PLANTERS ASSOCIATION OF SOUTHERN NEGROS INC., PETITIONER, VS. HON. BERNARDO T. PONFERRADA, PRESIDING JUDGE, REGIONAL TRIAL COURT OF NEGROS OCCIDENTAL, BRANCH 42; HONORABLE SECRE...

G.R. No. 114087. October 26, 1999

Ponente: PURISIMA, J.

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PURISIMA, J.:

At bar is a Petition for Review on Certiorari under Rule 45 of the Revised Rules of Court seeking to review and set aside the August 8, 1993 Decision[2] and January 21, 1994 Resolution[3] of the Regional Trial Court of Negros Occidental, Branch 42,[4] Bacolod City, in Civil Case No. 6894 for Declaratory Relief.

The antecedent facts that matter can be culled as follows:

Prior to the passage of Republic Act No. 6982, entitled An Act Strengthening the Sugar Amelioration Program in the Sugar Industry, Providing the Mechanics for its Implementation, and for other Purposes, there were two principal laws providing additional financial benefits to sugar farm workers, namely: Republic Act No. 809 and Presidential Decree No. 621.

Republic Act No. 809[5] (implementable in milling districts with an annual gross production of 150,000 piculs or more), institutionalized production sharing scheme, in the absence of any private agreement between the planters and farm workers, depending on the mill's total production for each immediately preceding crop year; and specifically providing that any increase in the planters' share shall be divided in the following manner: 40% of the increase shall accrue to the planter and 60% to the farm workers.[6]

On the other hand, Presidential Decree No. 621,[7] as amended, charged a lien of P2.00 per picul on all sugar produced, to be pooled into a fund for subsequent distribution as bonuses to sugar workers.[8]

Thus, before R.A. No.6982, there were two sets of beneficiaries under the social amelioration program in the sugar industry:

1) Beneficiaries under R.A. No. 809 and P.D. No. 621; and

2) Beneficiaries under P.D. No. 621 only. (In milling districts where the annual gross production is less than 150,000 piculs)

On May 24, 1991, Republic Act No. 6982 took effect. It imposed a lien of P5.00 per picul on the gross production of sugar beginning sugar crop year 1991-1992, with an automatic additional lien of P1.00 for every two (2) years for the succeeding ten (10) years from the effectivity of the Act subject to the discretion of the Secretary of Labor and Employment and upon recommendation of the Sugar Tripartite Council.[9]

Directly addressing the effect of the new P5.00 per picul lien vis-à-vis the two previously existing laws, Section

12 of R.A. No. 6982, provides:

> "Section. 12. Benefits under Republic Act No. 809 and P.D. 621, as Amended. - All liens and other forms of production sharing in favor of the workers in the sugar industry under Republic Act No. 809 and Presidential Decree No. 621, as amended, are hereby substituted by the benefits under this Act: Provided, That cases arising from such laws pending in the courts or administrative bodies at the time of the effectivity of this Act shall not be affected thereby.

In connection therewith, Section 14 of the same Act further states:

> "Section 14. Non-Diminution of Benefits.-The provisions of Section 12 hereof notwithstanding, nothing in this Act shall be construed to reduce any benefit, interest, right or participation enjoyed by the workers at the time of the enactment of this Act, and no amount received by any beneficiary under this Act shall be subject to any form of taxation."

Private respondent Binalbagan-Isabela Sugar Company (BISCOM) is engaged in the business of, among others, milling raw sugar cane of various sugar plantations in their milling district. For the crop year 1991–1992, the sugar farm workers' share in BISCOM, under R.A. No. 809 amounted to P30, 590,086.92.[10]

Under P.D. No.621, the workers' benefit for the same crop year amounted to P2,233,285.26, computed as follows:

Gross production of BISCOM 1,595,184.46

(In Piculs)

Less: 30% BISCOM Share 478,555.33

70% Planter Share 2,116,626.13

Multiplied by P2.00 lien x P2.00

TOTAL P2,233,258.26[11]

But considering that the P2.00 lien under P.D. No.621 is obviously lesser than the P5.00 lien under R.A. No.6982, the same was no longer imposed by BISCOM pursuant to R.A. No.6982.

Hence, before R.A. No.6982 took effect, the total farm workers' benefit was:

Under R.A. No. 809 P30,590,086.92

Under P.D. No. 621 2,233,258.16

P32,823,345.18

Upon the effectivity of R.A. No.6982, the total workers' benefit in BISCOM's milling district was computed as follows:

Gross Production of BISCOM 1,595,184.46

(In Piculs)

Less: 30% BISCOM share 478,555.34

70% Planter Share 1,116,629.12

Multiplied by P5.00 lien x P5.00

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TOTAL FARMWORKERS' BENEFIT P5,583,145.61[12]

Meanwhile, pending a definite ruling on the effect of R.A. No. 6982 to R.A. No. 809 and P.D. No. 621, respondent Secretary of Labor issued Department Order No.2 (1992),[13] directing, inter alia, the three milling districts in Negros Occidental, namely: SONDECO, San Carlos and herein private respondent BISCOM, to continue implementing R.A. No.809 per recommendation of the Sugar Tripartite Council.

