

**REPUBLIC OF THE PHILIPPINES (REPRESENTED BY THE LAND
TENURE ADMINISTRATION), PLAINTIFF AND APPELLANT, VS.
ANTONIO PRIETO AND MAURO PRIETO, DEFENDANTS AND
APPELLEES.**

G. R. No. 17946. April 30, 1963

Ponente: BARRERA, J.

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BARRERA, J.:

Before us is the appeal of the Republic of the Philippines in the two above-entitled expropriation cases in which the appellee, because of the similarity of the facts involved and the common legal question raised therein, has been authorized to file only one brief. Upon petition of appellee Antonio Prieto, with the conformity of the appellant, that he (Antonio Prieto) had decided to withdraw his objection to the expropriation of his lands, case G. R. No. L-17946 has been partially remanded to the trial court for further proceedings on price-fixing with respect to the properties of defendant-appellee Antonio Prieto (See resolution of August 23, 1961). The present appeal, therefore, concerns only the properties of appellees Mauro Prieto and Carmen Prieto de Caro,

These two cases are actions for expropriation purportedly under the provisions of Republic Act No. 1162, as amended by Republic Act No. 1599, filed by the Republic of the Philippines, represented by the Land Tenure Administration, in the Court of First Instance of Manila, the first against Mauro Prieto (and Antonio Prieto) in Civil Case No. 33385 (G. R. No. L-17946) and the second against defendant Carmen Prieto de Caro, joined by her husband Ramon Caro, in Civil Case No. 34895 (G. R. No. L-18042). The first complaint was filed on August 8, 1957 and the second, on December 2, 1957.

Both complaints among others, allege the following: That the defendants are owners of certain parcels of land, adjoining and contiguous to each other, except for roads and/or streets and alleys traversing them, which formerly formed part of the Hacienda Nagtahan, later on becoming what is known as the Legarda Estate, and still later as the Prieto Estates, situated in the district of Sampaloc, Manila; that the parcels of land belonging to defendants Antonio Prieto and Mauro Prieto (G. R. No. L-17946) have an aggregate area of 28,799.1 square meters more or less with a total assessed value of P251,790.00; those belonging to defendant Carmen Prieto de Caro (G. R. No. L-18042), an aggregate area of 22,726.60 square meters, more or less, assessed at P165,564.41; that all these parcels of land have been leased to tenants for at least ten (10) years and that there are at least fifty (50) houses erected on each of the portions of the hacienda pertaining to each of the defendants; that in view of the land tenure difficulties obtaining in the area as found by the Land Tenure Administration, and pursuant to the policy of the State on social justice and social amelioration, there is urgent need for the acquisition by the Government of the above-described estate; that the defendants have manifested willingness to sell their property by negotiated sale but the price quoted by them is too high and is equivalent to the price of one not willing to sell; and that the defendants have made more patent their intention to thwart the plan of the Government by employing means and methods to buy out the tenants from the premises in order that in due time, the jurisdictional requisites provided by law may not be complied with for purposes of expropriation.

To these complaints, defendants in Civil Case No. 33385 (G. R. No. L-17946) filed separate pleadings entitled motions to dismiss, but which contain specific denials of the averments of facts. Defendant Mauro Prieto predicates his motion to dismiss on the ground that (1) Republic Act No. 1599, particularly Section 1 thereof, is unconstitutional, it being a class legislation; (2) the complaint states no cause of action as the land sought to be expropriated from him has a total area of only 15,679.30 square meters already divided into several subdivision lots of reasonable areas ranging from 150 square meters to 187.29 square meters each lot, and does not constitute a landed estate; that the three (3) parcels of land sought to be expropriated are not contiguous but are separated from, each other and that there are no fifty (50) houses on each of these lands; and that there is no appropriation for the purpose contemplated in this action.

In Civil Case No. 34395 (G. R. No. L—18042), defendant Carmen Prieto de Caro also filed a similar pleading A entitled Motion to Dismiss, but wherein she firstly denied that the parcels of land in question are contiguous; that there are fifty (50) houses of tenants on each parcel of land or block; and that there is land tenure difficulty found in the area; and, secondly, alleged that Republic Act No. 1162, as amended, is unconstitutional, being violative of Article XIII, Section 4 (on expropriation) and of the equal protection clause of the Constitution, and that lastly, the complaint states no cause of action.

