

JOAQUIN GOZUN AND CARMEN VICENCIO, PETITIONERS, VS. THE REPUBLIC OF THE PHILIPPINES AND THE AUDITOR GENERAL, RESPONDENTS.

G.R. No. L-2828. August 25, 1949

Ponente: OZAETA, J.

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OZAETA, J.:

By way of petition for review, the petitioners appeal from a decision of the Auditor General denying their claim against the Government for the sum of P21,924, arising from the following facts:

In December, 1940, negotiations were begun between the Government and the petitioners for the use and occupancy by the former of a strip of land belonging to the latter, containing an area of 60.90 hectares, which the Government needed to construct and maintain a public dyke from the Pampanga River, municipality of Arayat, to the Candaba Swamp, municipality of Candaba, province of Pampanga. For such use and occupancy of the land the Government offered to pay the petitioners the assessed value, or P500 per hectare, while the petitioners asked for P1,000 per hectare. The war subsequently broke out without the parties' having reached a final agreement. In the meantime the Government went ahead with its project and took possession of the land. After the liberation the negotiations to fix the price were resumed, and the parties finally reached an agreement which was embodied in a public document entitled "Channel and Dyke Right-of-Way Agreement," dated December 31, 1946, whereby the Government paid to the petitioners, and the latter accepted, P60,900 "as damages for the use and occupancy" of the land hereinabove mentioned. In other words, the Government finally agreed to pay the price of P1,000 per hectare originally asked by the petitioners, and the latter accepted it although they had sought to raise the price to P1,500 per hectare on the ground that the land had increased in value since 1940.

After receiving payment of the said sum of P60,900 from the Government, the petitioners filed the present claim for P21,924 as interest on the said sum of P60,900 for six years at the legal rate of 6% per annum. The Auditor General denied said claim on two grounds: first, that the sum of P60,900 was, according to the agreement above mentioned, in payment of the full compensation for the use and occupancy of the land, including whatever damages might have been sustained by the petitioners incident to such use and occupancy; and, second, that under the law the Government is not liable to pay interest unless it expressly engages to do so.

The petitioners' appeal is grounded on the argument that to all intents and purposes the Government expropriated and took possession of the land in December, 1940, and that since it did not pay the price until January, 1947, it should pay interest on that price during the intervening period of six years. That, we think, is not a valid argument.

In the first place, the premise is wrong. There was no expropriation or condemnation proceeding. What there was, was a voluntary agreement between the parties whereby the claim of the petitioners for damages arising from the perpetual use and occupancy of their land by the Government was fully liquidated as of December 31, 1946, without any reservation as to interest or any other further claim by the petitioners against the Government.

In the second place, even if the premise were correct, the conclusion sought to be drawn would not necessarily be

so. Even if we should by analogy consider the Government's taking possession of the land in 1940 as equivalent to taking possession of it through a condemnation proceeding, and the agreement between the parties for the payment of P60,900 as equivalent to a judgment in an expropriation proceeding, it would not follow that the Government is liable to pay interest on said sum. It would be liable to pay interest only if the judgment expressly so provided. No such provision was made in the agreement.

We hold that the petitioners are estopped from claiming interest by their unqualified and unconditional acceptance of the settlement of their claim as embodied in the Right-of-Way Agreement of December 31, 1946.

The decision of the Auditor General is affirmed, with costs.

Moran, C.J., Paras, Feria, Bengzon, Padilla, Tuason, Montemayor, and Reyes, JJ., concur.

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