

NATIONAL LAND SETTLEMENT

G. J. Lothar Maetze

Many countries have resorted to Land Settlements be it in order to release overpopulated areas of its surplus of people or for economic or political reason: for instance control of unemployment.

Applied to the Philippines, the purpose here would be to open up the fertile uninhabited regions of the archipelago through agriculture and husbandry.

As indicated by the word "NATIONAL" it is in the interest of the Nation. As indicated by the word "LAND-SETTLEMENT" it is solely on an agricultural basis.

For such settlements are to choose in the first place locations along existing highways, or such under construction. Secondly such along trails connecting important places from coast to coast. Third: coastal regions with good anchorage (bays well protected.) Fourth: locations out of the way which will have to be first connected with already existing highways by roads.

After this short general introduction I will expose a plan for settlements which could be applicable for the Philippines.

Locations decided on for settlements should be at least roughly geologically and topographically surveyed, so far as no plans of such surveys exist. This would in one way make it possible to determine the perennial cultivations which would come in consideration for these settlements in question, and in the other way greatly facilitate the lay-out of the fields and roads within the settlement.

The Settlement has to consist of a Centre, the "Village", and the Cultivations, the "Fields", lying around the centre. Such a centralized settlement has a great advantage over a settlement where one farm joins the other one, and the houses are far apart, scattered. By the centralized form of settlement the settler is first of all forced more or less to stay at the work, and has not the inducement to run to the house every now and then. Other advantages are in the social life of the settlers, in case of sickness, and in many other respects.

The appropriate size of a settlement is 2000 hectares (Ha.) with 100 settlers, —families, or families and single men, these however not more than 20%. —

These settlers form the nucleus of the future Community, and of the Village respectively the Municipality when the settlement has matured.

This area of 2,000 hectares shall be disposed of in the following way:

One hundred ha. shall form the village. These 100 ha. shall be divided into 50 ha. for community-ground and used generally: i. e. for the administrative buildings to be erected, later the City Hall and offices, for the police station, court, post-office, school, market, recreation halls, playgrounds and an experimental station (nursery, fishponds, husbandry). The rest of 50 ha. shall be parcelled into 100 lots of half a hectare each lot — as residential lots of the settlers. The area of the roads between the residential lots is to be deducted from the 50 ha. of the community-ground.

Author of this article is 56, a Filipino Citizen, married with a Filipina, and residing in the Islands since 1933. He has organized the European and Native Colonization in Angola, West-Africa, for the Portuguese Government, and he also organized the Indonesian Settlement in North New-Guinea—Dutch East-Indies, before he came to the Philippines.—EDITOR'S NOTE.

One thousand hectares will be parcelled into lots of 10 hectares, called the "fields"; one field for each of the 100 settlers.

The remaining 900 hectares are for community-forestland. From this area 10 ha. are to be selected for a churchyard, and 100 ha. will be converted into a Game-Park (game reserve).

The working plan of the settlement in large line: One may compare the settlement with a plantation. There is the official of the National Land Settlement Administration (N.L.S.A.) — the manager —, and the settlers — the labourers—. The success, everything as a matter of fact, depends on the Director of the Settlement, his skill and experience in such a work.

The start is the opening of the 50 ha. of community-land, the setting up of shelters for the settlers, of a magazine

for the provisions, adjoining quarters for the officials, the house of the director and his assistant. These houses should be built with material which can be locally obtained, and they have to be considered only temporary. Strictest economy has to be observed not only for the benefit of the settlement, but rather for an example and for training of the settlers in this branch of knowledge too. The settler must understand that he works for his own good, and to no benefit of the N.L.S.A. whatsoever. The motto for the settler must be:

"ONE FOR ALL, AND ALL FOR ONE."

The principal aim is to make the settlement "self-supporting" in the shortest time possible. In any case this goal must be reached in the first year dated from the day the actual work—the clearing of the forest—started. Therefore the smallest area cleared, has to be brought and kept under cultivation. At first preferably has to be planted: cassava, camote, pumpkins, along creeks: kankong and watercress. Only to name some tubers and vegetables. Smaller plots are recommended for soybeans, black-eye and cowpeas, some sugar-cane and tobacco, etc. — Around the houses small kitchen-gardens are to be arranged: radishes, lettuce, pitchay, tomatoes and so on. Along the roads are best: Papaya trees and bush pepper between them. In some distance from the houses: banana-trees with pineapples are recommended. These plants do not do well close to houses as they are considered breeding places for mosquitoes. This refers also to gabi, arrowroot, ginger, etc.

