

ERNESTO DEL ROSARIO, PETITIONER, VS. VICTORINO DE LOS SANTOS, TOMAS DE LOS SANTOS AND THE COURT OF AGRARIAN RELATIONS, RESPONDENTS.

G.R. Nos. L-20589-90. March 21, 1968

Ponente: FERNANDO, J.

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FERNANDO, J.:

This petition for the review of a decision of the Court of Agrarian Relations represents still another attempt to assail the validity of Section 14 of the Agricultural Tenancy Act of 1955,[1] which empowers a tenant "to change the tenancy contract from one of share tenancy to the leasehold tenancy and vice versa and from one crop-sharing arrangement to another of the share tenancy." Such attempts in the past on the part of landowners were singularly unsuccessful, its validity having been consistently upheld. A similar fate is in store for the effort of petitioner-landowner in this case. The decision of the Court of Agrarian Relations must be upheld.

Two petitions were filed by now-respondents Victorino de los Santos and Tomas de los Santos before respondent Court of Agrarian Relations on April 28, 1961, manifesting their desire, as tenants of herein petitioner-landowner, Ernesto del Rosario, to take advantage of Section 14 and to adopt the leasehold system provided, thus changing their previous status as tenants. In the answer sub-mitted on May 5, 1961, the validity of the above legal provision was challenged. It was not until October 26, 1962, that a decision was rendered by the Court of Agrarian Relations, rejecting the claim of unconstitutionality of the above section as without merit and declaring the relationship between respondent tenants and petitioner-landowner to be one of leasehold tenancy effective as of the agricultural year 1961-1962 in a joint decision on the two petitions filed before it. From the aforesaid joint decision, this petition for review was filed. As in the case of the proceedings before the Court of Agrarian Relations, a single opinion suffices to dispose of the matter and to reaffirm once again the constitutionality of Section 14 of the Agricultural Tenancy Act.

1. Tenancy legislation is a manifestation of the deep and earnest concern to solve an age-old problem that has afflicted Philippine society, with its roots going back to the nineteenth century. The framers of the Constitution mindful of the then growing feeling of dissatisfaction with the ability of the government to cope with the poverty and misery of the vast majority of our people inserted the protection to labor[2] and social justice[3] provisions of the Constitution. Thus they left no doubt about the validity of remedial legislation intended to minimize, if not to do away entirely with, the oppressive condition that usually was associated with agricultural labor. In no sphere of governmental activity then could there be less receptivity to claims on the part of those adversely affected that thereby their property rights were not given the respect the Constitution affords. More specifically as far as the social justice principle is concerned, there is the translation into reality of its significance as popularized by the late President Magsaysay: He who has less in life should have more in law.

In the second year of his term, the Agricultural Tenancy Act of 1955 was passed. The particular provision, once again assailed in this litigation, as previously mentioned, vested in the tenants "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." [4] Its validity was first sustained in *De Ramas v. Court of Agrarian Relations*. [5]

This Court, through Justice Labrador, spoke of the objective of the law thus: "The purpose of this Act, according to Section 2 thereof, is 'to establish agricultural tenancy relations between land-holders and tenants upon the principle of social justice; to afford adequate protection to the rights of both tenants and landlords, to insure an equitable division of the produce and income derived from the land; to provide tenant-farmers with incentives to greater and more efficient agricultural production; to bolster their economic position and to encourage their participation in the development of peaceful, vigorous and democratic rural communities.'"

Its justification in the light of our history was stressed in this wise: "The history of land tenancy, especially in Central Luzon, is a dark spot in the social life and history of the people. It was among the tenants of Central Luzon that the late Pedro Abad Santos, acting as a saviour of the tenant class, which for generations has been relegated to a life of bondage, without hope of salvation or improvement, enunciated a form of socialism as a remedy for the pitiful condition of the tenants of Central Luzon. It was in Central Luzon also that the tenants forming the PKM organization of tenants and, during the war, the Huk-balahap, rose in arms against the constituted authority as their only salvation from permanent thralldom. According to statistics, whereas at the beginning of the century we had only 19% of the people belonging to the tenant class, after 60 years of prevailing, the percentage has reached 39%. It is the desire to improve the condition of the peasant class that must have impelled the Legislature to adopt the provisions as a whole of the Agricultural Tenancy Act, and particularly Section 14 [thereof]."

