

**THE PROVINCE OF RIZAL, PLAINTIFF AND APPELLANT, VS.
BARTOLOME SAN DIEGO, INC., DEFENDANT-APPELLEE, CONRADO
LUCAS, ET AL., INTERVENORS AND APPELLANTS**

G.R. No. 10802. January 22, 1959

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-10802/>

CONCEPCION, J.:

This is an appeal, taken by plaintiff, the Province of Rizal, and the intervenors, Conrado Lucas, et al., from a decision of the Court of First Instance of Rizal dismissing plaintiff's petition for the expropriation of the land hereinafter referred to, as well as the complaint in intervention of said intervenors, with costs against said plaintiff.

The property involved in this case is a land of about sixty-six (66) hectares, situated in the municipalities of Caloocan and Malabon, Rizal. It is part of the Hacienda Esguerra, which originally belonged to one Isabel Esguerra, from whom it was purchased by the Archbishop of Manila. The latter leased most of it to some of the intervenors herein, who, in turn, subleased smaller portions to the alleged occupants thereof numbering, according to the complaint in intervention, about seven hundred whom the intervenors claim to represent. It would appear that, owing to difficulties encountered in dealing with the tenants, many of whom were, either in default, or in arrears, in the payment of rentals, the Archbishop of Manila had, upon liberation of the Philippines from the Japanese forces, adopted the policy of disposing of the land involved in this case. Neither its occupants, nor the aforementioned intervenors, however, seemed inclined to acquire the lots respectively held by, or leased to, them, at the price demanded by the owner or lessor. In fact, the record does not show affirmatively that any definite offer to buy had ever been made by said occupants and/or intervenors. Hence, on June 19, 1952, the Archbishop of Manila sold the land, for the sum of P880,000, to defendant herein, Bartolome San Diego, Incorporated, which thereupon dealt directly, not with the lessees, but with the actual occupants, thus abolishing the then prevailing sub-tenancy system. Moreover, after surveying and subdividing the land, defendant offered about 50 subdivided hectares thereof after deducting the portions allotted for roads, parks, playgrounds, and other public places for sale, on installments, in small lots, at prices ranging mostly from P7.00 to P8.00 per square meter. Thus, from September, 1952, to July, 1955, about two hundred (200) contracts to sell such lots were made.

Believing that said lots could be purchased at a lesser price, if first expropriated by the government, the intervenors persuaded the plaintiff to institute the case at bar, on April 21, 1954. Plaintiff's purpose, according to the complaint, as amended, is to sell and distribute the property in question "among Filipino bona fide occupants and tenants, and to Filipino veterans, their widows and their children, pursuant to the conditions set forth in Republic Act No. 267 * * *". In its answer, dated October 14, 1954, defendant alleged that plaintiff has no cause of action said property not being a landed estate, and being beyond the purview of said Republic Act No. 267; that the purpose for which plaintiff seeks to devote it is not a public use; that "defendant is willing to sell" it "to actual occupants first, and/or to any person interested in buying the same at reasonable costs"; that defendant has already sold "more than 200 lots" and has "more than 1000 lots * * * available for sale"; and that the only purpose of this

action is to "delay the execution" of the judgments rendered seemingly in ejectment cases against occupants of said land, eighty per centum (80%) of whom are "squatters". On November 10, 1954, defendant moved for the dismissal of the case, upon the ground that plaintiff is not in a position to pay the fair market value of the property in litigation, which, according to the complaint, is P431,856.66, it having failed to deposit this sum, despite an order, dated May 10, 1954, requiring said deposit; that defendant has been, and is, willing to sell the land, at reasonable prices, to actual bona fide tenants; and that said property is not a landed estate. In another motion dated February 11, 1955j defendant reiterated said motion to dismiss alleging that "the complaint states no cause of action"; that the property in litigation is "not intended for any public use and/or public benefit"; and that said property "is not a landed estate".

Meanwhile, or on October 14, 1954, Atty. Simeon V. Enriquez had filed a motion, seeking on behalf of 55 persons named in the complaint in intervention attached to the motion, and "all other tenants, sub-tenants and bona fide occupants of the land" aforementioned, allegedly "numbering about seven hundred (700)"— permission to intervene. However, in a "manifestation", dated March 10, 1955, 51 persons only confirmed the authority of Atty. Enriquez to file the motion and said complaint in intervention, which were, respectively, granted and admitted. Subsequently, a motion to intervene, filed by those who had purchased lots from the defendant, was denied upon the ground that the former are sufficiently represented by the latter. Meanwhile, plaintiff was placed in possession of the property in question, upon making the requisite deposit.

