

104 Phil. 323

[G. R. No. L-10303. August 22, 1958]

**LUCIO JAVILLONAR, PLAINTIFF AND APPELLANT, VS. LAND TENURE
ADMINISTRATION, DEFENDANT AND APPELLEE.**

D E C I S I O N

MONTEMAYOR, J.:

This is an appeal from the decision of the Court of First Instance of Manila, dismissing the complaint of plaintiff and appellant Lucio Javillonar and absolving defendant and appellee, the Director of Lands, from all liability, in an action to recover from him certain sums said to have been illegally collected in excess of the price of the parcel of land bought by plaintiff from the former, at the rate of P25 per square meter.

Plaintiff and appellant was one of the tenants and occupants of a large parcel of land, "Terrenos de la Calle Sande", owned by the Archbishop of Manila, which was later acquired by the Philippine Realty Company, from which the Rural Progress Administration bought the same through expropriation. The other facts of the case, the issues involved and the reason behind the appealed decision are well and correctly stated in said decision penned by Judge Rafael Amparo, and we quote the same in full and make it our own:

"This is a suit to recover from the defendant a sum of money, alleged to have been illegally collected from the plaintiff in excess of the price of a piece of land bought by him from the defendant at P25 per square meter.

"There is no dispute as to the facts of the case which may be briefly stated as follows:

"On April 5, 1955 plaintiff bought from the defendant a lot with an area of 162.6 square meters described as follows: (Description of the lot, with an area of 162.6 square meters)

" 'This lot is embraced in the land described in TCT 38540.' at P25 per square meter, or for the sum of P4,065. Because the plaintiff paid cash, a 10% discount, or P406.50 was allowed and in addition theretofore advanced by the plaintiff was also deducted, leaving a balance of P3,558.50. To this amount was added the sum of P292.07 for rental of the property for the period from November 2, 1953 up to February 2, 1955, plus other incidental expenses aggregating P41.75, so that the total amount paid by the plaintiff to the defendant for said lot amounts to P3,862.57 as per official receipt Exhibit 1. The land had been in possession of the plaintiff long before the same was acquired by the government from its former owner, and the rental of P292.07 was for the use and enjoyment of the property by the plaintiff after the same was acquired by the government.

"The plaintiff questions the right of the defendant to collect from him the following amounts:

Rental	P292.07
.....	
....	
Notarial fee	10.00
.....	
Deed of sale	2.00
fee.....	
For registration of sale plus documentary	29.75
stamps.....	

Total.....	P338.82
....	

"The purchase by the plaintiff of this property was made pursuant to the rules and regulations governing sales of landed estates under the administration of the Bureau of Lands, said regulation being embodied in Lands Administrative Order No. R—3, dated October 19, 1951 (Vol. 47, No. 12, Off. Gaz., pp. 1675-1676). The pertinent provisions of said rules and regulations for the collection of rental or fees for occupation read as follows:

" 'Moreover, the Director of Lands shall collect from the bona fide tenant or occupant fees for occupation of the lot from the date the estate was acquired by the Government until the date of the execution of the agreement, to sell in his

favor, which, for the purpose of these regulations, shall be computed at the rate of 6 per centum of the appraised value of the land.'

"With respect to the expenses incidental to the acquisition and transfer of title, said rules and regulations provided as follows:

'Upon the full payment of the purchase price as herein above stipulated including all interest thereon and the performance of the conditions hereof by the applicant, the Secretary of Agriculture and Natural Resources shall execute a deed of sale conveying the property to the applicant. All expenses incident to the transfer of title including the documentary stamps, notarial fees and the issuance of the certificate of title shall be for the account of the applicant.'

"The price of the land purchased by the plaintiff is at P25 per square meter as per agreement between the parties. Of course, the additional expenses which had to be borne by the plaintiff were not included in the computation of the price at P25 per square meter. They are expenses collected by the Government in accordance with the rules and regulations governing sales of landed estates.