Crops have to be planted in rotation. After about six months — according to the season — Upland rice has to be planted on such a scale that there is sufficient rice from the harvest for the second work-year. At that time also small experimental plots are to be planted with perennial plants such as coffee, cacao, tea, rubber, oilpalms, coconut trees (preferably the small size abaca, ramie, etc. — those are suggested for cultivation on a commercial scale in this particular settlement — in order to be able to observe the growth of such crops and in order to determine which are the best for plant-

ing in this locality. The aim of the N. L. S. A. must be, that within the first five years everyone of the 100 settlers has 5 ha. with one or more perennial crops under cultivation.

By the end of the first year the village has to be laid out, and each half-hectare lot has to be fenced and a house has to be erected. The house must be uniform and built in such a way that they can be enlarged in one or all directions according to the need and idea of the settler himself.

Within 10 years from the start of the settlement all the 10 ha. must be brought under cultivation. However not more than 8 hectares out of the 10 ha. are to be planted with perennial crops. Status of the Settler: the word "settler" is in this article always included to mean the whole family and also members who are counted to this family, and who are accordingly registered with the N.L.S.A.

The settler joins the N.L.S.A. as a member and binds himself by doing so to the rules of the settlement which he has chosen. He receives free transportation to the settlement he has chosen, free food-supply for the first year, shelter will be provided till individual houses can be built, i. e. when the village is laid out. The working plan of the N.L.S.A. under the direction of same is provided for five years. During this time the settler (and his family) have to give their best for the progress and success of the settlement. These five years are the foundation for the well-being of the settler in years to follow. During this time the settler will from time to time—as is necessary—receive clothing. The necessary implements will also be provided by the N.L.S.A. — the experimental station will take care for plant-material. The husbandry rests in the hands of the N. L. S. A. which will dispose of animals for slaughter from time to time to be distributed among the settlers. The settlers are allowed only to raise some chicken, ducks, geese, and rabbits, after the village is built up. These are considered only for the "pot".

Sunday is a restday. Only the most urgent and necessary work has to be done. Each settler and his family-members have to work on one Sunday out of four Sundays, in rotation.

Records will be kept of the work of each settler by the director of the N.L.S.A., and each settler has also to keep a diary of his work on his own.

A settler who breaks willfully the rules of the National Land Settlement Administration which he signed, can lose his rights on the land and can be sent back to the place he came from.

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Selections From

Saga Of The Great Earth

A Trilogy In Verse

C. M. Vega

For we cannot tarry here in our squat
nipa houses,
The green fields are calling...calling...
calling...

Plough the earth.... Harrow the
upturned earth...
Limber up your limbs.... Stretch your
muscles...

We need action and plenty of it
For our immortality!

* * *

Do not falter in your march fastly
progressward,

Idle lands await your fortitude, your
willing hands;

All these are the meanings of
rehabilitation—

Hardy men of vision, this is our
reconstruction:

From the flowering fields
Are our immortality!

* * *

Ours is a glorious history: of farmers
of the earth—

Pioneers that were of a virile and proud,
brave race;

Bearers of a great tradition—Mactan,
Corregidor, Bataan:

They are our proud inspirations for us
to go on and on

In enriching this legacy
For our immortality!

They were not found wanting—our
great grandsires,
They had conquered tracts of timber-
lands and forests

Into blooming ricefields and cornfields
and gardens,

They left us a priceless heirloom—
swaying, plentiful harvests:

The monument of their industry
For our immortality!

* * *

They were not of the wandering hordes
—our ancestors;

They were with unconquerable visions
and spirits of steel;

Pliant but unbending and look at our
glorious past—

Building us a kingdom—the Pearl of the
Orient Seas;

All for us to love and honor
For our immortality!

