

JUSTA G. GUIDO, PETITIONER VS. RURAL PROGRESS ADMINISTRATION C/O FAUSTINO AGUILAR, MANAGER, RURAL PROGRESS, RESPONDENT.

G.R. No. L-2089. October 31, 1949

Ponente: TUASON, J.

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TUASON, J.:

This is a petition for prohibition to prevent the Rural Progress Administration and Judge Oscar Castelo of the Court of First Instance of Rizal from proceeding with the expropriation of petitioner Justa G. Guido's land, two adjoining lots, part commercial, with a combined area of 22,655 square meters, situated in Maypajo, Caloocan, Rizal, just outside the north Manila boundary, on the main street; running from this city to the North. Four grounds are adduced in support of the petition, to wit:

- "(1) That the respondent RPA (Rural Progress Administration) acted without jurisdiction or corporate power in filing the expropriation complaint and has no authority to negotiate with the RFC a loan of P100,000 to be used as part payment of the value of the land.
- (2) That the land sought to be expropriated is commercial and therefore excluded within the purview of the provisions of Act 539.
- (3) That majority of the tenants have entered with the petitioner valid contracts for lease, or option to buy at an agreed price, and expropriation would impair those existing obligation of contract.
- (4) That respondent Judge erred in fixing the provisional value of the land at P118,780.00 only and in ordering its delivery to the respondent RPA."

We will take up only ground No. 2. Our conclusion on this branch of the case will make superfluous a decision on the other questions raised.

Sections 1 and 2 of Commonwealth Act No. 539, copied verbatim, are as follows:

"Section 1. The President of the Philippines is authorized to acquire private lands or any interest therein, through purchase or expropriation, and to subdivide the same into home lots or small farms for resale at reasonable prices and under such conditions as he may fix to their bona fide tenants or occupants or to private individuals who will work the lands themselves and who are qualified to acquire and own lands in the Philippines.

Section 2. The President may designate any department, bureau, office, or instrumentality of the National Government, or he may organize a new agency to carry out the objectives of this Act. For this purpose, the agency so created or designated shall be considered a public corporation."

The National Assembly approved this enactment on the authority of Section h of Article XIII of the Constitution which, copied verbatim, is as follows:

"The Congress may authorize, upon payment of just compensation, the expropriation of lands to be subdivided into small lots and conveyed at cost to individuals."

What lands does this provision have in view? Does it comprehend all lands regardless of their location, nature and area? The answer is to be found in the explanatory statement of Delegate Miguel Cuaderno; member of the Constitutional Convention who was the author or sponsor of the above-quoted provision. In his speech, which was entitled "Large Estates and Trusts in Perpetuity" and is transcribed in full in Aruego's "The Framing of the Philippine Constitution", Mr. Cuaderno said:

"There has been an impairment of public tranquility, and to be sure a continuous impairment of it, because of the existence of these conflicts. In our folklore the oppression and exploitation of the tenants are vividly referred to; their sufferings at the hand of the landlords are emotionally pictured in our drama; and even in the native movies and talkies of today, this theme of economic slavery has been touched upon. In official documents these same conflicts are narrated and exhaustively explained as a threat to social order and stability.

"But we should go to Rizal for inspiration and illumination in this problem of the conflicts between landlords and tenants. The national hero and his family were persecuted because of these same conflicts in Calamba, and Rizal himself met a martyr's death because of his espousal of the cause of the tenant class, because he would not close his eyes to oppression and persecution with his own people as victims.

"I ask you, gentlemen of the Convention, knowing this as you do and feeling deeply as you must feel a regret over the immolation of the hero's life, would you not write in the Constitution the provision on large estates and trusts in perpetuity, so that you would be the very instrument of Providence to complete the labors of Rizal to insure domestic tranquility for the masses of our people?

"If we are to be true to our trust, if it is our purpose in drafting our constitution to insure domestic tranquility and to provide for the well-being of our people, we cannot, we must not fail to prohibit the ownership of large estates, to make it the duty of the government to break up existing large estates, and to provide for their acquisition by purchase or through expropriation and sale to their occupants, as has been provided in the Constitutions of Mexico and Yugoslavia."

No amendment was offered and there was no debate. According to Dean Aruego, Mr. Cuaderno's resolution was readily and totally approved by the Convention. Mr. Cuaderno's speech therefore may be taken as embodying the intention of the framers of the organic law, and Act No. 539 should be construed in a manner consonant with that intention. It is to be presumed that the National Assembly did not intend to go beyond the constitutional scope of the powers.

