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Philippine LAND REFORM

1950-1958

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A.I.D. HISTORICAL AND
TECHNICAL REFERENCE
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A REPORT OF FRATE BULL
LAND TENURE ADVISOR, Dec. 1955-April 1958
INTERNATIONAL COOPERATION ADMINISTRATION

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LAND REFORM
In
THE PHILIPPINES
1950-1958

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REPORT

By

FRATE BULL
Land Tenure Advisor
December 1955 - April 1958

Land Reform Philosophy

"I am for those means which will give the greatest
good to the greatest number!"

A. Lincoln

"Democracy becomes meaningless if it fails to
satisfy the primary needs of the common
man."

Ramon Magsaysay

A C K N O W L E D G M E N T S

Republic of the Philippines
AGRICULTURAL TENANCY COMMISSION
M a n i l a

February 20, 1958

Mr. W.F. Dickson
Chief, Agricultural Division
International Cooperation
Administration
M a n i l a

Dear Mr. Dickson:

We wish to express our sincere gratitude for the very kind and valuable assistance the International Cooperation Administration has extended to us in the implementation of the tenancy improvement measure, one of the most important phases of the government's program of land reform.

Whatever this Commission has accomplished during the short time that we have been in existence has been possible to a large degree by the technical and material aid we have received from your Office.

We would particularly wish to take the opportunity to express our thanks to Mr. Frate Bull, Land Tenure Advisor, who was very helpful in discussing the multifarious problems that faced this Commission and was instrumental in securing for us, through your Office, the necessary equipment required by the service, as well as in providing us the opportunity to have some of our personnel trained abroad.

With assurances of our highest esteem and regards, we are

Very truly yours,

(SGD) FERNANDO A. SANTIAGO
Chairman

- a'

Republic of the Philippines
COURT OF AGRARIAN RELATIONS
Manila

February 17, 1958

The Chief
Agricultural Division
International Cooperation
Administration
M a n i l a

My dear Mr. Dickson,

The twenty-seven (27) units (9 station wagons and 18 jeeps) that the International Cooperation Administration donated to this Court, have made it possible for the CAR to penetrate the rural areas in accomplishing the very valuable mission that the Agricultural Tenancy Act of the Philippines has entrusted to this Court. From receipt of these vehicular units, 87% of all the hearings have been conducted in the locale of the disputes.

We were able to attend to cases filed before the Court promptly, expeditiously and within the time limits given us to adjudicate those cases at the least expense to the parties concerned. The Court of Agrarian Relations is now playing a major role in the implementation of the Administration's program for rural development. During the past two (2) years (ending Dec. 31, 1957), it has adjudicated 6,080 of the 7,500 cases filed with our Courts involving 23,487 tenants and 7,461 landholders.

In behalf of this Court and myself, I, therefore, take this opportunity in extending to you and the ICA our gratitude for the vehicular aid given to this Court.

Sincerely yours,

(SGD) GUILLERMO S. SANJOS
Executive Judge

Republic of the Philippines
LAND TENURE ADMINISTRATION
Manila

February 13, 1958

Mr. W.F. Dickson
Chief, Agricultural Division
International Cooperation Adm.
M a n i l a

Dear Mr. Dickson:

I wish to express the appreciation and undying gratitude of the Land Tenure Administration to the International Cooperation Administration in particular and to the American people in general in having unselfishly extended to us the numerous and valuable aids that helped this Administration in pursuing our government's avowed policy - land to the landless. The several motor vehicles, which made it easy for the personnel to travel at any time, the typewriters, which made the office paper work run more smoothly and efficiently, and the survey equipment, which are of great help in our survey division - all of these contributed extensively to the attainment of the aims and motives for which the Land Tenure Administration was created.

I also wish to express my thanks to Mr. Frate Bull, who was so helpful to us and in some way instrumental in our successes.

Reiterating our thanks and assuring you of my high esteem and cooperation, I remain

Very truly yours,

(SGD) MANUEL E. CASTANEDA
Chairman

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INTRODUCTION

This report covers the period 1950-58, during which time USOM and the Philippine Government have cooperated to analyze and attempt to correct the serious land tenure situation which exists in the Philippines.

The report is intended primarily to benefit Americans and Filipinos who may, in the future, be concerned with the promotion and further implementation of the land reform program in the Philippines.

It is a running record of events which led to the establishment of the USOM Land Tenure and Development project, together with the corresponding action taken to form the Philippine land tenure agencies. It also points out the major land tenure problems still existing in the Philippines and suggests some possible solutions to them.

The Land Tenure Advisor has made every effort to see the Philippine land tenure problems as they actually exist and to find practical ways and means of solving them. The suggestions contained herein for further action in land reforms are based on what appears to be the best for the Philippine democracy, landholders and tenant-farmers over a long period of time.

The term "Land Reform" is used in this report because it is in common use throughout the Far East, including the Philippines. The use of this term is much more realistic in Japan, Taiwan and Korea

than in the Philippines because drastic land reform has been accomplished in those countries. In the Philippines, the term "land reform" means land tenure improvement or land tenure reform because so far there has been relatively little actual reform of land tenure systems in this country.

The term "landholder" as used in this report, shall mean a person, natural or juridical, who, either as owner, lessee, usufructuary, or legal possessor, lets or grants to another the use or cultivation of his land for a consideration either in share under the share tenancy system, or a price certain or ascertainable under the leasehold tenancy system.

CHAPTER ONE

THE LAND TENURE AND DEVELOPMENT PROJECT

I. Combination of Two Original Projects

The Land Tenure and Development Project, number 92-12-097 is a combination of two original USOM projects namely, the Land Tenure Project, number 92-14-008 and the Land Development Project number 92-12-055.

The Land Tenure Project was first initiated in 1951, the Land Development Project, in 1954 and were combined on July 1, 1957.

II. Philippine Agencies in the Project

There are four Philippine Government agencies in the Land Tenure and Development Project. The names, organization and general functions of these agencies are:

A. The Agricultural Tenancy Commission (ATC)

The Agricultural Tenancy Commission was created by virtue of Administrative Order No. 67, by the late President Ramon Magsaysay on September 30, 1954. It is under the joint control and direction of the Secretary of Justice and the Secretary of Agriculture and Natural Resources whose functions are exercised. Administrative wise, the Commission is under the supervision of the Secretary of Agriculture and Natural Resources.

The Commission which is administered by three commissioners performs three types of services:

(1) Conducts educational programs to inform tenants and landholders on their rights and obligations under Republic Act 1199.

(2) Conducts surveys to determine extent of compliance with the law and its adoptability on all crops in all areas.

(3) Assists tenants and landholders in the amicable settlement of tenancy controversies.

The ATC has a staff of around 90 employees, a great majority of which are assigned in 19 field offices located throughout the Philippines.

B. The Court of Agrarian Relations (CAR)

The CAR was established by virtue of Republic Act 1267, as amended by Republic Act 1409, approved on September 9, 1955. It operates entirely under the Department of Justice.

This agency is composed of 9 judges, 24 commissioners, 9 clerks, 9 deputy clerks, and as many other employees as may be required in the interest of judicial service. The number of commissioners, who hold pre-trial hearings and conduct investigations for the court, may be increased as circumstances demand. There are nine CAR judicial districts in the provinces. These field offices serve

as headquarters for judges and commissioners who move from one municipality to another holding court session at places where tenancy cases arise. The number of employees in each judicial district varies from 10 to 15, depending on the demand for CAR services.

The Court has exclusive jurisdiction over the entire Philippines to consider, investigate, decide and settle all questions, matters, controversies or disputes involving all these relationships established by law which determines the varying rights of persons in the cultivation and use of agricultural lands where one of the parties works the land.

C. The Land Tenure Administration (LTA)

The Land Tenure Administration, created by virtue of Republic Act 1400, approved on September 9, 1955, is operating under the Office of the President of the Republic.

This agency is headed by a Chairman and two board members appointed by the President with the consent of the Commission on Appointments, for a period of five years.

The greater portion of the LTA's work is performed in the central office in Manila, which is staffed by approximately 100 employees. In addition to this, there are ten field offices responsible for the management of the areas already owned by the Land Tenure Administration. More field offices will be established as other estates are acquired.

The major functions performed by the LTA are:

1. To investigate and appraise farm estates to determine whether or not they should be acquired by the Government;
2. To negotiate with owners for purchase of land;
3. To survey and subdivide land into family-size farms;
4. To prepare and execute sales contracts and deeds to small farms in favor of tenants;
5. To collect payments from those on LTA farms.

D. The National Resettlement and Rehabilitation Administration (NARRA)

This project is administered by the National Resettlement and Rehabilitation Administration, (NARRA) created by Republic Act No. 1160, on June 18, 1954. NARRA is a corporation governed by a Board of Directors of five members and a Chairman appointed for a term of three years by the President with the consent of the Commission on Appointments. The Board is responsible to the Secretary of Agriculture and Natural Resources. The business of the corporation is carried out by a General Manager and an immediate staff of eleven employees. There are 122 other positions in the central office and 205 in the field. The line of authority is direct from the General Manager to the Project Superintendent.

NARRA's major functions are:

1. To plan land settlement projects and develop large areas of public lands;
2. To select families who desire to move to such projects;
3. To provide transportation from their original homes to settlement areas;
4. To furnish supplies to settlers who move to settlement farms until they become established; and
5. To prepare and execute patents to farms.

