

[Acts No. 4166, December 04, 1934]

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

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

SECTION 1. Definitions.—(a) All sugar produced in the Philippine Islands shall be classified as follows:

1. "A Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands from sugar cane grown in the Philippine Islands which is permitted to be transported to, processed in, or marketed in Continental United States.
2. "AA Sugar" shall consist only of such refined sugar as may be manufactured in the Philippine Islands from "A Sugar" which is permitted to be transported to, processed in, or marketed in Continental United States.
3. "B Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands from sugar cane grown in the Philippine Islands, for consumption within the Philippine Islands, whether in its original form or not.
4. "C Sugar" shall consist only of such centrifugal sugar as may be manufactured in the Philippine Islands to be held as an emergency reserve to make up any deficiency in "A Sugar" or "B Sugar" or for marketing elsewhere than in Continental United States or the Philippine Islands.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the laws of the United States.

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

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

- a. The quantity in short tons of "A" and "AA" which shall be identical with the amount of such sugar, under Act of Congress, may be shipped to Continental United States during the calendar year; plus
- b. Such a quantity in short tons of "B" sugar Governor-General may from time to time find to be required for consumption within the Philippines Islands, either in its original form or as refined sugar; plus
- c. A quantity in short tons of "C" sugar equivalent to ten per centum of the total of (a) and (b) or 100,000 short tons, whichever is greater, provided that in determining said amount the Governor-General may, in his discretion, deduct therefrom the whole or any part of the amount of "C" sugar in stock at time of determination.

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

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

SEC. 8. The Governor-General shall allocate or cause to be allocated among all the planters engaged in the growing of sugar cane, the total amount of "B" and "C" sugar the manufacture whereof may be permitted in any given year, as provided in section five of this Act. The allocation of said "B" and "C" sugar shall be effected in as fair and equitable a manner as may be possible; due regard, however, to be given to such as may deserve reasonable amelioration on account of reduced