Consequently, the petitioner, Planters Association of Southern Negros Inc. (PASON), an organization of sugar farm plantation owners milling with private respondent BISCOM, filed with the respondent court a Petition for Declaratory Relief against the implementation of the said D.O. No. 2. It theorized that in view of the substitution of benefits under Section 12 of R.A. No. 6982, whatever monetary rewards previously granted to the sugar farm workers under R.A. No. 809 and P.D. No. 621 were deemed totally abrogated and/or superseded.[14]

On August 18, 1993, the respondent Court came out with the assailed Decision; the dispositive portion of which held:

"WHEREFORE, premises considered, the Court hereby declares:

1. That the benefits under RA 6982 do not and cannot supersede or substitute the benefits under RA 809 in milling districts where the latter law was already in implementation at the time of the effectivity of RA 6982; and

2. That the sugarcane workers in the BISCOM milling district shall continue to enjoy the benefits under RA 809 in addition to the benefits that will henceforth be provided for by RA 6982 now being implemented by private respondent.

SO ORDERED."[15]

With the denial of its motion to reconsider the aforesaid Decision, petitioner found its way to this Court via the present petition.

The petition is not visited by merit.

From a cursory reading of Section 12[16] of R.A. No. 6892, the inevitable conclusion would be that the benefits under R.A. No.809 and P.D. No. 621 have been superseded by those granted under the new law. This substitution, however, appears to be qualified by Section 14[17] which disallows substitution if its effect would be to diminish or reduce whatever financial benefits the sugar farm workers are receiving under existing laws at the time of the effectivity of R.A. No. 6289.

How then should Section 12 of R.A. No. 6982 be interpreted in light of the qualification under Section 14 of the same Act?

Petitioner insists that the word "substitution" in Section 12 should be taken in its literal sense considering that the intention of Congress to effect a substitution of benefits is clear and unequivocal. Under this interpretation of "unqualified substitution", the sugar farm workers in the subject milling district will receive only P5,583,145.61 under R.A. No.6289, as against the P32,823,345.18 to which the workers were entitled under P.D. 621 and R.A. No. 809.

So also, invoking the Opinion[18] "It is believed that the benefits conferred upon labor by RA 809 have been superseded by those granted to it under RA 6982. This conclusion is inescapable from a reading of Section 12 of the latter law, as well as its repealing clause (Sec. 16). Indeed, the production-sharing scheme decreed in RA 809 cannot remain in force upon the effectivity of the new production-sharing procedure prescribed in RA 6982;

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otherwise, sugar workers would be receiving two kinds of financial benefits simultaneously.

The substitution, however, of sugar workers benefits under RA 809 by RA 6982 is qualified by Section 14 of the latter. This section provides that if the effect of such substitution will be to diminish or reduce whatever monetary rewards sugar industry laborers are receiving under RA 809, then such workers shall continue to be entitled to the benefits provided in such law. Expressed otherwise the production-sharing scheme in RA 6982 does not apply to sugar industry workers in milling districts where its application would be financially disadvantageous to them, in which case the existing production-sharing agreement based on RA 809 shall still govern." (Opinion No. 115, S. 1992 dated September 2, 1992, signed by Justice Secretary Franklin Drilon.)18 of the Secretary of Justice, petitioner contends, in the alternative, that the application of R.A. No. 809 can be maintained but in no case should the benefits thereunder be implemented in addition to R.A. No. 6982. Applying this interpretation, the share of the sugar farm workers would amount to P30,590,086.92.

On the other hand, under the interpretation espoused by the public respondent (that the benefits conferred by R.A. No.6982 should complement those granted by R.A. No. 809 which cannot be superseded by the former Act since Section 14 thereof prohibits diminution of benefits), the total worker's benefit would be as follows:

R.A. No. 809 P30,590,086.92

R.A. No. 6982 583,145.61

P36,173,232.53

It is a well-settled rule of legal hermeneutics that each provision of law should be construed in connection with every other part so as to produce a harmonious whole and every meaning to be given to each word or phrase is ascertained from the context of the body of the statute.[19] Ut magis valeat quam pereat.[20] Consequently, laws are given a reasonable construction such that apparently conflicting provisions are allowed to stand and given effect by reconciling them, reference being had to the moving spirit behind the enactment of the statute.[21]

Applying the abovestated doctrine, Section 12 therefore, which apparently mandates a total substitution by R. A. No. 6982 of all the benefits under R.A. No. 809 and P.D. No. 621 existing at the time of the effectivity of R.A. No. 6982, can not be construed apart from Section 14 which prohibits such substitution if the effect thereof would be to reduce any benefit, interest, right or participation enjoyed by the worker at the time R.A. No. 6982 took effect. The Court finds as untenable the interpretation of the petitioner based an unqualified substitution of the benefits under R.A. No. 809 and P.D. No. 621 by the monertary rewards conferred by R.A. No. 6982 in the amount of P5,583,145.61 as against the P36,173,232.53 previously enjoyed by the sugar farm workers under the former laws.

