LABOR AND TENANCY LAW

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In this survey the titles of the cases decided by the Supreme Court in Labor and Tenancy Law are given in *italics* to distinguish them from labor and tenancy cases of other vintage. All the decisions of the Supreme Court have been considered except the simple ones where the questions involved are elementary.

LABOR RELATIONS LAW

1 *UNIONIZATION AND COLLECTIVE BARGAINING*

The declaration of policy on trade unionism is contained in Section 1 (a) and in Section 3 of the Industrial Peace Act.

A. The Conflicting Interests Involved.

The undisputed protection afforded by the Constitution to labor as well as the assurance given by the Industrial Peace Act to its right of self-organization naturally come in conflict with the equally undisputed right of management to maintain proper discipline and have an efficient production line in the plant. This conflict of interests should not however be dismissed as a question of an irresistible force meeting an immovable object. Opportunity to enjoy the constitutional protection as well as the right to organize into a union on the one hand and the right of management to maintain proper discipline and an efficient production line on the other are both essential elements in a balanced society. Therefore, depending upon the circumstances involved in a given case, one right may have to yield in favor of the other and vice versa.

In the case of *Caltex (Philippines) Inc. v. Philippine Labor Organization*, G. R. No. L-9915, promulgated on May 27, 1959, the Supreme Court has laid down for the first time the rule on when the right of labor will have to yield in favor of the right of management. Said the Supreme Court:

> "The protection afforded by the Constitution to labor does not mean that the capitalist should be deprived of its right to due process of law. Labor deserves our sympathy in cases where its demands are not abusive. Where there is doubt, we resolve it in favor of labor. Where there is no doubt, and in its stead, there is clear evidence that an employee is not an asset to the management, but a liability that delays production and sets a bad example to his co-workers, we do not only concur in his dismissal but will insist in an order to that effect. The . . . obligation to obey the employer's reasonable rules, orders, and instructions is a primary duty of an employee (35 Am. Jur., 468) . . .
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> In the case of San Miguel Brewery v. National Labor Union, G. R. No. L-8905, July 19, 1955, we upheld the right of the employer to dismiss an employee who was guilty of misfeasance or malfeasance towards his employer and whose continuance in the service of the

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latter is patently inimical to his interest. In protecting the rights of the laborers, the law authorizes neither oppression nor self-destruction of the employer. The only exception to this rule is where the suspension or dismissal is whimsical or unjustified, but such is not the situation in the present case."

COMMENTS

In the United States, the case of Republican Aviation Corporation v. National Labor Relations Board, 324 U. S. 793, 89 L. Ed. 1372, 65 S. Ct. 982 (1945) and the case of National Labor Relations Board v. Seamprufe, Inc., 222 F. 2d. 858 (1955) have laid down the rule on when the right of management will have to give way in favor of the right of labor. These cases hold that when the enforcement of company or management rules and regulations are not necessary to the maintenance of proper plant discipline and production such rules and regulations will have to yield in favor of trade unionism for the purpose of collective bargaining and other concerted activities for mutual aid or protection.

II. *AUTONOMY IN LABOR-MANAGEMENT RELATIONSHIP*

The era of active governmental intervention in labor-management relationships was exemplified by Commonwealth Act No. 103. Sections 1 and 4 of that Act clothed the Court of Industrial Relations with broad jurisdiction of compulsory arbitration of questions between labor and mangement. With the enactment of Republic Act No. 875 such grant of power and authority was diminished considerably and labor relations in our country moved into a period of autonomy.

A. *Ban on Intervention Through the Use of Injunctive Relief.*

The anti-injunction rule is applicable in any case involving or growing out of a labor dispute. The same section contains an involved definition of a case involving or growing out of a labor dispute, which we have tried to analyze in 33 Philippine Law Journal, 1 at 4 (1958).

