

TREASURER OF THE PHILIPPINES, PETITIONER, VS. HON. DEMETRIO B. ENCARNACION, JUDGE OF THE COURT OF FIRST INSTANCE OF MANILA, BRANCH 1 AND ANTONIO OJEDA, RESPONDENTS.

G. R. No. L-6056. August 11, 1953

Ponente: TUASON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/56a45d7e079d/>

TUASON, J.:

This is a proceeding for certiorari and prohibition instituted against the Honorable Demetrio B. Encarnacion as Judge of the Court of First Instance of Manila (1) to review and set aside several orders issued in civil case No. 16887 of that court, entitled "Antonio Ojeda, plaintiff, versus Treasurer of the Philippines, defendant," and (2) to prohibit the said Judge from taking jurisdiction of and hearing that case. The orders complained of are mere incidents of the main petition, which is the petition for prohibition and the only matter that need be discussed.

Motion to dismiss having been overruled, and defendant having filed his answer, defendant nevertheless made a separate motion for a preliminary hearing on special defense of lack of jurisdiction (section 5, Rule 8), motion which was denied. But without any hearing, the essential nature of the pleadings and the judgment sought are such as to enable the court to determine the pleas of want of jurisdiction and/or want of cause of action.

Plaintiff's action seeks to compel the Treasurer of the Philippines to pay him, in virtue of Republic Act No. 734, the sum of P3,056, which he claims is due him "according to the graduated scale of the said law for certain PNB notes deposited by him with the defendant and aggregating P5,846."

Republic Act No. 211 provides for the registration and deposit of circulating notes of the Philippine National Bank which had been illegally issued during the Japanese occupation of the Philippines. After the action at bar was commenced, Republic Act No. 831 was approved, amending or superseding Republic Act No. 734 on which the action was predicated.

By Section 5 of Republic Act No. 831 the Treasurer of the Philippines "is prohibited from redeeming any of the bank notes, subject matter of this Act, until he has made a master record of all the registrants all over the Philippines showing the amount of the bank notes registered by or under the name of any one individual, and that of his spouse, ascendants, descendants, employees, servants or agents of any kind; * * *." Section 5 further provides that "in order to forestall the commission of frauds and/or misrepresentation by claimants, strict precautionary measures shall be adopted to prevent payments to individuals acting as 'dummies' for any claimant seeking to forestall the provisions of section two," whereby "the redemption herein authorized shall be limited only to those circulating notes of the Philippine National Bank that have actually been registered and deposited with the Treasurer of the Philippines or with any provincial, city or municipal treasurer as directed under said section three" and whereby the Treasurer "is prohibited from paying, * * *, an amount in excess of P1,000 to any one individual or corporation, whatever be the total face value of all the notes registered by or under the names of said individual or corporation." To carry into effect the provisions of the Act, Section 4 authorizes the Treasurer to issue * * * necessary rules and regulations with the approval of the Secretary of Finance.

It will be seen that the completion of the master record, the issuance of necessary rules and regulations to give force and effect to the provisions of Act No. 831 and the adoption of strict precautionary measures to prevent circumvention of said provisions, are a condition precedent to the right of any holder of Philippine National Bank notes to any payment. As a matter of practical consideration, it should be evident that without a "master record" the treasurer cannot be in a position to adopt adequate safeguards against duplication or multiplicity of payments to one individual and other kinds of fraud, which is a main concern of the legislation. The Treasurer alleges that he is still in the process of assembling, compiling and tabulating the registered notes and claimants, what with "the enormity of the task and the various records of thousands of registrants to be sorted and compiled coming from the municipalities all over the Philippines." There is no denying, therefore, that in the present state of development, plaintiff has not acquired any enforceable right or cause of action under Act No. 831. If, as alleged, the Treasurer is neglecting or unnecessarily delaying the discharge of his duties and responsibilities, the obvious remedy lies not with the courts but elsewhere.

The contention that the suit is against the state and not maintainable without its consent is also too plain to admit of much discussion. It suffices to point out that plaintiff's demand if allowed would involve disbursement of funds of the public treasury and the performance of a supposed obligation that belongs to the state in its political and sovereign capacity, under the authority of a statute which is still subject to recall, repeal or amendment. (Note that the maximum amount payable under Republic Act No. 734 was reduced to P1,000 by Republic Act No. 831.) The amount appropriated for the redemption of Philippine National Bank notes unlawfully issued has not been segregated from the mass of public money so as to make it subject to suit, nor have the holders of such notes acquired proprietary right to any part of these funds which could be paid as a ministerial or discretionary duty on the part of the Treasurer of the Philippines.

Upon the foregoing considerations, the respondent Judge is hereby commanded to desist from proceeding with the trial of the civil case hereinbefore mentioned, and all the interlocutory orders issued in that case are hereby set aside, with costs of this application against respondent Ojeda.

Paras, C.J., Pablo, Bengzon, Padilla, Montemayor, Reyes, Jugo and Labrador, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.