

PABLO C. SIBULO, PETITIONER, VS. LOPE ALTAR, RESPONDENT.

G.R. No. L-1916. April 30, 1949

Ponente: REYES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/966eb7ac2a4a/>

REYES, J.:

Pablo Sibulo, owner of first class agricultural land, entered into a contract of tenancy with Lope Altar whereby the former was to furnish the work animals and farm implements, the latter to defray all the expenses of planting and cultivation, and the net produce to be divided equally between them.

The contract having been disapproved by the Tenancy Law Enforcement Division of the Department of Justice on the ground that the crop division therein stipulated contravenes subsection (c) of section 7, in relation to the last clause of the first paragraph of section 8 of the Tenancy Law, as amended, the matter was taken to the Court of Industrial Relations by appeal. After hearing, that court upheld the contention of the Department of Justice, declared the contract illegal as against public policy, and ordered that—

"If the parties decide to continue with the proposed contract it should be so modified as to conform with the sharing basis above set forth; i.e., 60 per cent for the tenant and 40 per cent for the landlord. Should they decide to have no contract at all, then section 8 of Act No. 4054, as amended, shall govern."

The case is now before us on appeal by certiorari upon petition of Pablo Sibulo.

The question for determination is whether or not the contract involved in this case is against public policy within the intent of the Tenancy Law (Act No. 4054, as amended by Republic Act No. 34). Among the stipulations prohibited by that law as against public policy are those described in paragraphs (a) and (c) of its section 7 as follows:

"(a) If the tenant shall receive less than 55 per cent of the net produce, in case he furnishes the work animals and the farm implements, and the expenses of planting and cultivation are borne equally by said tenant and the landlord.

"(c) If the landlord is the owner of the work animal, and the tenant of the farm implements, and the expenses are equally divided between the landlord and the tenant, for the tenant to receive less than 50 per centum of the net crop."

Apparently, the contract in question does not fall squarely under either of the above two paragraphs; but the Court of Industrial Relations has taken the view that, in substance, it comes within the policy of the legal prohibition. There is logic in the reasoning which led the lower court to this conclusion. Section 8 of the Tenancy Act provides:

"SEC. 8. Share basis.—In the absence of any written agreement to the contrary and when the tenant furnishes the necessary implements and the work animals and defrays all the expenses for planting and cultivation of the land, the crop shall be divided as follows: the tenant shall receive 70 per cent of the net produce of the land and the landlord 30 per cent for first-class land, the normal production of which, based on the average yield for the three preceding years, is more than forty cavans of palay per one cavan of seeds; 75 per cent for the tenant and

25 per cent for the landlord, in case of land the average normal production of which is not more than forty cavans of palay per one cavan of seeds. In case the landlord furnishes the necessary work animals and farm implements and, likewise, bears all the expenses of planting and cultivation, the landlord shall receive 70 per cent and the tenant 30 per cent of the crop; but if the landlord furnishes the necessary work animals and farm implements and bears equally with the tenant the expenses of planting and cultivation, the crop shall be divided equally between the parties.

"Expenses for harvesting and threshing shall be deducted from the gross produce. Expenses for the maintenance of irrigation systems within the respective areas shall be for the account of the tenant, but amortizations for the cost of construction, of the system itself shall be for the account of the landlord. The expenses for construction and maintenance of privately-owned irrigation systems shall be agreed upon between the landlord and tenant, but in case of disagreement, all expenses for the construction of the system shall be for the account of the landlord, provided that the cost of constructing the distribution canals shall be for the account of the tenant.

"* * * * *

Reading sections 7 and 8 together, the lower court has correctly determined the percentage that should correspond to each factor of production in the division of the crop according to the policy of the law. Says the court on this point:

"It is clear from sections 7 and 8 of Act No. 4054, as amended, that the division of the harvest depends upon the apportionment of the different items of expenses, such as (1) work animals, (2) farm implements, and (3) the expenses of planting and cultivation. The rate of percentage for every item of the expenses or cost of production may be obtained by the following process based on sections 7 and 8:

'1. Under section 8, the tenant shall receive 70 per cent of the net product of the land and the landlord 30 per cent, for first class rice land, when the tenant furnishes the farm implements and the work animals and defrays all the expenses for planting and cultivation, whereas, under section 7(a), the tenant shall receive not less than 55 per cent of the net produce, in case he furnishes the work animals and the farm implements and one-half (1/2) of the expenses for planting and cultivation. The difference between the share of the tenant in this case is 15 per cent (70 minus 55 per cent), and the said 15 per cent represents one-half (1/2) of the expenses for planting and cultivation, which justifies his receiving only 55 per cent of the net produce under section 7(a), because he did not furnish all (2/2) the expenses of planting and cultivation. Therefore, if 15 per cent represents 1/2 of the expenses for planting and cultivation, then 2/2 or all the expenses for planting and cultivation are equivalent to 30 per cent.