A distinction should be drawn, however, between the ban or injunctive relief under Section 9 (a) and the ban on injunctive relief under Section 9 (d) of the Industrial Peace Act. According to Section 9 (a) no court, commission or board of the Philippines shall have jurisdiction, except as provided in Section 10 of the Industrial Peace Act, to issue any restraining order, temporary or permanent, to prohibit any person or persons participating or interested in a labor dispute from doing, whether singly or in concert, any of the acts enumerated therein. Those acts refer to strikes, self-organization, assistance, judicial aid, picketing, and other activities for the mutual aid or protection of the employees. The reason for this particular ban on injunctive relief is that the acts enumerated in Section 9 (a) are *lawful* activities. Under Section 9 (d) the anti-injunction rule is also applicable to any case involving or growing out of a labor dispute but with this difference: the concerted activities involved in labor disputes falling under Section 9 (d) are *unlawful* acts that have been threatened and will be committed or have been committed and will be continued to be committed.

B. *Exceptions to Ban on Injunctive Relief.*

Under the anti-injunction rule applicable to labor disputes involving activities or acts enumerated in Section 9 (a) of the Industrial Peace Act, the

only exception recognized by law is that found in Section 10 thereof. Thus even if they are lawful acts or activities but in the opinion of the President of the Philippines the labor dispute in question occurs in an industry indispensable to the national interests and is certified by him to the Court of Industrial Relations, the industrial court may cause to be issued a restraining order either forbidding the employees to continue with their activities or restraining the employer from locking out his employees, pending an investigation by the industrial court.

Under the anti-injunction rule applicable to other labor disputes (as distinguished from labor disputes in industries indispensable to the national interests), the exception is found in Section 9 (d) of the Industrial Peace Act. Injunctive relief may, nevertheless, be issued by a court, board or commission, whether in a *pro parte* or *ex parte* petition. However, before a restraining order is issued an investigation should first be conducted as to whether or not the labor dispute exists within the meaning of Section 9 (f) of the Industrial Peace Act (Associated Watchmen and Security Union (PTWO) v. United States Lines et als., S. R. No. L-10333, July 25, 1957). If the case involves or grows out of a labor dispute within the meaning of Section 9 (f) then the five conditions mentioned in Section 9 (d) must be strictly followed in a hearing with opportunity for cross-examination.

In the case of *National Association of Trade Unions v. Bayona et al.*, G. R. No. L-12940, promulgated on April 17, 1959, the Supreme Court ruled that the respondent judge of the Court of First Instance of Manila had exceeded his jurisdiction in issuing a writ of injunction *ex parte* when he failed to hold a hearing and take the testimony of the witnesses as required in Section 9 (d) of the Industrial Peace Act. It seems that the respondent judge relied on the current practice of issuing injunctions under the *Rules of Court*. In this case the judge considered only the allegations in the complaint for a writ of injunction to stop the strike and dissolve the picket line which were sworn to by the secretary of the respondent company on the basis of his own personal knowledge, information and belief. The Supreme Court, following the leads in Reyes v. Tan, G. R. No. L-9137 and Paflu v. Barot, 52 O. G. 6544, held:

> "Under section 9 (d) of Republic Act No. 875, an injunction *ex parte* can be issued *only* upon testimony under oath, *sufficient, if sustained, to justify the court in issuing a temporary injunction upon hearing after notice.* In other words, *there is still necessity for a hearing at which sworn testimony for the applicant would be received,* and not only that, the court should be satisfied that such testimony would stand under cross-examination by the court and be sufficient to overcome denial by the defendants. *As no hearing was held in the court below and the injunction issued on the basis of mere affidavits* submitted by respondents, the injunction in question is void for not having been issued in accordance with the provisions of Republic Act No. 875. (Emphasis by the Court).

III. *COLLECTIVE BARGAINING*

Only one question of significance reached the Supreme Court in 1959 concerning the traditional areas of collective bargaining.

