

REPUBLIC OF THE PHILIPPINES (RURAL PROGRESS ADMINISTRATION), PLAINTIFF AND APPELLANT, VS. LEON SAMIA, ET AL., DEFENDANTS AND APPELLEES.

G. R. No. L-3900. July 18, 1951

Ponente: BENGZON, J.

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BENGZON, J.:

On January 30, 1947, the Republic of the Philippines started, in the Manila court of first instance, proceedings under Commonwealth Act No. 539 to expropriate the lands of Dr. Leon Samia and Vicente Pineda located at Oroquieta, Felix Huertas, M. Natividad and M. Hizon Streets, Santa Cruz, Manila. The lands, containing a total of 5,593 square meters are occupied by about fifty-seven tenants, to whom the Government intends to resell the realty, after subdividing it into small lots.

Having discovered that Leon Samia had disposed of portions of his land to his three married children, the plaintiff included these, with their spouses, as additional defendants.

Pursuant to the Rules, the court promulgated an order fixing the sum of P6,769 as the provisional value of the properties to be condemned, and directing the sheriff to place the plaintiff in possession after it shall have accomplished the required monetary deposit.

In their answers, the defendants raised one principal point: the lands being small lots, may not be taken, because they are not within the contemplation of Commonwealth Act No. 539. Several motions to dismiss on that ground were filed; but the court deferred consideration thereof.

In amended pleadings the defendants asked for damages in the form of rentals from the plaintiff and from the tenants whom they asked to be included as third-party defendants. The motion to include third-party defendants was granted.

On March 12, 1948 the defendants, owners of the land, filed a motion requesting that they be permitted to deduct from the deposit made by Philippine Republic the sum of P3,700 for rentals due and payable since the plaintiff took possession of the land. The plaintiff replied opposing the motion, but stating that it will interpose no objection provided the court required the tenants (third party defendants) to make the back rental deposit out of their own money. By order of March 20, 1948 the court granted defendants' motion to withdraw—P3,000 only—"it being understood that this amount is subject to adjustment as to what would be finally determined by the Court as just compensation of the land in question." The same order directed the tenants to replace "the said sum of P3,000 within thirty days."

Hearing of the case on the merits, commenced with the presentation of evidence of Oct. 26, Nov. 16, 1948 and Jan. 5 and 15, 1949; however, after the Republic had introduced about a third of its proofs, the defendants reiterated on Dec. 7, 1949, their motion to dismiss, invoking the then recent decision of this Court in *Guido vs. Rural Progress Administration* (84 Phil., 847). Defendants explained however that such dismissal of the complaint

should not operate to discontinue their claims for back rentals from the tenants (third-party defendants).

After carefully considering the motion in the light of the vigorous opposition of the plaintiff and the third party defendants, the court—Hon. Ramon San Jose, Judge—dismissed the action without prejudice to whatever right the defendants might have against the third-party defendants for alleged damages in the form of unpaid rentals.

Their petitions for reconsideration having been denied, the plaintiff and the third-party defendants submitted in due course a joint record on appeal.

Here they contend that the trial court erred (a) in dismissing the complaint for expropriation and (b) in allowing the defendants-appellees to withdraw the sum of three thousand pesos (P3,000) out of the deposit made by the plaintiff.

- The court dismissed the case following our ruling in *Guido v. Rural Progress Administration* G. R. No. L-2089, saying, that

"Since it appears that this case was instituted by the Republic under the provisions of Commonwealth Act No. 539 so as to expropriate several parcels of land located in the District of Santa Cruz, Manila, but not contiguous to each other, containing an aggregate area of 5,341 square meters, in order to have them subdivided into small lots for resale to 47 tenants thereof, the question is limited to whether or not the ruling in the Guido case is applicable to the present action. The movants maintain that it is, and the oppositors hold the contrary view. While no one will dare deny that on the authority of Section 4 of Article XIII of the Constitution the Republic can expropriate 'lands' in order to have them subdivided into small lots which may be conveyed at cost to individuals, it is claimed, nevertheless, that the word 'land' used therein comprehended all lands without considering their location, nature and area. Fortunately the Supreme Court settled this matter once and for all when it recently held in the Guido case that the authority granted under such constitutional precept is limited to the expropriation of 'large estates.' Since despite the fact that in the Guido case the land to be expropriated belonged to a single owner, had an area of 22,655 square meters, and is occupied by sixty families, the Supreme Court did not consider it a 'large estate,' it is clear and evident that the land herein involved which is made up of several lots that are not contiguous to each other and are owned by several persons, has an aggregate area, of 5,341 square meters only, and is occupied by 47 tenants, is not and cannot be a 'large estate' within the purview of the constitutional precept. Hence, it cannot be condemned under the authority given by the Constitution for the purpose therein provided for."