* * *

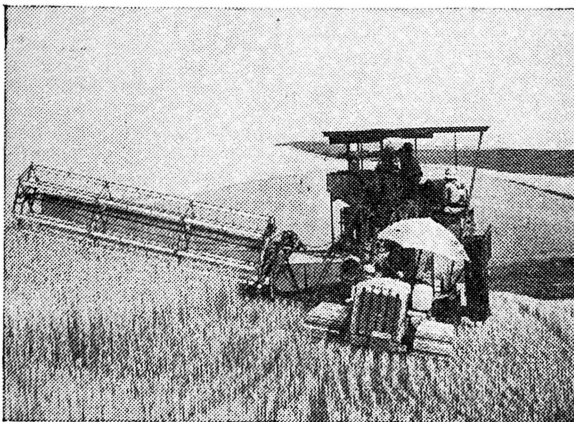
All through the ages and ages it has
always been

A nation proud and strong, unselfish,
sturdy, great;

It has withered revolution and
starvation and wars

But remained indivisible and whole and
proud and strong

Ever in stories of blood and fire,
For our immortality!



Mechanized farming vital in new land settlements. (USTIS cut)

to ₱500.00. Section 24 of the act states that "no person shall have for himself shares for more than five hundred pesos..."

Limited interest on capital. — This is called the "living wage to capital" principle. It is followed closely by cooperatives. Membership share should be distinguished from capital share in a cooperative organization. There is usually no return on membership share or membership fee. It provides only for the rights that go with membership. Usually, the membership share is not returned to members and is not transferable.

Capital share receives returns ranging from 1-1/2 to 8 per cent per annum. In fact, Philippine laws limit the return on capital share to a maximum of 8 per cent per annum. Many believe that the rate of return on capital shares is too low, resulting in capital starvation. Some believe that the high mortality rate of consumers' cooperatives is due to a certain extent to this very low rate of return on capital shares.

Sales for cash at market price.—This principle appears to be the most commonly modified in practice, especially in the case of consumers' cooperative stores, and all the modifications lead to credit sales. The modifications of the sale-for-cash principle are as follows:

1. Credit is limited to the extent of the capital invested by a member in the society, or some stated proportion of this investment. This is generally practiced by cooperative stores in the field of groceries and general merchandise.

2. Sometimes a secured note of the member will be accepted in lieu of cash. In this way losses due to bad debts are substantially lessened.

The sale-at-market-price principle has been generally closely practiced by consumers' cooperative stores. Some modifications of this principle, however, have been introduced, among which are the following:

1. Sale at cost plus a reasonable profit plan.

2. Sale at cost.

The difficulties encountered in applying the sale-at-market-price principle are found in the fact that: (1) it is difficult to determine what constitutes market price, and (2) cooperatives, in determining price policies, have to serve their members and the general public. There is the difficulty of determining whether the wholesale price or the retail price is the market price. Members may be satisfied with the prices based on current retail figures with consequent higher patronage dividends if prices are too high. But the general public will not be benefited by this system. Because cooperatives recognize their public responsibility, they often reduce prices with, possibly, some effect on competitive price structures. The danger in this practice, however, is that it encourages price warfare.

Dividends paid on the basis of patronage.—There are a number of methods used in the payment of patronage dividends. These are as follows:

1. The regular Rochdale method of a certain per cent in proportion to total purchases.

2. The "stock company" method of percentage patronage payment on the value of shares.

3. A graduated dividend on the extent of patronage wherein a half share is given the small patron and a full share to those that exceed a certain minimum amount of business.

It is interesting to note that in certain countries, as in Belgium, no patronage dividend is paid, net earnings being retained to finance some purpose, generally of a political or religious nature.

The methods used in paying patronage dividends may result from several systems adopted in the conduct of the business of cooperatives. It is, therefore, necessary to devise records and procedures for accumulating information re-

garding the amount of each member's participation in order to compute the proper share in the distribution of earnings. Some of these are as follows:

1. The preparation, in the case of a cooperative store, of sales slip for every purchase, or delivery receipt for every sale of products, in the case of a marketing association, and accumulation of these by the cooperative for the members.

2. Providing each member with a passbook in which the clerk enter the purchase or sale at the time it is made. When a dividend is declared the members turn in their books and their dividend is computed.