A. *Scope of Collective Bargaining.*

The respective responsibilities of labor and management for decisions which are of practical importance to them are provided in the Industrial Peace Act. Thus Section 4 (a) (4), Section 12 (a) and Section 13 enumerate the scope

of collective bargaining, *viz.*: tenure of employment, rates of pay, wages, hours of employment, and other terms or conditions of employment. These are the areas over which neither labor nor mangement can impose its unilateral will but are to be threshed out in a democratic way by joint negotiation and determination.

In the case of *Bermiso et als. v. Hijos de F. Escano Inc. et als.*, G. R. No. L-11606, promulgated February 28, 1959, the Supreme Court ruled that claims involving vacation and sick leaves, accident insurance, and free hospitalization (all forming part of the area of "terms or conditions of employment") should not be sought for by employees and workers in the courts of law of the country but through labor organizations as provided in the Industrial Peace Act which are the recognized agencies to take up these manifold problems with their employers through the democratic process of collective bargaining.

IV. *THE COURT OF INDUSTRIAL RELATIONS*

The existence of the Court of Industrial Relations as established under Commonwealth Act No. 103 is continued under Section 2 of the Industrial Peace Act.

A. *Jurisdiction of the Court of Industrial Relations.*

The problem of jurisdiction of the industrial court has become a real question. There is no unanimity on the problem of the power and authority of the industrial court concerning the kind of cases it can hear and decide. We raised this problem in 1958 in 33 Philippine Law Journal, 1 at 24 *et seq.*

1. Under the Industrial Peace Act.

(a) *Over cases involving unfair labor practices.*

The statutory reference is found in Section 5 (a) and (c) of the Industrial Peace Act. On this type of cases everybody is agreed that the industrial court has exclusive jurisdiction.

In the case of *The Elks Club v. The United Laborers & Employees of The Elks Club*, G. R. No. L-9747, promulgated on February 27, 1959, the Supreme Court adhered to the rule laid down in a long line of cases, from U.S.T. Hospital Employees Association v. Sto. Tomas University Hospital, G. R. No. L-6988, May, 1954, to University of San Agustin v. Court of Industrial Relations, May, 1958, that, under the provisions of the Industrial Peace Act, the Court of Industrial Relations has no jurisdiction to hear and decide cases involving charges or unfair labor practices filed against establishment of institutions that are not business propositions. The holding in the Elks Club Case was reiterated in the case of *Cebu Chinese High School et al. v. Philippine Land-Sea Labor Union, et als., G.R.* No. L-12015, promulgated on April 22, 1959.

i The problem of backpay as an affirmative remedy.

Section 5 (c) of the Industrial Peace Act states that the Court of Industrial Relations may take such affirmative actions in unfair labor practice cases in order to effectuate the policies of the Act including but not limited to reinstatement of employees with or without backpay and including rights of the employees prior to dismissal including seniority. In so far as this problem is concerned the issues that may come up are many and varied. Among them are the following: (1) Is the remedial action discretionary or mandatory in

nature? (2) May backpay be waived? (3) May backpay be mitigated? (4) When does backpay start? (5) May the amount of backpay be fixed by the Court of Industrial Relations? During 1959 the issues concerning these questions that reached the Supreme Court dealt with questions numbers 1 and 5.

