103 Phil. 187

[G. R. No. 1-10578. March 25, 1958]

FELIPE ATAYDE, PETITIONER, VS. HON. PASTOR DE GUZMAN, JUDGE, CAR, SECOND DISTRICT, AND LUPO BUENAVENTURA, RESPONDENTS.

D E C I S I O N

REYES, A., J.:
This is a petition to review on certiorari a decision of the Court of Agrarian Relations.

It appears from the record that the petitioner Felipe Atayde was a tenant of respondent Lupo Buenaventura on the latter's rice land in Sapang Kauayan, Muñoz, Nueva Ecija. On February 10, 1954 he filed a petition in the Tenancy Division of the Court of Industrial Relations asking for a "reliquidation of all past years of tenancy between petitioner and respondent" and for the execution of a 70-30 tenancy contract for the coming agricultural year. As grounds for the petition it was alleged:

> "3 That the petitioner shouldered all the expenses of planting and cultivation as well as those of harvesting, etc. which were never deducted from the gross production before division of the crop on the respondent's illegally enforced 50-50 sharing basis is made every year;
>
> "4. That despite repeated demands, respondent refused and ignored petitioner's demands for reliquidation of all their years of tenancy so that the rightful shares of petitioner based on the 70-30 sharing may be restored to him."

Answering the petition, the respondent alleged that it was he and not.the petitioner who shouldered the expenses of planting, cultivation and harvesting, denied that he had "illegally enforced a fifty-fifty sharing basis," and set up the defense that the petitioner was estopped from questioning "what was already voluntarily liquidated between the parties." The respondent also objected to the 70-30 crop-sharing contract demanded by the

petitioner, and by way of counterclaim alleged that, without his knowledge and consent, the petitioner had sublet the land to another; that the petitioner was engaged in the business of milling palay, thereby neglecting his work as tenant; that the petitioner had been guilty of gross misconduct, disobedience, negligence, fraud and breach of trust; that because of petitioner's misconduct and negligence there had been an underproduction of 153 cavans of rice every year; and that for all those reasons the respondent would prefer to have the land cultivated by himself and his son. Respondent, therefore, prayed the court to dismiss the petition, to authorize petitioner's dismissal as tenant and to order him to pay indemnity for the underproduction alleged.

Pending the submission of evidence, the petitioner filed a "petition for injunction," alleging that he had been, without court authority, dispossessed of his landholding and praying that he be restored to his possession. Denying the alleged ouster, the respondent on his part alleged that petitioner had abandoned his landholding by dedicating himself to his business of milling rice.

After the case had been heard, the Tenancy Division of the Industrial Court was abolished and the case transferred to the Court of Agrarian Relations. On March 3, 1956, that court rendered a decision, the dispositive part of which reads:

> "IN VIEW OF ALL THE FOREGOING CONSIDERATIONS, the respondent is hereby ordered to liquidate the harvest of his tenant-petitioner for the crop 1953-1964 only, on the sharing ratio of 60-40 in favor of the former. The harvesting expenses of P97.00 should be refunded to the petitioner if he is not indebted to the respondent. The 30 cavanes of palay received by petitioner from respondent on February 2, 1954 should be paid to respondent by the petitioner at the actual prices per cavan when it was taken by him.
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> "No fraud having been proved by the petitioner in the liquidation of his harvests, the reliquidation of the same is hereby denied.
>
> "Petitioner Felipe Atayde having committed act of breach of trust against his landlord, and having already terminated the period of his contract, and left his landholding voluntarily could not now be ejected as he has already severed his relationship as tenant of the respondent. That petitioner Felipe Atayde should however, make an accounting of his produce of 'magkumpol' variety consisting of 15 'cepocs' for the agricultural year 1953-1954 only, there being no evidence on

> the amount of harvest in the same landholding during the past years for the same variety."

Reconsideration of the decision having been denied, the petitioner brought the case here for review on a writ of certiorari.