After the parties in both cases submitted partial stipulation of facts, the cases were tried on the merits and the parties adduced oral and documentary evidence on the controverted facts not covered by the said stipulation.

In due time, decisions were rendered on November 12 and December 3, 1960—which are substantially the same in both cases—the lower court finding against the Republic and stating in part as follows:

"Needless to state, the aforecited cases—from *Guido vs. Rural Progress Administration*, supra to *Province of Rizal vs. Bartolome San Diego, Inc.*, supra—are unanimous and one in holding 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 area, either thru voluntary sales by the owner or owners of said landed estates, or thru expropriation the resulting parcels are no longer subject to further expropriation under Section 4, Article XIII of the Constitution.' Now, coming back to the parcels of land in the case at bar, do they constitute 'landed estates with extensive area, specially those embracing the whole or a large part of a town or city'? Certainly and admittedly not, for the second paragraph of plaintiff's complaint expressly alleges that said parcels of land 'formerly formed part of the Hacienda Nagtahan', and this fact is confirmed by the stipulation of the parties to the effect that defendant Antonio Prieto's property sought to be expropriated consists of certain subdivision lots with a total area of only 15,701.3 square meters, while that of defendant Mauro Prieto has a total of 15, 679.3 square meters only * * * and that of defendant Carmen Prieto de Caro an aggregate area of only 22,726,60 square meters more or less * * * Said parcels of land are therefore no longer subject to expropriation, first, because they are not extensive landed estates, and, secondly, because they are already subdivided of reasonable area.

"Plaintiff, however, would inevitably contend that, as above adverted to, these expropriation proceeding's were brought pursuant to Section 1 of Republic Act No. 1162 as amended by Republic Act No. 1599, which authorizes the expropriation not only of landed estates or haciendas but also of lands which formerly formed part thereof, hence the parcels of land in question may be expropriated because they fall under the category of lands which formerly formed part of landed estates or haciendas. This contention or assumption is inaccurate because, as just stated, the parcels of land in question are admittedly subdivided lots and the latter, according to the case of *Province of Rizal vs. Bartolome San Diego, Inc.* supra, are no longer subject to expropriation. Be that as it may, and even granting that the parcels of land in question formed part of landed estates or haciendas, still this Court is of the opinion and so holds, that Congress, in enacting Republic Act No. 1599 which amends Section 1 of Republic Act No. 1162 by including among the expropriate properties 'lands which formerly

formed part thereof, overstepped its power of authority granted to it by the aforequoted Section 4 of Article XIII of the Constitution, as a will in a moment be shown.

"It is an undeniable fact that before—long before—Congress introduced and enacted the said amendment on June 17, 1956, the Supreme Court had already spoken in the said cases of *Guido vs. Rural Progress Administration* supra (1949); *Municipal Government of Caloocan vs. Chuan Huat & Co. Inc.* supra, (1954); *Commonwealth vs. Borja*, supra, (1949); *City of Manila vs. Arellano Law School*, supra (1950); *Lee Tay Chay, Inc. vs. Choco*, supra (1950); and *Municipality of Caloocan vs. Manotok Realty, Inc.* supra (1954), that Section 4 of Article XIII of the Constitution refers to landed estates or haciendas with extensive areas, specially those embracing the whole of a large part of a town or city—not to lands which formerly formed part of such landed estates or haciendas. In other words, as is its exclusive, and vital function under our governmental set-up, the Supreme Court had already applied and interpreted the aforesaid constitutional provision, and according to Article 8 of the New Civil Code, 'Judicial decisions applying or interpreting, the laws or the Constitution shall form a part of the legal system of the Philippines. Not only this. Such decision of the Supreme Court applying and interpreting a provision, or provisions of the Constitution cannot be subsequently abrogated by Congress. Thus at pages 27-28 of the Padilla Annotated Civil Code, Vol. 1 1956 Ed., is found the following pertinent authority:

'But Congress cannot abrogate Supreme Court decision on the Constitution—.

