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[G.R. No. L-19937. April 3, 1979]

ASSOCIACION DE AGRICULTORES DE TALISAY-SILAY, INC., TRINO MONTINOLA, FERNANDO CUENCA, EDUARDO LEDESMA, EMILIO JISON, NILO LIZARES, NICOLAS JALANDONI and SECRETARY OF LABOR, *plaintiffs-appellees, vs.* **TALISAY-SILAY MILLING CO., INC., and LUZON SURETY CO., INC.,** *defendants-appellants,* **PHILIPPINE NATIONAL BANK and THE SUGAR QUOTA ADMINISTRATOR,** *defendants-appellees.*

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; SUGAR ACT (RA 809); MILLING CONTRACT; STIPULATIONS THEREIN DETERMINE THE DIVISION OF PRODUCE BETWEEN THE CENTRAL AND THE PLANTERS.** — The provision of Section 4, Republic Act 809, to the effect that "unrefined sugar . . . as well as by-products" produced in the district "shall be divided between the central and the planters" in the proportions therein prescribed "in the absence of written milling agreements between the majority of planters and the millers" unequivocally means that when there are such milling contracts, the section would not apply. Notably, this language does not distinguish between contracts in force at the time of the enforcement of the Act, on the one hand, and contracts to be executed thereafter, on the other, To construe said provision as contemplating only the contracts then in existence and about to expire to the exclusion of new ones to be executed later is to read into the law something it does not suggest at all, considering particularly that in the contrary sense, it would be tantamount to an injunction against the execution of new contracts, which would be violative of the fundamental right of freedom of contracts as distinguish from the constitutional prohibition against impairment of contractual obligations.

2. **CONSTITUTIONAL LAW; SOCIAL JUSTICE; MUST BE PRACTICED WITHOUT UNNECESSARY INFRINGEMENT OF**

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INALIENABLE LIBERTIES. — If social justice is to remain a noble and worthy ideal, it must be practiced without unnecessary infringement of the inalienable liberties consecrated in the fundamental law of the land for the promotion of the general welfare, unless there is clear and unmistakable warrant for the exertion of state power. In appropriate instances social justice may be more compelling and imperious than police power where labor is involved, but the basis for such occasions must be definite not equivocal, to avoid the imbalance of rights and opportunities which is precisely the aim of social justice to equalize for the protection for poor and the under privileged to which the working class belongs.

3. **REMEDIAL LAW; EVIDENCE; JUDICIAL NOTICE COVERS CONTEMPORARY CONSTRUCTION OF A LAW.** — The Supreme Court will take judicial notice of contemporary construction of the law in actual practice. Thus, in construing the provision of Section 1, Republic Act 809, as not excluding contracts between miller and planters entered into subsequent to the effectivity of the Act, the Supreme Court has taken judicial notice of the fact that in actuality, contracts have been entered with rates sharing different from those prescribed in Section 1 in practically all the milling districts in the Philippines after the passage of Republic Act 809.

4. **LABOR AND SOCIAL LEGISLATION; SUGAR ACT; PAYMENT OF LABORER'S SHARE MUST BE DONE UNDER THE SUPERVISION OF THE MINISTER OF LABOR; PRECAUTIONARY MEASURE FOR PROTECTION OF LABORERS.** — The requirement of Section 9, Republic Act 809, that "any increase in the participation granted the planters . . . shall be divided between the planter and his laborers" in the proportion therein fixed is evidently predicated on the fact that as the employer, the planter is the one supposed to pay the laborers, albeit it is provided that such payment must be done under the supervision of the Minister of Labor pursuant to such orders for the enforcement of the said provision as he may issue. To avoid, however, that the money paid to the Asociacion or the planters purportedly for the share of the laborers fixed in the law may serve its purpose, it is understood that no part of the 60% of the money to be paid to the planters shall be available to the planter concerned until after the Ministry

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of Labor shall have certified that all his laborers entitled thereto have been fully paid.

RESOLUTION

BARREDO, *J.*:

Motion for reconsideration signed by Attorney Camilo L. Sabio on his own behalf and on behalf of the law firm of Attorneys Montemayor & Dimaano as "counsel for the laborers" involved in this case, but not joined by any attorney of the Ministry of Labor, for the reconsideration, for the grounds therein discussed, of the decision of this Court dated February 19, 1979.

Brushing aside as of secondary importance the issue of whether or not private counsel who has signed the subject motion for reconsideration and whose authority to appear for the Minister of Labor was not affirmed by the Minister when asked to do so by the Court, has the personality to appear in this case as counsel of record, and attending instead to the grounds vehemently and lengthily expounded in said motion in order that no argument as to the merits of the cause of the laborers involved herein may not remain unresolved, the Court has opted to take up the points raised by counsel Sabio which, to be sure, are not really new.

