THE SUPREME COURT AND LAND REFORM

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The Agricultural Land Reform Code [1] is not a stroke of genius. Without belittling in any way the tremendous work and effort exerted to give the Code form and substance, one sees it simply as one more step forward in a process begun at the turn of the century.[2] It may be the final step and its proponents insist it is. Suffice it to say, the Code posits no new doctrines though it may discard a few old ones. Rather, it formalizes what has long been thought of and written about in those societies, including ours, confronted by the agrarian issue.

As an improvement on previous legislations on the subject, the Code incorporates a few of the concepts embodied in those laws, treating them as means where they were once goals. This paper proposes to re-examine those concepts and bring them, when possible, within the context of the Code. The re-examination will be made in the light of decisions of the Supreme Court interpreting and simplifying these concepts. Where the decisions are squarely in point, the pertinent provisions of the Code should assume more meaning. And where the Code overrules the law and decision on any subject, new directions may be discerned. In both instances, decisions [3] of the Supreme Court should prove equally enlightening.

But before discussing pertinent Supreme Court rulings *vis-a-vis* the Land Reform Code, it is necessary to go into a brief historical survey of the tenancy and agrarian situation in this country. For if one knows the factual situation which a law seeks to govern or regulate, one may better understand the law itself—whether stated formally in a statute or seen through the prism of judicial scrutiny.

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* Recent Decisions Editor, PHILIPPINE LAW JOURNAL, 1963-1964.

[1] Rep. Act No. 3844 (August 8, 1963).

[2] The first recorded law designed to break the tenancy system was the Friar Land Act (No. 1120) passed in April 26, 1904. It authorized the purchase of friar lands and provided for their disposition through sale or lease to tenants-occupants.

[3] According to Court of Agrarian Relations Judge Guillermo Santos, "from 1939 to 1955, only 56 cases on the subject have been promulgated by the Supreme Court. These decisions had been, for the most part, precedent-setting and have served to crystallize tenancy concepts. For tenancy jurisprudence is indigenous to our country, and it is one field of the law which we can literally call our own. . . . The decisions of the Supreme Court had been hepful in the fields of law where legislations were not specific or were doubtful, but were absolutely necessary where legislations had been deficient, and these were many." (THE LAW ON AGRICULTURAL TENANCY IN THE PHILIPPINES 10-11 [1957]).

We are too well aware of the early beginnings of tenancy in this country. The advent of Spanish colonization brought the *encomenderos* and later, the *caciques*. Whole towns and villages were often owned by one landlord who virtually held the power of life and death over the tenants and their families. So pernicious and insidious was the rule of these petty tyrants that entire generations of Filipinos were never to rise above a sub-marginal level of existence.

The coming of the American colonizers hardly changed the situation. Though the American authorities seized a few friar lands here and there for eventual disposition to the tenant-occupants, the situation was for the most part allowed to subsist. Various laws have since been enacted and all these have proposed to lift the tenant somewhat from the morass. Either through inadequate implementation or due to the very insipidity of the laws, or both, little has been done to remedy an anomaly more than two centuries old. There have been, to be sure, promising signs but there has yet to be a general feeling, at least among those most concerned, that the problem is at last nearing solution.

Poverty, illiteracy and widespread misery have not been the only effects of the tenancy system. There have been several recorded uprisings of tenants against their landlords and those agents of law and order who have shirked their duty, justifiably or not, and joined the latter. None of these uprisings have succeeded for long. Fortunately, they have called attention to the plight of tenants in this country. The Land Reform Code appears to be the biggest act of redemption from a government theoretically established to assure equality and justice for all but which in practice has not gone far toward the approximation of these goals.

Only last year, the state of tenancy in this country was still far from satisfactory. One astute observer, among many others, made these revelations:

> "As a national average, 30.3% of all farms are tenant-operated; the rest are divided among owner-operators, part-owners and farm-managers. Of the 850,000 to one million tenants, 57.7% are share tenants, 16.8% part-owner tenants, 1.8% are cash tenants and 23.7% are unclassified. On the national average therefore, of only five persons per family, some five million depend on tenancy for their livelihood, which as a rule, is sub-marginal. x x x Tenancy has tended to increase—from 18% in 1903 to 35% in 1933, and 37% in 1948, and is now estimated to be between 48% to 57% of the total farm distribution. x x x Tenancy distribution in high frequency areas . . . range from 50.78% to 87.99% in the Central

Luzon (region), some Southern Luzon provinces, and Negros Occidental and Leyte in the Visayas."[4]

Ten years earlier, an official group also had occasion to confront these same facts. It arrived at the following as the causes of agrarian unrest in the Philippines:[5]

1. Smallness of farms limits potential gross incomes. As a national average, the tillable land area per farm is three hectares. Farms with less than two hectares of tillable land, constituting more than one-half the total farms, occupy less than one-fifth the tillable land area.

2. Tenancy frequency is high, averaging about 35% for the nation as a whole and soaring to more than 70% in those areas where unrest is greatest.

3. Farm rentals are oppressive. Most tenants pay 50% of the gross product as rent.

4. Net family incomes are woefully inadequate for a decent standard of living.

5. Interest paid by tenants on borrowed money is grossly onerous. Annual rates of 100% are common and rates of 200% and even higher are not unusual. The majority of small farmers borrow regularly from year to year.

6. A lack of adequate and economic storage, marketing and buying facilities forces farmers to sell in a low price market and buy in a high.

7. Guarantees against ruinous prices are non-existent.

8. The development of institutions conducive to the growth and strengthening of democratic tendencies has long been neglected in the rural areas.

