5 Phil. 477

[G.R. No. 2070. January 02, 1906]

W. H. TIPTON, CHIEF OF THE BUREAU OF LANDS AND ADMINISTRATOR OF THE ESTATE OF THE SAN LAZARO HOSPITAL, PLAINTIFF AND APPELLANT, VS. ROMAN MARTINEZ Y ANDUEZA, DEFENDANT AND APPELLEE.

D E C I S I O N

MAPA, J.:

On the 30th day of October, 1899, Vicente Aguirre y Flores, as administrator of the San Lazaro Hospital, leased to the defendant in this case a tract of land belonging to the hospital.. It was stipulated in the contract that the lease should run for a period of ten years from the 1st day of January, 1899. Aguirre, the administrator, was duly authorized to execute such contracts, but his power was general in terms and contained no provision specially authorizing him to make leases with respect to the hospital property for a period of ten years or any other specific term.

The plaintiff, as the present administrator of the hospital property, claims that the contract made by his predecessor, Aguirre, was null and void for want of power on his part to make such contract, basing his contention upon the provisions of article 1548 of the Civil Code. That article reads as follows:

> "The husband with respect to the property of his wife, the father and guardian with regard to that of his children or minor, and the administrator of property without a special power giving him such authority, can not execute a lease for a period exceeding six years."

This provision plainly shows that Aguirre could not, as administrator, have validly executed a lease of the land in question for a period of ten years in the absence of special authority to that effect. This, in our opinion, vitiated the contract. This defect, however, did not affect

the contract in its entirety, but only in so far as it exceeded the six-year limit fixed by law as the maximum period for which an administrator can execute a lease without special power. The contract in question was perfectly valid in so far as it did not exceed that limit, it having been executed by the administrator, Aguirre, within the scope of the legal authority he had under his general power to lease. That general power carried with it, under the article above quoted, the authority to lease the property for a period not exceeding six years. There was no excess of authority and consequently no cause for nullification arising therefrom, as to the first six years of the lease. As to the last four, the contract was, however, void, the administrator having acted beyond the scope of his powers.

The trial court construed article 1548 of the Civil Code as applying only to administrators of estates of deceased persons. This construction is manifestly erroneous. The provisions of that article are general and apply as well to administrators of property of living as of deceased persons.
It is contended, on the other hand, by the defendant, that article 1548 is not applicable to public lands such as the property in question, nor to public officials as was Vicente Aguirre, the administrator of the San Lazaro Hospital.

As to the first contention, it is not stated in defendant's brief in what sense the words "public lands" are used. It seems, however, that the defendant refers to lands of the public domain. He testified at the trial that the lands of the San Lazaro Hospital belonged to the Government of the United States. If such were the case his interpretation of these words would be erroneous. That property belongs to the public domain which is destined to public use or which belongs exclusively to the State without being devoted to common use or which is destined to some public service or to the development of the national resources and of mines until transferred to private persons. (Art. 339 of the Civil Code,) The land in question does not pertain to any of these classes. The best proof of it is that the defendant himself had been using it for his own personal and, exclusive benefit. So that, assuming without deciding that the land in question belonged to the Government of the United States, it would be nevertheless private property under the provisions of articles 340 and 345 of. the Civil Code, and as such, unless provided for by special legislation, is subject to the provisions of those articles. The defendant has not called our attention to any special law providing a method different from that contained in the Civil Code for the leasing of the lands belonging to the San Lazaro Hospital, and we do not know of the existence of any such law.

As to public officials, the only reason given by defendant in support of his contention that

article 1548 does not apply to them is that it would be impossible for the Government to make a lease for a period exceeding six years, because it has no legal capacity and must necessarily transact all its business through the medium of officials. This contention can not be sustained. It is a manifest error to say that the Government has no legal capacity or that it has no power to grant special authority to one of its officials for the leasing of Government property for a period exceeding six. years, if deemed advisable. This is so apparent that it certainly requires no argument.

It is claimed, however, that Government officials do not act by virtue of any special power but under the law creating their respective offices, and that for this reason they are not affected by the provisions of article 1548, which refer to administrators whose acts may be governed by the limitations of a power of attorney. We think that this is a mere question of words. Power, according to text writers, means the authority granted by one person to another to do in his behalf the same thing which he would do himself in the premises. This is the sense in which the word *power* is used in that article and it refers to the private individual who administers property belonging to another as well as to the public official who administers patrimonial property or the private property belonging to the State. Such property, whether owned by the State or by a private citizen, is covered by the provisions of the Civil Code. In either case the administrator, in so far as he has the management of the property of another, is a mere agent whose acts must be governed by the limitations of the *power* which his principal may have conferred upon him. In neither case can he exceed these limitations, but must discharge his trust in accordance with his instructions. A public, official is not, as such, exempt from the operation of this rule. He can not assume that he has the power to lease to others the patrimonial property belonging to the State for such time as he may see fit, say, for eighty or ninety years. He can not do so unless expressly authorized. Whether the administrator derives his powers from a legislative enactment, as in the case of a public official, or from the terms of a public instrument where private parties only are concerned, is immaterial. It is a mere question of ¦, form which does not affect the provision of the code above cited. What the law requires in order that the administrator may lease the property for a period exceeding six years is special power giving him such authority. The grant must be contained in a public document, (Art. 1280 of the Civil Code.) A public document may be either a public instrument or a legislative enactment, for legislative acts are also public documents under our code.

Furthermore it is very doubtful whether Aguirre was in fact a public official as the administrator of the San Lazaro estate. This question, however, was not raised in the court below, no evidence bearing on the subject having been introduced. We have merely

assumed that he was such for the sake of argument.

It is further contended by the defendant that the complaint does not state a cause of action. This is not true. A mere perusal of the complaint will show the contrary. We hold that the facts therein set forth constitute a sufficient cause of action.

It is also contended that there is no allegation with respect to the interest of the plaintiff in this action. Without passing upon the correctness of this allegation which refers to the legal capacity of the plaintiff, it may be said that as no question was raised as to this point in the court below it can not be urged on appeal.

The court below expressly found that the Government had collected rent' for four years and held that it had thereby ratified the contract. This question was not discussed in the court below and, legally speaking, the court should not and could not have made any such finding. We hold that this was error on the part of the trial court.

The judgment of the court below is hereby modified so as to declare that the lease in question was valid only for six years from the 1st day of January, 1899, to the 31st of December, 1904, and void as to the last four years of the contract term—that is to say, the effects of its nullity should date from the 1st day of January, 1905. The defendant shall return the land in the form and manner provided for in the lease together with the proceeds derived from its possession since the last-mentioned date. The plaintiff will return to the defendant the rent received during the same period, provided the rent has in fact been paid to him, with legal interest thereon at the rate of 6 per cent per annum.. No costs will be allowed to either party in either instance. After the expiration of twenty days let judgment be entered in accordance herewith and let the case be remanded to the court below for action in conformity herewith. So ordered.

Arellano, C. J., and *Carson, J.,* concur.

Willard, J., dissents.

DISSENTING

JOHNSON, J.:

I can not conform with the doctrine contained in this decision.

Article 1548 of the Civil Code does not permit an administrator to make a contract such as was made in this case for a period exceeding six years. When the defendant here made a contract for more than six years it was void, and, being void, can not be valid in part. However, inasmuch as more than six years have elapsed since the making of such contract and by virtue of this decision he may now be dispossessed, and. for the purpose of arriving at a conclusion, I hereby conform with that part of the decision which in its effects gives the Government the right to dispossess the defendant of the lands in question.

Judgment modified

Date created: April 28, 2014