

VIRGINIA I. VDA DE LIMJOCO, PETITIONER AND APPELLANT, VS. THE DIRECTOR OF COMMERCE, RESPONDENT AND APPELLEE.

G.R. No. L-17640. November 29, 1965

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

This case, filed as a petition for declaratory relief in the Court of First Instance of Manila, involves the interpretation of Section 2 of the General Bonded Warehousing Act (Act No. 3893 as amended by Republic Act No. 247), specifically in relation to the rice milling business of petitioner-appellant. Certain facts were stipulated in the Court below, and the following summarized statement in the decision appealed from is accepted by both parties:

"It appears that sometime prior to March 22, 1950, petitioner and her husband, the late Bonifacio T. Limjoco, were the owners of a rice mill commonly called "Kiskisan" and were engaged in the business of milling palay belonging to their customers for the purpose of removing its hull and converting it into rice." (p. 30, RA).

"On July 31, 1952 Bonifacio T. Limjoco died, leaving the milling business in the hands of his surviving spouse, the petitioner in this case. The petitioner continued in the business, which prior to the death of her husband, was managed by the latter without, however, renewing the license which according to Exhibit "A" expired on December 31, 1950. Since then and up to the present, the petitioner refused to secure a (license from the Bureau of Commerce claiming that her business does not fall within the provisions of Act 3893 as amended by Republic Act 247."

"From the testimony of the petitioner and from the stipulation of facts entered into by the parties, as well as the exhibits presented by the petitioner, it appears that the petitioner owns a rice mill of the semicono type. The facilities of the rice mill are open to the public in the sense that anybody who wants his palay to be milled and converted into rice may deliver the same to the rice mill paying P0.40 per cavan of palay for the services of the petitioner in milling it. The mill itself is within a building which the petitioner calls a "camalig" about ten meters long, eight meters wide and five meters high. The "camalig" is totally enclosed partly by steel-matting, partly by wood and partly by galvanized iron sheets."

From the stipulation of facts as well as from the testimony of appellant the trial Court further found that there were occasions when her customers brought more palay than could be milled in one day, whereupon they would leave the same in the custody of appellant, piled inside the "camalig" to await its turn to be milled; that sometimes the palay thus left in her possession amounted to as much as 100 cavans, and at other times as little as 10 cavans; that no charge was made by appellant for thus keeping the palay, the arrangement being, in accordance with the customs of the place, a favor done to the customers; and that, on the other hand, appellant was also benefited by such, arrangement, for unless she acceded thereto the customers might take their palay for milling to her competitors.

Section 2 of the law in question provides:

"As used in this Act, the term "warehouse" shall be deemed to mean every building, structure, or other

protected inclosure in which rice is kept for storage. The term "rice" shall be deemed to mean either palay, in bundles, or in grains, or clean rice, or bath. "Person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person engaged in the business of receiving rice for storage; and "receipt" means any receipt issued by a warehouseman for rice delivered to him. For the purpose of this Act, the business of receiving rice for storage shall include (1) any contract or transaction wherein the warehouseman is obligated to return the very same rice delivered to him or pay its value; (2) any contract or transaction wherein the rice delivered is to be milled for and on account of the owner thereof; (3) any contract or transaction wherein the rice delivered is commingled with rice delivered by or belonging to other persons, and the warehouse man is obligated to return rice of the same kind or pay its value."

The Director of Commerce ruled that appellant's rice milling business falls under the law just quoted, required her to secure the corresponding renewal license and started steps for her prosecution in view of her refusal to do so. The move, it seems, was subsequently held in abeyance upon the filing of the petition herein.

The trial court upheld the Director of Commerce and ruled that the law in question is applicable in this case. Appellant submits, in substance, that the test to determine the applicability of Act No. 3893 as amended is whether or not she is engaged in the business of receiving palay for storage; that the clause in section 2 thereof which refers to "any contract or transaction wherein the rice delivered is to be milled for and on account of the owner" must be understood in relation to the subject-matter of the statute as expressed in its title, namely, "An Act to Regulate the Business of Receiving Commodity for Storage"; and that since her business is the milling of palay the delivery thereof to her is merely incidental to such business and does not constitute storage within the meaning of the statute.

Section 2, however, is too clear to permit of any exercise in construction or semantics. It does not stop at the bare use of the word "storage," but expressly provides that any contract or transaction wherein the palay delivered is to be milled for and on account of the owner shall be deemed included in the business of receiving rice for storage for the purpose of the Act. In other words, it is enough that the palay is delivered, even if only to have it milled. Delivery connotes transfer of physical possession or custody; and it may indeed be seriously doubted if the concept of "storage" under the law would cover a situation where one merely utilizes the services of the mill but keeps the palay under his physical control all steps of the way. But in this case it is a fact that palay is delivered to appellant and sometimes piled inside her "camalig" in appreciable quantities, to wait for its turn in the milling process. This is precisely the situation covered by the statute.

We agree with His Honor, the trial Judge, when he said: "There is a reason for the inclusion of the business of the petitioner within the operation of Act 3893 as amended by Republic Act 247. The main intention of the law-maker is to give protection to the owner of the commodity against possible abuses (and we might add negligence) of the person to whom the physical control of his properties is delivered."

This is not the first time this question has come before Us. It was raised in the case of *People vs. Versola*, G. R. No. L-5707, March 27, 1988, where this Court, speaking through Mr. Justice Roberto Concepción, said:

"At any rate, whenever a rice mill, engaged in the business of hulling palay for others, is housed in a "camarin" like that of appellant herein, the keeping of palay or rice therein follows as a necessary consequence. This is true, even if the grains were received therein exclusively for milling purposes. Hence, one way or the other, there is a form of storage, the duration of which may vary, depending upon circumstances. In any event, the rice mill operator is responsible for the palay or rice, while the same is in his possession, and public policy or public interest demands that the rights of the owners of the commodity which is our main - staple be duly protected. Hence, the need of securing the license prescribed in Act No. 3893, in order that the Director of Commerce could determine the conditions under which the mill may be authored to operate, conformably with

the objectives of said legislation, with the amount of the bond to be required for the protection of the people who avail themselves of its services."

Appellant contends that the inclusion of the business of milling palay in Act No. 3893 infringes the constitutional mandate that no law shall embrace more than one subject which shall be expressed in the title thereof. We believe the subject-matter of said Act as expressed in its title, namely, the regulation of the business of receiving commodity for storage, is sufficiently broad to cover the business of milling palay where the palay is delivered to the mill operator and kept in a construction which serves the purpose of a warehouse, as in this case. Appellant says her "camalig" is neither adequate nor suitable for storage. But the inadequacy of the construction insofar as the safety of the palay is concerned is not a valid reason to remove it from the operation of the statute, for otherwise the very fact of non-compliance with the legal requirements in this respect would be its own excuse from the liabilities imposed.

The decision appealed from is affirmed, with costs.

Bengzon, C. J., Bautista Angelo, Concepción, Reyes, J. B. L., Dizon, Regala, Bengzon, J. P., and Zaldivar, JJ., concur.

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