Endencia et al vs. David, 93 Phil., 696; Off. Gaz. 4822-In the case of *Perfecto vs. Meer*, 85 Phil., 552, the Supreme Court laid down the doctrine that the collection of income taxes from the salaries of Justices Jugo and Endencia was a diminution of their compensation and therefore was in violation of the Constitution of the Philippines,' (Art. VIII, sec. 9). After its promulgation, Congress enacted Republic Act No. 590, which provided that 'no salary wherever received by any public officer of the Republic of the Philippines shall be considered as exempt from the income tax, payment of which is hereby declared not to be a diminution of his compensation fixed by the Constitution or by law'. (Sec. 13). Held: By legislative fiat as enunciated in section 13, Republic Act No. 590, Congress say that taxing the salary of a judicial officer is not a decrease of compensation. This is a clear example of interpretation or ascertainment of the meaning of the phrase 'which shall not be diminished during their continuance in office', found in section 9, Article VIII of the Constitution, referring to the salaries of judicial officers. This act of interpreting the Constitution or any part thereof by the Legislature is an invasion of the well-defined and established province and jurisdiction of the judiciary.

We have already said that the Legislature under our form of government is assigned the task and the power to make and enact, laws but not to interpret them. This is more true with regard to the interpretation of the basic law, the Constitution, which is not within the sphere of the Legislative Department. If the Legislature may declare what a law means or what a specific portion of the Constitution means, especially after the Courts have in an actual case ascertained its meaning by interpretation and applied it in a decision, this would surely cause confusion and instability in judicial processes and court decisions. Under such a system, a final court determination of a case based on a judicial interpretation of the law or of the Constitution, may be undermined or even annulled by a .subsequent and different interpretation of the law or of the Constitution by the Legislative department. That would be neither wise nor desirable, besides being clearly violative of the fundamental principles of our constitutional system, of government, particularly those governing the separation of powers.'

"On the strength of the authority just quoted, it goes without saying that neither the amendment introduced in Republic Act No. 1599 nor least of all that introduced by Republic Act No. 2342, can nullify the long-standing ruling of the Supreme Court, reiterated by it at every opportunity in subsequent cases, that under Section 4, Article XIII of the Constitution, only landed estates or haciendas with extensive area, especially those embracing the whole or a large part of a town or city, may be expropriated by the Government. The soundness of this, ruling is confirmed and acknowledged by Congress itself when it enacted Republic Act 1162 and Republic Act No. 1990 which cover only landed estates and haciendas and no other. For Congress to set at

naught the said ruling-as it-apparently sought to do by enactment of Republic Act No. 1599 and Republic Act No. 2342-would, in the words of the decision just quoted, surely cause confusion and instability in judicial processes and court decisions * * *violative of the fundamental principles of our constitutional system of government, particularly those governing the separation, of powers.' To recapitulate: If under the doctrine of *Endencia vs. David*, supra, Congress cannot tax the salary of the Justices of the Supreme Court because this would be against its ruling in *Perfecto vs. Meer*, supra, by parity of reasoning, Congress can likewise not authorize the expropriation of lands only iteming part of landed estates or haciendas because this would run counter, to the consistent holding in the aforesaid line of Supreme Court decisions. The said holding being, in the light of the foregoing considerations, in full force and effect, the parcels of land here in question are not subject to expropriation because of the concession and all sides that they do not consist of landed estates or haciendas but only 'formerly formed part of the Hacienda Nagtahan'"

From these decisions, the plaintiff instituted this present consolidated, appeal directly to this Court on purely questions of law, claiming in its Assignments of Errors that:

- The lower court erred in ruling that the properties owned by the defendant are not expropriate under Republic Act No. 1162, as amended by Republic Act No. 1599 and as finally amended by Republic Act No. 2342.
- The lower court erred in ruling that Congress in enacting Republic Act No. 1599 and later on Republic Act No. 2342, which amends Section 1 of Republic Act No. 1162, by including among expropriate properties "lands which formerly formed part thereof" (meaning landed estates or haciendas), overstepped its power or authority granted to it by section 4, Article XIII of the Constitution

As has heretofore been stated, these expropriation cases were purportedly instituted pursuant to Section 1 of Republic Act 1162, as amended by Republic Act. 1599. These two laws constitute, therefore, the authority of the Republic of the Philippines, represented by; the Land Tenure Administration, for the commencement of these condemnation proceedings.