III. Closely Related Agencies

The Agricultural Credit and Cooperative Financing Administration (ACCFA) is under a separate project but is very closely related to the agencies in the land tenure and development project. ACCFA was designed to serve all small farmers who are unable to obtain satisfactory credit, storage and marketing facilities without assistance from the Government. This group of farmers are largely tenants.

The work of the Bureau of Agricultural Extension is also under a separate project but is closely related to that of the land tenure agencies. BAE, of course, is designed to serve all farmers, a large portion of whom are tenants.

The ACCFA and BAE agencies, together with those in the land tenure and development project are often referred to as being in the land reform group. All of these agencies are dependent on each other. No one can fully succeed if any of the others fail. This report does not discuss the work of the BAE and ACCFA, except to show how all the agencies might cooperate to best serve the 1,104,000 tenant-farmers in the Philippines.

IV. U.S. Dollar Assistance to the Land Tenure and Development Project ^{1/}

The following tables show the U.S. dollar assistance which has been given to this project from their establishment through FY 1957.

<u>Project</u>	<u>Commodities</u>	<u>Technical Advisors</u>	<u>Participants</u>	<u>Total</u>
Land Tenure	\$153,000	\$106,300	\$28,200	\$287,500
Land Development	\$739,700 ^{2/}	\$ 40,200	\$16,500	\$796,400
Total	\$892,700	\$146,500	\$44,700	\$1,083,900

1/ See annex B for list of commodities.

2/ From defense funds.

CHAPTER TWO

THE FARM TENANCY SITUATION AFTER WORLD WAR II

Hundreds of pages have been written on the farm tenancy situation as it existed in the Philippines after World War II. We shall repeat here enough only to serve as a bench mark in measuring the progress made towards correcting the situation in the period 1950-1958. (References are listed in appendix C) Let us briefly restate the situation as it was in the period 1948-1952, under two headings: (1) the emergency situation after the war; and (2) the basic causes of agrarian unrest.

I. The Emergency Situation

A. The Huk (Hukbalahap) Army

The emergency situation was created largely by the Huk Army which was organized by Luis Tarac and other communist leaders during the early days of the Japanese occupation. The Huk Army was one of several guerilla organizations which fought the Japanese. It differed, however, from the others in that it grew rapidly after the war while the other resistance groups were demobilized.

It is well to keep in mind that most of the rank and file in the Huk Army were uneducated and were sons of tenant-farmers or farm laborers. Most of the top leaders in the Huk organization were pretty well educated. Some of them had even studied communism in

Russia and Red China. Let us also bear in mind that the Huks operated almost entirely in the heavily-tenanted areas of Central Luzon.

B. The people lacked faith in the new Republic

As would be expected, the minds of the masses, particularly those in the Huk-infested areas, were completely confused after World War II and, ironically, even after the establishment of the new Philippine Republic in 1946. The people had just come out from under 3 1/2 years of Japanese rule and the Huks were undertaking to organize local governments. It is reported that there was much confusion and corruption in the new Government. These factors contributed to a certain extent in destroying the people's faith in the Government.

C. Idle land idle people

During the early post-war years, people in the whole nation depended largely on agriculture for their continued existence. In spite of the urgent need for rice, corn and other food items, more than a million hectares of farmland went uncultivated while farmers remained idle. Many farmers could not cultivate the land because their carabaos were killed during the war, while many others failed to do so because of serious conflicts with landholders.

D. The Philippine Army

The Philippine Army alone could not stop the Huk offensives because it was then small and poorly equipped. Its numbers had gone

down from 132,000 to 37,000 men of which 24,000 were in the Constabulary and stationed at various points all over the country.

E. The Huks took advantage of the situation

The Huk leaders cunningly took advantage of the situation described above. Membership in the Huk organization went up to 100,000, which included an equipped army of 12,000 men. The Huk leaders had a slogan "Land for the Landless" that appealed to tenant farmers and farm laborers. In some areas of Central Luzon, tenants gave part of their rice produce to the Huks. The Huk leaders went so far as to collect taxes and establish their own schools. Luis Taruc, organizer and supreme commander of the Huk Army was officially elected to the Philippine House of Representatives in 1945. When Congress refused to seat Taruc, he returned to the provinces and consequently the Huk activities were accelerated. The homes of many landholders were raided and in certain areas of Central Luzon, the landholders were forced to stay away from their farms for several years.

II. Historical Causes of Agrarian Unrest

There were many deep-rooted and long standing causes for agrarian unrest among tenant-farmers.

A. Findings of the Bell Mission Report ^{1/}

The Bell Mission (Economic Survey Mission to the Philippines) summed up the Philippine land tenure situation in 1950, as follows:

1. The Land Situation

"Land is the most important source of wealth in the Philippines and its concentration or distribution is the primary factor that affects the social and economic well-being of the people. Land has been the safest investment, even under very unstable political conditions. Large profits enjoyed at various times by the landowner class have gone into the acquisition of more land. The result has been that land ownership by farmers who work the land has steadily declined. Land values have risen so much that tenants have little or no chance whatever of acquiring equities in the land they farm.

2. Effect on Agricultural Production

"The strained relationship between the landlords and their tenants and the low economic condition generally of the tillers of the soil compose one of the main factors retarding the recovery of agricultural production. While some laws have been passed to relieve the tenant's plight they have not worked out as expected. The land problem remains the same or worse than four years ago and the dis-

^{1/} The United States Economic Survey Mission to the Philippines headed by Daniel W. Bell, became known as the Bell Mission. The Mission had 29 members appointed by President Harry S. Truman and sent to the Philippines at the request of President Elpidio Quirino.

sident trouble has spread to wider areas. Furthermore, there is a great inertia on the part of the government to give really serious consideration to agriculture's many besetting handicaps and long standing maladjustments.

3. Plight of Tenant-Farmers

"The Philippine farmer is between two grindstones. On top is the landlord, who often exacts an unjust share of the crop in spite of ineffective legal restrictions to the contrary. Beneath is the deplorably low productivity of the land he works. The farmer can not see any avenue of escape. He has no credit except at usurer's rates. There is no counsel to whom he can turn with confidence. He is resistant to change for fear of losing the meager livelihood he and his family possess. The incentive to greater production dies aborning when what he regards as an unjust share of the harvest of his work goes to the landlord.

"The law, now on the books, providing for a 70-30 percent division of the crop between the tenant and the landlord should be enforced after it is amended to make it more workable. While the landlord's return should maintain his interest in improving the land, the tenant is entitled to a living from his work and a fair share in the increase in output resulting from the application of better methods of agricultural production."

B. The Hardie Report^{2/}.

In 1952 Robert S. Hardie summarized the causes for agrarian unrest as follows:

1. "The Philippine Land Tenure Problem: In the Philippines, agriculture furnishes a livelihood to nearly three-fourths of the population and accounts for about three-fifths of the national income. The industry is plagued, however, by a pernicious land tenure system which thwarts all efforts for technological improvement in agriculture. Chronic poverty and unrest among tenants has culminated in open and violent rebellion which the Communists are exploiting to the full. That tenants seek to become owners of the land they cultivate is prima facie evidence against their adherence to, or their understanding of, the basic principles of communism. This knowledge affords little comfort, however, for the fact remains that misery and unrest among tenants is being used to advance the goal of communism in Asia. The problem is not a postwar phenomenon; it has been developing for years, deeply rooted in feudal customs.

2. "Causes for Agrarian Unrest. (1) Tenant frequency is high, averaging about 35% for the nation as a whole and soaring to more than 70% in those areas where unrest is greatest. (2) Farm rentals are oppressive. Most tenants pay 50% of the gross product

^{2/} Robert S. Hardie was the USOM Land Tenure Advisor in the Philippines from August 1951 to 1953. His report entitled "Philippine Land Tenure Reform" consists of a thorough analysis of the land tenure situation in the Philippines in 1951-1952.

(after planting and harvest costs) as rent. (3) Net family incomes derived from farm operations are woefully inadequate for a decent standard of living. Farm family income from outside sources is insignificant. (4) Interest paid by tenants on borrowed money is grossly onerous. Annual rates of 100% are common and rates of 200% and even higher are not unusual. The majority of small farmers borrow regularly from year to year. (5) A lack of adequate and economic storage, marketing and buying facilities forces farmers to sell in a low price market and buy in a high. (6) Guarantees against ruinous prices are non-existent."

C. Report of Philippine Land Settlement Committee ^{3/}

The following is quoted from the report of a Filipino Special Committee in Land Settlement and Title Clearance in 1951:

1. "The pernicious "kasama" or crop sharing system of tenancy--has been mainly responsible for the social and economic ills of the country and the cause of political instability which directly flows from the successful communist exploitation of agrarian unrest. The joint-ownership of crops, which prevails under the "kasama" system, invariably breeds suspicion and discontent between landlord and tenant, thus furnishing a fertile ground for communist ideologies to take root, develop and ultimately weaken the political structure of the country."

^{3/} The Special Committee on Land Settlement and Title Clearance, Office of Economic Coordination, Manila, released its report in 1951.

D. Failure to Execute Laws

Tenancy laws had been enacted and revised in the Philippine Congress from time to time since 1933, but little effort had been made to put them into effect. In fact the Congress had made almost no provisions for putting the laws into effect. The result was that very few tenant-farmers benefited from the laws.