In the case of *Donato v. Philippine Marine and Radio Operators Association, G. R.* No. L-12506, promulgated on May 18, 1959, the issue was whether the Court of Industrial Relations has authority and power to fix at a certain amount the backpay due to a reinstated employee. By a 7-to-3 vote, the Supreme Court ruled that the industrial court does not have that jurisdiction. Since underpayment of minimum wages is not one of the unfair labor practices under Section 4 (a) of the Industrial Peace Act, and, since, further, the jurisdiction of the Court of Industrial Relations under Section 5 of the Industrial Peace Act refers only to the prevention of unfair labor practices, then the Court of Industrial Relations is empowered only to issue a general cease and desist order and to take such affirmative action as will effectuate the policies of the Industrial Peace Act. It was argued that to fix a lesser amount would be a violation of Republic Act No. 602 and that it would be tantamount to conniving at, if not actually ordering, a commission of a crime because underpayment of wages is a criminal offense. The majority of the Court did not consider these reasons well taken. According to the majority view, the enforcement of the provisions of Republic Act No. 602 belongs to instrumentalities of the Government and not to the Court of Industrial Relations, namely, the Department of Labor and the Court of First Instance. (Cabrero v. Talanan, G. R. No. L-11924, May 16, 1958). The majority view emphasized that backpay is the amount that an employee is actually earning at the time of his dismissal and recalled that in previous cases, *e.g.*, United Employees Welfare Association v. Isaac Peral Bowling Alleys, G. R. No. L-10327, September 30, 1958, and C. E. Church et al. v. La Union Labor Union, G. R. No. L-4393, April 28, 1952, the rule has already been laid down that backpay should be based on actual earnings and not on what should have been earned under the Minimum Wage Law or that the backpay should be at least ₱4.00 a day to conform to the Minimum Wage Law.

In the case of *Dinglasan v. National Labor Union*, G. R. No. L-14183, promulgated on November 28, 1959, the issue that reached the Supreme Court was whether the affirmative action of reinstatement with or without back pay is discertionary on the part of the Court of Industrial Relations. While courts continue to say that it is discretionary, nevertheless, the Supreme Court is approaching the solution to the problem on the basis of the circumstances surrounding the particular concerted activity of the labor union. Thus in the 1957 case of Philippine Marine and Radio Operators Association v. Court of Industrial Relations, G. R. No. L-10095, October 31, the Supreme Court distinguished between the economic concerted activity and the unfair labor practice concerted activity. The former is a *voluntary act* on the part of labor pursued in order to enforce their demands for improvement in the areas of collective bargaining. The latter is an *involuntary act* on the part of labor as a result of management unfair labor practices prescribed in Section 4 (a) of the Industrial Peace Act. In so far, therefore, as the question of backpay of reinstated employees is concerned, the Supreme Court, in the said 1957 case, ruled that when the concerned activity is economic in nature, *i.e.*, voluntary on the part of labor,

then the affirmative remedy is reinstatement but without backpay and when the concerted activity is unfair labor practice in nature, *i.e.*, involuntary on the part of labor, then the affirmative relief is reinstatement with backpay. The "grant of backpay is, therefore, to be governed by the general principle of 'fair day's wage for a fair day's labor' ".

In 1959, in the case of *Dinglasan v. National Labor Union, supra,* the Supreme Court found that the strike was not a direct consequence of the employer's lockout nor the result of any unfair labor practice on his part "but the result of the workers voluntary and deliberate refusal to return to work and taking into account the foregoing circumstance . . . we find no justification for their receiving back wages for the period that they themselves refused to return to work." In so holding, the Supreme Court expressly applied the doctrine laid down in the 1957 case of Philippine Marine and Radio Operators Association v. Court of Industrial Relations, *supra.*

(b) *Over cases involving enforcement of collective bargaining contracts.*

In this type of cases there is no agreement that it falls within the competence of the Court of Industrial Relations. Even the Supreme Court has not made up its mind on it.

In the 1957 case of Dee Cho Lumber Workers Union v. Dee Cho Lumber Company, G. R. No. L-10080, 55 O. G. 434, the issue was whether the Court of Industrial Relations has jurisdiction over cases involving the enforcement of the terms and conditions of a collective bargaining contract. The Court ruled that even if the case involved a labor dispute the industrial court cannot take cognizance of the case for it does not fall under the four types of cases mentioned in the 6-to-4 decision in Philippine Association of Free Labor Unions v. Tan, 52 O. G. 5856. (33 Philippine Law Journal, 1 at 25).