There are indeed powerful considerations, aside from the intrinsic meaning of Section 4 of Article XIII of the Constitution, for interpreting Act No. 539 in a restrictive sense. Carried to extremes, this Act would be subversive of the Philippine political and social structure. It would be in derogation of individual rights and the time-honored constitutional guarantee that no private property shall be taken for private use without due process of law. The protection against deprivation of property without due process of law and against the taking of private property for public use without just compensation occupies the forefront positions (paragraphs 1 and 2) in the Bill of Rights (Article III). The taking of private property for private use relieves the owner of his property without due process of law; and the prohibition that "private property should not be taken for public use without just compensation" (Section 1 (par. 2), Article III, of the Constitution) forbids by necessary implication the appropriation of private property for private uses (29 C.J.S. 819.) It has been truly said that the assertion of the right on the part of the legislature to take the property of one citizen and transfer it to another, even for a full compensation, when the public interest is not promoted thereby, is claiming a despotic power, and one inconsistent with every just principle and fundamental maxim of a free government. (29 C.J.S. 820.)

Hand in hand with the announced principle, herein invoked, that "the promotion of social justice to insure the well-being and economic security of all the people should be the concern of the state," is a declaration, with which the former should be reconciled, that "the Philippines is a Republican state" created to secure to the Filipino people "the blessings of independence under a regime of justice, liberty and democracy." Democracy, as a way of life enshrined in the Constitution, embraces as its necessary components freedom of conscience, freedom of expression, and freedom in the pursuit of happiness. Along with these freedoms are included economic freedom and freedom of enterprise within reasonable bounds and under proper control. In paving the way for the breaking up of existing large estates, trusts in perpetuity, feudalism, and their concomitant evils, the Constitution did not propose to destroy or undermine property rights, or to advocate equal distribution of wealth, or to authorize the taking of what is in excess of one's personal needs and the giving of it to another. Evincing much concern for the protection of property, the Constitution distinctly recognizes the preferred position which real estate has occupied in law for ages. Property is bound up with every aspect of social life in a democracy as democracy is conceived in the Constitution. The Constitution realizes the indispensable role which property, owned in reasonable quantities and used legitimately, plays in the stimulation to economic effort and the formation and growth of a solid social middle class that is said to be the bulwark of democracy and the backbone of every progressive and happy country.

The promotion of social justice ordained by the Constitution does not supply paramount basis for untrammelled expropriation of private land by the Rural Progress Administration or any other government instrumentality. Social justice does not champion division of property or equality of economic status; what it and the Constitution do guaranty are equality of opportunity, equality of political rights, equality before the law, equality between values given and received, and equitable sharing of the social and material goods on the basis of efforts exerted in their production. As applied to metropolitan centers, especially Manila, in relation to housing problems, it is a command to devise, among other social measures, means for the elimination of slums, shambles, shacks, and houses that are dilapidated, overcrowded, without ventilation, light and sanitation facilities, and for the construction in their place of decent dwellings for the poor and the destitute. As will presently be shown, condemnation of blighted urban areas bears direct relation to public safety, health, and/or morals, and is legal.

In reality, Section 4 of Article XIII of the Constitution is in harmony with the Bill of Rights. Without that provision the right of eminent domain, inherent in the government, may be exercised to acquire large tracts of land as a means reasonably calculated to solve serious economic and social problem. As Mr. Aruego says? "the primary reason" for Mr. Cuaderno's recommendation was "to remove all doubts as to the power of the government to expropriate the then existing landed estates to be distributed at cost to the tenant-dwellers thereof in the event that in the future it would seem such expropriation necessary to the solution of agrarian problems therein."

In a broad sense, expropriation of large estates, trusts in perpetuity, and land that embraces a whole town, or a large section of a town or city, bears direct relation to the public welfare. The size of the land expropriated, the large number of people benefitted, and the extent of social and economic reform secured by the condemnation, clothes the expropriation with public interest and public use. The expropriation in such cases tends to abolish economic slavery, feudalistic practices, endless conflicts between landlords and tenants, and other evils inimical to community prosperity and contentment and public peace and order. Although courts are not in agreement as to the tests to be applied in determining whether the use is public or not, some go so far in the direction of a liberal construction as to hold that public use is synonymous with public benefit, public utility, or public advantage, and to authorize the exercise of the power of eminent domain to promote such public benefit, etc., especially where the interests involved are of considerable magnitude. (29 C.J.S. 823, 824. See also *People of Puerto Rico vs. Eastern Sugar Associates et al*, 156 Fed. 2nd 316.) In some instances, slum sites have been acquired by condemnation. The highest court of New York State has ruled that slum clearance and erection of houses for

low-income families were public purposes for which New York City Housing authorities could exercise the power of condemnation. And this decision was followed by similar ones in other states. The underlying reasons for these decisions are that the destruction of congested areas and insanitary dwellings diminishes the potentialities of epidemics, crime and waste, prevents the spread of crime and diseases to unaffected areas, enhances the physical and moral value of the surrounding communities, and promotes the safety and welfare of the public in general. (Murray et al. v. La Guardia, 52 N.E. 2nd 884; General Development Coop. v. City of Detroit, 33 N.W. 2nd 919; Weizner v. Stichman, 64 N.Y.S. 2nd 50.) But it will be noted that in all these cases and others of similar nature extensive areas were involved and numerous people and the general public benefitted by the action taken.

