila, and such branches and agencies in other places, within and outside of the Philippines, as may be necessary for the proper conduct of its business.

SEC. 2. The LASEDECO shall have the following powers, duties and functions:

(a) To facilitate the acquisition, settlement and cultivation of agricultural lands;

(b) To afford opportunity to own farms to tenant farmers and small farmers from congested areas, to graduates of agricultural schools and colleges, to trainees who have completed the prescribed military training, to veterans and members of guerrilla organizations, and to other persons as may be determined by the Board of Directors with the approval of the Secretary of Economic Coordination;

(c) To encourage migration to sparsely populated regions, and facilitate the amalgamation of the people in different sections of the Philippines;

(d) To acquire by grant from the Republic of the Philippines unrestricted areas of public agricultural lands in order to carry out its objectives; to survey, subdivide and set aside lots or areas of such lands for farming, townsites, roads, parks, government centers, recreational centers and other public and civic improvements; and to dispose of farm lands and townsite lots to persons qualified and to the extent of areas authorized under the Constitution and the Public Land Act, subject to such other qualifications, and to prices, terms and conditions as may be prescribed by the Board of Directors, with the approval of the Secretary of Economic Coordination, the proceeds from disposition of the same to accrue to the Corporation; *Provided, however,* That within a period of ten years after the final grant, the farm lands and townsite lots aforementioned shall not, except by inheritance, be encumbered, alienated or transferred, nor shall they become liable to the satisfaction of any debt contracted prior to the expiration of the said period; but the improvements or crops on such lands and lots may be mortgaged or pledged to credit agencies duly authorized therefor by the Board of Directors;

(e) To establish and operate credit agencies, electric light and water plants, water supplies, irrigation systems, cooperative to engage in the buying and selling of commodities, and other services or conveniences for the well-being of the settlers;

(f) To encourage mechanized farming; to operate tractor and agricultural machinery pools; and to maintain training centers for the operation and repair of agricultural machinery, tractors and the like;

(g) To assist in the establishment of agricultural and other vocational schools within the areas under its territorial jurisdiction, and to allocate definite portions of farm lands and townsite lots with a view to enabling students successfully finishing courses prescribed in said agricultural and vocational schools to eventually acquire title thereto;

(h) To do all such other things and to transact all such business directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the Corporation; and

(i) Generally, to exercise all the powers of a corporation under the Corporation Law in so far as they are not inconsistent with the provisions of this Order.

CAPITAL

SEC. 3. The LASEDECO shall have as its capital the net worth of the National Land Settlement Administration, and the Rice and Corn Production Administration and the Machinery and Equipment Department of the National Development Company, as determined in accordance with Section 13 of this Order, including the appraised value to be determined by the Secretary of Agriculture and Natural Resources of lands ceded to it pursuant to section 14 of this Order, and such appropriations as may be authorized by law.

The Government of the Republic of the Philippines shall not be liable for any debt, liability, obligation or damage that might be contracted, incurred or caused by the corporation.

MANAGEMENT

SEC. 4. The management of the LASEDECO shall be vested in a Board of Directors consisting of a chairman and six members, appointed by the President of the Philippines with the consent of the Commission in Appointments. The said members shall serve as designated by the President in their appointments for terms of one, two, and three years, respectively, from the date they qualify and assume office; but their successors shall be appointed for terms of three years, except that any person chosen to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds. For actual attendance at meetings, each director shall receive a per diem of twenty-five pesos.

SEC. 5. The Board of Directors shall have the following powers and duties:

(a) To prescribe, amend and repeal, with the approval of the Secretary of Economic Coordination, by-laws, rules and regulations governing the manner in which the general business of the Corporation may be exercised, including provisions for the formation of such committee or committees as the Board of Directors may deem

necessary to facilitate its business, and to expedite the disposition of, and the issuance of titles over, farm lands and townsite lots as contemplated in section 2 of this Order.

(b) To appoint and fix the compensation of the General Manager, subject to the approval of the President of the Philippines, and to appoint and fix the compensation of the other officers of the Corporation, with the approval of the Secretary of Economic Coordination. The Board, by a majority vote of all the members, may, for cause, suspend and, with the approval of the President of the Philippines, remove the General Manager.

SEC. 6. The powers and duties of the General Manager shall be as follows:

(a) To direct and manage the affairs and business of the Corporation, on behalf of the Board of Directors, and subject to its control and supervision;

(b) To sit in all meetings of the Board of Directors and participate in its deliberations, but without the right to vote;

(c) To submit within sixty days after the close of each fiscal year an annual report, through the Board of Directors, to the Secretary of Economic Coordination;

(d) To appoint and fix the number and salaries, with the approval of the Board of Directors, of such subordinate personnel as may be necessary for the proper discharge of the duties and functions of the Corporation, and, with the approval of the Board, to remove, suspend, or otherwise discipline, for cause, any subordinate employee of the Corporation; and

(e) To perform such other duties as may be assigned to him by the Board of Directors from time to time.