The opinion in the *De Ramas* decision, after setting forth that the legal question posed was whether there was an unconsti-tutional impairment of the obligation of an existing contract, ex-plained why the answer must be in the negative. Thus: "Obligations of contracts must yield to a proper exercise of the police power when such power is exercised, as in this case, to preserve the security of the State and the means adopted are reasonably adapted to the accomplishment of that end and are not arbitrary or oppressive." The *De Ramas* decision was subsequently followed in several cases. [6]

Then in *Ilusorio v. Court of Agrarian Relations*, [7] in sustain-ing once again the validity of the above Section 14, this Court, in an opinion by the then Justice, now Chief Justice, Concepcion, de-clared: "We find no cogent reason to depart from the view we have so far adhered to, which is in consonance with our consistent jurisprudence on the police power of the State." As distinguished from the *De Ramas* holding, the objection to the validity of Section 14 in this case was premised not only on the alleged im-pairment of an existing obligation but likewise on the transgression to the freedom of contract concept which is embraced in the liberty safeguarded by the due process clause. Its validity then as a police power measure is now beyond question. [8]

It thus appears indisputable that reinforced by the protection to labor and social justice provisions of the Constitution, the attribute of police power justifies the enactment of statutory pro-visions of this character. That public interest would be served by governmental measures intended to aid the economically under-privileged is apparent to all. Nor is the means relied upon to attain such a valid objective unreasonable or oppressive. Considering that in the adjustment or reconciliation of the conflicting claims to property and state authority, it suffices that there be a rational basis for the legislative act, it is easily understandable why, from the enactment of the Constitution with its avowed concern for those who have less in life, the constitutionality of such legislation has been repeatedly upheld.

Thus prior to the Agricultural Tenancy Act of 1955, there were previous statutes which likewise passed the test of validity in earlier decisions. The first decision of importance is *Tapang v. Court of Industrial Relations*. [9] In that

case, the argument that the then Tenancy Law[10] was unconstitutional because it impaired the obligation of contracts was considered by the court to be without any force as outside of the fact that the contract entered into between the petitioner and the husband of the respondent during his lifetime and the respondent herself after his death was without a fixed period, the work being accomplished from year to year, the Constitution ordains the promotion of social justice and the protection to labor, specially to working women. Then came Ongsiako v. Gamboa,[11] which sustained the retroactive effect of an amend-atory act[12] to then tenancy statute as against the contention that there was a violation of the non-impairment clause. This constitutional provision is no bar, according to this Court, for legislation affecting existing conditions enacted by the State in the proper exercise of the police power.

The unanimous opinion of this Court in the recently decided *Genuino v. Court of Agrarian Relations*,[13] with its unqualified approval of the power of Congress to abolish share tenancy, as reflected in the latest legislation on the subject,[14] as against the contention that with the limitation on the freedom of contract there is a deprivation of property without due process of law, evinces unmistakably the firmness with which it adheres to the view that the police power is of sufficient amplitude and scope to free from the taint of constitutional infirmity legislation intended to ameliorate the sad plight of Filipino tenants and agricultural workers. Thereby, this Court has manifested its fidelity to the constitutional intent so obvious from a cursory glance at the applicable provisions of the Constitution. That will explain why every challenge hurled against the validity of this particular provision was, from the outset, doomed to futility.

2. In addition, another issue which according to the petition for review is "now squarely raised before this [Court] is whether or not the use of a tractor of a land-owner in addition to his carabao and farm implements is a ground for a disqualification of said land-owner to undertake the personal cultivation of his own land and the ejectment of his tenants" pursuant to the Agricultural Tenancy Act?[15] That point would have been deserving of further inquiry were it not for the express finding of the Court of Agrarian Relations that respondent, now petitioner before this Court, "does not have the bona fide intention to cultivate the landholding in question personally".[16] That is a finding of fact supported by substantial evidence, and as such, binding upon this Court. It cannot therefore be disturbed on appeal.[17] The latest formulation of the above principle as set forth in *Lapina v. Court of Agrarian Relations*,[18] in an opinion by Justice Dizon, is to the effect that its finding of fact must be accepted "unless it is shown to be unfounded or arbitrarily arrived at, or that the [Court] had failed to consider important evidence to the contrary." There is no occasion therefore to consider further the issue of whether or not the ejectment of now respondents-tenants would lie.