The condemnation of a small property in behalf of 10, 20 or 50 persons and their families does not inure to the benefit of the public to a degree sufficient to give the use public character. The expropriation proceedings at bar have been instituted for the economic relief of a few families devoid of any consideration of public health, public peace and order, or other public advantage. What is proposed to be done is to take plaintiff's property, which for all we know she acquired by sweat and sacrifice for her and her family's security, and sell it at cost to a few lessees who refuse to pay the stipulated rent or leave the premises.

No fixed line of demarcation between what taking is for public use and what is not can be made; each case has to be judged according to its peculiar circumstances. It suffices to say if for the purpose of this decision that the case under consideration is far wanting in those elements which make for public convenience or public use. It is patterned upon an ideology far removed from that consecrated in our system of government and embraced by the majority of the citizens of this country. If upheld, this case would open the gates to more oppressive expropriations. If this expropriation be constitutional, we see no reason why a 10-, 15-, or 25-hectare farm land might not be expropriated and subdivided, and sold to those who want to own a portion of it. To make the analogy closer, we find no reason why the Rural Progress Administration could urban not take by condemnation an urban/lot containing an area of 1,000 or 2,000 square meters for subdivision into tiny lots for resale to its occupants or those who want to build thereon.

The petition is granted without special finding as to costs.

Moran, C.J., Feria, Bengzon, Padilla, and Montemayor, JJ., concur.
Paras, and Reyes, JJ., concur in the result.

CONCURRING

TORRES, J.:

I fully concur in the above opinion of Mr. Justice Tuason. I strongly agree with him that when the framers of our Constitution wrote in our fundamental law the provision contained in section 4 of Article XIII, they never intended to make it applicable to all cases, wherein a group of more or less numerous persons represented by the Rural Progress Administration, or some other governmental instrumentality, should take steps for the expropriation of private land to be resold to them on the installment plan. If such were the intention of the Constitution, if section 4 of its Article XIII will be so interpreted as to authorize that government corporation to institute the corresponding court proceedings to expropriate for the benefit of a few interested persons a piece of private land, the consequence that such interpretation will entail will be incalculable.

In addition to the very cogent reasons mentioned by Mr. Justice Tuason in support of his interpretation of that constitutional provision, I wish to state in this connection the situation created by the acquisition of the so-called

friar lands at the beginning of the establishment of civil government by the United States in these islands. After the lapse of a few years, the tenants for whose benefit those haciendas were purchased by the government, and who signed contracts of purchase by installments of the lots occupied by them, having defaulted in their partial payments, had to be sued by the government. Thousands of cases were filed by the Director of Lands accordingly, and, in the meantime, the Government which had been administering those haciendas for a long period of years went into much expense in order to achieve the purpose of the law. I take for granted that in this case the prospective purchasers, in inducing the government to buy the land to be expropriated and sold to them by lots on the installment plan do from the beginning have the best of intentions to abide by the terms of the contract which they will be required to sign.

If I am not misinformed, the whole transaction in the matter of the purchase of the friar lands has been a losing proposition, with the government still holding many lots originally intended for sale to their occupants, who for some reason or other failed to comply with the terms of the contract signed by them.

Without the sound interpretation thus given by this Court restricting within reasonable bounds the application of the provision of section 4 of Article XIII of our Constitution and clarifying the powers for the rural Progress Administration under Commonwealth Act No. 539, said corporation—or, for that matter, some other governmental entity—might embark in a policy of indiscriminate acquisition of privately-owned land, urban or otherwise, just for the purpose of taking care of the wishes of certain individuals and, as outlined by Mr. Justice Tuason, regardless of the merits of the case. And once said policy is carried out, it will place the Government of the Republic in the awkward predicament of veering towards socialism, a step not foreseen nor intended by our Constitution. Private initiative will thus be substituted by government action and intervention in cases where the action of the individual will be more than enough to accomplish the purpose sought. In the case at bar, it is understood that contracts, for the sale by lots of the land sought to be expropriated to the present tenants of this herein petitioner, have been executed. There is, therefore, not the slightest reason for the intervention of the government in the premises.

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