9. Other factors bearing on rural economic instability include minimum wages, taxation, and inheritance.

The Commonwealth and American regimes were not lacking in government officials perceptive enough to see these facts and to provide for them accordingly. The most notable result of their concern for the tenantry were the Rice and Sugar Tenancy Contracts Acts of 1933.[6] The Rice Act was enacted with the avowed aim of "promoting the well-being of tenants (*aparceros*) in agricultural lands devoted to the production of rice and regulating the relations between them and the landlords of said lands."

These Acts proved to be inadequate however. Yet it took more than twenty years for this fact to sink in in the consciousness of our lawmakers. In 1954, the Agricultural Tenancy Act was passed, followed a year later by Republic Act No. 1267[8] which created the

[4] Guillermo S. Santos, *Agricultural Tenancy Reforms*, 37 PHILIPPINE LAW JOURNAL 3, 382 (July, 1962)

[5] The Hardie Report of 1952, quoted in Santos, *ibid.* at 383.

[6] Act 4054 (February 27, 1933).

[7] Rep. Act No. 1199, as amended by Rep. Act No. 2263.

[8] Amended by Rep. Act No. 1409.

Court of Agrarian Relations. It is these two laws and possibly Commonwealth Act No. 103,[9] creating the Court of Industrial Relations, and the more important decisions of the Supreme Court which will be dealt with in this paper. The Agricultural Tenancy Act and the Court of Agrarian Relations Act are twin-barrelled salvos at a ranking enemy of progress in this country. Primarily due to these laws, Philippine jurisprudence on tenancy and agrarian relations has grown considerably in the way of precedent-setting decisions of the Supreme Court.[10]

Still, the situation was not satisfactory. No less than President Macapagal himself observed that "the Land Reform Act of 1955 has failed to bring about significant changes." [11] He said:

> "Still intact is the tenancy system which tends to perpetuate traditional farm methols as it provides no incentive for greater production. Under this system, increases in yield through scientific farming accrue mostly to the landowner. On the other hand, for his extra effort and investment a tenant receives less than one-fourth of the net proceeds from improved farm practices. The inevitable result is apathy among tenants towards more productive farm techniques."[12]

Clearly, the laws which had regulated crop-sharing between tenant and landlord, provided for greater facilities for marketing and securing credit,[13] and established and regulated a tenancy system were outliving their usefulness, if they were ever useful at all. The next most logical step was the total abolition of the tenancy system—the major premise of any reform legislation enacted in the past. Such a move would benefit not only the former tenants and landlords but also the nation as a whole. Again, the virtual leader of the new revolution, President Macapagal, pontificated:

> "An overall program to abolish tenancy, as well as to assist farm laborers and wage earners, the free settlers of public land and farmers owning private land of less than family size, will bring about an overdue readjustment of our social structure; it will correct the present imbalance in our society, where there are enormous concentrations of land, wealth and political power in the hands of a few. It will set loose the energies

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[9] Approved Oct. 29, 1936. Prior to Rep. Act No. 1267, the CIR had jurisdiction over both labor and tenancy cases (Sec. 1, Com. Act No. 103).

[10] *Op. cit. supra* note 3.

[11] State of the Nation Message, Jan. 28, 1963.

[12] *Ibid.*

[13] The most recent is Rep. Act No. 821, creating the Agricultural Credit and Cooperative Financing Administration. This law aimed to assist small farmers in securing liberal credit and to promote the effective groupings of farmers into cooperative associations to enable them to market efficiently their agricultural commodities, and to place agriculture on a basis of economic equality with other industries.

of millions, put new life in the rural areas, and raise productivity, mass income and purchasing power. Not least, the land reform program will make democracy truly meaningful to our people." [14]

Passionate words these are, yet the task facing the speaker and the entire nation was only to be tackled effectively by men passionately dedicated to the effort. The tremendous work of uprooting a system so deeply entrenched as to be a way of life to millions was barely begun with the much-attended and much-published signing into law of the Agricultural Land Reform Code in Manila last August 8. From this now-historic date, Republic Act No. 3844 is to be the weapon to annihilate the last traces of the enemies of progress. It is to be the former tenant's protective shield and sturdy guide as he takes on added responsibilities and wields new rights. It is also to be the former landowner's prod to encourage—or force—him to exert more fully his energies and tap more extensively his resources so that industrial development, thence progress, may be more rapidly achieved.

POLICIES

The Agricultural Land Reform Code thus seeks to supplant all existing laws on the subject. It aims to impose a well-regulated and complex system on those who work the land as well as the owners thereof. But a simple reading of the Code reveals that one system has not been totally discarded in favor of another. True, the Code declares it to be the policy of the State to "establish owner-cultivatorship and the economic family-size farm as he basis of Philippine agriculture . . ."[15] In this sense, there is a complete overhaul of the agrarian system in this country, repealing thereby expressly Sec. 2 of the Agricultural Tenancy Act of 1954 [16] which establishes "agricultural tenancy relations between landholders and tenants." [17]

Both the Land Reform Code and Tenancy Act of 1954, to be sure, aim to make of the farmers better citizens. The Tenancy Act thus aimed to "bolster (the tenants') economic position and to encourage their participation in the development of peaceful, vigorous and democratic rural communities." [18] The Land Reform Code declares it to be "the policy of the State to make the small farmers more independent, self-reliant and responsible citizens, and a source

[14] *Op. cit. supra* note 11.
[15] Sec. 2 (1), Rep. Act No. 3844.
[16] Rep. Act No. 1199, as amended.
[17] Sec. 2, *ibid.*

of genuine strength in our democratic society." [19] But while one would reach this goal through the establishment of tenancy, the other goes one step further and sets up owner-cultivatorship as the basis of a strong peasantry.

