

**JOSE B. YUSAY, PETITIONER, VS. HILARIO ALOJADO, ET. AL.,
RESPONDENT.***G.R. Nos. 14881 and 15001-7. April 30, 1960*

Ponente: GUTIERREZ DAVID, J.

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These are separate petitions to review on certiorari the decision rendered by the Court of Agrarian Relations in CAR Cases Nos. 331 to 335, 444, 446 and 447 for the reliquidation of past harvest, all of them instituted against herein petitioner Jose B. Yusay. The first five cases were filed on May 2, 1957 and the latter three on September 2 of the same year.

The complainants in those cases are herein respondents Hilario Alojado, Bartolome Talibutab, Graciano, Bernardo, Joaquin Ballentos, Magdaleno Bernardo, Honorato Paragan, Crisostomo Rubi and Nilo Rubi, the first named being the petitioner in Case No. 331 (G. R. No. L-14881), the second in Case No. 332 (G. R. No. L-15001), the third in Case No. 333 (G. R. No. L-15002), the fourth in Case No. 334 (G. R. No. 15003), the fifth in Case No. 335 (G. R. No. L-15004), the sixth in Case No. 444 (G. R. No. L-15005), the seventh in Case No. 446 (G. R. No. L-15006), and the last in Case No. 447 (G. R. No. L-15007).

In their petitions or complaints, said respondents alleged, among other things, that they were the share tenants of landholder Jose B. Yusay in their respective landholdings in Hacienda San Lucas located in the municipality of Kabankalan, Negros Occidental, which was undei lease to the latter from 1951 to 1957, Joaquin Ballentos, Graciano Bernardo and Honorato Paragan being such tenants from 1951 to 1957, Magdaleno Bernardo from 1953 to 1957, Bartolome Talibutab from 1954 to 1957, and Hilario Alojado, Crisostomo Rubi and Nilo Rubi from 1956 to 1957; that the liquidation of their harvests was based on the sharing ratio of 60-40, when it should have been 70-30 in their favor in accordance with their items of contribution to the production; and that (with the exception of Graciano Bernardo and Magdaleno Bernardo) they obtained loans with usurious interest by way of "alili" from the lessee-landholder Jose B. Yusay, for which they paid in palay at the end of every harvest.

In separate answers to the petitions of complaints, herein petitioner Jose B. Yusay denied the material averments thereof, and as special defenses, alleged that there was no tenancy relationship between him and the complainants, since he had subleased the ricelands subject of the alleged tenancy to Ernesto Berzuela from 1953 to 1957. In Cases Nos. 333, 334 and 444, he further alleged that the causes of action of the complainants had already prescribed.

Upon agreement of the parties, the cases were heard jointly. Thereafter, Judge Jose M. Santos of the Agrarian Court, finding in favor of the complainants, rendered a decision, the dispositive part of which reads:

"Wherefore, the respondent is hereby ordered to pay the petitioners the amount set opposite their respective names, representing their short-shared and/or overpayments on their loans, as follows:

Hilario Alojado

P94.32

Bartolome Talibutab.....

145.87

Graciano Bernardo.....

369.00

Joaquin Ballentos.....

1,170.00

Magdaleno Bernardo.....

276.40

Honorato Paragan

584.80

Nilo Rubi

84.80

Crisostomo Rubi

128.80

Total

P2,854.59

The petitioners' claims for attorney's fees are hereby dismissed."

Reconsideration of this decision having been denied, Jose B. Yusay brought the cases here for review on writs of certiorari.

Petitioner Jose B. Yusay contends, in the first place, that the court below lacked jurisdiction to entertain the present cases because no tenancy relationship existed between him and the complaining tenants, the latter's land-holdings having been subleased by him to Ernesto Berzuela, who, as sub-lessee, was an indispensable party but was not impleaded as such. The court below, however, did not believe the claim as to the alleged sub-lease of the ricelands to Berzuela, the same not being "substantiated by even a scrap of paper." A contract of lease or sub-lease of real estate should be in writing so that it may be recorded in the Registry of Property in order to be binding upon third persons. (Art. 1648, new Civil Code.) Moreover, the supposed sublease covered a total of 67 hectares of first class ricelands with the alleged rental of 670 cavans, and yet no security whatsoever was given by the alleged subleasee, Ernesto Berzuela, to guarantee the payment thereof.

On the other hand, the lower court expressly found as established by the evidence that from 1951 to 1957, petitioner Jose B. Yusay was the leasee of Hacienda San Lucas in the municipality of Kabankalan, province of Negros Occidental, and that the respondent tenants, complainants below, were his share tenants in their respective land-holdings in said hacienda during the different periods stated in their complaints. Among petitioner's

employees were Ernesto Berzuela as overseer or encargado, Esteban

Tuante as bodeguero, Mr. Rodriguez as bookkeeper, and Roque Escanlar as foreman or cabo. Ernesto Berzuela, the alleged subleasee, became the overseer in the hacienda in 1953. After the contract of lease expired in 1957 and up to the present, he has been petitioner's overseer in another hacienda. These findings of the court below are factual, and not having been shown to be unsupported by substantial evidence, the same cannot now be looked into by this Court on appeal. We, therefore, hold that the lower court acted correctly in taking cognizance of the cases at bar. The Court of Agrarian Relations has original and exclusive jurisdiction over cases involving tenancy relations. (Marcelo vs. De Leon, 105 Phil., 1175; 56 Off. Gaz. [37] 5738).

