

MORTON F. MEADS, PLAINTIFF AND APPELLANT VS. LAND SETTLEMENT AND DEVELOPMENT CORPORATION, DEFENDANT AND APPELLEE.

G.R. No. L-7824. December 20, 1955

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

This is an appeal taken by plaintiff Morton F. Meads directly to this Court from an order of the Court of First Instance of Manila in Civil Case No. 21174, dismissing his complaint against the Land Settlement and Development Corporation for lack of cause of action.

Against plaintiff's original complaint for specific performance of a contract of barter, defendant filed a motion to dismiss on the ground that the complaint stated no cause of action. Plaintiff alleged in his complaint that his offer to exchange his sawmill equipment and spare parts for some surplus used tractors belonging to the defendant, was accepted thereby creating a legal and binding contract of barter, but that defendant later refused to comply with the contract. The trial court directed plaintiff to exhibit the writing on which the allegation or claim of acceptance was based; and the complaint was amended and to it was attached and made part thereof the written offer made by plaintiff and the written supposed acceptance of said offer. For purposes of reference, we are reproducing the two writings.

"P. O. Box 1094
Manila, Philippines
April 20, 1952

The General Manager
Land Settlement and Development Corporation
Pureza Compound, Sta. Mesa Boulevard
Manila

Gentlemen:

I have some sawmill equipment "which I am hereby offering to trade to the Land Settlement and Development Corporation for Caterpillar, International or Alliz Chalmer tractors.

The sawmill equipment is as described below:

One—Corinth Sawmill, portable, 60% hand saw, complete with edger, rails husk frame, and carriage, and edger ilder.

Plus additional spare parts for all machineries of the sawmill and enough parts for one complete additional carriage.

This sawmill is rated by the manufacturer at 10,000 board feet in ten hours. The sawmill has been only slightly

used and it still has the pinewood timber on it that the manufacturer placed thereon in the United States. The pinewood not being strong enough for Philippine conditions needs replacements on the rails, but otherwise the timber is still satisfactory on all other machineries.

The present price for this type of sawmill, now, is (P18,500), and the spare parts on this basis are worth at least (P12,000), for there is almost enough additional parts to complete another sawmill.

Since your tractors are in various states of condition and with a variety of prices, it is impossible for us to be more specific at this time. However, if the Land Settlement and Development Corporation is interested, then the exact tractors subject of trade would have to be investigated and considered on the basis of their book value.

Very truly yours,
(Sgd.) Morton F. Meads"

May 5, 1952

Mr. Morton F. Meads
P.O. Box 1094
Manila

Gentlemen:

In reply to your letter of April 29, 1952 proposing to trade a sawmill for some of our tractors, please be informed that we are willing to accept the proposition, in which case please see our Mr. F. J. Domantay, of the Property Department for a possible arrangement.

Very truly yours,
(Sgd.) Marcelo Adduru
General Manager

After examining the two writings, the trial court in its order of March 25, 1954, now under appeal, found that there was no meeting minds of the parties; the tenor of the letter of defendant Corporation is clearly indefinite and did not amount to an express and final acceptance, as it uses the phrase "a possible arrangement."

We understand that the main and decisive issue involved in the appeal is whether the defendant definitely accepted' the offer of plaintiff for exchange. Examining the letter of the supposed acceptance, we agree with the trial court that the tenor of said letter cannot be construed as an acceptance on the part of the defendant. Appellant contends that the clause "we are willing to accept the proposition, in which case please see our Mr. F. J. Domantay, of the Property Department for possible arrangement" implied acceptance. We disagree. We believe that said clause does not in any manner show that defendant had definitely accepted the offer. The phrase "willing to accept" does not mean acceptance. It merely signifies that the defendant was disposed to accept or was agreeable to the proposition or offer, in principle, but that other considerations still remained before a contract of barter was perfected. Moreover, defendant's letter or answer of May 5, 1952, supposedly expressing acceptance, suggested that plaintiff see Mr. Domantay of their Property Department "for a possible arrangement" which is an implication that there was nothing definite in the contemplated barter, but only a possible arrangement. Surely, before definitely agreeing to the barter or exchange, the defendant would want first to examine the sawmill equipment offered for exchange, especially since it is second hand, according to plaintiff, only slightly used, and perhaps would need overhauling and extensive repairs. Again, the offer speaks of additional spare parts valued at P12,000.00. Said spare parts had to be examined to determine their true value and their relation to the mill itself. All this, as regards the sawmill equipment. Now, we come to the number and kind of tractors including their

prices, which the plaintiff would want for the exchange and which the defendant would be willing to give in exchange. The parties must also come to a definite agreement as to the said tractors. Considering all this, it is clear that as we have already said, the defendant merely expressed active interest in the proposed barter because perhaps it could make use of the sawmill and that it had more surplus tractors than it had need for. In other words, everything was indefinite and in a fluid state, requiring further consideration, perhaps even bargaining, and that is why the letter of May 5, 1952, speaks merely "of a possible arrangement." This is certainly far from the acceptance claimed by the appellant.

In view of the foregoing, the order appealed from is affirmed, with costs.

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

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