CHAPTER THREE

ACTION TO IMPROVE THE FARM TENANCY SITUATION

I. Action by President Elpidio Quirino

President Manuel A. Roxas, first president of the new Republic, who died in office in April 1948, was unable to stop the lawless action of the Huks by the use of the armed forces of the Philippines. However, he did not undertake to negotiate a settlement with the Huks. Profiting from the experiences of his predecessor, President Elpidio Quirino set out to build up the armed forces in an effort to capture the Huk leaders and stop the rebellion. For by then, the Huks had already caused heavy damage to life and property. To support the efforts of the Army, Mr. Quirino started to organize psychological warfare in order to destroy the faith of tenant-farmers and other groups of people in the Huk leaders. Luis Taruc was eventually recognized (1948) as a member of the lower house of Congress, but all he did was to take his back pay and returned to the hills as leader of the Huk army. To implement his objective, President Quirino appointed young Congressman Ramon Magsaysay, a former army major and guerilla leader, as Secretary of National Defense.

II. Action by Ramon Magsaysay

A. His Psychological Warfare

Defense Secretary Magsaysay improved the strength of the Armed Forces to the extent that the army played an important role in

subduing the Huk offensive. Magsaysay also initiated an effective psychological warfare by stealing the "land for the landless" slogan from the Huks. He translated the phrase into reality. He left it not just a slogan. While still Secretary of National Defense, Magsaysay started the EDCOR (Economic Development Corps of the Army) primarily to assist captured Huks to settle on public lands and eventually become owner-tillers.

Ray E. Davis who was Land Settlement Advisor in the Philippines for four years made the following statement about the EDCOR in his final report in February 1957:

"This project was approved to aid the psychological warfare against the Huks and dissidents and its success must be appraised on that basis. The EDCOR objective of rehabilitating dissidents by giving them an opportunity to become owner-cultivators of small farms which would permit them to live in peace, have security for their families and become useful citizens was given much international publicity.

"Actually this project contributed little to the rehabilitation of dissidents. As carried out, of the 547 families resettled, only eight were Huks. Of the others, 312 were moved from overpopulated areas, and 227 native Moslems were given an opportunity to become landowners. Fifty-three other families will be moved from overpopulated areas."

Although the results of EDCOR operations have been greatly oversold by some persons, it is conceded that the project had an important psychological effect on the masses. But, most important is the fact that Magsaysay's influence went far beyond the EDCOR undertaking and into broader and more important fields of land reform. In his campaign for the presidency in 1953, Magsaysay made land reform a major issue and was elected by an overwhelming majority.

B. President Magsaysay's Land Reform Objectives

In his State of the Nation Message, President Magsaysay said:

"'Land for the landless' shall be more than just a catchphrase. We will translate it into actuality. We will clear and open for settlement our vast and fertile public lands.

"The land tenure system of our country shall be reexamined, to purge it of injustice and oppression."

President Magsaysay said in his inaugural address on December 30, 1953:

"The Government should extend greater protection to tenants who, because of ignorance or illiteracy, are often badly in need of advice with respect to their rights, especially in the liquidation of their harvest with landlords. I urge Congress to strengthen the legal staff entrusted with the specific task of rendering this kind of assistance."

III. Action by the United States Government

A. The Embassy-USOM Joint Committee Report

After the Bell Mission Report in 1950 and the Hardie report in 1952, there was a lull in efforts to formulate an effective land tenure reform program in the Philippines. Early in 1954, however, there was created a Joint-Embassy-USOM Committee composed of John L. Cooper, Chairman Ray E. Davis, and Robert S. McMillan for USOM, and Daniel M. Bradock and Herbert F. May for the Embassy. On March 19, 1954, this committee submitted a comprehensive report to U.S. Ambassador Raymond A. Spruance and USOM Director Harry A. Brenn. This action resulted in the establishment of a definite policy involving U.S. assistance to the Philippine Government in effecting land reform.

B. U.S. State Department Policy

1. Ambassador Spruance's Report to Washington

On March 26, 1954, Ambassador Spruance wrote to the State Department in Washington as follows:

"The Joint Committee (USOM and Embassy) on Land Tenure Improvement in the Philippines has completed its report and recommendations. I have directed that they be used as Policy Guide by ECA (now ICA) and Embassy Officers in the Philippines, pending approval by appropriate agencies in Washington. Copies of the report are enclosed."

On May 6, 1954, Secretary of State Dulles answered Ambassador Spruance as follows:

"State, Agriculture and ECA concur findings, recommendations, FOA-Embassy memorandum on land tenure improvement. Will support you and USOM in assisting Magsaysay in a manner you deem advisable re achievement objectives of program."

2. Secretary John Foster Dulles' Reply

The memorandum approved by Secretary Dulles included the following:

a. "Administrative action should be initiated which will contribute towards an improvement in tenure conditions and an expansion of the number of owner operated farms.

b. "Legislation codifying landlord-tenant laws and incorporating policies to meet the present requirements should be enacted.

c. "Tenants should be freed from all coercion and intimidations by landlords.

d. "Security of tenure should be protected and ejection limited to specific reasons.

e. "Legislation should be enacted to establish a separate Court of Agrarian Relations.

f. "Legislation should be enacted to establish a new bureau to administer land settlement and redistribution.

g. "Cultivated land should be expropriated only when the following conditions exist:

1. "Conditions prevailing in the areas where such land is situated are critical and the advantages which will accrue to tenants through the acquisition of ownership will make a substantial contribution towards eliminating existing difficulties.

2. "Landlords fail to comply with landlord-tenant laws.

h. "Technical assistance should be provided in support of tenure improvement efforts. It is considered that an advisor on landlord-tenant relations should be assigned to assist in developing the program for improved landlord-tenant relations and that a tenure advisor be assigned to assist in land redistribution activities.

C. Preparation of Land Tenure Laws

Immediately following Secretary John Foster Dulles' declaration of U.S. policy on land reform in the Philippines, USOM advisors proceeded to work with Filipino officials in the preparation of land tenure laws. It was the policy that the Filipinos write their own laws while USOM men served only in an advisory capacity.

IV. Action by the Philippine Congress

Four land tenure laws were enacted by the Philippine Congress, two in 1954, and two in two in 1955. The Congress also appropriated funds to establish four new land reform agencies, as described in Chapter One above.

CHAPTER FOUR

LAND REFORM OBJECTIVES AND ACCOMPLISHMENTS

Let us consider the land reform accomplishments in terms of the original objectives of the land tenure agencies and in four groups as follows: (1) overall objectives and accomplishments which contributed to correcting the emergency situation which existed after World War II; (2) ATC and CAR objectives to improve the status of tenant-farmers; (3) LTA objectives to transfer land ownership from owners of large estates to tenant-farmers; and (4) NARRA objectives to resettle farm families from overpopulated areas to become homesteaders of public lands.

I. Overall Objectives and Accomplishments

The emergency situation described in Chapter Two has been pretty well corrected. The late President Magsaysay succeeded in his efforts to stop the Huks by force of the Philippine armed forces and through psychological warfare. The people believed Magsaysay when he said, "We will translate 'Land for the Landless' in actuality."

A. Restoration of peace and order

Peace and order have been restored. Landholders are no longer harrassed by armed bandits. They can now go to their farms without fear of being assaulted, as many were early in the post World War II period. The Huk Army is no longer active. The 1957

national election was reported as having been one of the most peaceful ever held in the Philippines.

B. Establishment of faith in the Government

The Filipino masses now have faith in the new Philippine Republic. Tenants are now represented by counsel which the Bell Report said they did not have. When tenant-farmers have grievances, they go either to the Agricultural Tenancy Commission, the Court of Agrarian Relations or the Land Tenure Administration for consultation and assistance. For instance, groups of tenants from more than 200 large farm estates have petitioned the Land Tenure Administration to acquire the land on which they farm and many thousands of them came to the LTA office in Manila. ATC and CAR field personnel have frequent contacts with tenant-farmers.

C. The public supports land reform

Most of the leading and influential newspapers now strongly support the land reform program. The recent intensive political campaign showed that tenant-farmers now command much attention of candidates who run for public office. This was not the case until recent years.

II. ATC and CAR Objectives and Accomplishments

A. Objectives

When the Land Tenure Project was initiated, it was decided that major emphasis should be placed on improving the social and

economic status of the masses who will, of necessity, remain as tenant-farmers, for a long time at least. To implement this policy, Republic Act 1199 was enacted and two government agencies (ATC and CAR) were established to put the law into full force and effect. These agencies were charged with the responsibility of accomplishing the following objectives:

1. To insure tenants reasonable security of tenure on the land they till.
2. To place crop sharing on a basis fair to both tenants and landholders in accordance with the contributions made by each party.
3. To improve relationship of landholders and tenant-farmers.
4. To provide tenant-farmers with incentives to substantially increase farm production.

B. Accomplishments

1. Improvement in Security of Tenure

The staying of ejection of tenants without just cause is one of the most important achievements in Philippine land reform. Relatively few landholders now undertake to dispossess tenants of their farmholdings. Before the creation of the ATC and the CAR hundreds of farm-tenants were ejected from the land they farmed either for demanding their rights under tenancy laws or refusing to comply with certain demands of landholders or farm overseers.

2. Improvement in Crop Sharing

Records indicate that a great many tenants receive a larger share of crops (mostly rice and corn) than before the land tenure agencies started operation. The fact must be faced, however, that only a small percentage of the large number of share tenants in the Philippines are receiving 70 percent of the crop as allowed by law. This does not mean, however, that all landholders are violating the law (Section 32 of R.A. 1199) because it is provided that landholders and tenants will share in proportion to the contributions they give to the production. It is obvious that a minority group of landholders encourage tenants to take advantage of the law. On the other hand, there are still many landholders who, in one way or another, get more than their just share of the crops. (This is explained in Chapter Five)

C. Improvement in Landholder-Tenant Relations

While no special study has been made on this point, it is reported by field workers that many landholders make fewer demands of tenants and give them more privileges than before the campaign was started to improve the farm tenancy situation. This type of improvement is particularly noticeable in Central Luzon where landholder-tenant relations were rather strained before and for several years after World War II.