In due course, thereafter, the lower court rendered the aforementioned decision, granting defendant's motion to dismiss, and dismissing the petition for expropriation, as well as the complaint in intervention, upon the authority of *Guido vs. Rural Progress Administration* (84 Phil., 847; 47 Off. Gaz., 1848), *Commonwealth vs. Borja* (85 Phil., 51), *City of Manila vs. Arellano Law School* (85 Phil., 663; 47 Off. Gaz., 4197) *Lee Tay and Lee Chay vs. Choco* (87 Phil., 814), *Urban Estates Inc.* (94 Phil., 1003), *Republic vs. Gabriel* (L-6161, May 28, 1954), *Municipal Government of Caloocan vs. Chuan Huat & Co.* (96 Phil., 88; 50 Off. Gaz., 5390), and *Republic vs. Babylosis* (96 Phil., 461; 51 Off. Gaz., 722). Relying upon these cases, the lower court concluded:

"x x x that the 66 hectares sought to be expropriated are not within the purview of Article XIII, section 4 of the Constitution especially because the Hacienda Esguerra and other church properties were broken up and sold to defendant and others in reasonable areas; that plaintiff as delegates of the Republic of the Philippines can not claim greater right under Republic Acts Nos. 267 and k-98 which is predicated on the constitutional provision just cited under the truism that water cannot rise higher than its source; that some portions of the property has already been sold by defendant to 193 persons whose interests would be greatly prejudiced by the present proceedings, while on the other hand, some of the principal intervenors are landowners in their own right and, therefore, disqualified under the law to acquire land from plaintiff"; that the Constitution protects a landowner against indiscriminate and unwarranted expropriation; that to justify expropriation it must be for a public purpose and public benefit and that just to enable the tenants of a piece of land of reasonable area to own portion of it, even if their ancestors or predecessors had cleared, improved and dwelt on the land for many years, is no valid reason or justification under the law to deprive the owner of the property or his vendees by means of expropriation." (Record on Appeal, pp. 322-323.)

This appeal hinges on whether, as held in the decision appealed from, the above mentioned cases are controlling in the case at bar, or whether the same should be determined, as claimed by appellants herein, in accordance with the view adopted in *Rural Progress Administration vs. Clements Reyes* (L-4708, October 8, 1953), in which by a 6 to 4 vote this Court sanctioned the expropriation of a land, of about 20,737 square meters, purchased by Reyes from the San Juan de Dios Hospital, before the landed estate of the latter, of which it formed part, had been acquired by the government.

Appellants' pretense is untenable, for the rule enunelated in the Reyes case was explicitly abandoned, and the

doctrine laid down in the Guldo case, was expressly reaffirmed. as "sound and wholesome," in the Baylosis case. The majority opinion therein re-stated the position of the Court in the following language:

"* * * We feel that the decision in that Reyes case was a departure from the doctrine laid down in the leading case of Guido which doctrine has been subsequently affirmed and reiterated in a long line of cases, and we now believe that in abandoning the ruling made in the Reyes case, this Tribunal is merely returning to and re-affirming the sound and wholesome doctrine laid down in "the Guido Case." (Republic vs. Baylosis, et al., 51 Off. Gaz. 722, 735.)

* * * * *

"In conclusion we hold that under section 4, Article XIII of the Constitution, the Government may expropriate only landed estates with extensive areas, specially those embracing the whole or a large part of a town or city; that once a landed estate is broken up and divided into parcels of reasonable areas, either thru voluntary sales by the owner or owners of said landed estate, or thru expropriation, the resulting parcels are no longer subject to further expropriation under section 4, Article XIII of the Constitution; that mere notice of the intention of the Government to expropriate a parcel of land does not bind either the land or the owner so as to prevent subsequent disposition of the property such as mortgaging or even selling it In whole or by subdivision; that tenancy trouble alone it whether due to the fault of the tenants or of the landowners does not justify expropriation; that the Constitution protects a landowner against indiscriminate and unwarranted expropriation; that to justify expropriation, it must be for a public purpose and public benefit, and that just to enable the tenants of a piece of land of reasonable area to own portion of it, even if they and their ancestors had cleared the land and cultivated it for their landlord for many years, is no valid reason or justification under the Constitution to deprive the owner or landlord of his property by means of expropriation." (id., p. 739.)

The majority of the Members of this Court, still adheres to this view, which must be respected by the minority, including the writer hereof, who concurred in the dissenting opinions in the Baylosis case.

The parity between the Baylosis case and the one at bar, and the disparity between the same and the Reyes case, becomes more patent when we bear in mind that the area of the property involved in the Baylosis case (approximately 67 hectares) is almost identical to that of the one in question herein, and that the intervenors-appellants in the present case had been given by the San Juan de Dios Hospital and the defendant-appellee an opportunity to buy portions of the land in question, which opportunity had been denied the occupants of the land expropriated in the Reyes case, and this was one of the circumstances stressed in support of the conclusion therein reached by this Court.

It is, also, worthy of note that, as stated in the decision appealed from, which is substantially borne out by the record:

"Neither has agrarian unrest bred by defendant's purchase and administration of the land, been satisfactorily proven. The five incidents listed by Conrado Lucas in Exhibit X and the trouble averred by Josefa Santos are manifestly hearsay as exposed during their cross examination. On the other hand, witnesses Juanito Vicente, assistant sales manager of defendant, Patrolman Loreto Simon residing on the property, Angel Pacheco residing near by and Atty. Amando Dizon handling defendant's law business dispute the claim. Vicente added that upon acquisition of Hacienda Esguerra, defendant notified actual occupants who were subleasing their holdings to deal directly with the corporation, thus abolishing the sub-tenancy system which theretofore gave profitable business to the sublandlords or big time tenants. The latter numbering around 80 are the ones greatly interested in prosecuting the herein proceedings." (Record on Appeal, p. 320.)

Wherefore, the decision appealed from is hereby affirmed, with costs against plaintiff-appellant.

Paras, C.J., Bengzon, Padilla, Montemayor, Bautista Angelo, Labrador, Reyes, J.B.L., and Endencia, 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.