SEC. 7. No officer or employee of the Corporation shall be permitted to acquire, directly or indirectly, any land within the territorial jurisdiction of the Corporation.

SEC. 8. The Auditor General shall appoint a representative who shall be the Auditor of the LASEDECO, and the necessary personnel to assist said representative in the performance of his duties. The number and salaries of the Auditor and said personnel shall be determined by the Auditor General, subject to appropriation by the Board of Directors. In case of disagreement, the matter should be submitted to the President of the Philippines whose decision shall be final. Said salaries and all other expenses of maintaining the Auditor's office shall be paid by the LASEDECO.

SEC. 9. The financial transactions of the LASEDECO shall be audited in accordance with law, administrative regulations, and the principles and procedures applicable to commercial corporate transactions. A report of audit for each fiscal year shall be submitted, within sixty days after the close of the fiscal year, by the representative of the Auditor General, through the latter, to the Board of Directors of the Corporation, and copies thereof shall be furnished the President of the Philippines, the Secretary of Economic Coordination and the Presiding Officers of the two Houses of Congress. The report shall set forth the scope of the audit and shall include a statement of

assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds; and such comments and information as may be necessary, together with such recommendations with respect thereto as may be advisable, including a report of any impairment of capital noted in the audit. The report shall also show specifically any program, expenditures, or other financial transaction or undertaking observed in the course of audit, which, in the opinion of the Auditor, has been carried on or made without authority of law.

APPOINTMENTS AND PROMOTIONS

SEC. 10. In the appointment and promotion of officers and employees, merit and efficiency shall serve as bases, and no political test or qualification shall be prescribed and considered for such appointments or promotions. Any appointee of the Board or of the General Manager, who is found by the Secretary of Economic Coordination to be guilty of violating this requirement shall be removed from office.

SEC. 11. All officers and employees of the LASEDECO shall be subject to the Civil Service Law, rules and regulations, except those whose positions may, upon recommendation of the Board of Directors and the Secretary of Economic Coordination, be declared by the President of the Philippines policy-determining, primarily confidential or technical in nature.

TRANSITORY AND SPECIAL PROVISIONS

SEC. 12. The National Land Settlement Administration, and the Rice and Corn Production Administration and the Machinery and Equipment Department of the National Development Company are hereby dissolved. Any reference to the National Land Settlement Administration, and the Rice and Corn Production Administration and the Machinery and Equipment Department of the National Development Company in any existing law, or in any Executive Order, Administrative Order, or Proclamation of the President of the Philippines shall, with respect to any duty or function assumed by the corporation created in this Order, be deemed hereafter to be reference to the LASEDECO.

SEC. 13. The personnel, records, properties, equipment, assets, rights, choses in action, obligations, liabilities, and contracts of the National Land Settlement Administration, and the Rice and Corn Production Administration and the Machinery and Equipment Department of the National Development Company are hereby transferred to, vested in, and assumed by the LASEDECO, and all their businesses

and affairs shall be liquidated, assumed, and continued by the LASEDECO: *Provided*, That an inventory and valuation of the properties, equipment, assets, rights, choses in action, obligations, liabilities, and contracts of said entities shall be made by the Auditor General, and during the inventory and valuation, the accountable officers of said entities shall continue to be fully accountable therefor, until actual physical transfer to, and acceptance by, the corresponding accountable officers of the LASEDECO: *Provided, further*, That the personnel of said entities hereby transferred shall be reappointed in the LASEDECO and those not reappointed within sixty days from the effective date of this Order shall be considered separated from the service: *And, provided, finally*, That the LASEDECO shall undertake, manage and continue the agricultural activities of the Rice and Corn Production Administration only within the areas now under cultivation until the same shall have been disposed of in accordance with section 2 hereof, but in case for a period longer than five years from the effective date of this Order.

SEC. 14. All surveyed portions of the public agricultural lands heretofore transferred or reserved for the use and operation of the National Land Settlement Administration and the Rice and Corn Production Administration of the National Development Company, and/or of those which may hereafter be transferred by the President of the Philippines to the LASEDECO, shall be ceded to the LASEDECO, and the President of the Philippines shall from time to time cause the issuance of patents or other deeds transferring title to such lands to the said Corporation in accordance with the provisions of the Public Land Act and such rules and regulations as may be promulgated to facilitate the transfer of title to the said Corporation.

MISCELLANEOUS PROVISIONS

SEC. 15. All Acts or parts of Acts and all Executive Orders, Administrative Orders, and Proclamations or parts thereof inconsistent with any of the provisions of this Order are hereby repealed or modified accordingly.

SEC. 16. If any provision of this Order should be held invalid, the other provisions shall not thereby be affected.

SEC. 17. This Executive Order shall take effect on October twenty-third, nineteen hundred and fifty.

Done in the City of Manila, this 23rd day of October, in the year of Our Lord, nineteen hundred and fifty, and of the Independence of the Philippines, the fifth.

ELPIDIO QUIRINO

President of the Philippines

By the President:

TEODORO EVANGELISTA

Executive Secretary