There is no doubt that under the Guido ruling, this condemnation proceeding was properly quashed.

Yet it is urged that the doctrine announced therein be reconsidered, bearing in mind the twentieth-century movements all over the world to improve the lot of the common people, and the enlightened trends of governmental policy of most civilized nations "redistributing the wealth of the nation to the unfortunate common people classically known as the have-nots."

The Guido ruling has been re-affirmed in two subsequent expropriation proceedings.[1] No need to go over it again.

Enough to repeat that the Constitution did not intend to destroy private ownership, not redistribute the nation's wealth to the have-nots. On the contrary it recognizes and protects private ownership. Nevertheless, recognizing the evils of vast landholdings and concentration of wealth it adopted certain remedial measures, some of which are:

(1) limitations upon the acquisition of public land;[a]

(2) authority of Congress to determine the size of private agricultural land which individuals may acquire;[b]

(3) Congressional power to authorize expropriation of landed estates to be subdivided and sold to individuals;[c]

(4) authority of the Government to acquire "utilities and other private enterprises to be operated by it.[d]

Except in the specific instances enumerated by the Constitution, no private individual may be deprived of his property, even by the Government; because fortunately we have not reached that stage where the individual "is made for the State."

Such is our understanding of the Constitution. Such is the Constitution.

It is argued that Commonwealth Act No. 539 "is for its object and purpose, a political question of the Government, the necessity and expediency of which can not be the subject of a judicial inquiry." The courts do not question the necessity or expediency of that piece of legislation; they merely hold that it applies only to lands which under the Constitution the Congress could expropriate for re-sale to individuals. Furthermore, a law that attempts to deprive a landowner of his private property without his consent does not merely raise a political question beyond the jurisdiction of the courts. The individual has a right to seek the protection of the judiciary whenever his rights of ownership are invaded without constitutional authority, even when such invasion is committed by agents of the Government.

This right of property—we said in the Guido case—"is the bulwark of democracy and the backbone of every progressive and happy country." Disagreeing with this view, appellants express their conviction "that the contentment of the small Filipino family home is the greatest bulwark of democracy; that property rights serve as the immediate cause of destruction of the Filipino family home, the best proofs of such destruction being the vast landed estates in our country." (p. 50 Brief of third-party defendants) Exactly what we explained in the Guido ruling: vast landed estates were deemed to be inimical to the welfare of the nation, whereof the Constitutional Convention provided for their expropriation.

The plaintiff insists that the order permitting defendants-appellees to withdraw the sum of P3,000 out of its deposits with the Insular Treasurer was erroneous. It will be recalled that the amount was withdrawn "as rentals due and payable since the plaintiff took possession of the land up to the present time." It appears that plaintiff answering the motion of defendants asking for permission to withdraw, said "it will interpose no objection" provided the third-party defendants are required to deposit an equivalent amount. And the court, granting the motion, ordered the third-party defendants to deposit P3,000 within 30 days. It is presumed that this replenishment was made. Wherefore plaintiff has no reason to complain about that withdrawal.

Neither may third-party defendants discuss that order permitting the withdrawal because they have opposed neither the petition nor the court's order requiring them to deposit P3,000.

The foregoing statement sufficiently answers the contention that inasmuch as defendants had withdrawn the amount of P3,000 as partial payment of the land, they are estopped to question the plaintiff's right to expropriate. The money was withdrawn as rental payment—not as partial payment. Hence there is no estoppel. True, the order provided that "the amount is subject to adjustment as to what would be finally determined by the Court as just compensation of the land." But this merely indicated, that should the land be finally expropriated, the money might be considered as part of the price and damages. It did not stipulate that it was to be advanced as part of the price. On the contrary the first portion of the order contemplated its withdrawal as for rentals.

In other words, the court's position was obviously this: Inasmuch as the owners had been deprived of possession, they should or could be paid rentals. However, when the expropriation is finally approved, the transfer of ownership to the plaintiff retroacts to the commencement of the proceedings, and the right to rentals would find

no legal basis. Consequently the money advanced for rentals may be applied to the compensation which the owners should be awarded for the condemned real estate.

III. In view of the foregoing, and finding no prejudicial error in the appealed order, we hereby affirm it with costs against the third party defendants.

Paras, C, J., Feria, Pablo, Padilla, Tuason, Montemayor, Reyes, Jugo and Bautista Angelo, JJ. concur.

[1] Commonwealth vs. De Borja, 85 Phil., 51; Rural Progress vs. Guzman, 87 Phil., 176. See also Pangilinan vs. Pena, *supra*, p. 122.

[a] Art. XIII sees. 1 and 2.

[b] Art. XIII, sec. 3.

[c] Art. XIII, sec. 4.

[d] Art. XIII, sec. 6.

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