

**CITIZENS' SURETY AND INSURANCE CO., INC., PETITIONER,
VS. THE HON. JUDGE RICARDO C. PUNO, THE REGISTER OF DEEDS
OF THE CITY OF MANILA AND THE CITY OF MANILA, RESPONDENTS.**

G.R. No. L-34669. December 15, 1982

Ponente: ABAD SANTOS, J.

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ABAD SANTOS, J.:

This is an appeal by certiorari where it is "prayed that judgment be rendered declaring the aforesaid Resolution No. 542, Series of 1956, of the City of Manila null and void and ordering the Register of Deeds of the City of Manila to register the petitioner's affidavit of consolidation and to issue to the latter a new transfer certificate of title." (Rollo, pp. 11-12.)

Maria Barcelon owned a piece of land measuring 108 square meters located in Barrio Obrero, Tondo, Manila. It was covered by TCT No. 79798.

It appears that Barrio Obrero was acquired by the City of Manila pursuant to its Charter; it was subdivided into lots of 108 sq. m. each for residential houses; and the sale of the lots was regulated by Resolution No. 168, series of 1922, which was amended several times, the last by Resolution No. 542, series of 1956. Paragraph 4 of Resolution No. 542 stipulates that:

"4. Only Filipino laborers who are bona fide residents in Manila whose wages do not exceed P180.00 per month, or P6.00 per day, according as they receive monthly or daily compensation shall have the privilege of buying lots in the Barrio." (Rollo, p. 18.)

On October 10, 1966, Maria Barcelon mortgaged the land to Citizens' Surety and Insurance Co., Inc. to secure a loan. The mortgage was foreclosed extra-judicially when the loan was not paid. The purchaser was the lender. After the expiration of the period of redemption, the purchaser sought to consolidate its ownership but the Register of Deeds of Manila refused to register the consolidation. On April 6, 1971, the corporation instituted Civil Case No. 82820 in the Court of First Instance of Manila against the Register of Deeds of Manila and the City of Manila. It prayed that Resolution No. 542 be declared null and void and that the Register of Deeds be ordered to register the consolidation of title.

Judge Ricardo C. Puno dismissed the case. In this appeal, the petitioner insists, as it did in the court below, that Resolution No. 542 is unconstitutional and that it is not applicable to forced sales.

The petition is devoid of merit and should be dismissed.

Put simply, the petitioner claims that Resolution No. 542 is unconstitutional because it is unreasonable and violates the equal protection clause of the Constitution. It argues as follows:

As may be seen from Sec. 4 of Res. No. 542, only laborers earning not more than P180.00 a month, or P6.00 a day are qualified to buy lands in Barrio Obrero, Tondo, Manila. Employees working in offices or establishments and earning as much but who are not laborers cannot buy lands in that area. Also persons who

are engaged in some calling or occupation earning as much are not also qualified. It should not be overlooked that the intention of the pertinent provisions of the Charter of the City of Manila contained in Sections 97, 98 and 100 of said Charter is to help the poor people of Manila to acquire residential lands on easy terms.

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"Res. No. 542 includes laborers but does not include low-salaried employees. Laborers are not the only poor people in the City of Manila. There are also others who are the low-salaried employees and those engaged in some calling or occupation where their income is limited. Are these people to be considered more fortunate and, therefore, should have less in law?

"The classification resorted to in Sec. 4 of the aforesaid Resolution does not come within the meaning of the principle of equal protection of the laws. A classification to come within such principle must fulfill the following requisites: the classification must not be capricious or arbitrary, but must be natural and reasonable. And to be reasonable (1) it must rest on substantial distinction; (2) it must be germane to the purpose of the law; (3) it must not be limited to existing conditions only; and (4) must apply equally to all members of the same class. (Political Law Reviewer, Aruego & Laguio, 1954 Ed., p. 764, citing the cases of PPI v. Cayat, 38 O.G. March 9, 1940; Ruby vs. Provincial Board of Mindoro, 39 Phil. 660; People & Hongkong & Shanghai Banking Corp. vs. Vera & Co-Unjeng, 37 O. G. 187.)

"An analysis of the provision of Sec. 4 of Resolution No. 542 will show that the classification made thereby does not fulfill the above mentioned requisites. The classification of laborer does not have a substantial distinction from low-salaried employees or persons engaged in some calling with a limited income, because all of them are under like circumstances in their lives, in their liberty, in their property, and in the pursuit of happiness." (Brief, pp. 12-14.)

The lot in question is situated in Barrio Obrero. "Obrero" means laborer or manual worker. There is, therefore, a justifiable and reasonable basis to limit the sale of the lots in the barrio to obreros only - they are birds of the same feather.

The petitioner also claims that the resolution is unreasonable because it bars a non-laborer to buy a lot in Barrio Obrero even if he does not earn more than P180.00 a month or P6.00 a day. The petitioner, which is a corporation and not a lowly paid worker, is not competent to raise this claim. For even if we sustain it no benefit can accrue to the petitioner who will nonetheless be disqualified to acquire the lot. Moreover, in the absence of manifest abuse of power, we are not prepared to substitute our judgment for that of the City of Manila which is tasked by its Charter "to acquire private lands in the city and to subdivide the same into home lots for sale on easy terms to residents, giving first priority to the bona-fide tenants or occupants of said lands, and second priority to laborers and low-salaried employees." (Sec. 100, R.A. No. 409, as amended.) Obviously, the questioned resolution merely seeks to implement the Charter provision.

Anent the claim that the questioned resolution does not apply to forced sales, Judge Puno said it all as follows:

"There is no merit in the pretension that the questioned resolution does not apply to forced sales. It is implemented in sales upon foreclosure or on execution by limiting bids to those persons legally qualified to purchase. The legal intent and purpose of the resolution would be rendered utterly nugatory if the same be restricted in its application to voluntary sales." (Rollo, pp. 21-22.)

Also, the resolution does not distinguish between voluntary and forced sales. It is hornbook law expounded by Professor Gerardo Florendo when he taught in the College of Law, University of the Philippines, that when the law does not distinguish we should not distinguish.

WHEREFORE, the petition is dismissed without any special pronouncement as to costs.

SO ORDERED.

Fernando, C.J., Teehankee, Makasiar, Aquino, Guerrero, Plana, Escolin, Relova, and Gutierrez, Jr., JJ., concur.

Concepcion, Jr., J., on leave.

De Castro, Melencio-Herrera, and Vasquez, JJ., in the result.

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