The petitioner claims, in the first place, that the lower court erred in refusing to order a reliquidation of all crops prior to the agricultural year 1953-54 on the sole ground that no fraud had been proved. We find the claim meritorious. In the case of Alvaran vs. Pingol (G. R. No. L-9201, May 31, 1957), we held that the mere fact that no fraud may have been proved is no bar to a reliquidation where the liquidation already made did not give the tenant the share to which he was entitled under the law. And such would appear to be the case here. For we gather from the decision below that the petitioner, besides performing the ordinary labor of tenant; furnished the work animals and the farm implements, cultivated the land and shouldered the expenses of harvesting, while the respondent landlord, on his part, furnished the land and defrayed the planting expenses. Following our decision in the case just cited, the division of the crop in the present case, after deducting the harvesting expenses, should have been as follows:

For the landlord:		For the tenant:	
30%	for the land	30%	for labor
15%	for planting expenses	15%	for cultivation
45%		5%	for work animals
		5%	for farm implements
		55%	

In the liquidations had prior to the 1953-1954 crop, the tenant was given only 50% of the produce. Furthermore, he was not reimbursed what he had spent for harvesting, which, together with the expenses for threshing, should under the law (sec, 8, 2nd par., Act No. 4054) be deducted from the gross produce. As the tenant was thus not given what was due him under the law, a reliquidation should have been ordered regardless of whether or not fraud had been proved. And, as prescription has not been pleaded, the reliquidation should begin with the 1946-1947 agricultural year, when, so it appears, the tenancy relation between petitioner and the respondent landlord began.

With respect to the 1953-1954 crop, there is also something to petitioner's claim that it was error for the lower court to order its liquidation on the sharing ratio of 60% for the landlord and 40% for the tenant computed as follows:

	For the tenant:	For the landlord:
Work animals	5%	
Farm implements	5%	
Planting & cultivation Tenant's labor	30%	30%
Management of land		30%
Total	40%	60%

It is obviously not right to adjudge to the landlord the whole of the 30% share corresponding, to planting and cultivation when, according to the decision itself, only the planting expenses were defrayed by the landlord and it was the tenant who did the work of cultivation. Contrary to the lower court's view, cultivation is a factor of production not included in the ordinary labor the tenant has to perform to earn his 30% share in the net produce. (Sibulo vs. Altar,* 46 Off. Gaz. [11], 5502; Tabiolo, et al. vs. Marquez, G. R. No. L-7035, March 25, 1955.) Where, therefore, the work of cultivation is done by the tenant himself, the share that corresponds to this factor of production should be adjudged to him. Conformably to this and to the ruling in the cases of Tacad, et al. vs. Vda. de Cebrero (97 Phil., 150) and Alvaran et al. vs. Pingol, supra, the 30% share allotted to planting and cultivation expenses should be divided equally between landlord and tenant, that is to say, 15% for the landlord, who defrayed the planting expenses, and the other 15% to the tenant, who did the cultivation work. The sharing ratio then for the 1953-54 crop should, as in the case of previous crops, be as follows:

For the landlord:	For the tenant:
30% for the land	30% for labor
15% for planting expenses	15% for cultivation
45%	5% for work animals
	5% for farm implements
	55%

In passing, let it be stated that there is no point to petitioner's claim that it was he who defrayed the planting expenses because besides paying the wages of the transplanters he also shouldered the expenses for uprooting the seedlings and for final harrowing. The lower court did not believe his assertion that he shouldered the transplanting expenses, and, in any event, we have already ruled that "planting rice merely refers to the setting of the palay seedlings in the ground for growth, and even under the new tenancy law (Rep. Act No. 1199) uprooting the seedlings preparatory to transplanting and final harrowing do not constitute part of the work." (Alvaran, et al. vs. Pingol, *supra*.)