But in 1959, in the case of *Benguet Consolidated Mining Company v. Coto Labor Union,* G. R. No. L- 12394, promulgated on May 29, the Supreme Court, speaking through Mr. Justice Felix Bautista-Angelo, veered from the Dee Cho Lumber decision and stated that where the parties have already fixed the terms and condition of employment in a collective bargaining agreement and the question arising therefrom is whether said conditions have been compiled with, the Court of Industrial Relations has the exclusive jurisdiction to hear and decide such issue for it has the jurisdiction to enfoce collective bargaining contracts. This statement did not draw any adverse comment from the other members of the Court, nor from Mr. Justice Sabino Padilla who was soon to write a different decision in a subsequent case involving the same issue.

Five months later, in the case of *Philippine Sugar Institute v. Court of Industrial Relations et als.*, G. R. No. L-13098, promulgated on October 29, 1959, the Supreme Court, speaking through Mr. Justice Sabino Padilla, ruled that the Court of Industrial Relations has no jurisdiction to enforce a collective bargaining contract, leaning on the Dee Cho Lumber decision. The Supreme Court reasoned that the subject matter involved in the *Philippine Sugar Institute* Case does not fall under any of the four types of cases which the majority of six, in the case of Philippine Association of Free Labor Unions v. Tan, *supra,* said the jurisdiction of the industrial court to be confined in. It is interesting to note that nobody dissented in the ruling in the *Philippine Sugar Institute* Case. Mr. Justice Felix Bautista-Angelo did not, despite his thinking in the *Benguet Consolidated*

Mining Company Case, *supra*. It is interesting also to note that the full court returned to the Paflu v. Tan decision, after the same court in subsequent cases has added to it other jurisdictions that properly belong to the Court of Industrial Relations under the Industrial Peace Act.

(c) *Over cases involving violations of internal labor procedures.*

This is one of the type of labor disputes that the Supreme Court has added to the list of cases as stated in Paflu v. Tan, *supra*, to be within the jurisdiction of the industrial court.

In the case of *Paflu v. Padilla et als.*, G. R. L-11722, promulgated on November 28, 1959, the Supreme Court held that cases involving anomalies and irregularities in violation of internal labor organization procedures, as enumerated in Section 17 of the Industrial Peace Act, and the remedies sought for their corrections are within the jurisdiction of the Court of Industrial Relations.

COMMENT

In 1958, in the case of Plaslu v. Ortiz, G. R. No. L-11185, April 23, the Supreme Court ruled that this jurisdiction of the Court of Industrial Relations is exclusive in nature. Thus, in the 1959 case of *Paflu v. Padilla, supra*, the Supreme Court held that the Court of First Instance of Camarines Norte, where the complaint for violations of internal labor organization procedures and their remedies was filed, correctly dismissed the said complaint.

2. Under the Eight-Hour Labor Law.

In the case of *Chua Workers Union v. City Automotive Company et al.*, G. R. No. L-11655, promulgated on April 29, 1959, one of the issues that was raised is whether the Court of Industrial Relations has jurisdiction over cases involving collection of overtime pay. In deciding this issue, the Supreme Court relied on previous rulings and held:

> "The petitioner-union claims that its members employed by the respondent-company are entitled to overtime wages which have not been paid notwithstanding repeated demands, and prays that after due hearing, respondent employer be ordered to pay for the herein claims . . . . It is clear that the case is for collection of overtime wages claimed to be due and unpaid *and does not involve hours of employment* under Commonwealth Act No. 444. Hence the court does not have jurisdiction over the case and correctly dismissed the petition." (Emphasis by the Court.)

3. Under the Minimum Wage Law.

(a) *Jurisdiction over demands of minimum wages involving a strike.*

The statutory references concerning this jurisdiction of the Court Industrial Relations are found in Section 7 of the Industrial Peace Act and Section 16 (c) of the Minimum Wage Law.