3. The use of cash register receipts. These receipts are signed on the back by the member and deposited in a box or kept by the member until such time as a declaration of dividend is made.

4. Providing each member with a card like a meal ticket. The sales are punched on the card. The card is retained for dividend purposes.

Any system of patronage dividend payment has the following advantages: (1) It stimulates business by tying trade to the cooperative, and (2) it places capital in its proper position of a facilitating agent of business.

The distribution of patronage dividends to members of the farmers' cooperative associations now established in the Philippines may be seen from the following illustration. Let us quote that portion of the cooperative law (Sec. 29 of the Cooperative Marketing Law or Act 3425) which has to do with patronage dividend. It says: "The net profits of the association, over and above expenses and dividends of membership capital, or capital stock actually subscribed and paid, shall be distributed as patronage dividend among the members or owners of common stock thereof, in proportion to the value or volume of agricultural products sold to or through the association during the period for which such apportionment is made..."

The by-laws of the farmers' cooperative associations also say this in this regard:

"All savings and earnings of operations shall be divided as follows:

- (a) 50% shall be set aside to amortize the indebtedness of the association, if any;

- (b) 10% for reserves;

- (c) 5% is to be set aside for educational and information fund;

- (d) 35% to be distributed to members as patronage dividends."

If the association is not in any way indebted or if its indebtedness is such as would require no amortization, the balance of the savings or earnings of operations in any year, after setting aside the reserves and that amount for educa-

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In legal matters are the standing courts. However a "council" of ten settlers under the chairmanship of the director of the N.L.S.A. will hear first the complaint and has to try his best to settle the matter of dispute between the two parties amicably before it can go further to the authority.

After the fifth year the settlers will be sufficiently trained and the settlement will be so organized that the settlers will be able to carry on by themselves, and the N.L.S.A. will only supervise the settlement in an advisory capacity. At the end of the fifth year the settler will receive a statement giving

him the rights on his residential lot of half a hectare and on the field of ten hectares. With accord of the N.L.S.A. the settler may exchange his lots with those of one of the other settlers. The lots are to be distributed under the settlers by "draws". After the tenth year the settlers will receive the title for his lots. They are then his own without any obligation to the National Land Settlement Administration.

For each settler the N.L.S.A. shall have at its disposal the sum of ₱1,500, which is to be used for covering the expenses during the first five years — Total amount ₱150,000.

The expenditure for the officials of the N. L. S. A., for building, etc. have to be made up in a separate budget. #

tional and information purposes,... shall be made available as patronage dividends.

Illustration:

Capital Stock . . ₱1,000 to earn, say, ₱5%
Gross income on sales ₱2,000
Cost of Goods 1,500

Gross profit on operation . . ₱ 500
Less overhead 200

Net Profit on operation . . ₱ 300
50% for amortization ₱150
10% for reserves 30
5% for education 15

Total ₱195
₱300 — ₱195 = ₱105 for dividends
₱105 for dividends
— 50 as 5% dividend on the ₱1,00 capital share

₱ 55 for patronage dividends.
To find rate for patronage dividends:
₱55 divided by —2,000 = ₱0.0275 for every ₱1.00 participation.

Name of member	Purchases	Sales	Total	Patronage dividend (Total X ₱0.0275)
"A"	₱ 30	₱ 80	₱110	₱3.02
"B"	50	70	120	3.30
"C"	100	50	150	4.12

SUFFICIENT VOLUME OF BUSINESS.—No one has worked out, or perhaps no one can work out, the minimum and maximum limits of the volume of any commodity that may be handled by a cooperative organization. Experience is necessary to enable an organization to determine just what these limits are for the commodity that it handles under certain conditions.

A puzzling question is to find out what percentage of the total quantity of a given product is necessary or desirable for the conduct of business. Only the fruit of experience can solve this question. For example, it has been observed that when a country's supply of a given agricultural product is grown entirely in a concentrated area, grading tends to be unsatisfactory, publicity is neglected, and the commercial buyers are few and powerful. The case of tobacco in the Cagayan Valley illustrates this very well. In such cases, cooperatives specify that at least one-half of the output, and often three-fourths, must be controlled. Cooperatives in the United States have found by experience that the most effective basis is 80 per cent of the total production.