Petitioner also contends that the lower court erred in allowing a refund of only P97 of the harvesting expenses incurred by him. He claims that for harvesting the crop of one single cavan of seeds, he spent P40.00 for reaping and P12 for bundling and piling the harvest into small stacks, or a total of P52 for all those operations, that this total should be quadrupled because four cavans of seeds were planted, and that to those expenses should also be added the P45 paid by him for hauling the small stacks from the entire landholding and piling them into big stacks preparatory to threshing. It appears, however, that though the entire landholding was planted to four cavans of seeds, the lower court found—and we have to accept the finding because though disputed by petitioner there is substantial evidence to support it—that a good portion of the area was planted to rice of the "magcumpol" variety and that the harvest thereof was appropriated by petitioner to his own use without accounting for it to his landlord. And as to the bundling and stacking of the harvest preparatory to threshing, that is part of the labor a tenant has to contribute (Rep. Act No. 1199; Alvaran, et al. *vs*. Pingol, supra), so that what he may have spent for having someone else do the work for him should not be charged to the harvesting expenses deductible from the gross produce. In the circumstances, we find no substantial cause for complaint against the award of only P97 for the harvesting expenses claimed by petitioner.

Petitioner complains that he has been illegally dispossessed of his tenancy and prays that he be reinstated, with indemnity for damages suffered. But the lower court has found equitable grounds for terminating petitioner's tenancy relation with the respondent landlord. It says:

> "The evidence also shows that petitioner Felipe Atayde has voluntarily abandoned his landholding by allowing his brother Lorenzo Atayde till his (Felipe) landholding, without the consent of the respondent, because he has already another occupation, that of a machinist in his ricemill (kiskisan). The act of the petitioner of abandoning his landholding and giving it to his brother

> Lorenzo Atayde without first securing the consent of his landlord is an act violative of the law, a sufficient ground to eject him from his land-holding. On the other hand, the respondent also took the law into his hands when he took the landholding of the petitioner from the petitioner's brother, who was then actually tilling the land without first securing' the required permit from the Court. Both petitioner and respondent have, therefore, violated the law, and therefore, in pari delicti). But considering that this is a petition principally for reliquidation, then incidentally to reinstate the petitioner as tenant of the respondent (See petition for injunction), the petition in the injunction to reinstate petitioner could not be entertained for the simple reason that he who seeks equity must have clean hands. Furthermore, it was shown that petitioner has not liquidated his produce of the 'magkumpol' variety as he has entirely appropriated the same for his exclusive use. On the other hand, the said petitioner having voluntarily left the landholding in question is tantamount to having ejected himself from the landholding. Much as the Court would like to consider the plight of tenants from the merciless acts of the landlords to eject them at their pleasure, this Court could not iind justification in the instant case to consider favorably his petition for reinstatement as the petitioner has been shown to have committed (1) fraud and breach of trust against his landlord. Moreover, he has (2) already severed his relationship from his landholding as he is already busy attending personally to his ricemill (kiskisan)."

Whether petitioner has really committed a breach of trust and abandoned or neglected his work as tenant by devoting himself to his other business is a question of fact, and the lower court's finding on those points is not to be disturbed if iiot unsupported by substantial evidence. The evidence taken in the case is not before us, the same not having been elevated to this Court; but the testimony of each witness is set forth in the appealed decision and perusal thereof precludes any assumption that the lower court's conclusions of fact in that regard are not supported by substantial proof. Such being the case, we find no justification for disturbing the order below for the termination of the tenancy here in question.

Finally, we see no point in petitioner's claim that the lower court erred in ordering him to pay for the 30 cavans of palay advanced to him as a loan for the crop year 1954-1955. With the tenancy declared terminated after the 1953-1954 harvest, each party must pay to the other what he still owes.

In view of the foregoing, the judgment below must be modified by ordering the liquidation of the 1953-1954 crop on the sharing ratio of 55% for the tenant and 45% for the landlord, after allowance of all deductible expenses tinder the law, and the reliquidation of all previous crops, likewise on the same sharing ratio after deduction of like expenses, the reliquidation to commence from the agricultural year 1946-1947. Modified in that sense, the said judgment is affirmed, without special pronouncement as to costs.

Bengzon, Padilla, Montemayor, Bautista Angelo, Labrador, Conception, Reyes, J. B. L., Endencia, and *Felix, JJ., concur.*

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*83 Phil., 518.

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