Incidentally, all of the land reform agencies have concentrated their efforts to improve the status of tenants in Central Luzon.

D. Tenant's Incentive to Increase Production

It is generally understood that relatively little progress has been made towards getting tenant-farmers to increase farm production. For example, 70 percent of over a million tenants in the Philippines produce rice and corn as their major crops. Tenants produce practically all the rice and a large portion of corn that goes to market. The yield per hectare on these crops has gone up very little over a long period of time. (Reasons for lack of incentive to increase production are discussed in Chapter Five)

III. Land Ownership Transfer

1. Ultimate Objective of the Land Tenure Administration

The importance of small farm ownership was not overlooked when the land reform program was planned. For instance, in his inaugural address, the late President Magsaysay said - "Our ultimate goal is to reshape the land tenure system in our country in such a way as to build a strong nation of small, independent and contented farm owners, free from want, protected from injustice, and eager to contribute their share to the welfare and progress of the Nation."

The major objective as stated in Republic Act 1400 is as follows: "To distribute as many family-size farms to as many landless citizens as possible." Under that law, the Land Tenure Administration was charged with the responsibility of acquiring large farm estates, subdivide them into family-size farms and sell small farms to tenants.

2. Accomplishment of LTA Objectives

The progress in all phases of LTA activities has been rather slow, because the agency has encountered many difficulty problems, as explained in Chapter Five. However, the agency was able to acquire much more land in 1957 than in the previous year. It now has over 50,000 hectares and expects to acquire several more large farms in 1958.

The LTA has greatly improved the collection of annual payments made by farmers on land under its management, as compared with its predecessor agency. The LTA program has also made a strong contribution to the improvement of landholder-tenant relations.

IV. Land Settlement Objectives and Accomplishments (NARRA)

The final report completed in February 1957 by Ray E. Davis, then Land Settlement Advisor gives the following as NARRA's objectives and accomplishments.

"A. Objectives

1. To assist and encourage 100,000 to 150,000 bona fide tenants and farm workers from Central Luzon to migrate and establish themselves as owner-cultivators on family-size farms.

2. To develop unoccupied lands suitable for agricultural purposes, expand food and fiber production, and contribute to the economic development of the Philippines.

3. To relieve the population and unemployment pressures, and improve the peace and order situation in the country.

"B. Accomplishments

During the past two years the more important accomplishments of NARRA have been:

1. General

a. Basically sound land settlement legislation has been enacted.

b. Sound land settlement policies and a program directed specifically at the basic problem of population distribution from high tenancy areas has been developed.

2. Specific

a. Twenty-two (22) land settlement areas have been selected and opened for development.

b. 19,591 families have been resettled. This represents about 98,000 people that have been established as owner-cultivators on 6 to 10 hectare farms.

c. Land titles have been delivered to 6,548 of the above families.

d. Family movement has been about completed in 14 areas and phasing-out plans have been developed."

V. Progress in the Cooperation of Land Reform Agencies

As stated elsewhere in this report, tenant-farmers require the services of all agencies in the land reform group. It is essential that employees in these agencies work together in serving tenant-farmers.

Throughout his career in the Philippines, the Land Tenure Advisor (Frate Bull) has made a special effort to coordinate the work of the ATC, CAR, LTA, ACCFA, NARRA, BAE and the Bureau of Lands. The top officials in the ATC, LTA and CAR went as participants, along with the land tenure advisor, for observation in Japan and Taiwan. Many coordinating meetings were held before and after the trip to Japan and Taiwan. Many coordinating meetings were held before and after the trip to Japan and Taiwan.

Much progress has been made in getting officials in these agencies to understand the objectives of each other's program and to work together in accomplishing them; however, for this progress to continue some USOM advisors must follow up and continue to get Filipino leaders to hold meetings. Two coordinated pilot projects have been started. One for LTA, ACCFA and BAE employees to work together in serving tenants on a 2,200 hectare farm with about 375 families near Talavera in Nueva Ecija and, another with 32 families on a privately owned farm also in Nueva Ecija where the ATC, ACCFA and BAE will make a special

effort to coordinate their work in getting all families on the 70-30 sharing basis, providing them with adequate credit and marketing facilities and putting into effect a few improved farm practices on each farm. These pilot projects are explained more fully in Chapter Six of this report.

CHAPTER FIVE

UNSOLVED LAND REFORM PROBLEMS IN 1958

The Philippine land tenure agencies are to be congratulated for the progress they have made in land reform, even though they have worked under unfavorable conditions at times. It would, however, be a serious mistake to assume that much more extensive land reform is not necessary, since the real causes of agrarian unrest still exist. There has been relatively little change in the historical pattern of land tenure. Very few tenants realize any substantial increase in farm income or have made any noticeable improvement in their standard of living. There are more tenant-farmers now than seven years ago (due to increase in population).

The tenant-farmer's average labor income is less than 400 pesos a year. The production rate per hectare of the main crops (rice and corn) produced by 70 percent of the tenant-farmers in the country is extremely low and has remained about the same for the last 50 years. The country is urgently in need of increased rice production.

I. Share Tenancy Problems

The traditional share tenancy system is the root of most tenancy problems in the Philippines. The practices followed under this system are far behind the progress which the nation has made in education and democracy. It is probably the greatest handicap in increasing rice production because practically all of the rice which

goes to market is produced by share-tenants who seriously lack the incentive and know-how to do good farming. There are at least 700,000 share-tenants in the Philippines.

A. The Share Tenancy System

It is called the share tenancy system because it is a joint undertaking of tenant and landholder for agricultural production, with the tenant furnishing the labor and the landholder furnishing the land and the produce thereof being divided between the landholder and the tenant in proportion to their respective contributions.

This system is in effect on nearly all large farms where palay is the principal crop. In different parts of the country, there are variations as to the contributions made by each party under the share tenancy system. Republic Act 1199 therefore provides that each party will share the palay produced according to his contributions. In the case of palay farming, the amount used as seeds, and the cost of fertilizer, pest and weed control, reaping and threshing expenses are deducted from the gross produce before the crop is divided. After deductions have been made, the net produce is divided as follows: land 30%, labor 30%, farm implements 5%, work animals 5%, final harrowing 5%, and transplanting 25%.

This makes it possible for the tenant to receive 70 percent of the net produce while the landholder receives only 30 percent for land. Under the new tenancy law, the tenant is given the right to

contribute any or all items of production, provided he can do so adequately and on time.

Before the present land tenure program was started, the crop was commonly divided on a 50-50 sharing basis when the tenant furnished labor, work stock, farm implements and half the transplanting expenses, while the landholder furnished the land and half the cost of transplanting. Under the new law, therefore, it becomes possible for the tenant to get 20% more of the crop than he got under the old custom. However, only a very small percentage of the tenants in the Philippines now receive 70% of the net yield in the rice crop.

It should, however, be understood that ricelands are classified into two categories. Ricelands producing a normal average of more than 40 cavans per hectare for the three agricultural years next preceding the current harvest is considered first class land, while those with yields of 40 cavans and below are classified as second class land. Consequently, the crop division on second class land becomes only 25 percent for land which leaves the tenant 35 percent for his labor.

B. Middlemen in the Share Tenancy System

One real problem in share tenancy is that there are too many middlemen who get either rice or money from the crops produced by tenants. The money which goes to these middlemen reduces the tenant-farmers' annual income by 25 to 40 percent. In addition to the

landholder, there are four groups who get part of the income derived from the tenants' produce. In many instances, all four of them get income from the same tenant's crop. The groups are:

1. The lessee who leases an entire estate or a large portion of one, and in turn operates it with share tenants. He takes the place of the non-resident owner from whom he has leased the land.

2. The farm overseer who is paid either with a share of the crop or on a fixed basis. He is usually a tenant himself. Since he is employed by the owner, he naturally work for his interest rather than for that of the tenants.

3. The tenant-leader who has nothing to do with the production and harvesting of crops but represents groups of tenants in their efforts to get improvements in their land tenure situation. He usually gets one cavan of rice a year from each tenant he represents. If the tenant-leader gets a case in court for the group of tenants, he receives an additional cavan of rice from each of them. Some landholders, however, are able to keep tenant-leaders on their side by placing them on the landholder's payroll.

4. The rice merchant plays a big part in the share tenancy system and evidently is well paid for his services. He makes his money primarily by purchasing rice at harvest time low prices, processing it in his mill and later selling it at a somewhat higher prices. The rice merchant is able to procure much of his rice by

lending money on liberal terms to landholders and lessees, who in turn advances funds to his tenants. Landholders and lessees use such funds to induce tenants to continue under a 55-45 sharing basis rather than go on the 70-30 sharing arrangement as allowed under the law.

C. Credit and Marketing Problems of Share Tenants

The common practice in Central Luzon is for the landholder to advance 20 to 25 pesos to the tenant as payment of half the expenses for transplanting rice seedlings. For this advance the landholder usually receives 15 percent of the net produce which, on most farms in that area and at present prices of rice amounts to an average of 60 pesos worth of rice. In addition to the 20 pesos for transplanting, the landholder will advance to the tenant 100 pesos credit without interest but charges interest on all over that amount.