On the other hand, some cooperatives have been successful even if the size of their business individually is small. Size, therefore, is no criterion of success taken by itself. Large figures and general magnitude may result in extravagance, easy-come-easy-go procedure, and a departure from the cooperative spirit. Many cooperatives have been wrecked in Germany, in the United States, and in the British Dominions because money has been splashed about like water.

ADEQUATE MANAGEMENT.—The problems of management are personal

and commercial. A manager should not only know his business but he should also know how to deal with the members of the organization.

The commonly accepted test for efficient operation is success. "Nothing succeeds like success" is the common saying. But this test is unsatisfactory taken by itself, since luck, accident, and uncontrollable circumstances are strong factors of success. On this point, Frederick W. Taylor, the pioneer of Scientific Management, proved that there was no direct connection in business between profits and efficiency.

Results are really all that matter. But luck and circumstances are composed of such tangible and intangible elements that no rules for unvarying success can be devised.

The late Justice Oliver Wendell Holmes of the United States Supreme Court remarked that "the art of living consists in making correct guesses upon insufficient information." Cooperatives should secure all possible data affecting policies; but risks can never be wholly eliminated, although they can be minimized. Managers are frequently confronted with proposals from members which involve speculation, too rapid growth, or unsound method. Since managers have a diplomatic role to perform, their decision must sometimes be made upon the shoulders of the convincing party. But if mistakes are committed, they should not be of the heart; they should rather be of the head.

An IMPELLING LEGITIMATE PURPOSE.—There must be a need for cooperation and this need must be both impelling and legitimate. The movement should have a central purpose which should continue to be the overwhelming interest of the rank and file of the membership of the cooperative organization.

It is said that "adversity is the mother of cooperatives." But cooperatives established just because of an attempt to minimize the effects of business depressions are not permanent. What is needed is an association whose membership is well informed about the principles and problems of the organization.

There is no magic in a cooperative association. It has its benefits, but also its decided limitations. These must be well understood by the membership.

LOYALTY.—Loyalty is the tie that binds. Yet loyalty to a common cause is impossible when there is absence of cooperation. Cooperatives lay great stress on loyalty but they often mean the loyal-

ty of the members to the association.

Loyalty in this case should also refer to the employees and officials of the association. There are a number of ways to maintain loyalty in a cooperative organization. Among these are the following:

1. Use of the loyalty pledge.
2. Use of the contract, a legal tie.
3. Constant education of members to promote mutual understanding.
4. Loyalty to loyalty, which is enthusiasm and faithfulness. These are inherently denied to no one and they are the surest guide for the specific performance of duty.

CONSTANT COOPERATIVE EDUCATION.—From the very beginning education has been the bulwark of the cooperative movement. The importance of education in the cooperative movement is expressed in the report of the Committee on Inquiry on Cooperative Enterprises in Europe, appointed by President Franklin D. Roosevelt, in the following words: "To live, a cooperative must have a loyal membership with broad understanding of its purposes and methods. To grow, it must 'sell' the cooperative idea to prospective members."

In a restricted sense cooperative education in part education and part propaganda. Much of the literature of the movement usually advocates the cause of cooperation in the guise of "special pleaders."

Cooperative education may also be divided into external and internal education. External education includes personal and radio addresses, press publicity, pictorial publicity, as well as the "literature" of the movement.

Internal cooperative education includes members' educational forums, various youth educational programs, employees education, women's clubs work of an educational and welfare nature, and cooperative newspapers supported by members of cooperatives.

In regard to employees' education, some cooperative organizations provide a special school for technical training of potential cooperative managers. In such a school, the following, among other things, are taught: training in the theory of cooperation, sales method of cooperatives, and cooperative accounting. The Institute For Practical Training In Cooperatives which is run by the Bureau of Plant Industry, is an example of an institution for training future cooperative leaders and employees. As regards the continuous education of the membership of farmers' cooperatives in the Philippines, the by-laws of such associations provide for the setting aside of 5% of the profits of the associations for educational purposes. #

(To be Continued)