In synthesis, the basic argument advanced by counsel is that in effect Republic Act 809 enjoins that, first, contracts between the millers and the planters in all sugar milling districts entered into subsequent to June 22, 1952, the date of its effectivity, may not be taken into account in determining whether or not there was a majority of planters in the district with written milling contracts with the central during the crop years material to this case, for purposes of the Act's application, and, second, that should any such contracts be entered into, the rate of sharing between the miller and the planters should not be less than that prescribed in Section 1 of the Act. As may be seen in Our decision, the Court has already fully considered the points raised by counsel and has found them to be insufficiently persuasive, albeit quite impressive and to a certain degree plausible. We

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are fully convinced, however, that the language of the pertinent provisions of the Act, notwithstanding the individual opinions of certain members of Congress quoted by counsel, does not evince a definite intent to deny to the planters and millers the freedom of contract to the extent indicated in the motion. Such a sacred fundamental right of the parties may he denied only expressly or by indubitable implication from the terms and tenor of the statute itself and not in the light of the arguments of particular legislators during the debates in the course of its enactment, which can be inconclusive. To Our mind, the provision of Section 1 to the effect that "the unrefined sugar . . . as well as by-products" produced in the district "shall be divided between the central and the planters" in the proportions therein prescribed "*in the absence of written milling agreements between the majority of planters and the millers*" unequivocally means that when there are such written milling agreements, the section would not apply. Notably, this language does not distinguish between contracts in force at the time of the enforcement of the Act, on the one hand, and contracts to be executed thereafter, on the other. To construe said provision as contemplating only the contracts then in existence and about to expire to the exclusion of new ones to be executed later is to read into the law something it does not suggest at all, considering particularly that in the contrary sense, it would be tantamount to an injunction against the execution of new contracts, which would be violative of the fundamental right of freedom of contract as distinguished from the constitutional prohibition against impairment of contractual obligations. The Court cannot see its way clear to the adoption of such a construction, much as it feels that any doubt, if any exists, must be resolved in favor of giving labor the maximum benefit derivable from social legislations, such as Republic Act 809 should be deemed to be. Indeed, if social justice is to remain a noble and worthy ideal, it must be practiced without unnecessary infringement of the inalienable liberties consecrated in the fundamental law of the land for the promotion of the general welfare, unless there is clear and unmistakable warrant for the exertion of state power. We have said in Our decision that in appropriate instances social justice may be more compelling and imperious than police power where labor is

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involved, but the basis for such occasions must be definite not equivocal, to avoid the imbalance of rights and opportunities which it is precisely the aim of social justice to equalize for the protection of the poor and the underprivileged to which the working class belongs.

Moreover, We take judicial notice of the fact that in actuality, contracts have been entered into with rates of sharing different from those prescribed in Section 1 in practically all the milling districts in the Philippines after the passage of Republic Act 809. Such contemporary construction of the law in actual practice, if indeed challenged by labor in some instances, only proves that the construction proposed by counsel is not commonly accepted by the others concerned, much less indubitable.

As regards the plaint that under the terms of Our judgment, payment of money corresponding to the laborers should be made to the Asociacion or the planters who in turn are sentenced to pay the laborers, instead of said money being paid directly to the laborers thru the Minister of Labor, all that needs be stated is that under Section 1 of the Act, the primary distribution is between the miller and the planters, and the requirement in Section 9 thereof that "any increase in the *participation granted the planters* . . . shall be divided between the planter and his laborer" in the proportion therein fixed is evidently predicated on the fact that as the employer, the planter is the one supposed to pay the laborers, albeit it is provided that such payment must be done under the supervision of the Minister of Labor pursuant to such orders for the enforcement of the said provision as he may issue, obviously to insure the due identity of and full payment to all the laborers concerned. *To avoid however, that the money paid to the Asociacion or the planters purportedly for the share of the laborers fixed in the law may serve its purpose, it is understood that no part of the 60% of the money to be paid to the planters shall be available to the planter concerned until after the Ministry of Labor shall have certified that all his laborers entitled thereto have been fully paid.*

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In view of the foregoing, the Court resolved to DENY the motion for reconsideration aforementioned, and in order to terminate once and for all this litigation of more than a quarter of a century. We hereby declare this DENIAL to be FINAL, and Our decision may now be executed. Accordingly, with the same finality, We hereby DENY the motions of the Asociacion, the CENTRAL and the *amicus curiae* Attorneys Tañada, Sanchez, Tañada and Tañada, for extension of time to file their own respective motions for reconsideration.

Castro, C.J., Makasiar, Antonio, Concepcion Jr., Santos, Fernandez, Guerrero, and *De Castro, JJ.*, concur.

Fernando, J., concurs in the result.

Teehankee, Aquino and *Melencio Herrera, JJ.*, took no part.

Abad Santos, J., on leave.

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[A.M. No. 2993-CFI. April 10, 1979]

Re: Appointment of ELVIRA C. ARCEGA as Deputy Clerk of Court, Court of First Instance of Bulacan, Branch VIII.

SYLLABUS

ADMINISTRATIVE LAW; CIVIL SERVICE; APPOINTMENT; POWER TO DETERMINE QUALIFICATIONS AND NATURE OF APPOINTMENT RESTS UPON THE APPOINTING AUTHORITY. — It is well settled that the determination of the kind of appointment to be extended lies in the official vested by law with appointing power and not the Civil Service Commission. When the appointee is qualified, the Commissioner of Civil Service has no choice but to attest to the appointment.