For the credit extended to him, the tenant delivers his rice at harvest time price to the landholder or lessee who turns it over to the rice merchant at harvest time prices. This price is usually much below the price paid for rice a few months after the harvesting season is over. Thus the landholder accomplishes his goal of keeping tenants under the 55-45 sharing arrangement. The rice merchant also accomplishes his objective when the crop is sold to him at harvest time price.

D. Government Efforts to Correct Situation

Leaders in land reform have long been cognizant of the situation described above. The Magsaysay Administration with United States technical aid, established land tenure, credit and marketing agencies to enable tenants to progress to the 70-30 sharing ratio or to leasehold tenancy. The law further provides that if the landholder refuses to comply with its provisions the tenant may take the case to the Agricultural Tenancy Commission for mediation and/or the Court of Agrarian Relations where it will be decided on the basis of its merit should the parties refuse to accept the proposed settlement advanced by the tenancy mediating officers.

It was also recognized by leaders in land reform that if tenants did progress to the 70-30 sharing ratio or to leasehold tenancy, it would be necessary for the Government to extend to them liberal credit facilities, as well as marketing assistance. In fact, these credit and marketing services are badly needed by tenants regardless of their tenure status. To meet these needs the ACCFA (Agricultural Credit and Cooperative Financing Administration) was established. ACCFA makes two major types of loans through local FaCoMas (Farmers Cooperative Marketing Associations): (1) loans to enable small farmers to successfully operate their farms and (2) commodity loans to enable small farmers to keep their rice and other farm products off the market to avoid having to sell them at harvest time prices.

E. Tenants' Failure to Benefit

The real problem is that even though the Government aid programs have been in operation for three or four years, a very large number of tenants who have access to such services, are not taking advantage of the situation. A great majority of tenants are still under the 55-45 sharing ratio, obtain credit from the landholder and deliver their rice crops to the landholders or rice merchants. Tenancy middlemen are still getting much income which rightly should go to the tenant.

Majority of the tenants will not quit the landholder-financing plan and go on the 70-30 sharing basis for fear that they will be unable to receive adequate financing elsewhere. More often than not, a great many of them turn all their crops over to the landholder at the end of the year as payment on credit advances made to them in cash and in kind by the landholder.

Note: Possible solutions to the share tenancy problems are discussed in Chapter Six of this report.

II. Problems in Transfer of Land Ownership

The Land Tenure Administration has encountered many difficulties in acquiring large farm estates and in subdividing and reselling land. The officials of this Administration have negotiated with more than 200 landholders or their agencies for purchase of estates and have, so far, been able to acquire only a small percentage of them.

The following are some of the problems involved in the transfer of land ownership:

A. Owners do not want to sell land

As would be expected, owners do not want to sell their land, because:

1. Land is the safest and usually the best income-producing investment in the Philippines. The tax on land is extremely low.

2. To be an owner of a large farm estate usually gives one much social and political prestige.

B. Owners want too much for land

Owners usually ask much more for their land than tenants could ever repay from farm income. There is no systematic farm appraisal system based on the productive value of land in the Philippines. The law provides that the LTA will pay the fair market value for land but not enough farmland has been sold in recent years to serve as a basis for determining the fair market value.

C. Insufficient funds to purchase land

Even if the land could be purchased at reasonable prices, the Philippine Government would not have sufficient funds to acquire it on a large scale basis.

D. Lack of personnel

The Land Tenure Administration does not have sufficient funds to hire additional personnel required to carry on a large scale land transfer program. Moreover, at present there are not enough men in the country who are trained for some of the types of services needed in the agency.

E. Land subdivision problems

The LTA has been unable to get large estates surveyed and subdivided nearly as fast as they would like to have it done. Titles cannot be given to small farmers until the land has been surveyed under the Torrens Title system. It is reported that surveyors and those who issue titles are years behind with their work.

F. Small farmers need supervision

Land Tenure Administration officials are aware of the fact that farmers on the LTA land badly need close technical supervision. However, the agency lacks funds and trained personnel sufficient to render such service. However, a pilot project is being started wherein tenants will be supervised.

G. Political interference

There has been a great deal of political interference with LTA's efforts to acquire land. For example, many have put pressure on the agency officials to have them acquire certain tracts of land,

regardless of whether it is suitable for subdivision and sale to tenants. Pressure has also been exerted to have this agency acquire land at much more than its fair market value.

III. Land Settlement Problems

Let us examine the land settlement problems under three headings: (1) overpopulation of farm land; (2) land available for settlement; and (3) farmers' attitude toward resettlement.

A. Overpopulation

The following is quoted from Ray E. Davis' final report in February 1957, at the end of his four-year tour as Land Settlement Advisor in the Philippines:

"The center of the real population pressure, peace and order, unemployment and low standard of living problem is in Bataan, Batangas, Bulacan, Cavite, Nueva Ecija, Pampanga and Tarlac in Central Luzon. This is the same area where the Rivera and McMillan report showed 39 percent of the rural labor force was unemployed and much of the remainder under-employed. According to the 1948 census, there are in these seven provinces about 140,000 tenants. The rate of tenancy in this area is well above 60 percent. To reduce the rate of tenancy in this area to 50 percent, it would be necessary to change about 38,000 tenants to owners. Transferring 58,000 would reduce it to 40 percent and about 80,000 would be required to reduce the number of tenants to 30 percent of all farmers.

"The normal increase of population has added to these numbers. We do not know the number of unemployed or partly unemployed not included as tenants who are essentially farm people and must be placed on land if they are to become independent. This figure has been reduced some by migration and resettlement but the reduction is small compared to the total. The number of tenants may be reduced somewhat by the purchase of landed estates for resale to tenants. There are unoccupied areas in northern Luzon that will give some relief to the population pressure. Other economic programs such as enforcement of the tenure laws, extension of credit, increased production and industry will give some relief.

"But the fact remains that there is a large population in this area that has little or no chance of getting land or employment unless the people migrate to or are resettled in new areas where there is land and where labor is needed to develop the country."

It should be borne in mind that the population in the Philippines is now increasing at an estimated rate of half a million a year, and is expected to be up to 50 million by 1980. If the population continues to increase at the present rapid rate the Filipinos will some day have the same serious problem of overpopulation that Japan, China and many other countries now have.

B. Land Available for Settlement

The Director of the Bureau of Lands recently estimated that there is enough arable unsettled public land in the Philippines to

continue settlement at the present rate for 10 to 15 years. In addition to the public lands, there are many thousands of hectares of arable idle land in possession of private owners. There is also a great deal of land in the Philippines which could, at considerable expense, be brought into cultivation through drainage, irrigation and other soil conservation measures. The Philippine Government, therefore, will not likely suffer for lack of farm land for some 25 years. It should be said also that the production could be greatly increased on the land now being cultivated.

C. Farmers' Attitude Toward Resettlement

The farmers themselves are a major problem in land settlement for the following reasons: (1) many do not want to move from their home area to new land in the Southern Islands and (2) those who have moved depended entirely too much on the Government after being relocated.

1. NARRA's original objective was to move families from the overpopulated farms in Central Luzon to public lands. Davis' report shows, however, that less than five percent of the 20,000 families resettled by NARRA came from the overpopulated area of Central Luzon.

2. NARRA's original policy was for the Government to provide subsistence to resettled families for only six months from the time they reached their new homes. The result was that when NARRA

ceased to provide assistances many settlers complained to the late President Magsaysay that they were suffering from starvation and must have further subsistence allowance. Their request was granted and large numbers continued to be given food and provisions by the Government.

IV. Farm Mechanization Problems

There is little farm mechanization in the Philippines. However, in recent years there has been much speculation as to whether or not more large farms should be mechanized. This is definitely a land tenure problem because the mechanization of large farms would mean the displacement of many tenants who would likely have much difficulty finding land elsewhere, if at all. The Agricultural Tenancy Act (R. A. 1199) provides that an owner may eject tenants in order to mechanize his farm only when he will personally operate the farm (most owners are non-resident) and only after the Court of Agrarian Relations has approved his application for mechanization. A formal application for farm mechanization must be made to the Secretary of Agriculture and Natural Resources through the Agricultural Tenancy Commission which will make an investigation to determine whether or not the farm is suitable for mechanization. The late President Magsaysay placed further restrictions on farm mechanization by issuing an executive order to the effect that under no circumstances can an owner eject tenants in order to mechanize his farm. As of February 1958, this order is still in effect. A number of advantages and

disadvantages to farm mechanization in the Philippines may be cited, as follows:

A. Advantages

1. To increase farm production

There is little doubt that farm production could be substantially increased through the use of tractors to plow land, properly maintain levies, make drainage, ditches, etc. The rice stubble and dry grass which is usually burned in order to make the land easier to plow with the small plows drawn by carabaos, could be plowed under. This would add humus to the soil which is badly needed to make the soil easier to plow and would increase its water holding capacity. There is good reason to believe that commercial fertilizers would be somewhat more effective in increasing production if there was a sufficient amount of humus in the soil.

2. To make it possible to plant additional crops

Most farms on non-irrigated land (87 1/2% of the farm land) are planted to only one crop a year. The common reason advanced by farmers is that during the dry season land is too hard to plow with a carabao and that it is too dry to grow crops. The weather is also too hot for carabao to work long hours in the fields.

Land could be plowed with tractors immediately after the rice harvest which is usually before the real dry season begins; then

by fallowing the land it could be planted with mungo, beans (soy beans), corn, or other suitable crops. This second crop would provide badly needed food for people and livestock and, at the same time, add fertility to the soil which should result in increasing the present extremely low rice and corn yield.

