

Preliminary Title

CHAPTER I General Provisions

ARTICLE 1. *Name of Decree.* — This decree shall be known as the "Labor Code of the Philippines."

ARTICLE 2. *Date of Effectivity.* — This Code shall take effect six (6) months after its promulgation.

ARTICLE 3. *Declaration of Basic Policy.* — The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.

ARTICLE 4. *Construction in Favor of Labor.* — All doubts in the implementation and interpretation of the provisions of this Code, including its implementing rules and regulations, shall be resolved in favor of labor.

ARTICLE 5. *Rules and Regulations.* — The Department of Labor and other government agencies charged with the administration and enforcement of this Code or any of its parts shall promulgate the necessary implementing rules and regulations. Such rules and regulations shall become effective fifteen (15) days after announcement of their adoption in newspapers of general circulation.

ARTICLE 6. *Applicability.* — All rights and benefits granted to workers under this Code shall, except as may otherwise be provided herein, apply alike to all workers, whether agricultural or non-agricultural.

CHAPTER II Emancipation of Tenants

ARTICLE 7. *Statement of Objectives.* — Inasmuch as the old concept of land ownership by a few has spawned valid and legitimate grievances that gave rise to violent conflict and social tension and the redress of such legitimate grievances being one of the fundamental objectives of the New Society, it has become imperative to start reformation with the emancipation of the tiller of the soil from his bondage.

ARTICLE 8. *Transfer of Lands to Tenant-Workers.* — Being a vital part of the labor force, tenant-farmers on private agricultural lands primarily devoted to rice and corn under a system of share crop or lease tenancy whether classified as landed estate or not shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated.

In all cases, the landowner may retain an area of not more than seven (7) hectares if such landowner is cultivating such area or will now cultivate it.

ARTICLE 9. *Determination of Land Value.* — For the purpose of determining the cost of the land to be transferred to the tenant-farmer, the value of the land shall be equivalent to two and one-half (2-1/2) times the average harvest of three (3) normal crop years immediately preceding the promulgation of Presidential Decree No. 27 on October 21, 1972.

The total cost of the land, including interest at the rate of six percent (6%) per annum, shall be paid by the tenant in fifteen (15) years of fifteen (15) equal annual amortizations.

In case of default, the amortization due shall be paid by the farmers' cooperative in which the defaulting tenant-farmer is a member, with the cooperative having a right of recourse against him.

The government shall guarantee such amortizations with shares of stock in government-owned and government-controlled corporations.

ARTICLE 10. *Conditions of Ownership.* — No title to the land acquired by the tenant-farmer under Presidential Decree No. 27 shall be actually issued to him unless and until he has become a full-fledged member of a duly recognized farmers' cooperative.

Title to the land acquired pursuant to Presidential Decree No. 27 or the Land Reform Program of the Government shall not be transferable except by hereditary succession or to the Government in accordance with the provisions of Presidential Decree No. 27, the Code of Agrarian Reforms and other existing laws and regulations.

ARTICLE 11. *Implementing Agency.* — The Department of Agrarian Reform shall promulgate the necessary rules and regulations to implement the provisions of this Chapter.