

ARTURO DE SANTOS, ET AL., PETITIONERS, VS. PETRONILO ACOSTA, ET AL., RESPONDENTS.*G.R. No. L-17564. January 31, 1962*

Ponente: REYES, J.B.L., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e65b052cec68/>**REYES, J.B.L., J.:**

Petition for review of the decision of the Court of Agrarian Relations in its case No. 1506-NE'58, denying herein applicants' petition to dispossess respondents tenants of their respective landholdings situated in Barrio Sta. Clara, Guimba, Nueva Ecija, pursuant to section 50 (a) of Republic Act No. 1199, as amended.

Hacienda Esperanza No. 5, with a total area of approximately 1,800 hectares, situated in the municipalities of Cuyapo, Guimba and Nampicuan, Nueva Ecija, was originally owned by and registered in the names of the late couple Felipe de Santos and Concepcion Vda. de de Santos. Petitioners here and in the court below are the surviving children of the deceased spouses. The hacienda is occupied by about 380 tenants and managed by Alberto de Santos, one of the petitioners. Under the latter's management, unlike that of his late father, tenancy disputes became prevalent between the parties. It was only when the management agreed to pay reaping expenses, formerly not given to the tenants, and stop forced labor and the imposition of fines, that the tenancy relationship between them returned to normal, although the undercurrent still continued. Such was the situation that prevailed between the parties in-between the years 1942 and 1953.

With the enactment of Republic Act No. 1199, otherwise known as the Agricultural Tenancy Act, the tenants again became more vocal, even militant, in clamoring for increased tenancy rights; thus they demanded for a 70-30 sharing basis in their favor in lieu of the old 55-45. Under this general condition, petitioners, on or about May, 1955, organized a corporation known as De Santos Agricultural Development, Incorporated, which was to manage the hacienda in question. In December, 1955, the Board of Directors authorized the corporate president, Alberto de Santos, to undertake the mechanization of a parcel of land situated in Barrio Sta. Clara, Guimba, Nueva Ecija, which parcel is tenanted by the respondents herein, numbering 55 in all.

On July 30, 1958, the petitioners petitioned the court a quo to dispossess herein respondents-tenants of their landholdings. Attached to the petition is the certification, dated February 9, 1955, of the Secretary of Agriculture and Natural Resources, stating, among other things, that Hacienda Esperanza No. 5, of which the landholdings of the respondents form part, was found suitable for mechanization, that the use of mechanical implements will reduce the cost of production by approximately 23 per cent per hectare, and that the total labor will be approximately 44 per cent less. The proposed mechanization includes plowing, harrowing, leveling, diking and final harrowing, which is also known as partial mechanization.

It appears that petitioners are actually in the process of partially mechanizing a small portion of the hacienda situated in the barrios of Lennec and San Felipe, Guimba, Nueva Ecija, as well as the upper portion thereof. As such, petitioners own and possess various types of farm machineries adequate to mechanize even the landholdings in question, besides being financially able to operate these machineries or to acquire more should they become

necessary.

Consistently with Republic Act No. 2263, which was approved and took effect during the pendency of this case in the court below, petitioners in addition presented a certification, dated June 25, 1959, of the Commissioner of the Agricultural Tenancy Commission, to the effect that "the records of investigation of the certification of suitability for mechanization of the farm known as Hacienda No. 5 * * * show that more than 60 per cent of the tenants' labor thereat, as provided by paragraph s, section 5 of Republic Act No. 2264 shall be displaced by farm machinery." Also in keeping with the amendatory legislation, petitioners submitted a certification, dated June 25, 1959, issued by the National Resettlement and Rehabilitation Administration (NARRA), that it would be able to provide immediate resettlement to the respondents should their dispossession be authorized by the court.