In the case of *Benguet Consolidated Mining Company v. Coto Labor Union*, G. R. No. L-12394, promulgated on May 29, 1959, the Supreme Court, in analyzing Section 16 (c) of the Minimum Wage Law, stated that the elements contained in said provision of law must concur to confer jurisdiction on the Court of Industrial Relations. They are: (a) a demand for minimum wages, (b) the demand must involve an actual strike, (c) submis-

sion of the dispute to the Secretary of Labor for settlement, (d) failure of the Secretary of Labor to effect settlement of the dispute within 15 days, and (e) endorsement of the dispute together with other issues involved by the Secretary of Labor to the Court of Industrial Relations.

Several questions were raised in this case. Is a claim for the refund of illegal deductions from salaries and for underpayment of overtime pay within the meaning of the first element? Does the Court of Industrial Relations have jurisdiction to try and decide cases for the recovery of illegal deductions and overtime pay? May a case endorsed by the Secretary of Labor to the Court of Industrial Relations pursuant to Section 16 (c) of the Minimum Wage Law be heard by a single judge of the industrial court? May the Court of Industrial Relations take cognizance of the issue of reinstatement of dismissed and suspended union members in a case endorsed by the Secretary of Labor under Section 16 (c) of the Minimum Wage Law?

The Supreme Court in ruling on the first question held that such a claim amounts to a demand for minimum wages, and quoted with approval the pertinent decision of the Court of Industrial Relations on the point. Said the respondent court, "the dispute in the instant case refers to minimum wages for the members of the petitioning union claim that deductions from their wages had been made in violation of the Minimum Wage Law and consequently the wages were reduced *below* the statutory limit."

With respect to the second question, the Supreme Court conceded that questions involving wage differentials, *i. e.*, recovery of illegal deductions and overtime premium, fall within the jurisdiction of the proper court of first instance and not to the Court of Industrial Relations under the provision of Section 16 (a) of the Minimum Wage Law. However, the Supreme Court in order to be consistent with its ruling on the first question held that the present dispute involves not only a recovery of wage differentials but also the propriety of the deductions from the wages of the employees. And since the deductions affect the minimum wages to which the employees are entitled the Supreme Court concluded that the question is within the jurisdiction of the Court of Industrial Relations.

As to the third question, the Supreme Court ruled that in accordance with Section 16 (c) of the Minimum Wage Law, whenever the Secretary of Labor endorses a dispute to the Court of Industrial Relations involving a demand of minimum wages, which involves an actual strike, the same should be acted upon the Court of Industrial Relations *en banc.*

Finally, the Supreme Court ruled on the fourth question that the Court of Industrial Relations has jurisdiction over the issue of reinstatement of employees even in a case endorsed by the Secretary of Labor because Section 7 of the Industrial Peace Act states that in so far as minimum wages are concerned the same is excepted from the rule divesting the industrial court of the power to take cognizance of other issues involved in a dispute for minimum wages under Section 16 (c) of the Minimum Wage Law.

COMMENTS:

One of the issues in connection with the problem of jurisdiction of the Court of Industrial Relations under the Minimum Wage Law has to do with Section 16 (b). It provides:

> In the event that a disputed case before the Court of Industrial Relations involves as the sole issue or as one of the issues a dispute as to minimum wages *above* the applicable statutory minimum and the Secretary of Labor has issued no wage order for the industry or locality applicable to the enterprise, the Court of Industrial Relations may hear and decide such wage issue . . . . (Emphasis supplied).

