

B. No. 660

SECOND NATIONAL ASSEMBLY

First Session

COMMONWEALTH ACT NO. 441

AN ACT CREATING THE NATIONAL LAND SETTLEMENT
ADMINISTRATION

Be it enacted by the National Assembly of the Philippines:

SECTION 1. There is created a corporation composed of five persons to be known as "National Land Settlement Administration." They shall act as members of the Board of Directors in charge of the management of the Corporation and shall be appointed every three years by the President of the Philippines, with the consent of the Commission on Appointments of the National Assembly. The Corporation shall enjoy the general powers mentioned in the Corporation Law, shall be subject to the provisions thereof insofar as the same are compatible with the provisions of this Act, and for attaining the purposes of the same, may perform any act which a corporation, copartnership, or natural person is authorized to perform under the laws existing or which may be hereafter enacted. This Corporation shall have its main office in the City of Manila.

SEC. 2. The Corporation shall serve as an agency of the Commonwealth Government for the attainment of the following objectives:

(a) To facilitate the acquisition, settlement and cultivation of lands whether acquired from the Government or from private parties;

(b) To afford opportunity to own farms to tenant farmers and small farmers from congested areas, and to trainees who have completed the prescribed military training.

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

(d) To develop new money crops to take the place of the present export crops which may suffer from the loss of preferences which they enjoy in the American market.

SEC. 3. To carry out these purposes, the Corporation shall have the following powers:

(a) To hold without limitation as to area public agricultural lands for a period not exceeding twenty-five years, renewable by the President of the Philippines for another period of not exceeding twenty-five years;

(b) To recommend to the President of the Philippines the reservation of public lands, preferably those situated along national highways, and to provide for the clearing, breaking, and cultivation of the lands so reserved for subsistence farming, or for money crops, or for both, on a cooperative basis or under such arrangements as may prove beneficial to the settlers, and for their survey into convenient lots, and to set aside such area or areas as may be deemed desirable for townsites, roads, government building sites, parks, and other public improvements. The expenses incurred in connection with the survey and subdivision of lots for allotment to settlers or for their initial cultivation shall be chargeable to the fund herein appropriated and shall be prorated among the lots of the subdivisions and charged against the corresponding settlers.

(c) To dispose of the lands so reserved, held, surveyed, or subdivided to persons qualified under the Constitution and the Public Land Act and who possess such other qualifications as may be prescribed by the Board of Directors. The disposition and final grant of the land shall be made subject to the limitations prescribed in the Constitution and the Public Land Act and to the compliance of all conditions as may be imposed by the Board of Directors. Within a period of ten years after such final grant, the land shall not, except

by inheritance, be encumbered, alienated or transferred, nor shall it become liable to the satisfaction of any debt contracted, prior to the expiration of said period; but the improvements or crops on the land may be mortgaged or pledged to the credit agencies created under the provisions of this Act. No settler shall be entitled to hold a lot more than twenty-four hectares, and no officer or employee of the corporation shall be permitted to acquire, directly or indirectly, any land within the reservation, unless with the specific approval of the Board of Directors in each case. The applicants shall be recruited from all provinces in proportion to their respective population, and in case a province shall not be able to fill the quota assigned, the unfilled portion of the quota may be covered from other provinces having greater number of applicants.

(d) To acquire from private parties those lands that are necessary to enable it to carry out the purposes for which it is created, for roads, highways, streets, and avenues, or those private lands surrounded by or adjacent to the public land acquired by the corporation.

(e) To make contracts and enter into such arrangements or contracts as it may consider convenient and advantageous to the common interest of the settlers and the Government for the development, exploitation, and operation of any of its properties;

(f) To establish and operate credit agencies to extend credit to the settlers upon the security of rights acquired by them as settlers on the crops raised or improvements made by them. The rate of interest on such loan shall not exceed six *per centum per annum*.

(g) To establish and operate electric light and water plants, water supplies, irrigation systems, trading stores or cooperatives to engage in the buying and selling of commodities and other services or improvements which in the judgment of the Board will promote the well-being of the settlers;

(h) To act as agent, broker, commission merchant, or representative of the settlers in the marketing of the products raised or made by such settlers;

(i) To borrow, issue bonds, or otherwise raise funds for carrying out the objects of this corporation, whenever it is deemed necessary for the interest of the settlers, giving its property as security therefor;

(j) To engage in manufacturing, milling, lumbering, retailing, and in such business enterprises or industries as may be necessary and desirable to insure the success of the land settlement projects;

(k) To adopt such uniform rules and regulations as may be necessary to carry out the purposes of this Act.

SEC. 4. The Board of Directors shall elect its chairman from among its members. Three members of the board shall constitute a quorum for the transaction of business. The members, if not Government officials or employees, shall each receive such per diems as may be determined by the board, not to exceed thirty pesos for each day of meeting actually attended by them.

SEC. 5. Subject to the approval of the President of the Philippines, the board shall appoint a manager and fix his compensation, which shall not exceed eighteen thousand pesos per annum. The Manager shall, subject to the approval of the board, appoint such technical, clerical, and other employees as may be necessary: *Provided*, That all appointments for positions with compensation of two thousand four hundred pesos per annum or more shall be subject to the approval of the President of the Philippines.

SEC. 6. The capital of the corporation shall be twenty million pesos, to be subscribed by the Government of the Commonwealth of the Philippines.

SEC. 7. There are appropriated out of the proceeds of the coconut oil excise tax or out of any other available funds in the Philippine Treasury such sums as may be necessary to pay for such part or parts of the capital as may be required from time to time by the Board of Directors with the approval of the President of the Philippines, but the aggregate value of which shall not exceed four million pesos in any one year.

SEC. 8. The corporation shall submit its annual report and balance sheet to the President of the Philippines and the National Assembly as provided for in sections five hundred and seventy-four to five hundred and seventy-seven, inclusive, of the Administrative Code.

SEC. 9. This Act shall take effect upon its approval.

Approved: June 3, 1939.