

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. COURT OF APPEALS, PEDRO L. YAP, HEIRS OF EMILIANO F. SANTIAGO, AGRICULTURAL MANAGEMENT & DEVELOPMENT CORPORATION, RESPONDENTS.

G.R. No. 118712. July 05, 1996

Ponente: FRANCISCO, J.

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FRANCISCO, J.:

Consequent to the denial of their petitions for review on certiorari by this Court on October 6, 1995[1], petitioners Department of Agrarian Reform (DAR) and Land Bank of the Philippines (LBP), filed their respective motions for reconsideration contending mainly that, contrary to the Court's conclusion, the opening of trust accounts in favor of the rejecting landowners is sufficient compliance with the mandate of Republic Act 6657. Moreover, it is argued that there is no legal basis for allowing the withdrawal of the money deposited in trust for the rejecting landowners pending the determination of the final valuation of their properties.

Petitioner DAR maintains that "the deposit contemplated by Section 16(e) of Republic Act 6657, absent any specific indication, may either be general or special, regular or irregular, voluntary or involuntary (necessary) or other forms known in law, and any thereof should be, as it is the general rule, deemed complying." [2]

We reject this contention. Section 16(e) of Republic Act 6657 was very specific in limiting the type of deposit to be made as compensation for the rejecting landowners, that is in "cash" or in "LBP bonds", to wit:

"Sec. 16. Procedure for Acquisition of Private Lands -

xxx xxx xxx

(e) Upon receipt by the landowner of the corresponding payment or, in case of rejection or no response from the landowner, upon the deposit with an accessible bank designated by the DAR of the compensation in cash or in LBP bonds in accordance with this Act, the DAR shall take immediate possession of the land and shall request the proper Register of Deeds to issue a Transfer Certificate of Title (TCT) in the name of the Republic of the Philippines. x x x" (Italics supplied)

The provision is very clear and unambiguous, foreclosing any doubt as to allow an expanded construction that would include the opening of "trust accounts" within the coverage of term "deposit." Accordingly, we must adhere to the well-settled rule that when the law speaks in clear and categorical language, there is no reason for interpretation or construction, but only for application.[3] Thus, recourse to any rule which allows the opening of trust accounts as a mode of deposit under Section 16(e) of R.A. 6657 goes beyond the scope of the said provision and is therefore impermissible. As we have previously declared, the rule-making power must be confined to details for regulating the mode or proceedings to carry into effect the law as it has been enacted, and it cannot be extended to amend or expand the statutory requirements or to embrace matters not covered by the statute.[4] Administrative regulations must always be in harmony with the provisions of the law because any resulting

discrepancy between the two will always be resolved in favor of the basic law.[5]

The validity of constituting trust accounts for the benefit of the rejecting landowners and withholding immediate payment to them is further premised on the latter's refusal to accept the offered compensation thereby making it necessary that the amount remains in the custody of the LBP for safekeeping and in trust for eventual payment to the landowners.[6] Additionally, it is argued that the release of the amount deposited in trust prior to the final determination of the just compensation would be premature and expose the government to unnecessary risks and disadvantages, citing the possibility that the government may subsequently decide to abandon or withdraw from the coverage of the CARP certain portions of the properties that it has already acquired, through supervening administrative determination that the subject land falls under the exempt category, or by subsequent legislation allowing additional exemptions from the coverage, or even the total scrapping of the program itself. Force majeure is also contemplated in view of the devastation suffered by Central Luzon de to lahar. Petitioner DAR maintains that under these conditions, the government will be forced to institute numerous actions for the recovery of the amounts that it has already paid in advance to the rejecting landowners.[7]

We are not persuaded. As an exercise of police power, the expropriation of private property under the CARP puts the landowner, and not the government, in a situation where the odds are already stacked against his favor. He has no recourse but to allow it. His only consolation is that he can negotiate for the amount of compensation to be paid for the expropriated property. As expected, the landowner will exercise this right to the hilt, but subject however to the limitation that he can only be entitled to a "just compensation." Clearly therefore, by rejecting and disputing the valuation of the DAR, the landowner is merely exercising his right to seek just compensation. If we are to affirm the withholding of the release of the offered compensation despite depriving the landowner of the possession and use of his property, we are in effect penalizing the latter for simply exercising a right afforded to him by law.