Until the Supreme Court has ruled that this remains a power or authority of the Court of Industrial Relations after the enactment of the Industrial Peace Act, Republic Act No. 875, we can only prognosticate what the Court will decide. But analyzing this provision of Republic Act No. 602 it is notable that the kind of wage issue that the Court of Industrial Relations may hear and decide is one involving a dispute as to minimum wages *above* the applicable statutory minimum and that Secretary of Labor has not issued any wage order on the basis of the minimum wage recommended by the Wage Board for the industry or locality applicable to the enterprise. It should be emphasized that the Minimum Wage Law, Republic Act No. 602, was approved on April 6, 1951 and took effect 120 days thereafter. This was at the time when the Court of Industrial Relations was still possessed of the broad powers of compulsory arbitration under Commonwealth Act No. 103, under which the industrial court was operating at the time. With the passage and approval of the Industrial Peace Act, Republic Act No. 875, on June 17, 1953, it would seem that Section 16 (b) of the Minimum Wage talks of disputes as to minimum wages *above* the statutory minimum of ₱4.00 a day. In that case it becomes a matter for collective bargaining between management and labor.

B. *Appeals from the Court of Industrial Relations.*

The statutory reference is found in Section 6 of the Industrial Peace Act. No. L-12367, promulgated on October 28, 1959, the issue raised was whether or not an appeal from a decision of a judge of the Court of Industrial Relations may be appealed directly to the Supreme Court without the previous presentation of a motion for reconsideration of the judge's decision before the industrial court *en banc*. It was argued that such a prior step is not necessary in unfair labor practice cases because Section 5 (e) of the Industrial Peace Act confers power on the Court of Industrial Relations or any judge thereof. In brushing aside this contention, the Supreme Court ruled that the very language of the said provision requires that only orders of the industrial court may be appealed to the Supreme Court and does not authorize an appeal from the decision of a judge of the said court. Under Section 1 of Commonwealth Act No. 103 the industrial court is constituted by a presiding judge and four associate judges. Under Section 2 of Republic Act No. 875, the industrial court established under Commonwealth Act No. 103 is continued under the Industrial Peace Act. When, therefore, the Industrial Peace Act authorizes an appeal from a decision of the Court of Industrial Relations to the Supreme Court the decision that can be appealed is that rendered by the industrial court *en banc*.

TENANCY RELATIONS LAW

I. *CREATION AND SECURITY OF TENANCY RELATIONS*

The general considerations involved in the concept of security of tenure is that the law accords a tenant security of livelihood which, in turn, begets

general peace and order. But security of tenure is not absolute for otherwise it would be the antithesis of the end in view of civil society. Security of tenure simply forbids the arbitrary dispossession of the tenant. It can be terminated for any of the causes provided by law and only after the same has been proved before, and the dispossession is authorized by, the Court of Agrarian Relations.

A. *Termination of Tenancy Relationship.*

The statutory reference is found in Section 49 of the Agricultural Tenancy Act, Republic Act No. 1199, as amended by Republic Act No. 2263.

In the case of *Somera v. Galman, G. R.* No. L-12592, promulgated on March 31, 1959, the Supreme Court ruled that once a tenancy relationship is established the tenant is entitled to security of tenure and can be dispossessed only for any of the causes provided in Section 50 of the Agricultural Tenancy Act. Since the immediate cause of the dispossession of the tenant in this case was the leasing of the agricultural land to a third party the ejectment of the tenant was held to be illegal. In so holding the Supreme Court brushed aside the contention of the landholder that the act of the tenant in refusing to be the lessee himself, after the landholder had refused to include in the lease contract the use of his tractor, is a voluntary surrender of the land on the part of the tenant, which is a ground for dispossession under Section 9 of the Agricultural Tenancy Act, as amended.

1. Failure to Pay Rental or Deliver Landholder's Share.

This is one of the seven causes provided by law for the dispossession of tenants.