Then, too, the Tenancy Act has a more restricted scope. One writer has indeed observed that "tenancy reform legislation and/or action program is aimed at specific defects in the country's tenure structure—the landlord-tenant relations." [20] Land reform, of which agricultural tenancy is only one aspect, "has to do with broader measures instituted—in their mild form, to insure a more egalitarian proprietorship and/or utilization of the land resources, and in more radical form, to hasten revision of the power-structure of rural, agricultural communities. Tenancy reforms are, still more, a limited aspect of agrarian reform, which includes the totality of approaches calculated to improve the overall conditions in the agricultural sector of the economy." [21]

Be this as it may, that is to say, that the Land Reform Code goes farther and seeks to accomplish more than its predecessors, the inherent characteristics of both cannot be very different. In at least two cases,[22] the Supreme Court described the Tenancy Act as a "remedial legislation promulgated pursuant to the social justice precept of the Constitution and in the exercise of the police power of the State to promote the common weal." [23] Further, the Court said that "it is a statute relating to public subjects within the domain of the general legislative powers of the State and involving the public rights and public welfare of the entire community affected by it: it was passed in compliance with Art. II, Sec. 5 and Art. XIV, Sec. 6 of the Constitution." This may well be said of the Land Reform Code.

Similarities between the Tenancy Act and Land Reform Code are found elsewhere in both laws. As earlier intimated in this paper, where there are pertinent decisions of the Supreme Court, these will be re-examined in the light of like provisions in the Land Reform Code. To repeat, the purpose in such re-examination is to determine what legal concepts set up by the previous tenancy laws and clarified or applied by the Supreme Court have been reproduced in the Land

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[18] *Ibid.*

[19] Sec. 2(6), Rep. Act No. 3844.

[20] Guillermo S. Santos, *Agricultural Tenancy Reform, op. cit. supra* note 4 at 378.

[21] *Ibid.*

[22] Pablo Sibulo v. Lope Alter, G.R. No. L-1916, April 30, 1949; Primero v. Court of Agrarian Relations, G.R. No. L-10594, May 29, 1957.

[23] Primero v. CAR, *ibid.*

Reform Code. In this manner, the Code may, to reiterate, assume more meaning. For "implicit in every decision where the question is, so to speak, at large, is a philosophy of the origin and aim of law, a philosophy which, however veiled, is in truth the final arbiter." [24]

THE LEASEHOLD SYSTEM

Both the Tenancy Act and the Land Reform Code provide for a leasehold system. While the former considers it merely as one type of agricultural tenancy,[25] the latter, having decreed the abolition of tenancy, establishes the leasehold relation [26] as the first step towards the final goal: owner-cultivatorship. At the same time, the Land Reform Code recognizes share tenancy contracts existing at the time of the approval of the Code and continues the protection afforded by the Tenancy Act to the tenants, whenever this is proper.[27] And where a tenancy relation has terminated but the tenant continues to hold the land, the Land Reform Code presumes the existence of a leasehold relationship.[28] Leasehold tenancy contracts entered into prior to the effectivity of the Code continue until modified according to the new law.[29]

Parties—

In general, there are two parties to a leasehold contract, whether under the Tenancy Act [30] or under the Land Reform Code: [31] the landholder and the farmer-lessee. The Tenancy Law limits the relation to "the person who furnishes land either as owner, lessee, usufructuary, or legal possessor, and to the person who actually works the land himself with the aid of labor available from within his immediate farm household." [32] It has been said that this limitation is with the end in view of discouraging "landholder absenteeism on the one hand, and the practice of subleasing by tenants on the other—both fertile sources of friction and misunderstanding, which burden the holding with income for both tenant and lessee." [33]

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[24] BENJAMIN N. CARDOZO, *Growth of the Law* in SELECTED WRITINGS 197 (1947).
[25] Sec. 4, Rep. Act No. 1199.
[26] Sec. 5, Rep. Act No. 3844.
[27] Sec. 4, *ibid.*
[28] *Ibid.*
[29] *Ibid.*
[30] Secs. 4, 5, 6 and 8, Rep. Act No. 1199.
[31] Sec. 6, Rep. Act No. 3844.
[32] Sec. 8, Rep. Act No. 1199.
[33] GUILLERMO S. SANTOS, THE LAW ON AGRICULTURAL TENANCY IN THE PHILIPPINES 23 (1957).

Interpreting this provision as well as another which defines "tenant," [34] the Supreme Court [35] said that sons-in-law or grandsons are included within the tenant's "immediate farm household." According to the Court, "such relatives fall within the phrase "the members of the family of the tenant' and the law does not require that those members of the tenant's family be dependent on him for support, such qualification being applicable only to 'such other person or persons, whether related to the tenant or not,' whom, as they are 'dependent upon him for support' and, 'usually help him operate the farm enterprise,' the law considers also part of the tenant's immediate farm household."

On the other hand, the Land Reform Code is, on this point, apparently different. In Sec. 6, it is provided that "the agricultural leasehold relation shall be limited to the person who furnishes the landholding, either as owner, civil law lessee, usfructuary, or legal possessor, and the person who *personally* cultivates the same." (Italicizing by author.) The Code omits the phrase "with the aid of labor available from within his immediate farm household." It seems quite obvious that, pursuant to the repealing clause of the Code [36] which strikes down prior inconsistent laws, both the Tenancy Act provision just quoted as well as the Supreme Court ruling thereon are now ineffective.

