

**ALFREDO DIAZ, PETITIONER-APPELLANT, VS. LUIS MOLINA,
NARCISO MADERIA AND THE HONORABLE JOSE M. SANTOS,
PRESIDING JUDGE OF THE COURT OF AGRARIAN RELATIONS,
SECOND REGIONAL DISTRI...**

G.R. No. L-21550. April 27, 1967

Ponente: ZALDIVAR, J.

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ZALDIVAR, J.:

This is a petition for certiorari to review the decision of the Court of Agrarian Relations, Second Regional District, Cabanatuan City, in four cases involving tenancy relationship. The parties in these cases being the same and the issues involved therein being interrelated, by agreement of the parties, these cases were consolidated and were decided in a single decision.

Respondents-appellees, Luis Molina and Narciso Maderia, hereinafter referred to as tenants, are the tenants of petitioner-appellant, Alfredo Diaz, hereinafter referred to as landholder, on separate parcels of ricelands situated in the Barrio of Bucot, Aliaga, Nueva Ecija, with an area of two and one-half hectares each, more or less. Respondent Judge Jose M. Santos of the Court of Agrarian Relations is herein referred to as CAR.

The record shows that prior to the agricultural year 1961-1962, the landholder contributed to the production of the lands by defraying the expenses for transplanting, while the tenants contributed their labor, work animals, farm implements and expenses for final harrowing; and they divided the net produce under the sharing ratio of fifty-fifty. The tenancy contract between the parties was not in writing.

Sometime before March 20, 1961, the tenants notified the landholder of their desire to change their tenancy relationship from one of crop sharing to that of leasehold, effective the agricultural year 1961-1962 which admittedly started in the last week of May, 1961. In consonance with their desire to change their tenancy system beginning with the agricultural year 1961-1962, the tenants undertook to contribute all the items of expenses for production, with the landholder contributing only the lands. The landholder refused to accede to the desire of the tenants. So in that month of March, 1961, the tenants each filed a petition before the Court of Agrarian Relations praying approval of the change of their tenancy relationship from that of crop sharing system to that of leasehold system and to fix the annual lease rental. These two petitions were docketed as CAR Cases Nos. 2453-NE-61 and 2456-NE-61.

On August 7, 1961, the landholder, being insistent in the continuation of the share tenancy contract, deposited in court the sum of P100.00 representing the expenses for transplanting for the agricultural year 1961-1962, at P50.00 for each of the two tenants, and prayed the court to order the tenants to withdraw that amount as expenses for transplanting. The landholder also offered to deposit the sum of P43.00 for the cost of the seedlings - P28.00 for tenant Luis Molina, and P15.00 for tenant Narciso Maderia. This petition was docketed as CAR Case No. 2764-NE-61.

On December 27, 1961, the landholder filed with the same court a petition for ejectment against tenant Luis Molina, alleging that on November 20, 1961 said tenant pre-threshed a portion of the palay planted on the land tenanted by him in violation of Section 39 of Republic Act 1199, and that said tenant had been grossly negligent in the performance of his duties and had failed to follow proven farm practices thereby rendering unproductive the land tenanted by him. This petition was docketed as CAR Case No. 2834-NE-61.

The respondent, or respondents, as the case may be, in each of the four cases mentioned in the foregoing paragraphs, filed his/their respective answer.

After hearing the four cases jointly the CAR, on March 18, 1963, rendered a decision (1) declaring the tenancy relationship between the landholder and the tenants to be under the leasehold tenancy system effective as of the agricultural year 1961-1962; (2) fixing the rentals for the landholdings, such that for the agricultural years 1961-1963 tenant Molina should pay 18 cavans and 42 kilos of palay for every agricultural year, and tenant Maderia should pay 19 cavans and 36 kilos; and beginning with the agricultural year 1963-1964 tenant Molina should pay 26 cavans and 22 kilos annually while tenant Maderia should pay 37 cavans and 21 kilos; (3) ordering the landholder to refund to tenant Molina 20 cavans and 39¼ kilos of palay or the value thereof in the sum of P240.37, and also to refund tenant Maderia 39 cavans and 37¼ kilos of palay or the value thereof in the sum of P457.81; (4) ordering the Provincial Treasurer of Nueva Ecija to re-lease to the tenants the proceeds of the sale of the disputed portions of the harvest for the agricultural year 1962-1963; and (5) dismissing CAR Case No. 2764-NE-61 (for consignment) and CAR Case No. 2834-NE-61 (for ejectment).

His motion for reconsideration of the decision of the CAR, dated March 18, 1963, having been denied, the landholder filed his notice of intention to appeal, and on July 13, 1963, he filed the petition for certiorari in this case.

In his petition for certiorari to review the decision of the CAR, the landholder simply raised the question of the constitutionality of Section 14 of Republic Act 1199, which provision of law the tenants had invoked in their petition before the CAR for a change of their tenancy relationship from share tenancy to leasehold tenancy and upon which the CAR had based its decision declaring the tenancy relationship between the landholder and the tenants to be under the leasehold system. The landholder, in this appeal, does not question the propriety of the rentals fixed by the CAR and the action of the CAR in dismissing the petitions for consignment and ejectment.

In the case of *Primero v. Court of Agrarian Relations*, G. R. No. L-10594, May 29, 1957,[1] this Court upheld the constitutionality and validity of Republic Act 1199 in its entirety because it is "a remedial legislation promulgated pursuant to the social justice precepts of the Constitution and in the exercise of the police power of the State to promote the common weal." Then in the case of *De Ramas v. The Court of Agrarian Relations, et al.*, G.R. No. L-19555, May 29, 1964, this Court specifically declared that Section 14 of Republic Act 1199 is constitutional. This Court held that the enactment of that particular provision of Republic Act 1199 is in virtue of the exercise of the police power of the State, and neither does said provision impair the obligation of contract. Finally, this Court held that –

"The right granted to the tenant to change the contract from share tenancy to that of leasehold tenancy can not be considered unreasonable or oppressive, because by the landlord's giving up of 5% of the harvest (the change from share to leasehold tenancy reduces the landlord's share from 30% to 25%), the tenant becomes more responsible, more competent, and financially prepared to comply with his obligations under the lease, to the ultimate benefit of the landlord, with the consequent improvement of a lot of a big segment of the population and thereby giving full meaning to the social justice directive contained in the Constitution."

The ruling in the *De Ramas* case, *supra*, has been reaffirmed by this Court in a number of subsequent decisions.[2]

WHEREFORE, the decision appealed from is affirmed, with costs against the petitioner-appellant.

Concepcion, C.J., Reyes, J.B.L., Dizon, Regala, Makalintal, Bengzon, J.P., Sanchez, and Ruiz Castro, JJ., concur.

[1] 101 Phil., 675.

[2] Claridad Vda. de Macasaet v. Court of Agrarian Relations, et al., L-19750, July 17, 1964; Uichanco, et al. v. Gutierrez, et al., L-20275-79, May 31, 1965; Gamboa v. Pallarca, et al., L-20407, March 31, 1966; Marta A. Vda. de Cuizon v. Ortiz, et al., L-20905, April 30, 1966; Ilusorio, et al. v. The Court of Industrial Relations, et al., L-20344, May 16, 1966.

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