B. Disadvantages

In spite of the above advantages, there are some serious disadvantages to farm mechanization in the Philippines, such as:

1. Not enough land

Land is already much overpopulated in the major rice and corn growing areas where tractor plowing is needed.

Large scale farm mechanization and ejection of tenants from some farms would almost surely result in many more families settling on the already overpopulated farms. It would force more families to move into submarginal land areas which would lower still further, the already extremely low standard of living.

The idea of large scale moving tenant families to new land in the Southern Islands is not feasible, because there is not enough available land to settle very large numbers of families. The rapidly increasing population and the wholesale moving of families would settle all the available land in a short time. Tenants generally do not like to move from the areas in which they grew up.

2. Farm mechanization is not economical at present

Quite a number of large farm operators, mostly in the southern islands have tried farm mechanization and many of them found it to be uneconomical because of extremely high priced machinery, scarce and high priced fuel and lack of trained men to operate and maintain machines. The present dollar shortage and the austerity program make farm mechanization still more impractical. For example, a few years ago, the Del Monte Farms in Mindanao mechanized several hundred acres of rice farming, but after two years of unsuccessful operations, stored the machinery and went back to carabao farming.

C. Possible Solution to the Farm Mechanization Problems

It is unlikely that many farms in the Philippines will be mechanized unless and until the price of machinery goes down considerably and the supply of fuel becomes more plentiful and cheaper. This country, like what many others have already done, is going through a trial and error period in farm mechanization and within 10 or more years may find a practical solution to mechanization.

It seems possible that tractors could be used successfully to plow and harrow land, build levies and terraces, level land for irrigation, and thresh grain, while tenants are retained on the farm, if and when the situation is such that machinery and fuel can be obtained at reasonable prices. However, there would still be a great deal of hand work to be done by tenants in the production and har-

vesting of crops. New crop and livestock enterprises, made possible through farm mechanization, would provide more profitable employment to tenants.

Tractor plowing and harrowing could be done for small farmers on a custom basis by cooperatives or by individual owners. Tenants could make payments in kind at harvest time.

It is believed that more attention should be given to use tractors in producing crops other than rice, such as corn and legumes.

CHAPTER SIX

SUGGESTIONS AS TO FURTHER ACTION ON LAND REFORM

I. Summary of Present Situation

A. The Real Challenge in Land Reform

The real challenge in Philippine land reform is to institute some practical means of permanently checking the recurring serious conflicts between landholders and tenants and, at the same time, substantially improve the economic, social and political status of tenants. There is no doubt that both landholders and tenants are unhappy about the present land tenure situation. Top Philippine government officials are confronted with even more difficult problems in the face of demands from both landholders and tenants that their respective positions be protected by the Government. Landholders want to keep their land while many thousands of tenants insist that the Government acquire large farms in order that they (tenants) may become owners.

Most landholders would like to continue with the traditional share tenancy system from which they have profited so much in the past. On the contrary, it is obvious that what tenants really want is to get out from under this system.

Notwithstanding the substantial progress achieved by the land reform agencies (ATC, CAR, ACCFA, LTA and BAE), it is obvious that

they have not as yet found the answers to some of the serious share tenancy problems. Recent preliminary studies of the situation in Central Luzon, for instance, indicate that a relatively small percentage of the share tenants are now under the 70-30 sharing arrangement and using ACCFA credit and marketing services in spite of the fact that these agencies have somewhat concentrated their efforts in that area for more than three years. It is also noticeable that very few tenants practice improved methods of farming, as recommended by BAE.

B. Proposed Compromise Between Owners and Tenants

The ideal way to correct the share tenancy situation would be for the Government to acquire and subdivide all the large farms and sell family-size farms to tenants as was done in Japan and some other countries. However, this cannot be done in the Philippines because of the situation explained in the previous chapter. The writer (land tenure advisor) therefore proposes a middle-of-the-road compromise between landholders and tenants which would allow owners to keep their land and at the same time allow tenants to get out from under the inequitable practices of the share tenancy system.

The idea is to initiate a program in Central Luzon, giving every possible encouragement and assistance to all tenants to progress to the 70-30 sharing ratio or to leasehold tenancy. They will also have to be encouraged to avail themselves of the ACCFA credit and marketing services. At the same time, they must be trained to adopt BAE recommendations of increasing farm production. This drive

should start in Central Luzon and progress as fast as FaCoMas can provide adequate credit and marketing facilities to tenants.

It is suggested that for the next few years the USOM advisors, the ATC, ACCFA, BAE, LTA and officials of other agencies concerned should make special efforts along the lines outlined below.

II. Improve the Status of Share Tenants

A. Make thorough study of the situation

The first step in the drive to correct the share tenancy situation and thereby improve the economic, social and political status of the tenant, would be to make a special study to determine the defect of the methods and facilities now being employed by the different land reform agencies and what changes or additions are needed to make the programs function effectively and efficiently. The study might well include a sample, say 10 percent, of all share tenants in each of the seven provinces in Central Luzon. Tenants, farm overseers, barrio councilmen, and whenever possible, owners would be interviewed to determine the answers to such questions as the following:

1. Why have more tenants not progressed to the 70-30 sharing ratio?
2. Why don't tenants deliver more of their rice crops to FaCoMa warehouses?

3. Why don't more tenants avail of ACCFA credit facilities?
4. Why don't more tenants follow BAE recommendations on how to increase production of rice and other crops?
5. What can be done to encourage more tenants to take advantage of the services offered them through the land tenure, ACCFA and BAE programs?

Such a study could be made by a team of one man each from the ATC, ACCFA and BAE. A USOM advisor to one of these agencies should serve as the team leader and should go with the study team on many field trips.

B. Do intensive educational work with tenants

The ATC, ACCFA and BAE should embark on an intensive educational project with share tenants. In the last three or four years, the land reform agencies have gone through an important initial stage of orienting or informing tenants as to the services available to them, under the new laws. There is now more than ever, a great need for more intensive, continuous and practical educational work at the barrio and farmer level, in order that individual farmers may fully understand and take advantage of the opportunities being offered

them through the land tenure, credit, marketing and extension services. Two types of intensive educational work are needed, as explained below:

1. Land tenure, credit and marketing information

- a. What tenants need to know

The lack of sufficient information and full understanding of the land tenure and ACCFA programs on the part of tenants is a major reason why so many of them have not progressed to the 70-30 sharing ratio and are not using FaCoMa credit and marketing services. Tenants particularly need to know approximately how much they could increase their farm income by taking advantage of those services. (It is estimated that they could increase their annual labor income by 25 to 40 percent) They should know the many advantages to be gained by all farmers in an area continuously and fully supporting the FaCoMas. There should be instilled into tenants the determination to improve their economic and social status through their own efforts. The fear of tenants to break away from the old tenancy, credit and marketing system must be removed. In order to accomplish this, the FaCoMas must give tenants the assurance that they will not be allowed to suffer for lack of financing. At the same time, ACCFA and the FaCoMas should make tenants fully understand what they must do in order to receive the full benefits offered through FaCoMas. Tenants must be given the desire and know-how to become self-supporting, particularly in food production and conservation.

They must understand that FaCoMa loan funds are to be used primarily to provide workstock, farm implements, seeds, fertilizers and insecticides to increase production. At the same time, however, FaCoMas must devise some workable plan for financing tenants in meeting emergencies. These are only examples of what tenants need to know. (The ATC, ACCFA and FaCoMa representatives will think of more information which should be included in a training program, particularly those who work directly with farmers.)

b. Who would do the training

The ACCFA and ATC seem to be the logical agencies to do the detailed training in land tenure, credit and marketing. A representative from the ATC and one from the ACCFA might work as a team at the barrio and farmer level. It is suggested that there should be a team to each 20 barrios so at least one full day a month or a half day each two weeks could be spent in each place. It would be necessary for both the ATC and the ACCFA to redirect and intensify their present training efforts.

c. There should be a well planned training program

Central office representatives with the assistance of ICA advisors should carefully plan a detailed but simple training program. It should be a progressive training course with only as much information to be presented at each meeting as barrio leaders can learn and understand. Simple leaflets should be developed for handing out after each

meeting. The training course should provide for follow-up and repetition of important items.

d. Central office follow-up needed

Supervision from the central office would be necessary to make this training a success.

2. Education in good farming

Education in land tenure, credit and marketing is not enough to make share tenants successful. If tenants are to repay ACCFA loans and raise their standard of living, they must substantially increase production of rice and other farm commodities. In other words, they must become much better farmers than they are now. To get tenants to farm better and live better should be the concern of all agricultural agencies, but primarily is the responsibility of BAE. There is a great deal more work than all agencies can possibly do in this field. To make the training effective, the ACCFA, BAE and the ATC should work with the same groups of tenants during the same period of time, with each agency promoting the work of the others.

a. Conduct barrio meetings

The Philippine barrio setup is almost ideal for initiating movements in farm improvements. It is easy to get groups together. There are always local leaders who can serve as contact and follow-up representatives. The important thing is that the information given at

the barrio level must be entirely practical and simple. It must lead to the solution of the local farmers' problems. To be successful, the teacher must start with what farmers already know and what they want or think they want. Regardless of the many additional crop and livestock enterprises needed in an area, it is advisable to first get farmers to do more and better what they are already doing. Once they succeed at this they will start new crops and livestock enterprises.

b. Conduct farm demonstrations

Barrio meetings will not do the entire teaching job by any means. Farmers have to be shown as well as told. They usually believe more in what their neighbor farmers say and do than in what experiment stations have done. The best approach, therefore, is for the agriculturist to assist a few local farmers, usually barrio leaders, to carry on demonstrations on their own farms. Other farmers in the barrio will watch demonstrations and some will copy them.

c. Tie farm education into credit

In the United States, agricultural credit has proven to be one of the most effective means of getting farmers to adopt improved practices. It is often the case that small farmers cannot practice improved methods of farming for lack of adequate financing. This is where credit and extension work compliment each other. The lender can advance credit on a pledge from the farmer that the funds will be used to finance certain practices. The extension man can follow up and

teach the farmer how to do the practicos. This type of service is often referred to as supervised credit. It involves practical farm planning and reaching a definite understanding with the farmer before a loan is made and follow up after the loan is made to see that funds are used for the specified purpose. It also involves additional follow up to see that farm income is spent wisely and that the loan is repaid. Such a farm plan must be understood by the farmer and he must want to carry it out. If B&E cannot closely follow up and supervise farmers to whom substantial loans are made, ACCFA should furnish farm supervisors. A good supervisor can earn his salary in increase of loan repayments and at the same time teach farmers to greatly increase farm productions.