The pertinent provisions of Republic Act 1162, enacted on June 18, 1954, read as follows;

"Section 1. The expropriation of landed estate or haciendas in the City of Manila, /which have been and are actually being leased to tenants, is hereby authorized.

Section 2. Immediately upon the availability of the necessary funds by the Congress of the Philippines for the payment of just compensation for the said landed estates or haciendas, the Solicitor General shall institute the necessary expropriation proceedings before the competent court of the City of Manila.

* * * * *

"Sec. 8. The amount of fifteen million pesos is hereby authorized to be appropriated for the purposes of this Act: Provided, however, That this shall be without prejudice to any other method of raising the necessary funds required for the expropriation herein provided, which the President of the Philippines may determine, including the use of proceeds of government bonds which may be authorized by law."

Republic Act 1599, which took effect without presidential approval on June 15, 1956 in its pertinent portion reads;

"SECTION 1. The expropriation of landed estates or haciendas, or lands which formerly formed part thereof, in the City of Manila, which are and have been leased to tenants for at least ten years, is hereby authorized: Provided, That such lands shall have at least fifty houses of tenants erected thereon."

The complaints in these two cases were filed, as stated in the beginning of this opinion, on August 8, 1957 in Civil Case No. 33385 (G. R. No. L-17946), and on December 2, 1957 in Civil Case No. 34395 (G. R. No. L-18042). But on these dates, the law then in force was Republic Act 1990 enacted on June 22, 1957, the pertinent

provisions of which read as follows:

"Section 1. Section one of Republic Act Numbered Eleven hundred sixty-two is amended to read as follows:

"Section 1. The expropriation of landed estates or haciendas in the City of Manila, Quezon City and its suburbs, which have been and are actually being leased to tenants, is hereby authorised." "

"Section 2. Section two of the same Act is amended to read as follows:

" 'SECTION 2. Immediately upon the availability of the necessary fund by the Congress of the Philippines for the payment of just compensation for the said landed estates or haciendas, the Solicitor General shall institute, the necessary expropriation proceedings before the competent court of the City of Manila or Quezon City, as the case may be.' "

Considering that one of the grounds of the petitions for dismissal of both complaints was the lack of cause of action, it is pertinent to inquire if the complaints contain allegations to satisfy the applicable law at the time of the commencement of the actions.

Republic Act 1990 in its Section 1 authorizes the expropriation of landed estates or haciendas only. On the other hand, under Section 2 of the same law, the Solicitor General has been authorized to institute the necessary expropriation proceedings before the competent court only "immediately upon the availability of the necessary funds by the Congress of the Philippines for the payment of just compensation for the said landed estates or haciendas

A reading of the complaints filed in these cases discloses a complete lack of allegation to the effect that the necessary funds for the payment of just compensation for the lands sought to be expropriated have been made available by Congress. From the motions to dismiss, oppositions thereto and replies to the oppositions set forth in the record on appeal in these two cases, it appears that there was in fact no such appropriation, although it was intimated that the Government was ready to make the funds available provided the defendants would agree to the expropriation of their properties. It is true that in Section 8 of Republic Act 1162 it is stated that "the amount of fifteen million pesos is hereby authorized to be appropriated for the purposes of this Act: Provided, however, that this shall be without prejudice to any other methods of raising the necessary funds required for the expropriation herein provided, which the President of the Philippines may determine, including the use of proceeds of government bonds "which may be authorized by law". This section, however, does not constitute, as pointed by the appellees, an actual appropriation of the funds but is merely an authority that the amount mentioned therein be, in the future, appropriated for the purposes of the Act. Neither is it alleged in the complaints, nor does it appear in any portions of the records, that any other method of raising the necessary funds has been provided for the purpose.

On this score alone, the dismissal of these complaints by the trial court may be sustained for non-compliance, with a condition precedent required in the enabling law.

But even going to the merits, it seems clear that the authority under which these cases have been filed is limited only to the expropriation of landed estates or haciendas as specifically provided in Section 1 of Republic Act 1990. . . The trial court found as a fact in its decision that the properties involved herein are not landed estates and this finding is binding on us.

