

MA-AO SUGAR CENTRAL CO., PETITIONER, VS. HON.CONRADO BARRIOS, ET AL., RESPONDENTS.

G.R. No. L-1539. December 03, 1947

Ponente: FERIA, J.

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FERIA, J.:

This is a petition for certiorari to set aside the order of the respondent judge denying the motion to dismiss the complaint of the other respondents which seek to recover amounts of money due them from the petitioner before the outbreak of the war, on the ground that the respondent judge acted without or in excess of the court's jurisdiction in rendering said order; and for prohibition to forbid the respondent judge from taking cognizance of the case on the ground that the respondent judge has no jurisdiction to try and decide it.

The ground for the motion to dismiss filed by the petitioner is that the complaint of the respondents does not state facts sufficient to constitute a cause of action, because the plaintiffs have no right to demand the payment of the defendants' alleged debts until after the termination or legal cessation of the moratorium provided in Executive Order No. 25, as amended by Executive Order No. 32, the pertinent part of which reads as follows:

"III. DEBT MORATORIUM

"1. Enforcement of payment of all debts and other monetary obligations payable within the Philippines, except debts and other monetary obligations entered into in any area after declaration by Presidential Proclamation that such area has been freed from enemy occupation and control, is temporarily suspended pending action by the Commonwealth Government." (41 Off. Gaz., No. 1, p. 56.)

It is plain and we are of the opinion that the complaint filed by the plaintiff respondent in the court below does not state facts sufficient to constitute a cause of action. A cause of action is an act or omission of one party in violation of the legal right or rights of the other; and its essential elements are legal right of the plaintiff, correlative obligation of the defendant, and act or omission of the defendant in violation of said legal right. In the present case the complaint alleges the legal right of the plaintiffs to be paid the amount due them from the defendant, as well as the correlative obligation of the defendant to pay said debts to the plaintiffs when it becomes due and payable; but not the omission on the part of the defendant to pay in violation of the legal rights of the plaintiffs to be paid, because according to the above quoted provision of Executive Order No. 32, said debts are not yet payable or their payment can not be enforced until the legal cessation of the moratorium, which is still in force. As the defendant herein petitioner is not yet in default, plaintiffs have no cause of action against him.

While the debt moratorium is in force the defendant-petitioner has no obligation yet to pay the plaintiffs, and the latter can not file a suit against him in the courts of justice requiring him to recognize his debts to the plaintiffs and to pay them (after the moratorium) not only the amount of the indebtedness, but the legal interest thereon from the filing of the complaint, the attorney's fees of ten per centum of the amounts due, and the costs of the suits. There is no such action to compel a defendant to acknowledge or recognize his debt which is not yet payable, distinct and different from the action for recovery or payment of a debt already due and payable, against

the debtor who refuses to pay it. To allow the plaintiffs' action and grant the relief demanded in the complaint, would be to compel the defendant to pay legal interest on the amount claimed from the filing of the said complaint, as well as the attorney's fees of 10 per cent of the sum due thereon as stipulated, and the costs of the suit, as if the defendant's obligations to the plaintiffs were already payable and he had failed or refused to pay them. Why should the defendant be required to bear the expenses incidental to a suit before he has violated the plaintiffs' right? How could plaintiffs assume that the defendant will not pay his debts when they become payable, and for that reason they have filed this action against defendant? Why should not the contrary be presumed, that is, that the debtor will pay his obligation at the proper time, in order to prevent a suit, preserve its credit, and avoid the expenses incident to a suit, and the payment of legal interest on the amount due and attorney's fees?

In the case of *Henares vs. Cordova* (G. R. No. L-1536), a petition for prohibition was filed by the petitioner alleging that the lower court had no jurisdiction over the subject matter, which is the collection of an alleged indebtedness unenforceable under the debt moratorium, and this Court denied the petition on the ground that Executive Order No. 25, as amended by Executive Order No. 32, did not have the effect of divesting the lower court of its jurisdiction to try and hear the case. We did not deem it necessary then to express our opinion on the sufficiency of the complaint, but now we do for the guidance of the courts and legal practitioners, and state that said Executive Order No. 25 as amended by Executive Order No. 32 not only suspends the execution of the judgment that the court may render so far as it orders the payment of debts and other monetary obligations, as stated in the resolution in said case, but also suspends the filing of suit in the courts of justice for the enforcement of the payment of debts and other monetary obligations therein referred to, if timely objection is set up by the defendant debtor. It is to be borne in mind that the debt moratorium is a right granted by law to the debtors, and as such right it may be waived because its waiver does not affect the public interest or the rights of third parties.

After stating our opinion that the complaint of the plaintiffs respondents states no cause of action, we have to hold that the facts stated in the petition for certiorari and prohibition filed in the present case do not entitle the petitioner to said reliefs. It requires no argument to show that the respondent judge had jurisdiction and did not exceed it or act with grave abuse of discretion in denying the petitioner's motion to dismiss, and therefore we have to dismiss the present petition. This Court, in special civil actions of certiorari and prohibition, can only determine the question whether or not the court acted without or in excess of its jurisdiction or with grave abuse of its discretion in doing the act complained of. We can not correct errors committed by the lower courts in their judgments, decrees or orders rendered in the exercise of their jurisdiction.

In view of the foregoing, the petition is denied.

Moran, C.J., Pablo, and Bengzon, JJ., concur.

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