

CATALINO CAMIA ET AL., PETITIONERS, VS. FELIPE CHANCO AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G. R. No. L-5175. February 27, 1953

Ponente: LABRADOR, J.

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LABRADOR, J.:

Petitioners are tenants of respondent Felipe Chanco, the lessee of two haciendas in two barrios of, Cuyapo, Nueva Ecija. They had contracts of tenancy for the agricultural year 1949 to 1950, but refused to sign the contracts which Chanco offered to them for the ensuing agricultural year, 1950 to 1951. So Chanco filed complaints with the Tenancy Law Enforcement Office of the Department of Justice, alleging their refusal to sign the contracts and praying that they be ejected from the lands cultivated by them. The tenants, petitioners herein, answered the complaint, stating their willingness to sign contracts under a 55-45 ratio share, the expenses of planting and cultivation to be borne equally by them and their landlord. The cases having reached the Court of Industrial Relations, hearings were held to determine the expenses of planting and cultivation and harvesting, as to which the parties could not agree.

Chanco submitted evidence tending to show that the cost of planting, cultivation, and harvesting is P40 per cavan of seedling, while that of the petitioner indicates that the expenses for planting and cultivation amount to P61, for harvesting, P25, and P10 for bundling, or a total of P96. Judge Arsenio Roldan of the Court of Industrial Relations found that the reasonable cost of planting, cultivation, and harvesting is P50, so he fixed the expenses at said amount for the year 1950-1951, one-half to be borne by the landlord and the other half by the tenant. Petitioners herein thereupon moved to reconsider the decision, and as the same was affirmed by the court in banc, by a vote of 3 to 2, they filed this action of certiorari in this court, asserting that the decision is illegal because it fails to determine what part of the amount of P50, fixed by the court as the total expenses for planting, cultivation, and harvesting, is the cost of harvesting (which cost should be deducted from the gross produce), and that it contravenes the legal provision that the "expenses for harvesting and threshing shall be deducted from the gross produce." It is now argued on their behalf that as the expenses of harvesting have not been fixed separately from those of planting and cultivation, the net produce can not be determined, and it is impossible to determine if the contract is against public policy; that the decision gives undue advantage to the landlord, because he is given part of the expenses for harvesting, which the tenant alone defrays, or which he actually performs; that under the decision, as the landlord manages the farm, he can fix arbitrarily the proportion in the expenses for the three items, as also the amount of his share, without regard to the actual expenses incurred by the tenant-all of which prejudice the latter. The respondents deny the above arguments, claiming that the objections are academic.

It is not difficult to understand that the fixing of the cost of harvesting in terms of pesos violates the intent and spirit of the law, which provides that "expenses for harvesting and threshing shall be deducted from the gross produce," The old law, Act No. 4054, section 3, included harvesting and threshing as an item in the expenses, which landlord and tenant shared equally, or which the tenant alone furnished as he desired. The new law, Republic Act No. 34, has removed this item as an item of expense subject to be borne equally by landlord and

tenant, expressly providing that expenses of harvesting and threshing shall be deducted from the gross produce. The purpose and intent of the law in making the change is to give the tenant the right to do the harvesting personally, so as to afford him opportunity to engage himself profitably in the land cultivated by him and increase his share in the produce, and to provide him with a ready source of support and maintenance before the final division of the crops is made between him and the landlord. It also affords him opportunity to reduce actual expenditure of cash, as the cost of harvesting and threshing would have to be deducted from the gross produce itself. In the majority of cases, the tenant does not have cash, and were he to pay laborers with cash and not out of the harvest, he would be compelled to borrow money with which to reap the harvest or get it from the landlord. If the amount fixed by the court for harvesting is insufficient to defray the actual expenses (of harvesting), then he will have to use his own money or his personal labor and that of his family, perhaps without pay or with inadequate pay.

To allow the fixing of a definite amount in pesos as the expense for harvesting, instead of having it paid out of the gross produce, is to open a new field of controversy between landlord and tenant, into which the landlord may drag the latter and ultimately eject him if he does not follow the wishes of the landlord. By refusing to accept the amount that a tenant may consider the just expense of harvesting and bringing the matter to the courts for arbitration, the landlord gains undue advantage over his tenant, who usually can not afford an expensive litigation. This situation is evident in the case at bar, where the tenants have been forced to resort to this court, certainly at great expense and sacrifice on their part, because they and their landlord can not agree on the cost in pesos of the expenses to be jointly incurred by them. This situation is avoided by the provision of the law making the cost of harvesting and threshing payable in kind out of the gross produce.

It can thus be seen that any agreement which fixes the cost of harvesting in terms of pesos deprives the tenant of precious advantages that the law has intended to extend to him; in addition, it places him in disadvantageous situations from which the law has precisely intended to save him.

The amount fixed by the court in this case is, in the opinion of the tenants, not sufficient to cover the actual expenses; hence, they refuse to abide by the decision. Counsel for the respondent asserts that the arrangement is more advantageous to the tenant. To this we can not agree because were it so, it is hard to understand why the tenants have objected thereto.

Judge Jose Bautista, in his dissent, points out that the reason for the law in providing that the expenses of harvesting shall be deducted from the gross produce is because the tenant is the only one who furnishes the expenses for harvesting and that, in recompense therefor and for his personal labor, and in justice to him, the tenant is allowed to deduct all the expenses of harvesting from the gross produce to the exclusion of the owner of the land. We may add that if we allow the landlord to contribute towards the expenses of harvesting, the tenant would be forced to lose that part of the harvest which otherwise would go to him in whole were he allowed to harvest the crops alone.

The respondent court believed that when the matter was submitted to it for arbitration, it was authorized by the tenants to fix the expenses of planting, cultivation, and harvesting jointly in one single amount. The stand of the tenants as disclosed by the record does not justify such a belief. The decision itself contains the following statements :

"The respondents, in their answer, manifested their readiness and willingness to sign the proferred contract with their landlord on condition that the crop sharing provided on the same be on the ratio of 55-45 in their favor, with both of them (landlord and tenant) participating in equal shares in the expenses of planting and cultivation."

The petitioners herein, therefore, never consented that the court fix the expenses of harvesting in terms of pesos. This is also apparent in the motion for reconsideration filed by them with the respondent court.

In resume, we find that the order of the court fixing the expenses of harvesting the crops in terms of pesos, jointly with the expenses of planting and cultivation, is unfair to the tenant because it deprives him of the opportunity to do the harvesting himself; because it would require him to furnish capital, which he may have to secure at usurious rates of interest; because such a scheme will deprive him of a ready source of livelihood and force him into unprofitable idleness; because it would give the landlord opportunity to share in that part of the harvest intended by law to be given to the tenant alone, under the guise of furnishing expenses; because it would open a new field for landlords to litigate on; and lastly, because it is against the plain purpose and intent of the legislative provision allowing the expenses of harvesting to be paid out of the gross produce.

The order appealed from is hereby reversed, and the case remanded with instructions to proceed in accordance with this opinion. Without costs.

Paras, C. J., Feria, Pablo, Bengzon, Padilla, Tuason, Reyes, Jugo and Bautista Angelo, JJ., concur.

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