It bears stressing that the primordial objective behind the enactment of R.A. No. 6982 was to augment the income of sugar workers by establishing a social amelioration program in cases where sugar farm workers had none, and at the same time, to improve whatever amelioration schemes already existing in the sugar districts concerned.[22] In recognition of the avowed guarantee under Section 3, Article 13 of the Constitution to uphold the right of workers to a just share in the fruits of production, the policy of R.A. No. 6982 states:

> "Section 1. Policy. – It is the policy of the State to further strengthen the rights of workers in the sugar industry to their just share in the fruits of production by augmenting their income and, among other schemes, institutionalizing the mechanism among the partners in the sugar industry to enable the workers and their families to enjoy a decent living." (Emphasis supplied)

The foregoing studiedly considered, there can be no other construction that would best promote the welfare of the sugar farm workers, than the interpretation of the public respondent, implementing R.A. No. 6982 as a

complement to R.A. No. 809.

Citing the floor deliberations of Congress,[23] petitioner insists that the non-diminution of benefits referred to in Section 14 pertains only to pending claims of the workers at the time of the effectivity of the Act. Stated differently, it is contended that the benefits to which the workers are entitled under R.A. No. 809 and P.D. No. 601 can be validly diminished by virtue of the application of R.A. No. 6982, because the non-diminution provision in Section 14 thereof refers to pending claims accruing under P.D. 621 and R.A. No. 809, and not to the very benefits previously enjoyed by the workers under the said laws. With this construction, from a total benefit of P32,823,345.18 conferred by R.A. No. 809 and P.D. No. 621, the sugar workers would only be entitled to a meager amount of P5,583,145.61.

The contention is barren of sustainable merit. To limit the application of the non-diminution principle only to pending claims would be repulsive not only to the policy of the Act but also to the salutory provisions of the Constitution. Verily, the glaring disparity of P27,240,199.57 between P32,823,345.18 and P5,583,145.61 would not warrant such an interpretation. As aptly ratiocinated[24] by the respondent Court, the evolution of legislation in the sugar industry had always had for its foremost concern the advancement of the lot of the sugar farm worker. Hence, through the years every law or decree enacted pursuant thereto had always provided for an increase in wages and benefits. The reason is obvious. Amidst the rapidly changing, if not worsening, economic conditions prevalent in the industry, the sugar worker can hardly cope with his meager income to lean on.

Equally wanting of merit is the alleged double recovery under the interpretation subscribed by the public respondent. Note that had not R.A. No. 6982 been enacted, sugar farmworkers would be entitled to a total a share of P32,823,345.18 under R.A. No. 809 and P.D. No. 621; whereas under the alternative view of the petitioner, maintaining the benefits (P30, 509,086.92) granted by R.A. No. 809 to the exclusion of the benefits provided by R.A. No. 6982, sugar farm workers stand to lose the difference of P2,233,258.56, from a total of P32,823,345.18 which they were entitled before RA 6982 took effect. Certainly, such a disadvantageous construction cannot be countenanced, being violative of the non-diminution principle under Section 14 of R.A. No. 6982.

In view of the foregoing, the addition of the monetary rewards under R.A. No. 6982 to the benefits granted by R.A. No. 809, is what is called for in the case under consideration. While it is true that “addition” is different from “substitution”, the circumstances involving subject milling districts (where the sugar farm workers are enjoying benefits both from R.A. No. 809 and P.D. No. 621 prior to the effectivity of R.A. No. 6982), necessitate the grant of pecuniary advantage under R.A. No. 809 as a complement to R.A. No. 6982. Otherwise, the workers would suffer a diminution of benefits. Therefore, the increase of monetary advantage in favor of the sugar farm workers, as a consequence of such interpretation, is merely incidental to the application of the non-diminution policy of R.A. No. 6982, a labor provision which should be liberally construed to further its purpose.[25]

Neither does the Court find convincing the interpretation proposed by private respondent BISCOM. While maintaining the application of R.A. No. 809 and P.D. No. 621 (where the total share of the workers is P32,823,345.18), and disregarding R.A. No. 6892, would be beneficial to the sugar farm workers, to the mind of the Court, the assailed construction of the public respondent (where the total share of the workers is P36,173,232.53), would be more in keeping with the spirit of R.A. No. 6982 which is: to improve the living condition of workers in the sugar industry. Between two statutory interpretations, that which better serves the purpose of the law should prevail.[26]

Premises studiedly considered, the Court is of the ineluctable conclusion, and so holds, that the respondent Court ventured not in any judicial legislation but merely gave life to the avowed policy of the State under Section 18, Article 2 of the 1987 Constitution, which states:

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> "Sec. 18. The state affirms labor as a primary social economic force. It shall guarantee the rights of workers and promote their welfare."