WHEREFORE, the decision of the Court of Agrarian Relations now under review is affirmed. With costs against petitioner.

Reyes, Acting C.J., Dizon, Makalintal, Bengzon, Zaldivar, Sanchez, Ruiz Castro, and Angeles, JJ., concur.
Concepcion, C.J., on official leave.

[1] "SEC. 14. Change of System. - The tenant shall have the right to change the tenancy contract from one of share tenancy to the 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 land-holder." (Republic Act No. 1199)

[2] "The State shall afford protection to labor, especially to working women and minors, and shall regulate the

relations between landowner and tenant, and between labor and capital in industry and agriculture * * *." Art. XIV, Section 6, Constitution of the Philippines.

[3] "The promotion of social Justice to insure the well--being and economic security of all the people should be the concern of the State." Art. II, Section 5, Consti-tution of the Philippines.

[4] Section 14, Republic Act No. 1199.

[5] G.R. No. L-19555, May 29, 1964.

[6] Macasaet v. Court of Agrarian Relations, G.R. No. L-19750, July 17, 1964; Uichangco v. Gutierrez, G.R. No. L-20275-9, May 31, 1965; Gamboa v. Pallarca, G.R. No. L-20407, March 31, 1966; Vda. de Quizon v. Ortiz, G.R. No. L-20905, April 30, 1966.

[7] G.R. No. L-20344, May 16, 1966.

[8] Subsequent to Ilusorio v. Court of Agrarian Relations, the validity in Section 14 was upheld in Reyes v. Santos, G.R. No. L-19961, September 14, 1966; Enriquez v. Cabangon, G.R. No. L-21697, September 23, 1966; Tinio v. Macapagal, G.R. No. L-21012, February 25, 1967; Diaz v. Molina, G. R. No. L-21150, April 27, 1967.

[9] 72 Phil. 79 (1941).

[10] Com. Act No. 461 (1939).

[11] 86 Phil. 50 (1950).

[12] Republic Act No. 34 (1946).

[13] G.R. Nos. L-25035 and L-25036, February 28, 1968.

[14] Agricultural Land Reform Code, Republic Act No. 3844 (1963).

[15] Section 50(a) of Republic Act 1199.

[16] Decision of the Court of Agrarian Relations, Annex "R" of the petition, p. 7.

[17] Cahilo v. De Guzman, G.R. No. L-13431, Nov. 24, 1959; Yusay v. Alojado, G.R. No. L-14881, April 30, 1960; Ulpiendo v. Court of Agrarian Relations, G.R. No. L-13891, Oct. 31, 1960; Canada v. Rubi, G.R. No. L-15595, Dec. 29, 1960; Mateo v. Duran, G.R. No. L-14314, Feb. 22, 1961; Tomacruz v. Court of Agrarian Relations, G.R. Nos. L-16542-43, May 31, 1961; De Santos v. Acosta, G.R. No. L-17564, Jan. 31, 1962; Ilusorio v. Santos, G.R. No. L-15788, March 30, 1962; De Domingo v. Court of Agrarian Relations, G.R. No. L-12116, April 28, 1962; Estrada v. Court of Agrarian Relations, G.R. No. L-17481, April 28, 1962; De la Cruz v. Dollete, G.R. No. L-17932, May 30, 1962; Benson v. Ocampo, G.R. No. L-18189, Dec. 29, 1962; Silva v. Cabangon, G.R. No. L-14801, Jan. 31, 1963; Bermudez v. Fernando, G.R. No. L-18610, April 22, 1963; Toledo v. Court of Agrarian Relations, G.R. No. L-16054, July 31, 1963; Salazar v. Santos, G.R. No. L-15890, Feb. 29, 1964; Villaviza v. Panganiban, G.R. No. L-19760, April 30, 1964; Cruz v. Pangan, G.R. No. L-19749, May 30, 1964; Evanado v. Blanco, G.R. No. L-17602, June 30, 1964; Tuvera v. De Guzman, G.R. No. L-20547, April 30, 1965; Casaria v. Rosales, G.R. No. L-20288, June 22, 1965; Enriquez v. Cabangon, G.R. No. L-21697, Sept. 23, 1966.

[18] G.R. No. L-20706, September 25, 1967.

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