

KABANKALAN SUGAR COMPANY, INC. AND AVELINO NARCUE, PETITIONERS, VS. COURT OF INDUSTRIAL RELATIONS AND VISAYAS WORKERS AND FARMERS ASSOCIATION-PLUM, RESPONDENTS.

G.R. No. L- 18901. June 30, 1967

Ponente: CONCEPCION, C.J.

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CONCEPCION, C.J.:

Petition for review by certiorari of a resolution of the Court of Industrial Relations sitting en banc.

Petitioner Kabankalan Sugar Company, Inc., a domestic corporation, is the operator of Hacienda Kalasa, at Kabankalan, Negros Occidental, which is devoted exclusively to the planting and cultivation of sugar cane.

Respondent Visayas Workers and Farmers Association - herein-after referred to as the PLUM - is a legitimate labor organization, some of the members which work in said hacienda. In December, 1958, the PLUM sent collective bargaining proposals to Petitioner, which refused to negotiate, despite the intervention of the Conciliation Division of the Department of Labor. Because of this refusal, a complaint, against herein Petitioner, was filed with the Court of Industrial Relations - hereinafter referred to as the CIR - for alleged unfair labor practice. In its answer to the complaint, Petitioner assailed the jurisdiction of the CIR, upon the ground that the laborers involved in the case are agricultural workers, whose grievances are beyond the jurisdiction of said Court. At the hearing of the case, the PLUM introduced its evidence, in the absence of the representative of Petitioner herein, which later reiterated its objection to the Court's jurisdiction. Subsequently, the CIR issued an order overruling said objection, finding the Petitioner guilty as charged, and directing the same to bargain collectively with PLUM. A reconsideration sought by the Petitioner, was denied by the CIR sitting en banc. Hence, the present petition for review by certio-rari.

The CIR declared itself with jurisdiction over the present case upon the theory that the laborers involved therein should be classified as industrial, not agricultural workers, because they are not Petitioner's "tenants, " either as shareholders or as leaseholders; because some of the aforementioned laborers are "regular" employees and the others are "seasonal" workers, whose services area compensated in the form of "wages;" because their work ranges "from planting sugar cane, weeding the fields, cutting sugar cane and loading the same in cane cars, which were taken to the Biscom which supplied them, for milling in the latter's Binalbagan's Sugar Mill;" because the planter and the miller have one common, single objective, namely, the manu-facture of sugar; and because, pursuant to the provisions of Republic Act No. 809 - otherwise known as the Philippine Sugar Act of 1952 - the sugar planter and the miller perform integrated functions, in the fulfillment of the nation's export quota for sugar, in view of which the planter shares in the profits from derivatives of unrefined sugar mill-ed out of sugar cane produced in his plantation.

At the outset, it should be noted, however, that the Court of Agrarian Relations has been created to enforce all laws and regulations governing the relations of capital and labor on all agricultural lands under any system of cultivation.[1] It is not disputed that the Hacienda Kalasa is an agricultural land, and that the issue between the

parties here-in is one arising from the relations between capital and labor, in connection with said agricultural land.

At any rate, a theory analogous to that upheld in the resolution appealed from had been advanced in support of the authority of the CIR to entertain a petition for certification election of workers in a sugar cane plantation operated by Elizalde & Company. Such theory was rejected by this Court, stating:

"Respondent AWA calls attention to the fact that Republic Act No. 809 and its provisions refer to the persons engaged in the 'Sugar Industry.' Nothing in said act, however, indicates any legislative intent to convert agricultural laborers into industrial employees; the term 'sugar industry' in said Act refers to sugar millers, planters and laborers as a whole and has no bearing on the issue now before the Court." (Elizalde & Co. v. Allied Workers Association, G. R. No. L-20792, May 31, 1965.)

Indeed, in *Victorias Milling Co., Inc. vs. Court of Industrial Relations* (G. R. No. L-17281, March 30, 1963), we declared, citing *Pampanga Sugar Mills vs. PASUMIL Workers Union* (G. R. No. L-7668, February 29, 1956), that:

"It is, therefore, the nature of the work which classifies a worker as one falling under the exemption as 'agricultural laborers.' The members of respondent Union are merely agricultural laborers in petitioners haciendas, the principal work of which is planting and harvesting sugar canes and other chores incidental to ordinary farming operations. They are agricultural laborers. Being agricultural workers, and in the supposition that the milling company had committed unfair labor practice upon them, the Court of Agrarian Relations has jurisdiction over the case."

One of the factors that has seemingly influenced heavily the decision of the CIR to assume jurisdiction over the present case, is the feeling that the CAR has not, as yet, perfected, or, at least, developed sufficiently, the machinery necessary to deal effectively with labor disputes; but we have, likewise, ruled that:

"The fact that the Court of Industrial Relations has the machinery to deal with questions of union representation does not confer upon it jurisdiction over such questions where agricultural workers are involved. There is no reason why the Court of Agrarian Relations may not set up its own organization to deal with cases within its jurisdiction as circumstances may require, making use of its rule-making power or by calling upon the opposite government offices, as its organic law empowers it to do." (Elizalde & Co. v. Allied Workers Association, *supra*.)

WHEREFORE, the resolution appealed from should be as it is hereby reversed, without special pronouncement as to costs.

IT IS SO ORDERED.

Reyes, J.B.L., Makalintal, Bengzon, J.P., Zaldivar, Sanchez, and Ruiz Castro, JJ., concur.

[1] *Camus vs. CAR*, G. R. No. L-18225, June 30, 1964; *Hacienda Esperanza vs. CIR*, G. R. No. L-18078, February 20, 1962; *Santos vs. CIR*, G. R. No. L-17196, December 28, 1961; *Elizalde & Co. vs. Allied Workers Association*, G. R. No. L-20792, May 31, 1965.

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