

LUCILA DE LA PAZ, PETITIONER, VS. COURT OF AGRARIAN RELATIONS AND MARCOS PAPAG, RESPONDENTS.

G.R. No. L-21488. October 14, 1968

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

Availing of the right provided for in section 14 of Republic Act No. 1199, as amended, which reads:

"SEC. 14. Change of system.- The tenant shall have the right to change the tenancy contract from one of share tenancy to leasehold tenancy and vice versa and from one crop-sharing arrangement to another of the share tenancy. If the share tenancy contract is in writing and is duly registered, the right may be exercised at the expiration of the period of the contract. In the absence of any written contract, the right may be exercised at the end of the agricultural year. In both cases the change to the leasehold system shall be effective one agricultural year after the tenant has served notice of his intention to change upon the landholder."

respondent Marcos Papag - tenant under the share system of a 3-1/2 hectare riceland situated in barrio Tagapo, Sta. Rosa, Laguna - sent a letter to the landowner (herein petitioner Lucila de la Paz) on February 16, 1962, informing the latter of his desire to change their tenancy relation to leasehold. Said notice was admittedly received by petitioner on February 19, 1962.

The landowner demurred. Instead of agreeing to the tenant's proposal, Lucila de la Paz filed on March 7, 1962 a petition with the Court of Agrarian Relations, Fifth Regional District, Sta. Cruz, Laguna (CAR Case No. 856), praying that court to order and cause confrontation of the parties before said court for "arbitration". In his answer the tenant prayed that the petition be dismissed on the ground that it had been filed mainly to delay the change sought by him.

While CAR Case No. 856 was pending, petitioner filed on September 17, 1962 another case before the same court against the same tenant (CAR Case No. 1002). This time petitioner sought to eject the tenant from his landholding on the ground that the latter had deliberately failed to deliver to the former her share of the rice crop in the harvest of August 1962.

At the joint hearing of the two cases on March 12, 1963, the parties entered into a partial stipulation of facts in which they recognized "that the only disputes between the parties are (1) the constitutionality of section 14 of Republic Act 1199 and (2) if said provision of law is held constitutional, then the rental that shall be determined by the Court based on the evidence to be submitted by the parties."

In a decision dated March 22, 1963 the Court of Agrarian Relations, after upholding the constitutionality of section 14 of Republic Act 1199, dismissed the two cases against the tenant and declared the relation between him and the landowner to be that of leasehold effective April of 1962, the start of the agricultural season for the second (panahon) crop.[1] Respondent court likewise fixed separate rentals for each crop period as follows: for the palagad crop, at 13.1/2 cavans of palay; and for the panahon crop, at 18 cavans of palay, said rentals to be paid to the landowner within ten (10) days from the threshing of the crop or in accordance with future adjustments that

may be made in consonance with law.

Her motion to reconsider the decision having been denied, Lucila de la Paz appealed to this Court by way of a petition for certiorari, with an application for a writ of preliminary injunction. On August 8, 1963 we issued the writ prayed for, restraining respondents from issuing a writ of execution in CAR Cases Nos. 856 and 1002.

The question as to the constitutionality of section 14 of Republic Act No. 1199, pleaded anew by petitioner in this appeal, is a settled one. The validity of said provision has been repeatedly upheld by this Court in many previous cases^[2] and we do not consider it necessary to elaborate further on that matter. Very recently^[3] this Court reaffirmed its ruling.

Another question raised by petitioner refers to the lower court's classification of the land worked by the tenant as second class land, on the basis of its average production per hectare, computed according to the normal average harvest for the three (3) preceding agricultural years.^[4]

Petitioner contends that this method of computation is erroneous since the latter part of section 46(a) of Republic Act 1199^[5] merely speaks of years, not agricultural years, so that if two crops are raised during a given calendar year, both should be taken together in computing the production for one year to serve as basis in determining the land's productivity for purposes of classification under the law. The issue boils down to what the law means when it speaks of "years". Does the term refer to calendar or to agricultural years? If to the first, all the crops produced during one calendar year have to be added together, and the average for three such years is the measure of productivity. But if the word "years" means agricultural years, every crop represents one year, and the average of three such crops should be used as basis to determine productivity.

In this connection it may be noted that in rice share tenancy the classification of ricelands into first or second class is determined on the basis of the normal average produce per hectare for the three agricultural years next preceding the current harvest: ricelands yielding an average of more than forty cavans are considered as first class, while those which yield less are considered as second class (secs. 32-33, Republic Act No. 1199). We see no reason, and none has been advanced in this case, why the classification of ricelands under the leasehold system should be on a different basis. The use of the word "years" instead of "agricultural years" as in the case of share tenancy, does inject some vagueness as to the legislative intention on the point, but the logic of the situation convinces us that no change was actually intended.

