

**REPUBLIC OF THE PHILIPPINES, (REPRESENTED BY THE LAND
TENURE ADMINISTRATION), PLAINTIFF AND APPELLEE, VS.
GORGONIA VDA. DE CALIWAN, DEFENDANT AND APPELLANT.**

G.R. No. L-16927. May 31, 1961

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

By decision of the Court of First Instance of Manila dated August 17, 1955, in Civil Case No. 26993 for expropriation, the Republic of the Philippines acquired the property known as Fabie Estate situated in Paco, Manila, pursuant to the provisions of Republic Act No. 1162, providing "for the expropriation of landed estates or haciendas or lands which formed part thereof in the City of Manila, their subdivision into small lots, and the sale of such lots at costs or their lease on reasonable terms, and for other purposes".

Thereafter, the Land Tenure Administration assumed administration of the Fabie Estate. A survey was made of the entire property indicating the list of the occupants and tenants thereof, and the improvements existing thereon (Exh. B). According to said survey, Lot 10, Block 41, was vacant and unoccupied. Even before the survey, however, the Administration had already posted notices in conspicuous places within the premises prohibiting unauthorized persons from entering the same. After the survey, the entire Estate was subdivided into small lots, not exceeding 150 square meters in area, for their eventual sale or lease to their bona fide tenants or occupants. For the reason, however, that streets had to be constructed within the Estate, and some portions thereof had to be taken as road lots, the lessees or occupants of those portions traversed by proposed streets had to be reallocated the unoccupied portions or lots within the Estate. One of those tenants was Perfecto Magaway, whose house was found to be within a road lot. Consequently, he was adjudicated Lot No. 10, Block 41, one of the vacant parcels within the Estate, and the agreement to sell in favor of Magaway was executed by the Administration on April 27, 1957 (Exhs. F and F-1).

Magaway, however, could not take possession of Lot No. 10, Block 41, because appellant Gorgonia Vda. de Caliwán had entered the same without the permission of the Administration and constructed thereon a makeshift house or "barong-barong". The Administration demanded of Caliwán to vacate the premises, but she refused. Whereupon, the Administration filed ejectment proceedings against her on January 20, 1958 in the Court of First Instance of Manila (Civil Case No. 34918), and on November 21, 1958, the court rendered judgment ordering Caliwán to vacate the lot in question. From this judgment, Caliwán appealed to the Court of Appeals, which certified the appeal to us because it raises only questions of law.

The sole issue here is the interpretation to be given to the word "occupant" as used in Republic Act No. 1162, to wit:

"SEC. 3. The landed estates or haciendas expropriated by virtue of this Act shall be subdivided into small lots, none of which shall exceed one hundred and fifty square meters in area, to be sold at cost to the tenants, or occupants, of said lots, and to other individuals, in the order mentioned; * * *."

It is urged by appellant that assuming that she is not a possessor in good faith of the lot in question, the word "occupant" as above used should be construed to include those commonly known as "squatters", meaning individuals who, without necessarily employing violence, either physical or moral, and taking advantage of the absence or tolerance of land owners, succeed in occupying their properties for residential purposes; that under this interpretation, she, being an actual "occupant" of the lot in question is entitled to priority in its purchase over any other claimant who is neither a lessee or occupant thereof; and that while she concedes the right of Perfecto Magaway, who lost his landholding because it was included in a road lot, to be given another lot, Magaway can not, however, be given the lot that appellant is already occupying and has improved, but should be allocated another disposable lot within the Estate.

We can not subscribe to appellant's view that squatters should also be considered beneficiaries of Republic Act No. 1162.

In at least two occasions in the past, we have ruled that persons guilty of illegal entry can not invoke the benefits of Commonwealth Acts Nos. 20 and 529 (providing for the expropriation by the government of large landed estates to be sold at cost to their bona fide tenants or occupants), the purpose of these laws being to aid and benefit lawful occupants and tenants or those endowed with legitimate tenure, by making their occupancy permanent and giving them an opportunity to become owners of their holdings. In short, these laws are not meant for the benefit of the lawless.

In *Enriquez, et al. vs. Panlilio, et al.*, 95 Phil., 402; 50 Off. Gaz. (7) 3026 we said:

"Commonwealth Act No. 538 [should be 539] contemplates the expropriation of lands lawfully occupied, where said occupancy is known and permitted by the owner under an agreement, express or implied, of tenancy, and where the tenants and occupants are observing the terms of the agreement by paying the rentals agreed upon or, a reasonable amount ascertained by the court for the use and occupation of the premises. The purpose of the law is to aid and benefit the lawful occupants and tenants, by making their occupancy permanent and giving them an opportunity to become owners of their holdings."

while in *Bernardo, et al. vs. Bernardo and C. A.*, 96 Phil., 202; 50 Off. Gaz., (12) 5789 we stated that:

"In carrying out its special readjustment policies, the government could not simply lay aside moral standards, and aim to favor usurpers, squatters, and intruders, unmindful of the lawful or unlawful origin and character of their occupancy. Such a policy would perpetuate conflicts instead of attaining their just solution. It is safe to say that the term 'bona fide occupants' was not designed to cloak and protect violence, strategy, double dealing, or breach of trust."

Being in *pari materia* with the above-mentioned Commonwealth Acts, except that it refers specifically to landed estates within the City of Manila, Republic Act No. 1162 should be given the same interpretation and application. The absence of the term "bona fide" in qualifying tenants and occupants in the Act is of no significance, for it must be understood that, unless the contrary appears, only those in good faith are intended. Indeed, the explanatory note to House Bill No. 930 (the source of the Act in question), as well as the entire record of the legislative deliberations on the proposed bill (Third Congress, Congressional Record, First Session, Vol. I, No. 36, pp. 967-993), discloses no intent on the part of the lawmakers to benefit squatters in passing House Bill No. 930, but that their purpose and intent appear to be to expropriate landed estates or haciendas within the City so that they may be subdivided into small residential lots and sold at cost on installment basis, or leased on reasonable terms, to their lawful tenants or occupants. Had Congress envisioned House Bill No. 930 to be a solution to the squatters' problem in the City of Manila, it would have clearly said so in the proposed bill or during the deliberations thereon. Upon the other hand, this Court can well take judicial notice of the fact that the government has tried and is still trying to meet the city's pressing squatters' problem, not by selling them their landholdings,

but by relocating and transferring them to available public lands or government housing projects within the city or in the suburbs.

Wherefore, the judgment appealed from is affirmed, with costs against appellant Gorgonia Vda. de Caliwan.

Bengzon, C.J., Padilla, Bautista Angelo, Labrador, Concepcion, Paredes, Dizon, De Leon, and Natividad, JJ., concur.

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