It is true that on June 20, 1959, or almost two years after the filing of the complaints of condemnation, Republic Act 2342 was enacted, taking effect on June 20, 1959, which, in its pertinent provisions provides:

"Section 1. Section one and two of Republic Act Numbered Eleven hundred and sixty-two, as amended, are further amended to read as follows:

" 'Section 1. The expropriation of landed estates or haciendas, or lands which formerly formed part thereof, or any piece of land in the City of Manila, Quezon City and suburbs, which have been and are actually being leased to tenants for at least ten years, is hereby authorized; Provided, That such lands shall have at least many houses of tenants erected thereon.

" 'Sec. 2. The Land Tenure Administration shall institute the necessary expropriation proceedings before the competent court.'"

Under the provisions of this Act, the expropriate properties were extended to include lands which formerly formed part of landed estates or haciendas or any piece of land in Manila, Quezon City and suburbs which have been and are actually being leased to tenants for at least 10 years and that said lands shall have at least 50 houses of tenants erected thereon. But this law which affects substantive rights and not merely procedural matters can not have a retroactive effect, specially in the absence of any provision therein that the same shall be applicable to cases already pending in court. It cannot, therefore, be invoked to validate the present complaints which did not allege sufficient cause of action at the time of their filing.

Moreover, even if Republic Act 2342 were to be applied to the present proceedings, one condition sine qua non required by the Act does not appear to have been complied with in these cases. The law imposes as a condition that such land, to be expropriate, shall have at least fifty houses of tenants erected thereon. The decision appealed from contains no finding of fact on this point which is essential to validate the condemnation of these properties. Indeed, in the partial stipulation of facts, it appears, in the exhibits attached thereto, that in the case of Mauro Prieto, the lands sought to be expropriated from him, appear to be three (3) separate non-contiguous parcels, the first one with an area of 8,271.2 square meters, the second an area of 4,193.1 square meters and the third with an area of 3,218 square meters. Out of 20 lots in the first parcel, only 9 lots are occupied by tenants (See Exh. 4-Mauro Prieto). Out of the 6 lots composing the second parcel, only very little portions of 2 lots are occupied by tenants (See Exh. 5 Mauro Prieto); and of the third parcel composed of 5 lots, only portions of 4 of the lots are occupied by tenants. And nowhere does it appear how many houses existed in each and every one of the three non-contiguous, separate and isolated parcels. Hence, plaintiff-appellant has not established the basic fact that each of separate parcels of land to be expropriated has at least 50 houses of tenants erected thereon.

The case of defendant Carmen Prieto de Garo is even clearer with respect to the non-fulfillment of the 50-house requirement of Republic Act 2342, even assuming again that this Act may be made to apply to these cases. In the partial stipulation of facts it is admitted that in the first parcel affected, which consists of 39 subdivision lots with a total area of 7,182.80 square meters, only 32 houses of tenants exist. In the second parcel, consisting of 17 subdivision lots with a total area of 3,403.50 square meters, only 16 houses of tenants exist. In the third parcel composed of 34 subdivision lots with a total area of 8,280.07 square meters, only 41 houses of tenants exist. In the fourth parcel consisting of 5 subdivision lots, only one lot is sought to be expropriated with no statement as to how many houses of tenants exist thereon. And in the fifth parcel consisting of 5 subdivision lots with a total area of 4,066.10 square meters, only 14 tenants have houses thereon. In other words, none of these 5 parcels of land, which are non-contiguous, isolated and separate from each other, is expropriate as no 50 houses of tenants are erected on any of them. *

Under the above state of the law and facts appearing in these cases, we find no necessity in resolving the question of the constitutionality of the provisions of the law that now authorizes the expropriation of lands which formerly formed part of the landed estates or haciendas.

Wherefore, this Court having come, upon the foregoing considerations, to the same conclusion that the lands in question have not been established to be expropriable, the decisions of the lower court dismissing the complaints are hereby affirmed. No costs. So ordered.

Bengzon, C. J., Bautista Angelo, Labrador, Concepcion, Paredes, Regala, and Makalintal, JJ., concur.

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