It is however submitted that the lessee, under the Land Reform Code, may still employ the aid of the members of his family. The word "personally" used by the Code when it defines cultivation by the lessee should be understood as referring to the management of the farm. It, in no way, stops the lessee from making use of the labor available from his immediate farm household. The lessee is however enjoined by the Code to consider his laborers, whether members of his family or not, as agricultural workers. As such, they enjoy the rights defined by Secs. 39 to 47 of the Code as well as by applicable labor laws.[37]

Security of tenure—

One other concept on which the Tenancy Act and the Land Reform Code are in complete agreement is security of tenure for the tenant or lessee. Under both laws,[38] the tenant or lessee is entitled to continue cultivating the land until the termination of the contract

[34] Sec. 5, Rep. Act No. 1199.
[35] Pangilinan v. Alvendia, G.R. No. L-10690, June 28, 1957.
[36] Sec. 172, Rep. Act No. 3844.
[37] Sec. 2 (4), *ibid.*
[38] Sec. 49, Rep. Act No. 1199; Sec. 7, Rep. Act No. 3844.

or his ejectment for causes respectively provided thereunder and with court authorization.

The Supreme Court has had occasion to pass upon provisions of laws on security of tenure for tenants. In a case decided in 1941, it held:

> "The laws which have extended security of tenure to agricultural tenants . . . have been prompted by the desire of Congress to remove one of the most serious sources of trouble between landlords and tenants—the arbitrary dismissal of tenants. The quarrels over dismissal have led to mutual aggression and the commission of violence, sabotage and lawlessness. The law (provides) a method of disposing (of) agrarian conflicts other than through resort to brute force. Underlying it is the conviction that the individual tenant is impotent to uphold his end of the bargain with the landlord; that he is deserving of the protection of the State . . . and . . . to insure that protection, differences between him and the landowner should be removed from . . . ordinary courts where expensive and cumbersome procedure almost . . . deny him a fair and prompt justice, and transferred to agencies of the Government operating under the compulsory arbitration scheme." [39]

Security of tenure can however be accorded only to tenants who are parties to a valid subsisting leasehold contract. Where the landholder is a mere usurper or intruder and the court ejects him from the land by means of a writ of possession, "his tenant can have no better right and cannot claim security of tenure from the real and true owner of the land in question." [40] In two cases decided by the Supreme Court in 1961, it was held: "The guarantee of security of tenure is afforded only to tenants *de jure;* otherwise, the way for fraudulent collusion will be opened." [41]

These holdings of the Supreme Court, though based on the old tenancy laws, are quite applicable to the Land Reform Code. The same public policy subsists and the same reasoning is still cogent.

Rights and obligations of parties—

Pursuant to the avowed policy enunciated in Sec. 2 of the Land Reform Code to prepare the farmer-tenant or lessee for eventual ownership, more rights are extended and more duties imposed upon him. Certain rights as well as obligations established by the Tenancy Act have been re-enacted, without change in some and with modi-

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[3] Tapang v. Robles and Court of Industrial Relations, G.R. No. 47856, April 25, 1941; 72 Phil. 79.

[40] Silvino Lastimoza, *et al.* v. Ramon Blanco, *et al.*, G.R. No. L-14697, Jan. 28, 1961; Quirino Dumlao, *et al.* v. Pastor L. de Guzman, *et al.*, G.R. No. L-12816, Jan. 28, 28, 1961.

[41] *Ibid.*

fications in others. Thus, both under the Tenancy Act and the Land Reform Code, the tenant or lessee has the rights to enter the premises of the land and to enjoy adequate and peaceful enjoyment thereof.[42] Furthermore, he has the right to cultivate and work the land conformably to proven farm practices.[43]

In connection with the right of the tenant or lessee to a home lot,[44] the Supreme Court has held [45] that such tenant or lessee cannot establish his dwelling place" on a property which has not been turned over to him for cultivation and use." The provision under the Tenancy Law (also the Land Reform Code) that a landholder "shall furnish the tenant an area . . . where the latter may construct his dwelling" refers to a property that is given to a tenant for his cultivation and not to one where he is merely an intruder.[46]

One right which has not been unqualifiedly given to the tenant-lessee under the Tenancy Act is now extended without qualification to the lessee under the Land Reform Code. This is the right of the tenant-lessee to have his produce milled by whomsoever he pleases. The Tenancy Act provides that the tenant-lessee has the right to choose a thresher to thresh his produce, provided the landowner has no thresher of his own. If the latter has such a thresher, and is willing to charge rates equal to or lower than those imposed by other thresher-owners in the neighborhood, the landowner shall have preference.[47]

The Land Reform Code simply says that the lessee shall have the right to "deal with millers and processors and attend to the issuance of quedans and warehouse receipts for the produce due him." [48] Considering that the Code also gives the lessee the right "to mechanize all or any phase of his farm work," [49] not given by the Tenancy Act, the conclusion is clear: the lessee has more discretion in working the leased land, consonant with the policy of the Code to train him for eventual ownership.

The giving of more rights to the lessee is also accomplished, under the Code, by taking away some of the lessor's rights, or at least restricting their exercise considerably. Thus, while the Tenancy Act gives the landowner the "right to choose the kind of crop

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[42] Sec. 23(1), Rep. Act No. 3844; Sec. 43, Rep. Act No. 1199.
[43] Sec. 23(2), Rep. Act No. 3844; Sec. 43, Rep. Act No. 1199.
[44] Sec. 24, Rep. Act No. 3844; Sec. 22(3), Sec. 26, Rep. Act No. 1199.
[45] Tumbaga v. Vasquez, G.R. No. L-8719, July 17, 1956.
[46] *Ibid.*
[47] Sec. 36(2), Rep. Act No. 1199; David v. Santos, G.R. No. L-13712, Sept. 30, 1959.
[48] Sec. 23(4), Rep. Act No. 3844.
[49] Sec. 23(3), *ibid.*

and the seeds which the tenant shall plant . . .,"[50] the Land Reform Code limits the lessor to *proposing* "a change in the use of the landholding to other agricultural purposes, or in the kind of crops to be planted . . ."[51] If, under the Code, the lessor can only propose a change in the crops to be planted, it follows reasonably that it is the lessee who has the right, in the first instance, to determine that should be planted or at least to ask the Court of Agrarian Relations to decide in the event of disagreement between him and the lessor. In any case, the Code further provides[52] that "in no case shall an agricultural lessee be ejected as a consequence of the conversion of the land to some other agricultural purpose or because of a change in the crop to be planted . . ."

