

LEONCIA VELASCO, PETITIONER, VS. THE COURT OF AGRARIAN RELATIONS AND VALENTIN DOMINGO AND MANUEL DOMINGO, RESPONDENTS.

G.R. No. 14737. September 30, 1960

Ponente: LABRADOR, J.

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LABRADOR, J.:

Appeal from a supplemental decision of the Court of Agrarian Relations, Hon. Guillermo S. Santos, presiding, ordering petitioner herein Leoncia Velasco to deliver to respondents Valentin and Manuel, both sumamed Domingo, 179.25 cavans of palay at 44 kilos per cavan of the "pimirsigue" variety, or its value at P9.00 per cavan, or a total of ₱1,613.25, with interest at 6% per annum from May 3, 1957 until fully paid.

On May 23, 1952, petitioner herein Leoncia Velasco leased a parcel of land containing 89,666 square meters to Valentin Domingo and Manuel Domingo for three agricultural years from May 23, 1952 to April 17, 1955. On April 28, 1965, petitioner herein Velasco sold the land to Marcelino Maclang for ₱7,000.00 (Annex "A"). On May 3, 1955, Marcelino Maclang brought an action against Valentin Domingo and Manuel Domingo for ejectment. Petitioner Velasco filed a petition to intervene in the proceedings, which petition was granted. The action instituted by Maclang against the Domingos was decided in favor of Maclang, for the ejectment of the Domingos.

A trial was had upon the claim of petitioner Velasco against the Domingos, and after trial the court, after overruling a motion for reconsideration, rendered the decision indicated above and now subject of appeal. The law invoked in the decision is Section 7 of Act 4054, which limits the amount of rental for an agricultural land to not more than 25% of the estimated normal harvest for the last three years.

Third-party respondent in the ejectment suit Leoncia Velasco, petitioner herein, introduced one witness Arsenio Cruz who testified to having cultivated the land and harvested as follows:

"* * * September, 1949-140 cavans; April, 1950-220; September, 1950-145; April 1951-225; September, 1951-143; April, 1952-about 230 cavans. (p. 5 Resolution, Annex "C").

The trial court, however, refused to believe this testimony as exaggerated. One other reason is that salty water enters the land from Manila Bay and it is only during the months of June, July or August that salt water gets out. Manuel Domingo and Arsenio Robles testified that they never harvest a second crop except in 1956, and that a cavan of seedling normally produces 30 cavans of palay. So the judge below refused to believe the testimony of the witness for petitioner Velasco on the ground that the quantity of harvests testified to by him is excessive. He also decided that if the Domingos have not been able to plant the first harvest in September, such failure was not due to any negligence on their part, but to the salty condition of the land.

The errors assigned on this appeal are the trial court's failure to consider the harvest for the three years preceding the contract of lease, its act in declaring that the rental is excessive and its declaration that the petitioner Velasco

is liable to return 179.25 cavans of palay instead of merely dismissing the third-party complaint. The court below decided the case on its findings on three issues namely:

"1. Did third-party respondent sufficiently establish the average yield of the landholding in question for the crop years 1949-1950, 1950-1951, 1951-1952?

"2. Did the landholding normally produce two harvests a year during the three years preceding the parties' lease contract?

"3. Were third-party petitioners negligent in failing to produce the alleged two harvests? If not, what were the real causes of such failure? (pp. 4-5, Annex "C")

It was error for the court below to hold that petitioner-lessor has the burden of proving the legality of the rentals of 90 cavans fixed for the lease. The contract was the product of a voluntary (agreement of the lessor and the lessees. Under the law a person is presumed to take ordinary care of his concerns (Sec. 69 [d] Rule 123, Rules of Court) and private transactions, presume[^] fair and regular (Sec. 69 [p], Id.). Hence respondents-appellees must be presumed to have conformed to the above rentals because the same are reasonable and just. As they agreed to the rentals it must have been because they conform to the limits imposed by law (Sec. 69 [y], Id.). With these presumptions in mind it is evident that the party which had the obligation to prove that the rentals are excessive and are not conformable to law are the respondents, not the petitioner as the court below assumed and made the basis of its findings and conclusions.

The evidence submitted by both parties are conflicting. We have on the one hand the testimony of a former tenant that the land produced the following harvests—Sept. 1949-140 cavans; April, 1950-220; Sept. 1950-145; April, 1951-225; Sept 1951-143; April, 1952-about 230. Against the above positive evidence respondents presented merely circumstantial facts, i. e., that salty water affects the lands and supposed harvest during the actual term of the lease. These circumstantial evidence can not be considered more convincing than that presented by petitioner which was to the very fact in issue, namely harvests in three years preceding the execution of the contract.

It is also to be noted that this is not a case in which a reasonable rental is to be fixed in the discretion of the court. It is a case of reformation of a contract voluntarily agreed into on the ground that the rental agreed upon exceeds that fixed by law. Here again it was the respondents who had the burden of proof that the law was violated, as they hold, the affirmative of a proposition, i. e., that the rentals are excessive. They must prove said affirmation. In this respect also we believe that respondents have not adduced the evidence necessary to overcome the evidence submitted by the petitioner.

In view of the conflicting evidence the court below should have resolved the question as to the legality of the contract by the rules of presumption and burden of proof. The contract must be presumed legal, as it was entered into voluntarily and no fraud was alleged or proved in relation to its execution. And it is incumbent upon respondents also to prove that the rentals fixed are in excess of that fixed by law, not only because of that presumption but because the law places the burden of proof on the respondents who claim the rentals as excessive. We find that respondents failed, in view of the conflict in the evidence.

We are, therefore, constrained to hold, as we hereby hold, that the court below erred in declaring the rentals excessive.

However, we can not enter a judgment granting relief to the petitioner, as the record does not disclose what amount or portion of the rentals have not been paid. She herself has stated that respondents are at most entitled to a dismissal of her claim.

Wherefore, the judgment or resolution appealed from is hereby reversed and both the claim of petitioner and the

counterclaim of the respondents are hereby dismissed. Without costs. So ordered.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Concepcion, Reyes, J. B. L., Barrera, Gutierrez David, Paredes, and Dizon, JJ., concur.

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