375 Phil. 901

THIRD DIVISION

[G.R. No. 114087, October 26, 1999]

PLANTERS ASSOCIATION OF SOUTHERN NEGROS INC., PETITIONER, VS. HON. BERNARDO T. PONFERRADA, PRESIDING JUDGE, REGIONAL TRIAL COURT OF NEGROS OCCIDENTAL, BRANCH 42; HONORABLE SECRETARY OF LABOR & EMPLOYMENT; BINALBAGAN – ISABELA SUGAR COMPANY, INC., AND NATIONAL CONGRESS OF UNIONS IN THE SUGAR INDUSTRY OF THE PHILIPPINES (NACUSIP), RESPONDENTS.

D E C I S I O N

PURISIMA, J.:

At bar is a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court seeking to review and set aside the August 8, 1993 Decision[2] and January 21, 1994 Resolution[3] of the Regional Trial Court of Negros Occidental, Branch 42, [4] Bacolod City, in Civil Case No. 6894 for Declaratory Relief.

The antecedent facts that matter can be culled as follows:

Prior to the passage of Republic Act No. 6982, entitled *An Act Strengthening the Sugar Amelioration Program in the Sugar Industry, Providing the Mechanics for its Implementation, and for other Purposes*, there were two principal laws providing additional financial benefits to sugar farm workers, namely: Republic Act No. 809 and Presidential Decree No. 621.

Republic Act No. 809[5] (implementable in milling districts with an annual gross production of 150,000 piculs or more), institutionalized production sharing scheme, in the absence of any private agreement between the planters and farm workers, depending on the mill's total production for each immediately preceding crop year; and specifically providing that any increase in the planters' share shall be divided in the following manner: 40% of the increase shall accrue to the planter and 60% to the farm workers.[6]

On the other hand, Presidential Decree No. 621,[7] as amended, charged a lien of P2.00 per picul on all sugar produced, to be pooled into a fund for subsequent distribution as bonuses to sugar workers.[8]

Thus, before R.A. No.6982, there were two sets of beneficiaries under the social amelioration program in the sugar industry:

1) Beneficiaries under R.A. No. 809 and P.D. No. 621; and

2) Beneficiaries under P.D. No. 621 only. (In milling districts where the annual gross production is less than 150,000 piculs)

On May 24, 1991, Republic Act No. 6982 took effect. It imposed a lien of P5.00 per picul on the gross production of sugar beginning sugar crop year 1991-1992, with an automatic additional lien of P1.00 for every two (2) years for the succeeding ten (10) years from the effectivity of the Act subject to the discretion of the Secretary of Labor and Employment and upon recommendation of the Sugar Tripartite Council.[9]

Directly addressing the effect of the new P5.00 per picul lien vis-à-vis the two previously existing laws, Section 12 of R.A. No. 6982, provides:

> "*Section. 12. Benefits under Republic Act No. 809 and P.D. 621, as Amended. - All liens and other forms of production sharing in favor of the workers in the sugar industry under Republic Act No. 809 and Presidential Decree No. 621, as amended, are hereby substituted by the benefits under this Act: Provided, That cases arising from such laws pending in the courts or administrative bodies at the time of the effectivity of this Act shall not be affected thereby.*

In connection therewith, Section 14 of the same Act further states:

> "*Section 14. Non-Diminution of Benefits.-The provisions of Section 12 hereof notwithstanding, nothing in this Act shall be construed to reduce any benefit, interest, right or participation enjoyed by the workers at the time of the enactment of this Act, and no amount received by any beneficiary under this Act shall be subject to any form of taxation."*

Private respondent Binalbagan-Isabela Sugar Company (BISCOM) is engaged in the business of, among others, milling raw sugar cane of various sugar plantations in their milling district. For the crop year 1991–1992, the sugar farm workers' share in BISCOM, under R.A. No. 809 amounted to P30, 590,086.92.[10]

Under P.D. No.621, the workers' benefit for the same crop year amounted to P2,233,285.26, computed as follows:

Gross production of BISCOM	1,595,184.46
(In Piculs)	
Less: 30% BISCOM Share	478,555.33
70% Planter Share	2,116,626.13
Multiplied by P2.00 lien	x P2.00
TOTAL	P2,233,258.26[11]

But considering that the P2.00 lien under P.D. No.621 is obviously lesser than the P5.00 lien under R.A. No.6982, the same was no longer imposed by BISCOM pursuant to R.A. No.6982.