If the lessor is first required, under the Tenancy Act, to ask the Court of Agrarian Relations to resolve his differences with the lessee, with more reason should he do so under the Land Reform Code. Indeed, the Supreme Court has said that it is improper for the landlord to file a suit for the ejectment of his tenant-lessee in case they disagree as to the kind of crops to be planted; otherwise, the tenant-lessee would be greatly prejudiced.[53]

Coming now to the duties and obligations of the lessee, we find that many contained in the Tenancy Act, whether under the share or leasehold tenancy provisions, are re-enacted in the Land Reform Code.[54] The same is true, to a certain extent, with the prohibitions to the lessee.[55] However, the prohibition, under the Tenancy Act, that the tenant shall not work two or more separate landholdings where the area of his holdings is five hectares or more has been changed somewhat by the Code. The latter imposes the prohibition where the holding is of sufficient size to fully occupy him and his family in the cultivation thereof. And the prohibition stands whether the lessor consents or not.

In any event, the change in the law is not too substantial to alter the rulings of the Supreme Court on the subject. It held, in a case decided in 1958,[56] that "the prohibition applies whether or not the two separate holdings be planted to the same crop." In fact, the Court went on, "one may yield corn and the other rice; still, the restriction stands." "Evidently," the Court declared, "the stat-

[50] Sec. 25(1), Rep. Act No. 1199.
[51] Sec. 29(2), Rep. Act No. 3844.
[52] *Ibid.*
[53] Miranda v. Reyes, G.R. No. L-10929, March 27, 1958; Lacap v. de Guzman, G.R. No. L-12597, Aug. 31, 1960.
[54] Secs. 23 and 43, Rep. Act No. 1199; Sec. 26, Rep. Act No. 3844.
[55] Sec. 24, Rep. Act No. 1199; Sec. 27, Rep. Act No. 3844.
[56] Buencamino v. Reyes, G.R. No. L-11951, Nov. 29, 1958.

ute presumes that a farmhand cannot adequately cultivate more than a five-hectare field, and therefore, it prohibits his cultivating additional areas—unless, the landowners, who thereby suffer from such scattered efforts, give their consent."

Termination of the leasehold—

As with the rights and obligations of the lessor and the lessee, including the prohibitions respectively applicable to them, there are many provisions on termination of the contract in the Tenancy Act which are included in the Land Reform Code.[57]

Thus, one such provision is that which provides that the relationship is not extinguished by expiration of the written contract.[58] Nor is there a termination of the leasehold merely upon alienation of the land by the owner-lessor thereof to another person.[59] The purchaser, then under the Tenancy Act, now under the Land Reform Code, acquires the rights and assumes the obligations of the former owner and no contract with the tenant or lessee is necessary.[60] Neither does the lease of the land, by itself, extinguish the leasehold.[61]

The Supreme Court has also had occasion to pass upon the constitutionality of Sec. 9 of the Tenancy Act which provides for the continuity of the leasehold or tenancy relation though the land be transferred to another person. Holding that this section and section 50 (which enumerates the grounds for dispossessing the tenant) are not unconstitutional, the Court said "they do not impair the right of the landowner to dispose (of) or alienate his property nor prohibit him to make such transfer or alienation; they only provide that in case of transfer or . . . lease, . . . the tenancy relationship between the landowner and his tenant should be preserved in order to insure the well-being of the tenant or protect him from being unjustly dispossessed by the transferee or purchaser of the land." [62]

The Tenancy Act and the Land Reform Code likewise provide that the landlord's death "does not mean that the relation of landlord and tenant ends, because the estate (or the heir or heirs) con-

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[57] Secs. 9, 21, 23 (3rd par.), 49 and 50, Rep. Act No. 1199; Secs. 9, 10, 28 and 36, Rep. Act No. 3844.

[58] Sec. 9, Rep. Act No. 1199; Sec. 10, Rep. Act No. 3844; explained in Cano, *et al.* v. Cabangon, *et al.*, G.R. No. L-12764, Dec. 29, 1959.

[59] Sec. 9, Rep. Act No. 1199; Sec. 10, Rep. Act No. 3844; Deato v. Rural Progress Administration, G.R. No. L-3414, April 13, 1951.

[60] *Ibid.*

[61] Primero v. CAR, *op. cit., supra,* note 22.

[62] *Ibid.*

tinues to be the landlord." [63] So much so that if "during his lifetime, the landlord owed the tenant a share of the crops, the obligation remains a charge on his estate without the necessity for the tenant to file a claim for said share with the probate court in charge of the estate." [64]

However, if it is the tenant or lessee who dies, the consequences differ under the two laws. The Tenancy Act provides that the tenant's death extinguishes the relationship.[65] The Land Reform Code, on the other hand, directs the subsistence of the leasehold "between the agricultural lessor and the person who can cultivate the landholding personally, chosen by the agricultural lessor "from a list of persons enumerated in the Code.[66] Failure of the lessor to exercise his choice automatically places the persons enumerated, in the position of the deceased, in the order in which they were so listed in the Code.

