

ASOCIACION DE HACENDEROS DE VICTORIAS ET AL., PLAINTIFFS AND APPELLANTS, VS. VICTORIAS MILLING CO., INC., ET AL., DEFENDANTS AND APPELLEES.

G.R. No. 37698. October 09, 1933

Ponente: HULL, J.

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HULL, J.:

Plaintiffs brought suit in the Court of First Instance of Occidental Negros claiming in effect that by virtue of certain contracts between the defendant Victorias Milling Co., Inc., and the planters furnishing cane to that mill that the association was in effect the representative of all the planters, that their board of directors was in fact the committee of planters mentioned in the contracts and that all the planters must contribute the annual quota for the expenses and welfare of the association. The pleadings were discursive and vague. The record of trial is most voluminous, and much immaterial and irrelevant matter was presented to the court.

After trial the court held that the theories of plaintiffs were unfounded in law, and the case was brought here on the following assignments of error:

"1. The lower court erred in not finding that the defendants were by their own conduct and tacit construction of the planters contracts and by laches, precluded from contending that the said planters contracts did not require the formation of a planters association among the affiliated planters of Victorias.

"2. The lower court erred in not finding that the articles and by-laws of the planters association of Victorias constituted a contract and were binding between the association and the members themselves, and hence, binding upon the defendants.

"3. The lower court erred in finding that the defendants could lawfully withdraw from the planters association of Victorias at pleasure, thus effecting a partial rescission of its articles and by-laws.

"4. The lower court erred in not finding that the action was properly brought by the planters association of Victorias in its own name, or by the other plaintiffs in behalf of themselves and all others interested in the association, or as officers thereof for the benefit of all.

"5. The lower court erred in finding that neither the planters association of Victorias nor the other plaintiffs in behalf of themselves and all others interested in the association or as officers thereof for the benefit of all, had an action against the defendants in connection with the appointment of the committee of planters stipulated in the planters contracts and that this right appertained solely to the central.

"6. The lower court erred in absolving defendants from the complaint and in not making the findings and giving the judgment, prayed for in the plaintiffs' complaint."

It is very difficult to discuss the above assignments of error in connection with the pleadings and the theory on which this case was tried. Throughout the complaint, which with its exhibits made a part thereof takes up seventy-two printed pages of the bill of exceptions, the importance of the so-called milling contracts is

emphasized. In no paragraph of the complaint is it alleged that relief is sought because the defendants or any of them, by joining the association entered into a contract from which their responsibility flowed.

From the pleadings, the rights of the parties should be determined by the milling contracts and if plaintiffs have any rights which they can assert by virtue of one or more of the plaintiffs becoming members of the association, an amendment to the pleadings would be necessary before relief could be had.

As to the legal effect of the milling contracts, the trial court in its decision made the following statement, which translated reads:

"The clauses in the contracts, Annexes A and B, containing stipulations relating to the Committee of Hacenderos are those bearing Nos. 8, 14, 17, 18, 21, (b) and (f). The court finds nothing in these clauses or in the remaining clauses of said contracts (Annex C is a mere form of contract in confirmation of the first two), which expressly or impliedly would bind the planters to organize an Association of Hacenderos as an essential requisite or as a necessary step for the appointment of the Committee of Hacenderos. In said contracts no mention is made of any Association of Hacenderos. The evidence clearly shows that it is not necessary to organize such association in order to appoint the Committee of Hacenderos, required by the same contracts, or to comply with the other provisions thereof."

This statement is not only correct, but paragraph 21 of the milling contracts provides for their fulfillment "without the intervention of any person". It is also clear that the committee of planters is different from the association of planters.

The mere fact that a large majority of the planters thought that an association would be to their mutual benefit does not mean that by joining an association they were construing their contracts with the company and that either joining or not joining such an association would constitute laches which would confer rights upon the association. The primary duty of the committee was the right to check the weighing in of the cane, to check the chemical analysis made of the syrup, to check the accounts of the company, to see that each planter received fair treatment and to verify the statement of the amount due him for the cane produced. Each planter under these contracts was at liberty to have these checks made provided he would contribute his proportionate share of the expenses thereof. It is a right given to the planters that remains with them during the life of the contract whether they see fit to exercise it or not. In other words, for fifteen years they might accept the reports of the company without investigation, check, or question. Yet they would have the right on the sixteenth year to make all the investigations authorized by their contracts, and they also have the right, subsequent to inaugurating the checks and investigations, to reduce the number or entirely eliminate them.

The second assignment of error asking for a statement as to the binding effect of the articles and by-laws of the planters' association as between the association and the members thereof has no application to the present case as appellees are not members of that association.

The third assignment of error would indicate that appellants believe that a member of their association cannot terminate his membership without the consent of the other members of the association.

The trial court did not err in applying the doctrine of *Red Men vs. Veteran Army* (7 Phil., 685), to this case and holding that 5 C. J., 1353, was applicable. This citation reads:

"(67) B. Termination of Membership—1. By Act or Omission of Member. In the absence of any statute or any law of the association to the contrary, a member may resign or withdraw from the society at his pleasure, and no acceptance of his resignation or withdrawal is necessary to terminate his membership, where he is under no pecuniary obligations to his associates."

The amounts sought to be collected from those appellees who were members of the association are for assessments subsequent to their lawful withdrawal from the association.

In view of the above views, it is not necessary to discuss whether or not the plaintiffs in the original or amended complaint have a right to bring the action.

The judgment of the Court of First Instance of Occidental Negros is affirmed. Costs against appellants. So ordered.

Malcolm, Villa-Real, Imperial, and Butte, JJ., concur.

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