C. Conduct a pilot project

As previously stated, it is evident that the masses of share tenants will not be satisfied to continue operating under the share tenancy basis. Since the Government cannot acquire land on a large scale basis, the only way to get tenants out from under share tenancy is to put them on a leasehold basis. The writer, therefore, proposes that a pilot project be started to convert tenants from share tenancy to leasehold basis. The following is an explanation of the proposed project.

1. Purpose of Project

The purposes of the pilot project would be:

- a. To have all tenants become managers of their own farm operations.
- b. To have all tenants receive at least 70 percent of the rice crops they produce.
- c. To have each tenants deliver all of his share of the rice crop to a FaCoMa warehouse.
- d. To have a FaCoMa with a volume of business large enough to support a strong farmer-owned cooperative.
- e. To have tenants substantially increase farm production and income, improve living conditions and be strong supporters of local and national governments.

Note: It is assumed that ACCFA would meet all credit requirements.

2. Steps in Establishing the Project

- a. Put all tenants on leasehold basis by (a) having some government agency lease entire estates and in turn sublease to tenants on a long time basis or (b) having some Government agency enter into a written contract with owners to the effect

that they will in turn execute long time leasehold contracts with tenants, thereby leaving them free to manage their own farms and deliver all of their rice share to FaCoMas. In either case, the project should include 500 or more tenants in order to support a strong FaCoMa.

- b. The annual rent might be paid in one of two ways. First, the owner might be paid each year on the basis of a specified share of crops, which in the case of rice should probably not exceed 20 percent of the gross production. Second, the owner might be paid a fixed amount in kind. The amount would be computed at the time of execution of the initial lease contract and on the basis of the average yield for the previous three years.
- c. The local FaCoMa would execute agreements with individual tenants to the effect that it would finance the production needs of tenants on the condition, such as, that they would follow improved methods of farming and deliver all of their share of rice to a FaCoMa warehouse. ACCFA or the FaCoMa should assign a fulltime loan officer to this project. He would be

responsible for making sound loans urging tenants to adopt improved farm practices and also seeing that loan funds are used for the intended purposes and that loan repayments are collected.

- d. BAE should cooperate with the FaCoMa and ACCFA in inspiring and teaching tenants, through barrio meetings and farm demonstrations, to be good farmers and faithful members of the cooperative.

Note - A memorandum of understanding should be executed setting forth the functions to be performed by each agency in connection with the project.

3. Advantages of Farm Leasing to Owners

Many non-resident owners should be particularly interested in leasing their farms, for several reasons:

- a. They could retain their investment in land and obtain a reasonable income from it without being continuously being bothered with the unrest among tenants.

- b. They would no longer be worried with the management of their farms. Farm managers would not have to be hired and supervised.
- c. They would no longer be continually threatened by possible expropriation of their farms because there should be no agrarian unrest.
- d. Some owners have indicated that they might be interested in leasing their land.

III. Establishing Successful Owners on LTA Farms

A. Why this is important

Emphasis should be placed on establishing tenants as successful owners on Government owned land. The Land Tenure Administration has approximately 60,000 hectares of farm land under its supervision and will acquire more from time to time. Improvements have been made in that tenants on this land have more freedom in management of their farms and get a larger share of the crops than most of them got under the share tenancy systems. Unfortunately, however, a large percent of them have not progressed to ownership in spite of the fact that the Government has owned much of the land for many years.

Land Tenure Administration officials are making an effort to improve this situation and want all the assistance they can get from

USOM. They particularly need guidance in the field of management of small farms with emphasis on crop and subsistence food production. Farmers on this land are seriously lacking in practical farming know-how. They also lack adequate farm credit and marketing facilities.

The fact that the Government has control of this land provides a much better opportunity for ACCFA and BAE to effectively serve these people, than when land is under the share tenancy system. The farmers on the LTA land cannot fully succeed without the combined services of ACCFA and BAE. To be effective in serving this group of farmers, the agencies must continuously work together. Until recently, there had been no cooperative effort of Government agencies to provide land, credit and marketing facilities, and farming know-how to a specific group of farmers during the same period of time. Such services are now being provided in a pilot project as explained below.

B. A pilot project has been started

After many meetings of officials in the land reform agencies, the land tenure advisor was able to get a pilot project started wherein LTA, ACCFA, BAE and AED will work together on a 2,200 hectare farm with some 375 families in an effort to provide all the agricultural services needed by the small farmers.

It is suggested that the land tenure and development advisors should devote a great deal of time to follow up of this project. If this cooperative effort is successful it will, without doubt, be put

into practice on many other farms. The following is a copy of the initial plan for the cooperative work of the agencies on this project. Heads of the agencies concerned have agreed to follow this plan. It is as follows:

1. The Plan for Coordination of Agencies

LTA, ACCFA, BAE and AED will have local representatives working together on one or more selected LTA farms to provide all types of services required for assisting small farmers to substantially increase farm production, improve living conditions, meet payments on ACCFA and LTA debts and become farm owners.

To insure success, it is necessary for each agency to have a local employee give first priority to working on the project. Such employee should not have too many other responsibilities. It must be kept in mind, however, that the project must be practical and one which can be repeated on other farms.

One Filipino member of the group assigned to the project will act as chairman to serve such purposes as calling meetings.

The policies and plan of operation are being developed at the national level and released in a joint memorandum approved by the Chairman of LTA, the Director of BAE, the Administrator of ACCFA, and the Head of the AED.

Each agency will issue specific written instructions to its employees and furnish copies of it to all parties concerned.

A central office representative will be designated by each agency to compose a committee which will make policy and supervise the local personnel. This committee will visit the project as often as necessary and after each visit will prepare a joint report to the heads of all the agencies concerned.

2. Specific Contributions of LTA

The Land Tenure Administration will make the following contributions to the project.

- a. Provide farm families with adequate size home lots, either adjoining their houses or in a larger area near them.
- b. The local LTA project agent will encourage all farmers to use ACCFA credit and to store all palay in a FaCoMa warehouse.
- c. The LTA project agent will also follow up the recommendations made by the BAE representative and approved by the Central Office Committee and make every effort to get farmers to put them into practice.

3. Specific Contributions of ACCFA

- a. ACCFA will provide all financing required by farmers on LTA land for production, marketing and meeting

emergencies, provided tenants agree to certain conditions.

- b. Store all palay in FaCoMa warehouses.
- c. Process and market the rice produced on the farm.
- d. Cooperate with LTA to encourage farmers to meet repayments on farms.
- e. Encourage farmers to adopt improved farm and home practices.

4. Specific Contributions of BAE

- a. BAE will hold meeting to teach farm and home improved practices in each barrio.
- b. Conduct on-the-farm demonstrations with selected farmers for the purpose of demonstrating improved farm practices.
- c. Encourage all farmers to cooperate with ACCFA in the proper use of credit and to store all palay in FaCoMas' warehouses.

5. Specific Contributions of AED

AED is responsible for making, beginning an annual inventories and keeping records throughout the year for the purpose of

being able to measure progress made from year to year by the farm families. Two types of records will be kept.

- (1) Records on the overall project so as to measure the progress made in such activities as the following:
 - a. Change in attitude of families toward making improvements.
 - b. Increase in number of ACCFA borrowers and amount of palay delivered annually to FaCoMa warehouses.
 - c. Increase in the adoption of improved methods of farming.
 - d. Increase in total production of palay on the estate.
 - e. Community development activities such as home water supply, sanitation measures, irrigation, roads, schools and churches.
 - f. Increase in volume of business done by the FaCoMa.

- (2) Records on individual farms for the purpose of determining such as the following:

- a. The annual increase in gross income and net income to the individual farmer.
- b. The effect of ACCFA financing on the farmers' net income and the average amount of credit required per hectare.
- c. The effect of FaCoMa storage and marketing on the farmers' net income.
- d. The effect of improved farm practices on the farmers' net income.
- e. The most practical system of farming on the small farms (farm organization).
- f. The actual man hours and workstock hours required per hectare of palay and the income per hour worked.

IV. Major Changes Needed in Land Tenure Laws

There seems to be no special need at this time to revise Republic Act 1199. There are, however, a number of improvements which might be made in Republic Act 1400 which governs the work of the Land Tenure Administration.

It is suggested that R.A. 1400 should be amended to:

A. Provide for the Land Tenure Administration to devote full time to handling farm property, rather than handling both urban and farm property as it does now.

B. Provide for payments for land acquired by the Government for resale to tenants to be made in bonds based primarily on agricultural commodities on which interest and principal installments would be paid each year.

