

PEDRO P. RIVERA, PLAINTIFF AND APPELLANT VS. CARLOS P. MACLANG, DEFENDANT AND APPELLEE.*G. R. No. 15948. January 31, 1963*

Ponente: MAKALINTAL, J.

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This case is before us on appeal by plaintiff from the decision of the Court of First Instance of Malolos, Bulacan, dismissing the complaint, without costs. The facts are stipulated by the parties and the case has been submitted for decision upon appellant's brief alone, appellee having failed to file a brief in reply.

On August 19, 1949 the municipality of Malolos called for bids for furnishing and delivering materials to be used in the maintenance and repair of barrio roads. Appellant won in the bidding and was asked by the Municipal Treasurer to come to his office for execution of the corresponding contract. On August 31, 1949 the contract was signed by appellant and by defendant-appellee Carlos P. Maclang in his capacity as Municipal Mayor of Malolos. Pursuant thereto appellant subsequently delivered to the municipality gravel and adobe stones valued at P19,235.00. On October 16, 1951 the Municipal council of Malolos passed a resolution approving the contract, but in spite of repeated demands by appellant the price of the materials was not paid.

In 1954 appellant sought the intervention of the Presidential Complaint and Action Commission, which referred the matter to the General Auditing Office. That office turned down the claim for payment, whereupon appellant filed in this Court a petition for review, docketed as SC-G.R. No. L-8847. In its decision of October 31, 1957 this Court sustained the action of the General Auditing Office and held that the contract in question was void as far as the municipal government of Malolos was concerned on the ground that no money had been appropriated to meet the obligation prior to the execution of the contract, as required by section 607 Revised Administrative Code. However, in the same decision this Court indicated that section 608 of the same Code afforded appellant a remedy. Consequently, he filed the present action against defendant-appellee in his personal capacity pursuant to the said provision.

The trial court dismissed the complaint, stating that inasmuch as in the previous case the contract entered into between appellant and the Municipality of Malolos had been declared null and void by this Court, "it cannot produce any legal effect for which thereafter no recovery can be made." The dismissal is erroneous. Our ruling in the previous case is that the contract was null and void vis-a-vis the Municipality of Malolos, by reason of non-compliance with the requirement of section 607 of the Revised Administrative Code, which states that "except in the case of a contract for supplies to be carried in stock, no contract involving the expenditure: by any province, municipality, chartered city, or municipal district of two thousand pesos or more shall be entered into or authorized until the treasurer of the political division concerned shall have certified to the officer entering into such contract that funds have been duly appropriated for such purpose and that the amount necessary to cover the proposed contract is available for expenditure on account thereof."

It should be noted that the present action is against defendant-appellee in his personal capacity on the strength of

section 608 of the same code, which provides as follows:

"Section 608. Void contract—Liability of officer.—A purported contract entered into contrary to the requirements of the next preceding section hereof shall be wholly void, and the officer assuming to make such contract shall be liable to the Government or other contracting party for any consequent damage to the same extent as if the transaction had been wholly between private parties."

The position of defendant-appellee, as the officer who signed the contract with appellant in violation of section 607, comes squarely under the provision just quoted. His liability is personal, as if the transaction had been entered into by him as a private party. We take it that the intention of the law in this respect is to ensure that public officers entering into transactions with private individuals calling for the expenditure of public funds observe a high degree of caution so that the government may not be the victim of ill-advised or improvident action by those assuming to represent it.

The judgment appealed from is reversed and defendant-appellee is ordered to pay plaintiff-appellant the sum of P19,235.00, with legal interest from the date the complaint was filed, and costs.

Bengson, C. J., Padilla, Bautista Angelo, Labrador , Concepcion , Reyes, J. B.L., Barrera, Paredes, Dizon and Regala, JJ., concur.

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