'If under section 8 the tenant receives 70 per cent when he furnishes the farm implements and work animals and defrays all the expenses of planting and cultivation, it must follow that the landlord is given 30 per cent for being the owner of the land and for his management thereof.

'Under the same section, if the landlord furnishes the work animals and farm implements and at the same time defrays all the expenses, he shall receive 70 per cent. It therefore follows that the remaining 30 per cent goes to the tenant for his labor.

'c. Comparing section 7(c), which provides that the tenant shall receive at least (least) 50 per cent of the net crop if he furnishes the farm implements and one-half (1/2) of the expenses for planting and cultivation, with the provisions of section 7(a) where the tenant receives 55 per cent of the net produce, if he furnishes the work animals and the farm implements and one half (1/2) of the expenses for planting and cultivation, the difference between the share of the tenant in this case is 5 per cent (55 per cent minus 50 per cent), and the said 5 per cent represents the work animals which he did not furnish under the said section 7 (c).

'3. Under section 8, in case the landlord furnishes the work animals and farm implements and, likewise, bears

all the expenses of planting and cultivation, the landlord shall receive 70 per cent and the tenant 30 per cent of the crop; whereas, under section 7(c) if the landlord is the owner of the work animals and the tenant of the farm implements, and the expenses of planting and cultivation are equally divided between the landlord and the tenant, the tenant should receive at least 50 per cent of the net crop and the remaining 50 per cent pertains to the landlord's share. The difference between the share of the landlord in this case is 20 per cent (70 per cent minus 50 per cent), and the said 20 per cent represents the farm implements and one-half (1/2) of the expenses for planting and cultivation which the said landlord did not furnish under section 7(c). Therefore, if one-half (1/2) of the expenses for planting and cultivation is equivalent to 15 per cent (see paragraph No. 1), then 20 per cent minus 15 per cent equals 5 per cent, and the said 5 per cent represents the percentage for farm implements.'

"Following the foregoing formula, the sharing ratio between the parties in the case at bar should be as follows:

"For the tenant—

- (1) 30 per cent for defraying all the expenses of planting and cultivation.
- (2) 30 per cent for his labor.

60 per cent total share.

"For the landlord—

- (1) 5 per cent for furnishing the work animals.
- (2) 5 per cent for furnishing the farm implements.

"40 per cent total share."

From the above computation the Court of Industrial Relations concludes that the contract involved in this case is against public policy as contemplated in section 7 of the Tenancy Law, for the reason that "instead of receiving 60 per cent of his total share, the tenant shall receive 50 per cent only."

The petitioner takes exception to the above conclusion, contending that his contract with the respondent is not among those expressly declared to be against public policy by section 7 of the Tenancy Law, this on the theory that only those stipulations expressly mentioned in said section are outlawed as such. We cannot subscribe to this narrow interpretation of the Tenancy Act. In declaring certain stipulations to be against public policy, the legislature could not have meant to sanction other stipulations which, though not specified, are in effect similar to those expressly mentioned. Otherwise, by subtlety in the framing of the contract, the law might easily be circumvented and its purpose defeated.

The Tenancy Act is a remedial legislation intended to better the lot of the share-cropper by giving him a more equitable participation in the produce of the land which he cultivates. Being a remedial statute, it should be construed so as to further its purpose in accordance with the general intent of the lawmaker. Adopting the construction placed upon it by the petitioner would open the door to evasions and render the law useless.

The point is made that it is error to apply to the present case the division of crops established for the different cases specified in section 8 of the law, since the provisions of that section apply only in the absence of a written contract. It will be noted, however, that the lower court has not exactly applied to the case at bar the division of the crops established in said section, but has merely had resort thereto as an aid in determining the percentage which, in the opinion of the legislator, should correspond to each of the factors of production in the division of the crop.

We find no merit in the appeal and we therefore affirm the decision below, with costs against the petitioner.

Moran, C.J., Paras, Feria, Pablo, Perfecto, Bengzon, Tuason, and Briones, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.