

SOCORRO KE. LADRERA, PLAINTIFF AND APPELLEE, VS. THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES, ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. 13385. April 28, 1960

Ponente: BENGZON, J.

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BENGZON, J.:

Appeal from the decision of the Davao court of first instance annulling, on certiorari, the award made by the respondent Secretary of Agriculture and Natural Resources in connection with the sale of a parcel of public land.

Known as Lot 7131-A Cad. 281 in the District of Guianga; City of Davao, with an area of ten hectares more or less, the land was the subject of Sales Application No. V-1138 of Socorro Ke. Ladrera. At the ensuing public auction, Ladrera offered to pay P50.00 per hectare, whereas Magdalena Aportadera submitted a bid of P980.00 per hectare. Making use of the privilege reserved for applicants, Ladrera equalled Aportadera's bid, allegedly under protest, and the lot was awarded to him. Subsequently, however, Ladrera addressed to the Director of Lands a petition for the reduction of the price to his original bid of P50.00, for the reason that P980.00 per hectare was exorbitant, unfair and unreasonable. Acting on such petition, the Director relieved Ladrera of his offer to equal Aportadera's bid of P980.00, rejected the latter's bid for being excessive and unreasonable, and therefore awarded the lot to Ladrera at P50.00 per hectare.

On appeal, the Secretary of the Department of Agriculture and Natural Resources ruled that Aportadera's bid, being the highest, should be accepted; that Ladrera may get the land if he equals Aportadera's bid, and in the event of the former's inability or refusal to do so, the lot will be awarded to the latter. Motions for reconsideration failed.

Wherefore, Ladrera filed this certiorari proceeding to annul the Department's order on the ground of abuse of discretion.

Basis of the action is plaintiff's assertion that the Secretary "disregarded the basic policies and philosophies behind our Public Land Law", that Aportadera's bid was "exorbitant, unfair, unreasonable and excessive, considering the prices at which surrounding public lands had been sold, and that Aportadera acted in bad faith because he took part in the auction sale solely to prejudice the petitioner. Explaining his second contention, plaintiff said the Appraisal Committee had appraised the lot at P50.00 a hectare, and that all the surrounding public land lots had been disposed at public auction at P50.00 a hectare.

In his answer, the Secretary maintained that considering the condition of the land, the price offered by Aportadera was not excessive, the price fixed by the Appraisal Committee being merely "the basic price of the land upon which to start the auction of the same." He said he only complied with the purpose of public bidding and the law's directive of sale to the highest bidder.

Aportadera, on the other hand, added other defenses such as laches (complaint presented after about two years) and failure to exhaust administrative remedies (no appeal to the President from the Department's ruling).

Overruling these two procedural defenses, the judge upheld the theory of the plaintiff. Discounting the Secretary's highest bidder defense, His Honor premised his conclusion (that the Secretary abused his discretion) on the idea that profit making is not the purpose of the Government in disposing of public lands, and that it is rather the policy of "giving land to the landless". In his own words,

"* * * the fact that the law requires publicity in the bidding of public land in order that the Government may get the best price obtainable therefor gives the defendant Secretary the semblance of a justification to reject the P50.00 per hectare bid of the plaintiff Ladrera, despite the fact that he was the applicant and in possession of the public land in question, and to accept in lieu thereof the higher bid of Aportadera on the basis of P980.00 per hectare, whatever his motive might have been. It certainly would be to the pecuniary advantage of the Government, who stands to profit at the rate of P930.00 per hectare, or a total of P9,300.00, the area of the land in question being ten (10) hectares.

If profit-making were the only guiding principle of the Government in the sale of public lands, then the Government may just as well advertise itself as engaged in real-estate business, and that in doing so, its primordial objective, like those in private business of realty, is to make profit for itself, without any thought of promoting and enhancing the people's general welfare.

But that is not the policy of the Government. The disposable public land of this country is actually the property of the people, and the Government is merely their trustee, charged with the administration and disposal thereof in the best interest of the people's collective and general Welfare. The state has embarked and committed itself to the policy of giving "land to the landless" in order to create a citizenry that is happy and contented. * * *."

If the above were excerpts from a speech in Congress during deliberations on a bill amending the Public Land Law, none would probably object to the same. But in the face of positive statutory provisions, it is impossible to agree to it at the present time. Land for the under-privileged is provided by the Public Land Law in its title on "Homestead". The poor may thereunder apply for 24 hectares gratis. However, on the subject of sale, the law has decreed that public lands shall be sold to the highest bidder (Sec. 24, Public Land Act) (Sec. 26 also). The Government is not thereby engaged in profit-making; it is merely getting money in exchange for its property, money to be used for the benefit of the people.