WHEREFORE, the Petition is DENIED; and the assailed Decision in Civil Case No. 6894, dated August 18, 1993, of the Regional Trial Court of Negros Occidental, Branch 42, Bacolod City, AFFIRMED. No pronouncement as to costs.

SO ORDERED.

Melo, (Chairman), Vitug, Panganiban, and Gonzaga-Reyes, JJ., concur.

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[1] Decision, Rollo, p. 40.

[2] Annex "A", Rollo, pp. 34 – 44.

[3] Annex "B", Rollo, pp. 45 – 46.

[4] Presided by Judge Bernardo J. Ponferrada.

[5] Otherwise known as the Sugar Act of 1952.

[6] See Section 9 of RA 809.

[7] Issued in 1972.

[8] Decision, Rollo, p. 34.

[9] See Section 7 of RA 6982.

[10] BISCOM applied RA 809 in 1983 when it reduced its milling share from 35% to 30%. The 5% increase in participation in favor of the plant was divided between the planters and farm laborers under Section 9 of RA 809, to wit:

> PLANTERS' SHARE 2% (40% OF 5%)
>
> WORKERS' SHARE 3% (60% OF 5%)
>
> TOTAL 5%

Thus, the sharing in BISCOM'S milling district prior to the enactment of RA 6982 were as follows:

> BISCOM SHARE 30%
>
> PLANTER SHARE 67%
>
> WORKER SHARE 3%
>
> TOTAL 100% (Decision, Rollo, p. 37)

[11] Decision, Rollo, p. 37.

[12] Ibid.

[13] Annex "2" of Comment, Rollo, p. 117.

[14] Petition, Rollo, pp. 13 and 21.

[15] Decision, Rollo, p. 44.

[16] “Section. 12. All liens and other forms of production sharing in favor of the workers in the sugar industry under Republic Act No. 809 and Presidential Decree No. 621, as amended, are hereby substituted by the benefits under this Act: Provided, that cases arising from such laws pending in the courts or administrative bodies at the time of the effectivity of this Act shall not be affected thereby. (Emphasis supplied)

[17] “Section 14. The provisions of Section 12 hereof notwithstanding, nothing in this Act shall be construed to reduce any benefit, interest, right or participation enjoyed by the workers at the time of the enactment of this act, and no amount received by any beneficiary under this Act shall be subject to any form of taxation.” (Emphasis supplied)

[18]

[19] Agpalo, Statutory Construction, pp. 181 – 182, 1986 edition; citing: Sotto vs. Sotto, 43 Phil. 688 (1922); Sutherland on Statutory Construction, 2e., Sec 368; and Araneta v. Concepcion, 99 Phil. 709 (1956).

[20] Meaning: Construction is to be sought which gives effect to the whole of the statute–its every word.

[21] Agpalo, supra.

[22] See Section 7 of R.A. No. 6982.

[23] “MS. STARKE: Mr. Speaker, this is not a proposal for amendment but a question for clarification only. I would like to call the attention of the Sponsor to page 7, line 9, Non-diminution of benefits. It says here: ‘Nothing in this Act shall be construed to reduce any benefit, interest, and right of (sic) participation enjoyed by the workers at the time of the effectivity of this act, and no amount received by any beneficiary under this act shall be subject to any form of taxation.’ I am referring to Section 16 and now Section 15: All liens and other forms of production sharing in the sugar industry under Republic Act No. 809 and Presidential Decree No. 621, as amended, are hereby substituted by the benefits under this Act.: So it seems to me that Section 17 is a contradiction.

MR. ANIAG: No Mr. Speaker, what the section means is that the time of approval of this Act, Mr. Speaker, there might have been pending claims, outstanding claims for the benefits already accruing by virtue of Republic Act 809 or PD 621. What we mean by this Section is that if there are pending claims, this bill or this act should not be construed to reduce any benefit that will accrue to them. xxx” (Petition, Rollo, p. 17)

[24] Decision, Rollo, p. 43.

[25] Alliance of Nationalist and Genuine Labor Organization vs. Samahan ng mga Mangagawang Nagkakaisa sa Manila Bay Shipping Mills, et al., 258 SCRA 371, p. 375, citing: Tropical Hut Employees Union-CGW vs. Tropical Hut Food Market, Inc., 181 SCRA 173).

[26] Salenilla vs. Court of Appeals, 169 SCRA 829, 835.

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