This interpretation finds support in that portion of sec. 46(a) of Republic Act No. 1199 which specially refers to rentals to be paid by the lease tenant:

"(a) The fixed consideration for the use of ricelands, shall not be more than the equivalent of twenty five per centum in case of first class lands and twenty per centum in case of second class lands of the average gross produce, after deducting the same amount of palay used as seed and the cost of harvesting and threshing of the past three normal harvests."

This time the consideration declared by law as rentals for the use of ricelands is computed on the basis of the past three normal harvests, without any qualification. Obviously, whether there be one or two harvests in one calendar year is immaterial: in either case the average for three harvests, after the corresponding deductions, is the basis for computing the rental.

The present classification of petitioner's riceland as second class, based as it is on the yield for the three previous agricultural years, does not preclude a re-classification in the future, depending upon the corresponding increase in yield for any subject period. The rentals fixed by the trial court are subject to the qualification "that, if the landholder introduced improvements on the farm which increase its productivity, he may demand for an increase

in the rental proportionate to the increase in production resulting from such improvements (and that) in case of disagreement the court shall determine the reasonable increase in rental." [6]

In fixing the rentals to be paid by the tenant, the Court of Agrarian Relations adopted the following method:

"Since respondent produces two crops a year, namely, the palagad, and the panahon crops, the produce of the latter being invariably much bigger than that of the former, we think it only fair and equitable to both parties that separate rentals be fixed for each kind of crop, one for the palagad, and another for the panahon crop, especially as the law requires the landholder and tenant to effect an accounting 'at the end of each agricultural year x x x within ten days after the threshing in case of rice x x x' (sec. 17, Republic Act No. 1199). A single fixed rental for both kinds of crop would be disadvantageous to the tenant at harvest time of the palagad crop, where the produce of the land is normally lesser than that of the panahon crop, and disadvantageous to the landholder at harvest time of the panahon crop, where the produce is normally much bigger."

We believe the trial Court acted correctly to avoid any inequity that would result if a single rental had been fixed for both kinds of crop. We find no error in the actual computation of the rent for each crop as set forth in the decision appealed from. The other points raised by petitioner would have merit only on the assumption that such computation was erroneous, and therefore cannot material-ly affect the conclusion herein reached. We deem it unnecessary to consider them further.

Wherefore, the decision of the Court of Agrarian Relations is affirmed. The writ of preliminary injunction previously issued is dissolved. No pronouncement as to costs in this instance.

Concepcion, C.J., Reyes, J.B.L., Dizon, Sanchez, Angeles, Fernando, and Capistrano, JJ., concur.

Zaldivar, J., on official leave.

Castro, J., did not take part.

[1] From the evidence submitted by the parties, it appears that 3-1/2 hectare landholding of tenant Marcos Papag ordinarily yields two (2) crops a year. The first crop is called palagad and the second panahon; the former is produced from April to August and the latter from September to January, even extending to the early part of February of the following year.

[2] De Ramas v. CAR, L-19555, May 29, 1964; Macasaet v. CAR, L-19750, July 17, 1964; Uicahngco v. Gutierrez, L-20275-79, May 31, 1965; Gamboa v. Pallarca, L-20407, March 31, 1966; Quizon v. Ortiz, L-20905, April 30, 1966; Ilusorio v. CAR L-20344, May 16, 1966; Reyes v. Santos, L-19961, September 14, 1966; Enriquez v. Cabangon, L-21697, September 23, 1966; Tinio v. Macapagal, L-21012, February 25, 1967; Diaz v. Molina, L-21550, April 27, 1967.

[3] See Del Rosario v. De los Santos, L-20589-90, March 21, 1968.

[4] The evidence shows that the produce of tenant Marcos Papag, starting from the palagad crop of April-August 1959 up to and including the panahon crop of September 1961-February 1962 was as follows:

Palagad crop

Panahon crop

1958

70 cavans

1959-1960 - - - -

1959

60 cavans

1960-1961 82 cavans

1960

No evidence

1961-1962 77 cavans

1961

72 cavans

111 cavans

[5] "Section 46 (a) x x x Classification of ricelands shall be determined by productivity; first class lands being those which yield more than forty cavans per hectare and second class lands being those which yield forty cavans or less, the same to be computed upon the normal average harvest of the three preceding years. x x x"

[6] This proviso is found in Sec. 46(a)

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