

**FELIZARDO C. MAÑGONON, ETC., PLAINTIFF-APPELLANT, VS.
REPUBLIC OF THE PHILIPPINES, ET AL., DEFENDANTS-APPELLEES.***G.R. No. L-14445. March 30, 1962*

Ponente: DE LEON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/ba872a874458/>**DE LEON, J.:**

This is an appeal from an order of the Court of First Instance of Manila dismissing plaintiff's complaint for a sum of money against the defendants on the ground that the same was filed beyond the period prescribed in section 2 of Commonwealth Act No. 327.

It appears that on November 3, 1948, E. S. Baltao & Co., Inc., and the Republic of the Philippines, represented by the Director of Public Works, entered into a contract whereby the former undertook to construct the Alcala Revetment Project in the province of Pangasinan. As the contract was rescinded by the Republic of the Philippines, the contractor, E. S. Baltao and Co., Inc., filed a claim with the Director of Public Works to recover the amount of P64,205.38, representing expenses allegedly incurred by the former for labor and materials prior to the rescission of the contract.

After due investigation of the claim, the Director of Public Works recommended to the Auditor General that only P16,255.37 of the amount asked be paid in settlement of the contractor's demand. The Auditor General, in a decision dated December 21, 1956, awarded only F15,785.10 to the claimant. The said decision was received by the contractor's representative on December 28, 1956.

On January 7, 1957, E. S. Baltao & Co., Inc. assigned to plaintiff Felizardo C. Mafigonon, the contractor's field engineer, the entire amount awarded the former by the Auditor General. The said assignment was approved by the Secretary of Public Works and Communications and the same was made the basis for the issuance of an invoice for the said amount.

Subsequently, Mangonon through counsel wrote the Secretary of Public Works and Communications a letter for reconsideration claiming further sums of money but the Auditor General denied the same on the ground that his decision of December 21, 1956 had already become final pursuant to section 2 of C. A. 327. Several letters for reconsideration were made but all were denied by the Auditor General on the ground stated above.

On March 31, 1958, around 15 months after the Auditor General rendered his decision, Mangonon filed the complaint in this case for recovery of various sums aggregating P53,425.29, allegedly representing the difference of the amount of the claim of E. S. Baltao & Co., Inc. with the Director of Public Works and the amount approved by the Auditor-General. The herein defendants filed a motion to dismiss the complaint, on the ground that the action has become barred since no appeal was taken from the Auditor General's decision within thirty days from receipt of said decision, as provided in section 2 of C. A. 327, and therefore the lower court has no jurisdiction to try the case.

On August 1, 1958, the trial court granted the motion to dismiss, stating that the decision of the Auditor General

of December 21, 1956 had already become final in accordance with section 2 of C. A. 327 and that the plaintiff is forever barred to file the present action against the defendants.

Unsatisfied with the aforesaid resolution of the court below, the plaintiff has appealed to this court, claiming that the court below erred in holding that the instant action has been barred by the statute of limitations, and in dismissing the complaint.

Appellant through counsel maintains that his action is for unliquidated claims while the power of the Auditor General to settle accounts or claims against the government embraces only liquidated claims. This view is conceded, but the cases cited by appellant tends to show that the claim of E. S. Baltao & Co., Inc. filed with the Director of Public Works was in the nature of a liquidated claim. In the case of *Cia General de Tabacos vs. French, et al.*, 39 Phil., 34, 44, this Court, in making a distinction between moneyed claims or accounts over which accounting officers, like the Auditor General, have jurisdiction and those over which they have no authority, quoted from the case of *Dennis vs. United States* (20 Ct. Cls. R, 119), as follows:

"Technically, all claims for money, due on contracts, where the exact amount payable is not thereby fixed, as in the case of goods purchased or work done without an agreed price, are claims for unliquidated damages. But x x x their settlement rarely requires anything more than the ordinary processes of accounting¹, the prices being readily determined by the vouchers and reports of the public officers incurring the expense, or by other means within the reach of the accounting officers, who will properly take jurisdiction and pass upon such claims. x x x But claims for unliquidated damages founded on neglect or breach of obligations contrary to the terms of a contract, and not necessarily arising therefrom, are of quite a different class. x x x."

In the case at bar, it is admitted that the claim of E. S. Baltao & Co., Inc. filed with the Director of Public Works on December 9, 1949, and passed upon and approved by the Auditor General for P15,785.10, represented the total investment or expense E. S. Baltao & Co., Inc. had allegedly incurred in carrying out the terms of the contract before its rescission. It is a money claim based on contract, as contradistinguished from a claim founded on neglect or breach of obligations contrary to the terms, of the contract and not necessarily arising therefrom. Its settlement and verification could be done by simple arithmetical processes, the prices and other expenses incurred in accordance with the contract being readily determined by the vouchers and receipts presented by the claimant. What is more, the parties to the contract had agreed that in case of rescission, the Director of Public Works will ascertain and fix the value of the work completed by the contractor and not paid for by the Government and of all usable materials on the line of the work taken over by the Government at the time of said rescission."

The decision of the Auditor General awarding only the sum of P15,785.10 to E. S. Baltao & Co., Inc. was received by said contractor on December 28, 1956. Instead of moving for a reconsideration of said decision of the Auditor General or of interposing an appeal therefrom in accordance with section 2 of C. A. 327, E. S. Baltao & Co., Inc. expressed its conformity thereto by assigning the full amount of P15,785.10 in favor of herein plaintiff-appellant in a deed of assignment, dated January 7, 1957. This could be gathered from the following pertinent paragraph of the 3rd indorsement of the Auditor General, dated October 18, 1957:

"Furthermore, it seems that E. S. Baltao & Co., Inc. has already manifested its conformity with our decision when it assigned to Mr. Mangonon the sum of Fifteen Thousand Seven Hundred Eighty Five & 10/100 (P15,785.10) Pesos representing the amount due the E. S. Baltao & Co., Inc. from the Bureau of Public Works as payment of our claim from said Bureau in connection with the construction of the Alcala Revetment River Control Project (1st par., Deed of Assignment, executed Jan. 7, 1957)."

The said assignment was approved by the Secretary of Public Works and Communications and same made the basis for the issuance of an invoice for the approved amount. The said 3rd indorsement of the Auditor General, dated October 18, 1957, appears in the record of this case as one of the annexes submitted by appellant's counsel.

The failure of E. S. Baltao & Co., Inc., or its agent and assignee, the herein appellant, to appeal from the decision of the Auditor General within 30 days as required by the law, tends strongly to support that conformity which E. S. Baltao & Co., Inc. had given to the settlement of his whole claim in the fixed sum of P15,785.10. Upon this other consideration, the final decision of the Auditor General has become a legal bar to the present action.

WHEREFORE, the order of dismissal appealed from is hereby affirmed, with costs against plaintiff-appellant.

Bengzon, C.J., Padilla, Baustista Angelo, Labrador, Concepcion, Reyes, J.B.L., Barrera and Dizon, 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.