

PINDANGAN AGRICULTURAL CO., PLAINTIFF AND APPELLANT VS. LUDOVICO ESTRADA, DEFENDANT AND APPELLEE.*G. R. No. L-2841. May 28, 1951*

Ponente: FERIA, J.

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On December 11, 1947, plaintiff-appellant filed In the Court of First Instance of Pangasinan a complaint against defendant-appellee to recover from the latter the sum of P958.02 with legal interest from and after the filing of the complaint and until the full amount is paid. Of said amount, P576.02 was in arrear in the payment of rents or canons of certain parcels of land leased by the appellant to the appellee for the agricultural years 1987 to the year 1945, and the sum of P382 for the agricultural years from 1945 to the time of the filing of the complaint.

The defendant, eighteen days after he was duly summoned to answer, filed a motion to dismiss the complaint on the ground "that the claim on which the action or suit is based, is unenforceable by virtue of the provisions of Executive Order No. 25 as amended by Executive Order No. 32, known as Debt Moratorium Proclamation." The court admitted the motion over the objection of the plaintiff, and on February 12, 1948, dismissed the plaintiff's complaint on the ground that the plaintiff's action is covered by the Moratorium.

Plaintiff appealed from the order of dismissal of the lower court and assigned three (3) errors:

The first which assigns that the lower court erred in admitting the motion to dismiss and not declaring the defendant in default is without merit, because under section 16, Rule 15 of the Rules of Court, the court has discretion to permit an answer or other writings to be presented even after the time fixed for its presentation; and the defendant may, within the time of pleading, file a motion to dismiss (section 1 of Rule 8).

The appellant's second assignment is that the lower court erred in holding that all the obligations covered by the present action are covered by the Debt Moratorium, inasmuch as the obligation to pay the canons due after liberation for the agricultural years of 1945-6, 1946-7 and 1947-8, which amount to P382 is not covered by said Executive Orders No. 25 and 32. The appellee agrees with the appellant and asks this court to remand this case to the court of origin and the defendant allowed to answer the complaint as to that claim.

The third error assigned is that the lower court likewise erred in not granting appellant's motion for reconsideration of the order of the court a quo, filed on November 16, 1948, on the ground that "the Debt Moratorium has already been lifted by virtue of the enactment of Republic Act No. 342 on July 29, 1948." The appellant, in support of this assignment, contends that "the provisions of said Republic Act No. 342 has lifted the moratorium in so far as it affected prewar obligations except when the debtor had a claim for war damage duly filed with the United States Philippine War Damage Commission"; and inasmuch as at the time of the enactment of said Republic Act on July 29, 1948, the present case had not yet been finally dismissed for the reason that there was then pending a motion for reconsideration of the order of dismissal dated February 12, 1948, said act is applicable.

The appellee on the other hand, argues that said Republic Act No. 342 has no retroactive effect, and therefore is not applicable to this case, for the plaintiff's complaint was filed on December 11, 1947, and "if the appellant insists that said Act is applicable because it overtook the action in the lower court, appellee would also maintain that said court lost its jurisdiction because of the passage of Act No. 296, otherwise known as Judiciary Act, approved on June 16, 1948," which conferred upon justice of the peace and municipal courts exclusive jurisdiction over civil cases involving an amount not exceeding P2,000; but appellee says "he does not invoke the Judiciary because it is equally untenable." Appellee asks for the dismissal of the case as to the claim of P572.02 without prejudice to appellant's filing a new complaint as regards said amount in the proper courts.

We are of the opinion, and so hold, that the appellee's contention is correct. Therefore, the order appealed from, in so far as it dismisses the complaint for recovery of the rent or canon for the agricultural years from 1945 to 1948 is reversed, and the case is remanded to the court of origin for further action; and the order dismissing the complaint as to the appellant's claim of P572.02, for canons or rents of the land leased to the appellee for the agricultural years from 1937 to 1945, is affirmed, without prejudice to appellant's right to file a new complaint in the proper court against the appellee. So ordered.

Paras, C. J., Pablo, Bengzon, Tuason, Montemayor, Jugo and Bautista Angelo, JJ., concur.

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