"The plaintiff applied for the purchase of said lot, and his application was made in accordance with the same rules and regulations (Lands Adm. Order No. R—3). Upon the filing of that application or, at least before the execution of the deed of sale, he was furnished with a statement of account showing the price and incidental expenses (Exhibit 3), to which he made no objection. It is clear, therefore, that from the time he made the application to purchase the land he knew about the incidental expenses which he would have to pay; and even if (he) did not know, his acquisition of the land is necessarily subject to the rules and regulations governing the sale of landed estates by the Director of Lands and the plaintiff is bound by said rules and regulations.

WHEREFORE, judgment is hereby rendered dismissing the complaint and absolving the defendant from all liability under the same. With costs against the plaintiff. So ordered."

The well written decision above-quoted, in itself, is sufficient to show the lack of merit of the appeal; but for the satisfaction of appellant, we permit ourselves to say a few words to dispose of appellant's arguments in support of his appeal.

There is no question that Lands Administrative Order No. R—3 of the Bureau of Lands, under which the land in question was applied for by appellant and later sold to him, and the payment made of the purchase price and the other charges incident to the sale, was promulgated under legal authority and has the force of law. Now, for the first time in his appeal, appellant assails the constitutionality of said administrative order. Under a settled rule and practice, this question may well be ignored, not having been raised in the lower court. However, for the satisfaction of the appellant, we may say the following. Appellant cites Section 4, Article XIII, of the Constitution, which provides that:

“The Congress may authorize upon payment of just compensation, the expropriation of lands to be subdivided into small lots and conveyed *at cost* to individuals” (Italics supplied).

and concludes that by requiring appellant to pay for the registration of the sale, plus documentary stamps, deed of sale and notarial fee, the Government is selling the land to him in excess of the *cost* as prescribed by the Constitution. In the first place, as stated in the appealed decision, these charges were mentioned in the Lands Administrative Order under which he made the application of purchase and under which the sale was later made to him, and he apparently agreed to the terms of said Order. In the second place, there is no evidence to show that in making these charges in addition to the price of P25 per square meter, the Government was making any profit. There is every reason to believe that in making the sale at the rate of P25 per square meter plus other charges, the Government was breaking about even, not making any profit but neither suffering any loss, and this must have been the intention of the Constitutional provision cited. The cost therein mentioned is not only the purchase price which the Government pays to owners of landed estates, but also the cost of administration and of its eventual sale to tenants and occupants, not more but not less.

Now, as to the collection of the rental of P292.07, appellant as tenant had been paying rentals to the former owner of this landed estate and it is but just that he should continue paying said rentals due to the new owner, the Philippine Government, until he himself shall have become the owner thereof, with the due execution of the sale therein and the payment of the purchase price, plus the other charges. It should be borne in mind that in buying the landed estate from the former owner, the Government had invested a large amount, and pending subdivision of said estate and sale to the tenants thereon, it should be allowed to

collect rentals from said tenants, at least to reimburse itself for the interest on its investment.

Appellant invokes the provisions of Republic Act No. 1162, presumably to the effect that in case a parcel sought to be occupied by a tenant cannot be bought by him, then the same should be leased to him from month to month, until such time that he is able to purchase the same, in which event the rental that may be charged by the Government shall not exceed 12 per cent per annum of the assessed valuation of the property. Said Republic Act No. 1162 is clearly inapplicable. The complaint for expropriation initiated by the Government in this case was commenced by the Rural Progress Administration on January 30, 1947. The decision awarding the property to said Government was promulgated on November 14, 1953 and the payment by the Government was made on June 4, 1954. The enabling act of the Rural Progress Administration was Commonwealth Act No. 378, as amended by Commonwealth Acts Nos. 420 and 539. On the other hand, Republic Act No. 1162 was enacted only on June 18, 1954, at a time when the landed estate had already been acquired under and by virtue of a prior law. What is more, if we were now to apply the provisions of said Republic Act No. 1162 invoked by appellant, he would be disqualified from purchasing the lot in question, for the reason that said lot has an area of 162.6 square meters, whereas Republic Act No. 1162 limits the area to be acquired by any single tenant to 150 square meters.

We deem it unnecessary to discuss the other points raised in the appeal. In view of the foregoing, the decision appealed from is hereby affirmed, with costs.

Paras, C. J., Bengzon, Padilla, Reyes, A., Bautista Angelo, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.