Other provisions of the Tenancy Act and the Land Reform Code on the termination of the relationship have to do with the tenant's or lessee's dispossession through proceedings therein provided and for the grounds stated. Except for two grounds, the rest are reenacted in the Code.[67] The Land Reform Code has dropped "conviction . . . of a tenant . . . of a crime against the landholder" as a ground for dispossession.[68] And the first ground has been considerably modified. The Tenancy Act allows the landholder to dispossess the tenant if he has a "*bona fide* intention to cultivate the land himself personally or through the employment of farm machinery and implements." The Code, on the other hand, removes "mechanization" as a ground for dispossession and adds conversion of the "landholding, if suitably located, . . . for useful non-agricultural purposes . . ." Moreover, the Code allows the dispossessed lessee "disturbance compensation," though his right to "be preferred in the employment of necessary laborers under the new set-up" has been taken away.

In connection with mechanization of farm operations, it would be proper to recall that this right is already given to the agricultural

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[63] Sec. 9, Rep. Act No. 1199; Sec. 9, Rep. Act No. 3844; Ferreria v. Gonzales, G.R. No. L-11567, July 17, 1958.

[64] Ferreria v. Gonzales, *ibid.*

[65] Sec. 9, Rep. Act No. 1199.

[66] Sec. 9, Rep. Act No. 3844.

[67] Ground omitted in Sec. 36, Rep. Act No. 3844, is Sec. 50(g), Rep. Act No. 1199. Sec. 50(a) has also been altered somewhat by Sec. 36(1), Rep. Act No. 3844.

[68] The omission of this ground results in the discarding of the ruling of the Supreme Court in La Oh Kim v. Reyes (G.R. No. L-11391, May 14, 1958) that a crime against a "farm manager" is not included, he not being a member of the landlord's immediate family."

lessee.[69] Therefore, it can not logically be considered a ground for his dispossession when the lessor seeks to cultivate the land himself with farm machines.

The omission of the requirement that the landholder should give one- to two-year notice to his tenant and the court of his intention to cultivate the land himself or with the use of mechanical implements thereon is significant. The ruling of the Supreme Court [70] that such requirement should first be given before the action to dispossess or eject the tenant is commenced, correspondingly falls. Under the Land Reform Code, no such notice is necessary.

The requirement in the Land Reform Code that the "agricultural-lessor or *a member of his immediate farm family* will personally cultivate the landholding" [71] in order that the lessee may be dispossessed finally settles a question raised regarding a similar provision in the Tenancy Act. (Emphasis supplied.) The latter, in Sec. 50 (a), does not expressly mention the land-owner's farm family, but only uses the adverb "personally." The Supreme Court, in two very recent cases,[72] warned against literal interpretation of the word. In the case of *Saclolo v. CAR*, decided in 1960, the Court, in allowing the husband of the land-owner to cultivate the land, held:

> "The provisions of the Agricultural Tenancy Act should be construed in the light of the law and the legal principles obtaining in this jurisdiction, especially those that regulate the relation between husband and wife. Under legal principles, by the contract of marriage, a man and a woman enter a joint life, acting, living and working as one."

And in the case of *Feliciano v. CAR*, decided last year, the Court allowed the cultivation of the land by the son and son-in-law of the landowner. The Court however stated that the son or son-in-law should "not have any other property and the one to do the cultivation is a member of his family."

Two other grounds for dispossession of the lessee provided in the Tenancy Act and the Land Reform Code have also been clarified by the Supreme Court. The first is the failure of the lessee to pay the lease rental when it falls due.[73] The Court has interpreted this to apply only to "deliberate failure, not to mere failure, to deliver

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[69] Sec. 23(3), Rep. Act No. 3844.

[70] Alfredo Tolentino, *et al.* v. Antonio Q. Alzate, *et al.*, G.R. No. L-9267, April 11, 1956; 52 O.G. 2511, No. 5.

[71] Sec. 36(1), Rep. Act No. 3844.

[72] Saclolo, *et al.* v. Court of Agrarian Relations, *et al.*, G.R. No. L-13274, Jan. 30, 1960; Feliciano v. Court of Agrarian Relations, *et al.*, G.R. No. L-14573, May 18, 1962.

[73] Sec. 50(c), Rep. Act No. 1199; Sec. 36(6), Rep. Act No. 3844.

to the landholders their rightful share of the crop." [74] The second refers to serious injury to the land through negligence of the tenant or lessee.[75] The Tenancy Act speaks only of negligence while the Land Reform Code includes "fault" of the lessee. The Supreme Court held in one case:

> "This provision refers only to acts of negligence of the tenant, and has no application to malicious, willful acts of mischief. As negligent acts are not deliberate or intentional, they constitute no ground for ejectment unless they appear to be gross, i.e., unless serious injury is caused to the landholding that impairs its productive capacity.
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> "Where, however, the tenant is guilty of deliberate malicious acts of mischief against the land, the extent of the damage . . . is immaterial: he has become unfit to continue in his landholdings, and he may be dispossessed under Sec. 50(b)—'when the tenant violates or fails to comply with . . . any of the provisions of this Act.'" [76] (The same ground is provided for in Sec. 36(2) of the Land Reform Code.)