The statutory reference is found in Section 50 (c) of the Agricultural Tenancy Act. In the case of *Vicente Paz et al.* v. *Guillermo S. Santos*, G. R. No. L-12047, promulgated on September 30, 1959, the Supreme Court discussed the nature of the failure of a tenant to perform his legal duty. The Court ruled it to mean a deliberate one and not a mere failure to deliver the landholder's share of the crop. The Supreme Court, after citing certain standard works in legal philosophy, noted that the mere failure to do an act is not already a forbearance in law. The legal concept of forbearance is an intentional refraining from action. There must, therefore, be a willful, deliberate neglect and the consequence therefrom be intended if the failure spoken of in Section 50 (c) of the Agricultural Tenancy Act is to constitute a legal duty.

II. The Rice-Share Tenancy System

A. *Rights of Tenants.*

In addition to the rights common to the two systems of tenancy relations under the Agricultural Tenancy Act, Section 36 of the said law grants further rights to riceshare tenants. One of these is the right to choose the thresher to work the harvest whenever it is the best available in the locality, the best suited to the needs of both landholder and tenant, and that the rate charged is equal to or lower than the rate charged by other owners of threshers under similar circumstances. But in cases where there are more than one tenant the selection of the majority of the tenants shall prevail.

In the case of *Serafin David v. Jose M. Santos, et al.*, G. R. No. L-13712, promulgated on September 30, 1959, the Supreme Court ruled that the determination of the majority of the tenants of an hacienda consisting of one

compact mass of land, under a single administration, should be based on the *total* number of tenants working on the land regardless of the fact that the hacienda comprises several barrios of a town or municipality. This overruled the decision of the Court of Agrarian Relations that in the determination of the majority of the tenants the number of tenants working in a particular barrio comprised in the hacienda where the question arose would suffice as a basis.

COMMENTS:

Section 36 (2) of the Agricultural Tenancy Act is silent as to the meaning of the term "majority". The same is true with Section 12 (a) of the Industrial Peace Act regarding the selection of a bargaining agent by the majority of the employees in an appropriate collective bargaining unit. However, under the Industrial Peace Act, the term "majority" has already been interpreted to mean simple majority and not absolute majority nor even slender majority.

There is a danger in the interpretation given by the Supreme Court to the meaning of the term "majority" in Section 36 (2) of the Agricultural Tenancy Act to mean the vote of the total number of the tenants working on an agricultural land. As very well stated by the Supreme Court of the United States in the Case of Virginia Railway Company v. System Federation No. 40, 300 U.S. 515, 81 L. Ed. 798, 57 C. Ct. 592 (1937), in interpreting the meaning to be given to the term "majority", if the vote is absolute majority for a choice then "an indifferent minority could prevent the resolution of a contest, and thwart the purpose of the Act . . . . There is the added danger that the absence of eligible voters may be due less to their indifference than to the coercion by the employer."

III. *JURISDICTION OF THE COURT OF AGRARIAN RELATIONS*

The jurisdiction of the Court of Agrarian Relations is spelled out in two enactments, namely, Republic Act No. 1199, as amended by Republic Act No. 2263, and under Republic Act No. 1267, as amended by Republic Act No. 1409.

A. *Under Republic Act No.* 1199, *as Amended.*

The statutory reference is found in Section 21 of the above-mentioned law.

In the case of *Vicente Basilio v. Pastor de Guzman, et als.*, G. R. No. L-12762, promulgated on April 22, 1959, the question of the nature of the jurisdiction of the Court of Agrarian Relations involving the dispossession of a tenant came up. In observing that Section 21 of the Agricultural Tenancy Act provides for the settlement and disposition of disputes arising from the relationship of landlord and tenant, the Supreme Court held that such jurisdiction is exclusive in nature. Said the Court:

> "This jurisdiction does not require the continuance of the relationship of landlord and tenant — in the sense in which it is understood in common parlance — at the time of the dispute. The same may have arisen, and often times arises, precisely from the previous termination of such relationship. If the same existed immediately or shortly before the controversy and the subject-matter thereof is whether or not said relationship has been lawfully terminated, or if the dispute otherwise springs or originates from the relationship of landlord and tenant, the litigation is cognizable only by the Court of Agrarian Relations."