This land payment system would be something like that of Taiwan which is working rather successfully. In Taiwan the Government paid the owner 70 percent of his total payment in land bonds in kind and 30 percent in the form of stocks in government-owned industries. The land bonds bear interest at the rate of 4 percent, however, the interest rate might be higher in the Philippines. Paddy-land bonds are redeemable in rice at current market value. Dry land bonds are redeemable in cash based on current market value of sweet potatoes. Advantages of the Taiwan system over that now provided for in Philippine Republic Act 1400 are:

1. The Taiwan Government did not have to put dollars (cash) into the purchase of land. On the other hand, in the Philippines when land is acquired through negotiations, the seller may (and usually does) require 50 percent of the payment in cash and take the other 50 percent in land certificates; when land is acquired through

expropriation, the seller can demand 100 percent of the payment in cash. Furthermore, the Philippine law provides that land certificates shall be payable to the bearer on demand and presentation at the Central Bank.

2. The Taiwan type of bond which can be transferred from one owner to another but cannot be converted to cash, should be more attractive to investors than the Philippine land certificates, for two reasons:

a. A holder of Taiwan bonds can receive payment in kind on both interest and principal every year, whereas the holder of Philippine land certificates must wait five years to draw any interest, which is then at the rate of 4 percent per annum.

b. Under the Taiwan system of land payments the sellers of land have considerable protection against price inflation, because he is paid over a period of 10 years and when prices of rice or sweet potatoes go up the bonds are worth more, that is, the cash value of the annual payment is greater.

C. Provide for the establishment of a uniform appraisal system for purpose of determining the fair value of land on the basis of its relative productive value. Such appraisal system is badly needed to serve as a guide to LTA, court officials and others responsible for placing values on farm land. It is also needed as a basis for determining the value at which land should be taxed, because at present there is no uniform and fair system of charging taxes on the basis of what land produces, or is capable of producing. Two men in the Land Tenure Administration (Messrs. Alenia and Requina) studied farm land appraising in the United States and know how to develop an appraisal system. Without a uniform land appraisal system for use as a guide, the Land Tenure Administration might pay somewhat more for land than tenants can repay for it after they buy it from farm income. When this happens, the Government has to take the loss. Under a uniform appraisal system, the agency would know when not to pay too much for land.

D. Recommendations as Land Reform Council

Quite a number of recommendations as to needed revisions in land tenure laws are included in the report of the Philippine land tenure officials who observed and studied land reform in Japan and Taiwan in 1957. The title of this publication is "Report on Land Reform" (See appendix C).

APPENDIX A - Land Tenure Advisors and Participants

A. U.S. Technical Advisors

1. For the land tenure project:

Robert S. Hardie	July 1951 to August 1953
Joe R. Motheral	September 1954 to August 1955
Frate Bull	December 1955 to April 1957

2. For the land development project:

Ray E. Davis	November 1952 to February 1957
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B. Philippine Participants through FY 1957

1. In the Agricultural Tenancy Commission:

<u>Name</u>	<u>Present Occupation</u>
Fernando A. Santiago	Chairman
Miguel T. Valera	Commissioner
Mrs. Lydia V. Mondoñedo	Commissioner
Jose M. de la Cruz	Chief, Research Section
Oscar M. Ontimaro	Regional Supervisor

2. In the Court of Agrarian Relations:

Guillermo S. Santos	Executive Judge
Bienvenido D. Chingcuangco	Commissioner

3. In the National Resettlement & Rehabilitation Administration:

George A. Alba	Assistant General Manager
P. V. Quiamco	Agriculturist
E. P. Cangao	Agriculturist

4. In the Land Tenure Administration:

Manuel E. Castaneda	Chairman
Numeriano A. Fabic	Commissioner
Julian U. de Vera	Commissioner
Amado G. Alinea	Chief, Finance Division
Juvenal R. Requina	Land Appraiser
Dominador A. Dizon	Farm Manager of Large Estates
Federico R. Dorotan	Section Chief

5. Not in Land Tenure Work:

Leonardo R. Lutierrez	Chief, Legal Division, NEC
Louis Lichauco	Formerly on ACCFA Board of Governors, now retired owner of large farm
J. E. Valmonte	Dean, College of Business Administration, U.P.

APPENDIX B - Commodities Through FY 1957

Total U.S. Dollar Commodities Received by the Court of Agrarian Relations:

<u>Quantity</u>	<u>Item</u>
1	Mimeograph Machine
18	Standard Typewriters
1	Electric Adding Machine
10	Portable Typewriters
18	Jeeps
9	Station Wagons
9	16" Carriage Typewriters

Total U.S. Dollar Commodities Received by the Land Tenure Administration:

<u>Quantity</u>	<u>Item</u>
10	Jeeps, Willys, Universal, Model CJ-3B
2	Pick-Up Trucks, Willys
3	Station Wagons, Model 475
26	Typewriters, Underwood, 11" Carriage
1	Typewriter, Royal, 33" Carriage

2	Calculators, Monroe Matic
2	Transit, Surveyors
1	30" Civil Engineers' Drafting Machine
1	Plain meter
2	Range Poles
2	Drawing Instruments
2	12" Metric Scales
1	Wrico Lettering Set
2	Metal Tapes, 100 meter

Total U.S. Dollar Commodities Received by the Agricultural Tenancy
Commission:

<u>Quantity</u>	<u>Item</u>
24	Jeeps
3	Station Wagons
20	Typewriters
1	Multilith-Multigraph Machine
1	Electric Adding Machine
1	Vari-Typer Machine
1	Tape Recorder
1	Movie Screen

APPENDIX C - References

1. Annual Report of the Agricultural Tenancy Commission 1956-57.
2. Annual Report of the Court of Agrarian Relations 1956-57.
3. Annual Report of the Land Tenure Administration 1956-57.
4. National Resettlement and Rehabilitation Administration Annual Report, FY 1956-57.
5. Philippine Land Tenure Reform - Analysis and Recommendations in 1952 by Robert S. Hardie (200 pages).
6. An Economic and Social Survey of Rural Households in Central Luzon 1953-1954, by Generoso Rivera and Robert T. McMillan (175 pages).
7. Report on Land Reform including in Japan and Taiwan and Recommendations for Improvements in the Philippines - The Following Officials in Land Tenure Agencies (about 50 pages) 1957:

Lydia V. Mondoñedo
Commissioner, Agricultural Tenancy Commission

Guillermo S. Santos
Executive Judge, Court of Agrarian Relations

Manuel J. Castaneda
Chairman, Land Tenure Administration

Fernando A. Santiago
Chairman, Agricultural Tenancy Commission

Numeriano A. Fabie
Commissioner, Land Tenure Administration

Julian U. de Vera
Commissioner, Land Tenure Administration

8. "The Law on Agricultural Tenancy in the Philippines" - A book by G.S. Santos, Executive Judge of Court of Agrarian Relations; Published by Central Book Supply Inc., 1957, 769 Rizal Avenue, Manila, P.I., 300 pages.

9. "The Philippines - Agricultural Land Tenure Study" in 1954 by the Joint U.S. Embassy and USOM Committee (50 pages).
10. "The Filipino and His Land" - by F. Sionil Jose, Published in a series of five articles in The Bulletin (a Manila daily newspaper) in 1957.
11. "Report on Land Reform in Japan" (150 pages) and "Report on Land Reform in Taiwan" (250 pages) - both by Frederico R. Dorotan, Land Tenure Administration, Manila, P.I., 1956.
12. Daniel W. Bell, et al, "Report of the Economic Mission to the Philippines," The Philippine Association, Inc., Manila, P.I., 1950, (170 pages).
13. "Land Settlement and Title Clearance" by Ray E. Davis, 1957 (50 pages).

NATIONAL RESETTLEMENT AND REHABILITATION ADMINISTRATION

TOTAL U.S. DOLLAR COMMODITIES RECEIVED UNDER FY'55
AND FY'56 PPAs AND APPROVED BUT NOT RECEIVED IN
FY'57 PPA, AS OF DECEMBER 31, 1957:

<u>Item</u>	<u>No. Received Through Dec. 31, 1957</u>	<u>Additional No. Approved in FY'57 PPA</u>	<u>TOTAL</u>
Garden rakes	11,900	8,000	19,900
Shovels	11,900	8,000	19,900
Axes	11,900	8,000	19,900
Claw Hammers	11,839	8,000	19,839
Maddocks	11,900	8,000	19,900
Hand Saws	11,891	8,000	19,891
Crosscut Saws	1,300	400	1,700
Grass Hooks	10,000	8,000	18,000
Garden Hoes	10,000	8,000	18,000
Weeding Tools	10,000	8,000	18,000
Spading Forks	9,976	8,000	17,976
Jeeps	20	8	28
Dump Trucks	16	-	16
6 x 6 Trucks	-	10	10
Do Soto Pick-Ups	4	-	4
Rice Threshers, foot pedal	100	-	100
Saw Mill, Sets	2	-	2

Deiscl Engines	2	-	2
Stumpers, Detachables	6	-	6
Power Transmission Accessories	2	-	2
D8D Towing Winches	2	-	2
Gang Edgers, Sets	2	-	2
Planer, Matchers & Manders	4	-	4
Lumber trimmers	2	-	2
Chain Saws	12	12	24
Levels, Rods and Tapes, etc.	5	-	5
Crawler Tractors TD-24	4	6	10
Deiscl Electric Generators	2	2	4
Power Wagons	-	4	4
Repair Shop Outfits	-	2	2
Miscellaneous Items, many			