Obviously, this would render the right to seek a fair and just compensation illusory as it would discourage owners of private lands from contesting the offered valuation of the DAR even if they find it unacceptable, for fear of the hardships that could result from long delays in the resolution of their cases. This is contrary to the rules of fair play because the concept of just compensation embraces not only the correct determination of the amount to be paid to the owners of the land, but also the payment of the land within a reasonable time from its taking. Without prompt payment, compensation cannot be considered "just" for the property owner is made to suffer the consequence of being immediately deprived of his land while being made to wait for a decade or more before actually receiving the amount necessary to cope with his loss.[8]

It is significant to note that despite petitioner's objections to the immediate release of the rejected compensation, petitioner LBP, taking into account the plight of the rejecting landowners, has nevertheless allowed partial withdrawal through LBP Executive Order No. 003,[9] limited to fifty (50) per cent of the net cash proceeds. This is a clear confirmation that petitioners themselves realize the overriding need of the landowners' immediate access to the offered compensation despite rejecting its valuation. But the effort, though laudable, still falls short because the release of the amount was unexplainably limited to only fifty per cent instead of the total amount of the rejected offer, notwithstanding that the rejecting landowner's property is taken in its entirety. The apprehension against the total release of the rejected compensation is discounted since the government's interest is amply protected under the aforementioned payment scheme because among the conditions already imposed is that the landowner must execute a Deed of Conditional Transfer for the subject property.[10]

Anent the aforecited risks and disadvantages to which the government allegedly will be unnecessarily exposed if immediate withdrawal of the rejected compensation is allowed, suffice it to say that in the absence of any substantial evidence to support the same, the contemplated scenarios are at the moment nothing but speculations.

To allow the taking of the landowners' properties, and in the meantime leave them empty handed by withholding payment of compensation while the government speculates on whether or not it will pursue expropriation, or worse for government to subsequently decide to abandon the property and return it to the landowner when it has already been rendered useless by force majeure, is undoubtedly an oppressive exercise of eminent domain that must never be sanctioned. Legislations in pursuit of the agrarian reform program are not mere overnight creations but were the result of long exhaustive studies and even heated debates. In implementation of the program, much is therefore expected from the government. Unduly burdening the property owners from the resulting flaws in the implementation of the CARP which was supposed to have been a carefully crafted legislation is plainly unfair and unacceptable.

WHEREFORE, in view of the foregoing, petitioners' motions for reconsideration are hereby DENIED for lack of merit.

SO ORDERED.

Narvasa, C.J., (Chairman), Davide, Jr., Melo, and Panganiban, JJ., concur.

[1] Rollo, p. 182.

[2] Motion for Reconsideration, p. 3, Rollo, p. 202.

[3] *Songco vs. National Labor Relations Commission* 183 SCRA 610, 616 (1990) citing *Cebu Portland Cement Co. vs. Municipality of Naga*, 24 SCRA 708; *Gonzaga vs. Court of Appeals* 51 SCRA 381.

[4] *Shell Philippines, Inc. vs. Central Bank of the Philippines*, 162 SCRA 628 (1988).

[5] *Philippine Petroleum Corporation vs. Municipality of Pililla*, 198 SCRA 82 (1991); *Tayug Rural Bank*, 146 SCRA 120 (1986) citing *People vs. Lim*, 108 Phil. 1091.

[6] Rollo, p. 202.

[7] Rollo, pp. 216-217.

[8] *Municipality of Makati vs. Court of Appeals*, 190 SCRA 207, 213 (1990) citing *Coscolluela vs. The Hon. Court of Appeals*, 164 SCRA 393, 400 (1988); *Provincial Government of Sorsogon vs. Vda. de Villaroya*, 153 SCRA 291, 302 (1987).

[9] Issued on January 19, 1993, Rollo, p. 250.

[10] LBP E.O. No. 003 Sec. II (3)(a), Rollo, p. 251.

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