The Agrarian Court, nonetheless, denied the move to eject the respondents-tenants on the following grounds:

- (1) That the petitioners failed to establish their bona fide intention to cultivate the landholdings of the respondents through the employment of farm machinery and implements; and
- (2) That the landholdings in question are not suited for mechanization as the term is defined and understood under section 50 (a) of Republic Act No. 1199, as amended, notwithstanding the certification of suitability issued by the Secretary of Agriculture and Natural Resources, as well as the certification of the Commissioner, Agricultural Commission.

The decision appealed from must be sustained. Among other things, the law requires that there be—

"bona fide intention of the landholder—owner or his relative within the first degree of consanguinity to cultivate the land himself personally or through the employment of farm machinery and implements * * *." (Sec. 50[a] Republic Act No. 1199, as amended)

Whether or not there was such a bona fide intention of the landowner is largely a question of fact into which this Court cannot inquire unless the Agrarian Court's finding in that respect should lack substantial basis in the evidence on record.

Here, the records disclose that Hacienda Esperanza No. 5 is bisected by a provincial road running from south to north; on the west side is Barrio Sta. Clara and on the eastern portion are the barrios of Lenec, San Felipe, Guisit, Baloy and Balbalino. The topography of the area is such that on the east side, the land is hilly, sloping and rolling, while on the west side, it is plain. For this reason, farming by man-animal combinations in the hilly portion of the hacienda is not as suitable as on the west side, and produces less. Not only does it appear that the eastern sector of the area is suitable to mechanized farming, but tfc at indeed a portion thereof (Lenec) already underwent mechanization successfully. There was ground, therefore, for the court a quo to hold, as it did, that it would have been more in keeping with the ordinary course of events if the proposed mechanization were merely extended to this hilly and rolling portion of the hacienda, which is anyway contiguous to the area already mechanized. It was incumbent upon appellants to satisfy the Court with their reasons for disregarding this contiguity (other than their desire to oust the west side tenants), and in this they have failed.

Managerial discretion should, it is true, be conceded to the landowner, and it would ordinarily be his prerogative to decide what portions of his land should be mechanized. But the bona fide exercise thereof can be tested to determine if it conforms to legislative measures enacted pursuant to the police power of the State. One of these enactments is Section 50 (a) of Republic Act No. 1199, as amended.

Upon the other hand, the Agrarian Court assigned two main reasons to the petitioners' insistence to oust the respondents from their respective landholdings, to wit: (1) that the respondents are on a 70-30 sharing basis while those on the opposite landholdings are only on a 55-45 ratio; and (2) that the respondents, in contrast with their

counterparts on the eastern portion of the hacienda, are definitely more militant in their agitations for better tenancy treatment. These findings are supported by the absence of a definite plan for the mechanization of the entire hacienda and by testimony on record that the landowners tried in earnest to convince the respondents to return to the old 45-55 sharing basis, but that this proposal was turned down.

The petitioners incorrectly argue that the phrase "bona fide intention to cultivate" has reference only to (1) the ability of the landowner to mechanize and (2) a firm decision on his part to mechanize. The contention not only unduly narrows the statutory condition, which in our considered opinion requires further that the landowner be not motivated by vindictiveness in seeking the dispossession of his tenants, but it also unjustly endangers the position of agitating tenants under a retaliatory landowner, a wrong that has long been the object of our agrarian reforms. The "bona fide" requirement necessarily authorizes judicial inquiry into the landowner's motives in deciding to mechanize his operations. Nor do we find that a statutory presumption of bad faith, if the landowner fails to mechanize after five years, is at all incompatible with an inquiry into the good faith of a proposed mechanization before it is carried out.

Having arrived at the foregoing conclusion, we consider it irrelevant whether the certifications of the Agricultural Tenancy Commission are to be deemed conclusive or merely prima facie evidence of the hacienda's suitability to mechanization. In either case, it would first be necessary to prove the bona fide intention of the landowners-petitioners to cultivate the landholdings in question.

Wherefore, the decision appealed from is affirmed, with costs against the petitioners.

Padilla, Bautista Angelo, Labrador, Concepcion, Barrera, Paredes, Dizon, and De Leon, 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.