The tenant or lessee may thus be dispossessed upon any of the grounds set forth in the Land Reform Code. It is however necessary that the ejectment "has been authorized by the Court of Agrarian Relations in a judgment that is final and executory . . ." [77] Several questions come up. For example, since under Sec. 155 (2nd par.), the CAR is governed by the Rules of Court, is demand a prerequisite to an action for unlawful detainer when it is for failure to pay rent due or to comply with the conditions of the lease? [78] Applying similar provisions of the Tenancy Act, the Supreme Court held that such demand is necessary.[79] But where the action is to terminate the lease because of the expiration of its term, demand is not necessary.[80]

Another question is as to the effect of invalid ejectment. Under the Land Reform Code, failure of the landowner to cultivate the land personally after his lessee has been dispossessed thereof gives the lessee the rights to recover possession of the land and damages for losses due to the dispossession.[81] These two rights have been included in the Tenancy Act.[82] The Supreme Court has held that

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[74] Paz v. Santos, G.R. No. L-12047, Sept. 30, 1959.
[75] Sec. 50(f), Rep. Act No. 1199; Sec. 36(5), Rep. Act No. 3844.
[76] La Oh Kim v. Reyes, *op. cit., supra*, note 68.
[77] Sec. 36(1), and Sec. 154(1) and (2), Rep. Act No. 3844.
[78] Sec. 36(2) and (6), *ibid.*; Sec. 2, Rule 72, Rules of Court (Sec. 2, Rule 70, New Rules of Court).
[79] Dominga de Santos v.. Andres Vivas, *et al.*, G.R. No. L-5910, Feb. 8, 1955; 51 O.G. 690, No. 2 (Citing MORAN, COMMENTS ON THE RULES OF COURT 310-311, Vol. 2 [1952 ed.]).
[80] *Ibid.*
[81] Sec. 36(1), Rep. Act No. 3844.
[82] Sec. 50(a), Rep. Act No. 1199.

the lessee can only file one complaint to enforce these rights, there being only one cause of action: the invalid ejectment.[83]

One other question concerns the income to which the dispossessed lessee is entitled corresponding to the period of invalid ejectment. Both the Tenancy Act and the Land Reform Code are silent on this point. The Supreme Court has however formulated this rule: The income which the tenant had earned during the period of his ejectment should at least be deducted from his claim for damages if we are to equalize the equities of both parties.[84] The Court cited Art. 2203 of the New Civil Code, to wit: "The party suffering loss or injury must exercise the diligence of a good father of a family to minimize the damages resulting from the act or omission in question."

RIGHTS OF AGRICULTURAL LABOR

The Land Reform Code, in giving agricultural laborers the rights accorded to industrial workers, is unique and distinct from any agrarian reform laws previously enacted. Chapter II of the Code gives the farm worker the rights to self-organization, to engage in concerted activities, to minimum wages, to work for not more than eight hours, to claim for damages for death or injuries sustained while at work, to compensation for personal injuries, death or illness, and to be protected against illegal suspension or lay-off. To make certain no other laws pertaining to non-agricultural workers have been excluded, Sec. 47 of the Code expressly applies those not inconsistent therewith.

For the purposes of this paper, it suffices to say at this point that Supreme Court decisions applying and interpreting labor laws which, under the Land Reform Code, are extended to farm workers, are equally applicable to pertinent provisions of the Code. Perhaps even those rulings construing the powers and duties of the Court of Industrial Relations, insofar as they are given to the Courts of Agrarian Relations by the Code, have equal force and applicability. In any event, a more extensive discussion of this point properly pertains to another paper. The present discussion is, to repeat, concerned only with Supreme Court decisions on tenancy laws and problems arising therefrom.

IMPLEMENTATION

The Land Reform Code establishes an elaborate machinery to implement the various provisions thereof relating to the leasehold system, the rights of agricultural workers, expropriation proceed-

[83] David v. le la Cruz, G.R. No. L-11656, April 18, 1958.
[84] Potenciano v. Estefani, G.R. No. L-7690, May 27, 1955.

ings, credit and marketing facilities, and other multifarious subjects. It is in this sense that Republic Act No. 3844 is appropriately called a "Code.". For within its 173 sections, subdivided into nine chapters, are gathered into one systematic and coherent whole various laws and regulations on agrarian reform. Thus, the Code is a complete body of rules aimed at changing a socio-politico-economic system.

For the purposes of this paper, only two aspects of the implementing sections will be discussed. One is the basis of expropriation and judicial attitudes thereon. The other concerns the Courts of Agrarian Relations.

The Land Reform Code, like the Land Reform Act of 1955,[85] declares as a policy of the State the establishment of family-size farms, the distribution of public lands and the subdivision of private lands after expropriation thereof.[86]

In this connection, it has been said that "when Congress authorizes the taking of private land for the purpose of subdividing it into small lots to be sold at cost to individuals, no court or any other authority has any lawful right to subject the validity of the taking to tests ordinarily employed in determining the legitimate exercise of the general right of eminent domain." [87] Neither "is it within the court's competence to decide what the exact size of a small lot should be: That is a question of policy." [88]

Consequently, when the Land Reform Code authorizes the expropriation of idle or abandoned private agricultural lands or those with areas of not less than 75 hectares,[89] no court can question the wisdom of the declaration. The Supreme Court has in fact avoided deciding on similar provisions of the Land Reform Act of 1955. What it may perhaps have decided, under the 1955 law, is whether the finding that agrarian conflicts exist in any private agricultural land to justify expropriation thereof, is supported by the evidence. The Land Reform Code has however omitted the qualification of agrarian unrest.