In the name of social justice, the court a quo would in effect deprive the public treasury of P9,300.00 (P9,800.00 less P500.00) to allow one man to retain this parcel of land so that he may become a "happy and contented" citizen. Yet, that same amount could and would be used by the Government in other ways to make hundreds of citizens happy and contented: e. g. for teachers in school barrios; for nurses to attend the sick; for drilling of artesian wells, etc. etc. In this alternative, the choice^[1] is not doubtful. And even if doubtful, the Secretary may not certainly be held to have abused his discretion in choosing to benefit hundreds of citizens instead of one. Anyway, if plaintiff does not get this land, he may still apply for other public lands. It is written, "Look and you shall find".

After finding that there was animosity between Ladrera and Aportadera, that the latter had not submitted any bid for any of the adjoining lots, and that Aportadera's bid of P980.00 per hectare was about twenty times more than the bid for practically all the surrounding lots, the lower court reached the conclusion that Aportadera acted in bad faith, since he was not acting with the honest intention alone of acquiring public lands for development but mainly to harass his enemy Ladrera and prevent him, if possible, from acquiring the land.

Bearing in mind that at one time after the last war, Aportadera occupied this lot (Exhibit F) (which was part of the bigger public land leased to Pedro Monteverde), only to be defeated later by Ladrera when the Government parceled out Monteverde's leased public land to veterans, it is no wonder that when the lot was offered for sale, he (Aportadera) bid for it, and not for other lots. It is certain, he knew the conditions and values of the lot, and most

probably he calculated that even at P980.00 a hectare, he would still get a good bargain.[2]

It may be true that in offering a high price [3] Aportadera prejudiced his enemy; but that should be immaterial to the Department. In every public bidding, the winner "prejudices" the loser; yet that is no reason to disqualify him; that in itself is not bad faith; he is exercising his right to buy, and if the result prejudices the losers, these may not complain; *damnum absque injuria*. In deed, it would be highly incongruous for the Government to disqualify a bidder precisely because he offered a high bid.[4]

"He intended merely to prejudice me", argues plaintiff because at that price any buyer of the lot will lose. Well, if that be true, plaintiff should let Aportadera go ahead, pay P980.00 a hectare and lose his money: let him fall headlong into the pit he has dug for his adversary. Anyway, except for "losing face" in the competition, Ladrera suffers no actual loss, because the improvements he has made on the land will be paid to him, in accordance with the order of the Secretary. To insist that the land should be sold to him at P500.00 when the Government could very well get P9,800.00 [5] is to demand that the Government give plaintiff a gift of P9,300.00 on the plea of "social justice" or "land for the landless".

Now, then, because the Secretary has elected to abide by the law expressly requiring the lot to be sold to the highest bidder; and because he refused to sanction what otherwise would inflict a loss of P9,300.00 to the Government; will the courts declare said official to have abused his discretion, and to compel him to sell the lot at P50.00 per hectare? No, indeed. That would be requiring him to donate the land, and to squander public money or property. He is authorized to sell; he is not authorized to donate. Knowingly to "sell" public property at one twentieth of its price is not selling; it is "donating", and the courts will, if called upon to do so, declare such "sale" to be invalid, because the officer, in "donating", has exceeded his power to "sell".

In view of the foregoing, the appealed decision is reversed and the complaint dismissed with costs against plaintiff-appellee. So ordered.

Paras, C. J., Padilla, Montemayor, Bautista Angelo, Labrador, Concepcion, Endencia, Barrera, and Gutierrez David, JJ., concur.

[1] In fact the land officers had no choice; the law directs that the land be sold to the highest bidder.

[2] "Here is what the Secretary found about the value of the land:

"* * * in this particular case under review, this Office has considered the fact that the land in question "was formerly covered by the rejected Lease Application No. 2680 of Pedro Monteverde which was involved in the so-called Japanese dummy land holdings. Lands so involved therein were among the best that could be had in the province of Davao or in the entire Philippine Archipelago for that matter in point of abaca production. Before the last Pacific war and even during the early part of Japanese occupation, Japanese interests had developed these lands so well that they were able to produce the best abaca in this part of the world. The existence of a big number of growing abaca plants on the land in question when applicant Ladrera entered upon the same for the first time in 1947 was proof enough of the high state of development and improvement of the land. Now, judging from, such condition obtaining on the land coupled with its easy accessibility to the facilities of transportation, this Office has come to conclude that Aportadera's bid of P980.00 per hectare is reasonable and fair and that Ladrera's bid of P50.00 per hectare is extremely low." (Italics ours.)

[3] There were instances where lots were sold by the Government at more than twenty times the price fixed by the Appraisal Committee and/or the price paid for adjoining lots:

"In Kidapawan Townsite, Cotabato, a residential lot duly appraised at P.50 sq. m. was sold at auction sale by the Bureau of Lands at P20.00 per sq. m. and that lot of 1,000 sq. m. was sold to the highest bidder for P20,000.00 while adjoining residential lots of the same class were sold at only P500.00 for the lot of the same area, 1,000 square meters."

[4] Unless such high bid constitutes an indication that bidder does not intend to pay; or unless the Government, knows he cannot pay.

[5] Aportadera "is genuinely interested in purchasing and having the litigated property" as "the same will prove a gaining venture." (Brief for Appellant.)

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