Petitioner further claims that the lower court has no jurisdiction to entertain cases involving loans or indebtedness with usurious interests as those alleged by the respondent tenants. We find no merit in the claim for the loans or advances complained of by the tenants were obtained by them under section 15 of Republic Act 1199 in connection with the cultivation of their landholdings. Thus, the lower court found that "petitioners (herein respondents except Graciano Bernardo and Magdaleno Bernardo), used to secure their seeds from the overseer upon prior authorization of the respondent (herein petitioner) and obtained loans in cash from the respondent under the 'alili' system payable at the end of harvest every year. These loans were spent by the petitioners in the cultivation of their farms." The court also found that the respondent tenants made overpayments of their loans under the so-called "alili" system imposed by petitioner upon them in violation of section 18 of Republic Act 1199, which provides that the outstanding debt of the tenant shall be paid out of his share in grain or agricultural products "appraised in money according to their current market value at the place where the land is located at the time of their delivery to the tenant." Under section 21 of the same Act, the Court of Agrarian Relations has original and exclusive jurisdiction over "all cases involving * * * the settlement and disposition of disputes arising from the relationship of landholder and tenants, as well as the violation of any of the provisions of this Act * * *." Indeed, said court was created "for the enforcement of all laws and regulations governing the relation of capital and labor on all agricultural lands under any system of cultivation * * *." (Sec. 1, Republic Act No. 1267). It "has "original and exclusive jurisdiction * * * to consider, investigate, decide, and settle all questions, matters, controversies or disputes involving all those relationships established by law which determine the varying rights of persons in the cultivation and use of agricultural land where one of the parties works the land * * *." (Sec. 7, Id.) What the Court of Agrarian Relations lacks is criminal jurisdiction over violations of the Tenancy Law. (See *Scoty's Department Store, et al. vs. Micaller*, 99 Phil., 762; 52 Off. Gaz., 5119.)

There is nothing to petitioner's claim that the division of the produce in the proportion of 60-40 in favor of the tenants was lawful so that the latter's complaints did not state a valid cause of action. The records show that the respondent tenants in raising their respective palay crops during their period of tenancy as stated in their complaints, furnished, aside from their labor, the work animals, farm implements and expenses of planting and cultivation, as well as harrowing and transplanting; whereas, the landholder, herein petitioner, provided only the land. Such being the case, the contracts upon which the liquidation of the tenants' past harvests in the proportion of 60-40 was based were illegal in that they did not give them the share they should have received under the law. Under either Act No. 4054, or the new Tenancy Law, Republic Act No. 1199, they were entitled to a 70-30 sharing ratio in their favor. (See sec. 7, Act No. 4054, *Atayde vs. De Guzman, et al.*, 103 Phil., 187; 55 Off. Gaz. [13] 2234; see also sec. 32, Republic Act No. 1199.)

There is, however, merit in petitioner's contention that the reliquidation in the present cases should only commence from the agricultural year 1954-1955, since the tenants' cause of action for the crop years 1951-52 to 1953-54 has already prescribed. Under the new Tenancy Law, a tenant may compel the landholder to render an accounting—which includes the determination, adjustment and settlement of what is due them under the

law—within 3 years from the date of the threshing of the crop in question. (Sec. 17, Republic Act 1199.) The present cases having been filed in 1957, the reliquidation should be made only from the crop year 1954-55. Consequently, the amounts of P138.40, P510.50, P33.60, and P144.00 found by the lower court to be the "short-shares and/or overpayments on loans" of the respondents Graciano Bernardo, Joaquin Ballentos, Magdaleno Bernardo, and Honorato Paragan—the tenants affected—previous to the crop year 1954-55, should be eliminated. It results that the petitioner should be made to pay respondent tenants the amounts set opposite their names as follows:

Hilario Alojado	
P94.32	
Bartolome Talibutab.....	
145.87	
Graciano Bernardo	
230.60	
Joaquin Ballentos	
659.00	
Magdaleno Bernardo	
242.80	
Honorato Paragan	
440.80	
Nilo Rubi	
84.80	
Crisostomo Rubi	
128.80	

Total.....	
P2,027.59	

Modified as above indicated, the decision of the Court of Agrarian Relations sought to be reviewed is hereby affirmed, without costs.

Paras, C. J., Bengzon, Montemayor, Bautista Angelo, Labrador, and Concepcion, JJ., concur.

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