

CRISANTO GRANDE, PLAINTIFF AND APPELLEE, VS. DALISAY SANTOS AND THE DIRECTOR OF LANDS, DEFENDANTS AND APPELLANTS.

G.R. Nos. L-8032 and L-8033. December 10, 1955

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

This is an appeal, taken by defendants Dalisay Santos and the Director of Lands, from a decision of the Court of First Instance of Rizal, in favor of Crisanto Grande and Domingo Josef, plaintiffs in civil cases Nos. 1656 and 1657, respectively, of said courts which were jointly tried and decided therein, as well as jointly brought for review before us.

The pertinent facts are: Defendant Dalisay Santos, single" is an employee in a local bank. Prior, and subsequently, to the purchase of the Tambobong Estate by the Government, in December, 1947, and even before 1938, lot 12, of block No. 48, of said estate, with an area of 144 square meters, more or less, was leased to her. In 1938 she sublet a portion, of about 57 square meters, on the eastern part of lot 12, to plaintiff Domingo Josef, at a monthly rental of P1.00. In 1939, a portion of about 47 square meters, located on the western part of said lot, was sublet by her, at the same rental of P1 a month, to plaintiff Crisanto Grande. The latter, as well as Domingo Josef, constructed their houses on their respective portions, which they occupy up, to the present. According to the stipulation of facts between the parties, Dalisay Santos lives with her parents, in a house built on lot 12, presumably in the portion thereof not covered by the contracts of sublease with plaintiffs herein. Upon application filed by her in 1948, and after due investigation conducted by the Rural Progress Administration—owing to the oppositions interposed by Crisanto Grande and Domingo Josef, who, likewise, sought to purchase the portions respectively held by them—said lot was, in 1949, awarded,, by the Government, to Dalisay Santos, in whose favor Transfer Certificate of Title No. 18315 was issued on June 28, 1950. On February 25, 1952, Grande and Josef instituted, respectively, said cases Nos. 1656 and 1657 of the Court of First Instance of Rizal, for the purpose of securing a judgment (1) annulling the sale by the Government, in favor of Dalisay Santos, (2) compelling the Director of Lands to approve plaintiff's application to purchase the portions possessed by each, and (3). directing Dalisay Santos to convey said portions to them, upon the theory that, as actual occupants, plaintiffs allegedly have a better right, than Dalisay Santos, to purchase said portions of lot 12.

Section 1 of Commonwealth Act No. 539, pursuant to which the Tambobong Estate was purchased and is being disposed of, provides:

"The President of the. Philippines is authorized to acquire 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 land themselves and who are qualified "to acquire and own lands in the Philippines."

Do plaintiffs and appellees have a preferential right to acquire the aforementioned portions of lot 12?

Plaintiffs-appellees contend that the answer should be in the affirmative and the lower court sustained this view, upon the following ground:

"While there is no question that the sale of the property made by the Director of Lands, as representative of the Government in favor of Dalisay Santos has the semblance of validity, legally 'speaking, yet to enforce said contract of sale would be tantamount to destroying completely the main objective of the Government for investing millions of pesos in the purchase of the, Tambobong Estate and to thwart and defeat the intent of the legislature. As above stated, the purchase of this Tambobong Estate is, as well stated by His Excellency the President of the Philippines, for the purpose of granting; and selling small lots to the landless specially to those who are in actual physical possession of said lots and who have constructed their small houses on the said land. But the Director of the Bureau of Lands, oblivious of this benevolent intention of the Government, instead of selling the property in small lots to the actual occupants or to persons who have the actual physical possession of said lots for years previous to its acquisition by the Government, began as in these two cases to sell big parcels of land to certain privileged individuals, knowing positively that more of these purchasers are absentee owners with the exception of a few cases where they occupy only a small portion of the lands which they purchased, while the greater portions of said lands are occupied by sub-Jessees and sub-tenants, as in the instant cases. By this process the, Tambobong Estate, instead of being sold to its actual occupants and instead of giving land to the landless, thereby affording peace and security to the sub-lessees and actual tenants of the land, it vests the right of ownership to those who, by reason of their financial ability, could purchase more than what they actually need for their personal use in order to sublet later on the property which they purchased from the defendant Director of Lands to others" (Record on Appeal, pp. 81-82.)

The cases at bar do not fall, however, within the purview of the evil pointed out in the decision appealed from. Indeed, lot 12 is not a "big" parcel of land, its area being merely 144 square meters. Again, pursuant to the stipulation of facts, Dalisay Santos is, not an absentee owner, but an actual occupant of part of said lot. Plaintiffs-appellees state in their brief that said stipulation is inaccurate, for Dalisay Santos, allegedly, lives in the house of her parents, in the adjoining lot 11, which appears to have been leased to her brother. Obviously, this mere assertion cannot prevail over the stipulation of facts, the accuracy of which was not contested in the lower court. At any rate, even if said assertion were true, Dalisay Santos could not be regarded as an absentee owner, for, according to appellees' own pretense, she lives in the house of her parents in lot 11, which adjoins the one in question. It should be noted, also, that, by reason of her sex and civil status, as well as of our customs and traditions, she has no choice but to stay, for the time being, with her parents.

Likewise, there is absolutely nothing in the record :to show that Dalisay Santos is in a position to purchase, or had purchased, from the Government "more than what she actually needs for her personal use." On the contrary, it appears that she is merely an employee in a local bank and that the area of the lot in dispute, is barely sufficient to meet her needs. We must bear in mind that, sooner or later, Dalisay Santos shall form a separate and distinct family of her own, for which lot 12 will be necessary.

Both parties have argued extensively on the question as to who enjoys priority in the purchase of lands under section 1 of Commonwealth Act No. 539. On the one hand, plaintiffs-appellees contend that bona fide occupants have a better right than bona fide tenants, in the light of the historical background of said legislation, which, it is claimedj was prompted by the policy to favor actual occupants; Upon the other hand, defendants-appellants maintain, thep opposite view, upon the ground that said policy, favorable to actual occupants, as incorporated in Commonwealth', Acts Nos. 20, 260 and 378, was modified by section 1 of Commonwealth Act No. 539, in favor of "bona fide tenants," this expression having been inserted before the aforementioned "occupants" in the enumeration of the parties qualified to acquire lots under the said Commonwealth Act No. 539. .

We deem it unnecessary, however, to pass upon the issue thus raised by the parties, it appearing that Dalisay

Santos is a possessor in good faith of lot 12, although portions thereof are physically held by plaintiffs-appellees, Domingo Josef and Crisanto Grande. Moreover, considering that said lot has an area of 144 square meters only, which is barely enough for a single family; that Dalisay Santos, who does not appear to have any other property and belongs to the working class, needs it for herself; and that the subdivision of said lot into three portions and the adjudication thereof to Dalisay Santos, Domingo Josef and Crisanto Grande respectively, may, and, in all probability would—owing to the extremely limited size of each portion—lead to frictions, conflicts, misunderstandings and, perhaps, disturbances of the peace, which are precisely sought to be averted by Commonwealth Act No. 539, this Court is of the opinion, and so holds, that the action of the agency of the government, charged with the administration and enforcement of Commonwealth Act No. 539, in adjudicating lot 12 to Dalisay Santos, does not clearly conflict with, either the letter, or the spirit, of said legislative enactment and, hence, should not be disturbed by the judicial department.

Wherefore, the decision appealed from is, accordingly, reversed, and the complaints filed by plaintiffs-appellees hereby dismissed, with costs against said plaintiffs-appellees. It is so ordered.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Jugo, Bautista Angelo, Labrador, and Reyes, J. B. L., JJ., concur.

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