Courts of Agrarian Relations—

The Land Reform Code sets up a system of Courts of Agrarian Relations to adjudicate cases falling thereunder, as defined and lim-

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[85] Rep. Act No. 1400 (September 9, 1955).
[86] Sec. 2, Rep. Act No. 1400; Sec. 2, Rep. Act No. 3844.
[87] Vicente G. Sinco, *The Constitutional Policy on Land Tenure*, 28 PHILIPPINE LAW JOURNAL 5, 838 (Dec., 1953).
[88] *Ibid.*
[89] Sec. 51(1), Rep. Act No. 3844.

ited therein.[90] These Courts have more extensive powers than those established by Republic Act No. 1267.[91] Thus, while the old Courts of Agrarian Relations did not have jurisdiction over expropriation cases instituted under the Land Reform Act of 1955, such proceedings properly falling under Courts of First Instance,[92] Courts of Agrarian Relations under the Code are expressly given original and exclusive jurisdiction over these cases.[93] In this connection, the Code gives the Courts of Agrarian Relations the same "powers and prerogatives inherent in or belonging to the Courts of First Instance," [94] and in expropriation proceedings, these Courts are enjoined to observe strictly the technical rules of evidence and procedure.[95]

Be this as it may, there are a number of decisions of the Supreme Court concerning cases brought before the old Courts of Agrarian Relations which may well have persuasive, if not binding, force over future suits under the Code. In general, this class of suits involve the question of whether the Courts of Agrarian Relations under the Republic Act No. 1267 have jurisdiction over cases involving tenants and landlords. The question becomes relevant when the tenancy relationship is denied or put in issue.

Invariably, the Supreme Court has held that, pursuant to Republic Act No. 1267 and the Tenancy Act, there must be a relation of tenant or landlord between parties litigants before the CAR may take jurisdiction.[96] And where the complaint alleges that defendant is plaintiff's tenant but defendant in his answer denies the tenancy relationship, alleging that the land has been occupied, cultivated and possessed by him in the concept of an owner, the CAR still has original and exclusive jurisdiction.[97]

At the same time, the CAR has been held to have jurisdiction though there is no existing tenancy relationship. This is the case where the tenant alleges that he has been illegally ejected by his

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[90] Secs. 141 and 154, *ibid.*

[91] Approved June 14, 1955 and amended by Rep. Act No. 1409.

[92] Rule 67, New Rules of Court.

[93] Sec. 154(3), Rep. Act No. 3844.

[94] Sec. 155, *ibid.*

[95] *Ibid.*.

[96] Dominga le Santos v. Andres Vivas, *et al.*, *op. cit.*, *supra*, note 79; Manlapaz v. Pagdanganan, G.R. No. L-9640; Basilio v. David, *et al.*, G.R. No. L-8702, April 28, 1956, 52 O.G. 3586; Silvino Lastimoza, *et al.* v. Ramon Blanco, *et al.*, *op. cit.*, *supra*, note 40; Quirino Dumlao, *et al.* v. Pastor L. de Guzman, *et al.*, *op. cit.*, *supra*, note 40; Pabustan v. de Guzman, G.R.. No. L-12898, Aug. 31, 1960; Reyes v. Camarines Sur Regional Agricultural School, G.R. No. L-157531, Dec. 29, 1960.

[97] Mannili v. Tablantin, G.R. No. L-12795, March 30, 1960.

landlord and the question therefore is whether or not said relationship has been lawfully terminated.[98] It is however, necessary, in cases of this sort that the tenancy relationship existed immediately, or shortly before, the controversy.[99]

A few decisions [100] of the Supreme Court have interpreted Sections 12 and 13 of Republic Act No. 1267 on appeals from decisions of the Courts of Agrarian Relations. It will be noted however that while the old law on the CAR specifies the mode of appeal, the Land Reform Code makes applicable to the new Courts of Agrarian Relations the rules governing appeals from the Courts of First Instance as provided in the Rules of Court.[101] If the intention is what the express provisions say it is—to consider Courts of Agrarian Relations as virtually Courts of First Instance—the general jurisprudence on appeals from Courts of First Instance would have more persuasive and binding effect.

SUMMING UP

The preceding discussion has considered the more important decisions of the Supreme Court on provisions of the Tenancy Act of 1954 as well as those of the Land Reform Act of 1955. An attempt has been made to present those rulings of the Court which would clearly apply as well to the Land Reform Code, those which may have persuasive effect and those which have been overruled by the new law.

An educated guess as to the possible trend of Supreme Court decisions in the light of the foregoing discussion would be desirable at this point. Unfortunately, the decisions cited, or at least most of them, have not established new horizons in agrarian jurisprudence which may suggest further developments. In most cases, the Supreme Court has been content to settle the immediate questions before them, rarely answering, if at all, any other issue of far-reaching implications. Apart from hinting in at least two cases [102] that every effort should be made to favor the farmer and his rights, the Supreme Court has generally stuck close to its primary function of applying the law.

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[98] Basilio v. de Guzman, G.R. No. L-12762, April 22, 1959.

[99] *Ibid.*

[100] Vital v. Magtoto, G.R. No. L-12948, Dec. 23, 1959; De la Fuente, *et al.* v. Geron, *et al.*, G.R. No. L-14138, July 30, 1960; Caisip v. Cabangon, G.R. No. L-14684-86, Aug. 26, 1960.

[101] Sec. 156, Rep. Act No. 3844.

[102] Pablo Sibulo v. Lope Alter; Primero v. CAR, *op. cit.*, *supra*, note 22.

On the other hand, the Supreme Court should be able to enhance the growth of agrarian jurisprudence in this country. To this end, the complex and many-faceted Land Reform Code will be rich and weighty grist for the judicial mill. It is in this area that the Supreme Court will be able to affect the agrarian reform movement. For however much the high officials of the other departments of the government insist otherwise, it is the Supreme Court which will ultimately determine whether this movement is being conducted in accordance with constitutional requirements. The Supreme Court will, in short, be the tempering force of law acting on the enthusiasm of the zealous reformer.