Hence, before R.A. No.6982 took effect, the total farm workers' benefit was:

Under R.A. No. 809	P30,590,086.92
Under P.D. No. 621	2,233,258.16
	P32,823,345.18

Upon the effectivity of R.A. No.6982, the total workers' benefit in BISCOM's milling district was computed as follows:

> Gross Production of BISCOM
> 1,595,184.46
>
> (In Piculs)
>
> Less: 30% BISCOM share
> 478,555.34
>
> 70% Planter Share
> 1,116,629.12
>
> Multiplied by P5.00 lien **x P5.00**
>
> TOTAL FARMWORKERS' BENEFIT
> P5,583,145.61[12]

Meanwhile, pending a definite ruling on the effect of R.A. No. 6982 to R.A. No. 809 and P.D. No. 621, respondent Secretary of Labor issued Department Order No.2 (1992),[13] directing, *inter alia*, the three milling districts in Negros Occidental, namely: SONDECO, San Carlos and herein private respondent BISCOM, to continue implementing R.A. No.809 per recommendation of the Sugar Tripartite Council.

Consequently, the petitioner, Planters Association of Southern Negros Inc. (PASON), an organization of sugar farm plantation owners milling with private respondent BISCOM, filed with the respondent court a Petition for Declaratory Relief against the implementation of the said D.O. No. 2. It theorized that in view of the substitution of benefits under Section 12 of R.A. No. 6982, whatever monetary rewards previously granted to the sugar farm workers under R.A. No. 809 and P.D. No. 621 were deemed totally abrogated and/or superseded.[14]

On August 18, 1993, the respondent Court came out with the assailed Decision; the dispositive portion of which held:

> "*WHEREFORE, premises considered, the Court hereby declares*:
>
> > 1. *That the benefits under RA 6982 do not and cannot supersede or substitute the benefits under RA 809 in milling districts where the latter law was already in implementation at the time of the effectivity of RA 6982; and*
> >
> > 2. *That the sugarcane workers in the BISCOM milling district shall continue to enjoy the benefits under RA 809 in addition to the benefits that will henceforth be provided for by RA 6982 now being implemented by private respondent.*
>
> *SO ORDERED*."[15]

With the denial of its motion to reconsider the aforesaid Decision, petitioner found its way to this Court *via* the present petition.

The petition is not visited by merit.

From a cursory reading of Section 12[16] of R.A. No. 6892, the inevitable conclusion would be that the benefits under R.A. No.809 and P.D. No. 621 have been superseded by those granted under the new law. This substitution, however, appears to be qualified by Section 14[17] which disallows substitution if its effect would be to diminish or reduce whatever financial benefits the sugar farm workers are receiving under existing laws at the time of the effectivity of R.A. No. 6289.

How then should Section 12 of R.A. No. 6982 be interpreted in light of the qualification under Section 14 of the same Act?

Petitioner insists that the word "substitution" in Section 12 should be taken in its literal sense considering that the intention of Congress to effect a substitution of benefits is clear and unequivocal. Under this interpretation of "unqualified substitution", the sugar farm workers in the subject milling district will receive only **P5,583,145.61** under R.A. No.6289, as against the **P32,823,345.18** to which the workers were entitled under P.D. 621 and R.A. No. 809.

So also, invoking the Opinion[18] "It is believed that the benefits conferred upon labor by RA 809 have been superseded by those granted to it under RA 6982. This conclusion is inescapable from a reading of Section 12 of the latter law, as well as its repealing clause (Sec. 16). Indeed, the production-sharing scheme decreed in RA 809 cannot remain in force upon the effectivity of the new production-sharing procedure prescribed in RA 6982; otherwise, sugar workers would be receiving two kinds of financial benefits simultaneously.

The substitution, however, of sugar workers benefits under RA 809 by RA 6982 is qualified by Section 14 of the latter. This section provides that if the effect of such substitution will be to diminish or reduce whatever monetary rewards sugar industry laborers are receiving under RA 809, then such workers shall continue to be entitled to the benefits provided in such law. Expressed otherwise the production-sharing scheme in RA 6982 does not apply to sugar industry workers in milling districts where its application would be financially disadvantageous to them, in which case the existing production-sharing agreement based on RA 809 shall still govern." (Opinion No. 115, S. 1992 dated September 2, 1992, signed by Justice Secretary Franklin Drilon.)18 of the Secretary of Justice, petitioner contends, in the alternative, that the application of R.A. No. 809 can be maintained but in no case should the benefits thereunder be implemented in addition to R.A. No. 6982. Applying this interpretation, the share of the sugar farm workers would amount to **P30,590,086.92.**

On the other hand, under the interpretation espoused by the public respondent (that the benefits conferred by R.A. No.6982 should complement those granted by R.A. No. 809 which cannot be superseded by the former Act since Section 14 thereof prohibits diminution of benefits), the total worker's benefit would be as follows:

R.A. No. 809	P30,590,086.92
R.A. No. 6982	583,145.61
	P36,173,232.53

It is a well-settled rule of legal hermeneutics that each provision of law should be construed in connection with every other part so as to produce a harmonious whole and every meaning to be given to each word or phrase is ascertained from the