

ANTONIO J. VILLEGAS, HIMSELF A FILIPINO CITIZEN AND TAXPAYER, IN HIS OFFICIAL CAPACITY AS THE MAYOR OF THE CITY OF MANILA, PETITIONER, VS. CLAUDIO TEEHANKEE, IN HIS CAPACITY AS ...

G.R. No. 27028. January 18, 1967

Ponente: RUIZ CASTRO, J.

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RUIZ CASTRO, J.:

Upon consideration of the petition in original case G. R. No. L-27028, "Antonio J. Villegas vs. Claudio Teehankee, et al.", and of the answer therein filed, as well as of the arguments adduced at the hearing held on January 16, 1967, and the memorandum filed by petitioner herein, and it appearing:

1. That the main issue raised by the pleadings is the validity of a directive of respondent Jose J. Leido, Jr., as Assistant Executive Secretary, by authority of the President, dated December 31, 1966, to the effect that, until the issues raised by "the Jarencio decision"—in Civil Case No. 57417 of the Court of First Instance of Manila, entitled "Philippine Packing Corporation vs. Hon. Teofilo Reyes, et al."—shall have been resolved by the Supreme Court, "all departments, offices and instrumentalities under the Executive Department, both national and local," shall act in conformity with the opinion, held by the Department of Justice, that American citizens and juridical entities wholly owned by them are exempt from the operation of Republic Act No. 1180, commonly known as the Nationalization (or Filipinization) of the Retail Trade Act;
2. That petitioner agrees with the opinion of the Department of Justice insofar as it implies that juridical entities controlled, but not wholly owned, by American citizens, are within the purview or operation of said Act;
3. That petitioner assails the validity or legality of the contested directive insofar only as it permits, pending final determination to the contrary by the Supreme Court, the operation in the retail trade of American citizens and corporations wholly owned by them;
4. That petitioner's pretense is predicated upon the assumption that the operation of Republic Act No. 1180 has not been affected by the Revised Trade Agreement between the Philippines and the United States dated August 1, 1955 (otherwise known as the Philippine Trade Agreement of 1955, or Laurel-Langley Agreement) and Republic Act No. 1355 (authorizing the President of the Philippines to enter into said Trade Agreement), to the extent of permitting American citizens and juridical entities wholly owned by them to engage in the retail trade in the Philippines, despite the provisions of Article VII, paragraph (1) of said Trade Agreement, reading:

"The Republic of the Philippines and the United States of America each agrees not to discriminate in any manner, with respect to their engaging in business activities, against the citizens or any form of business enterprise owned or controlled by citizens of the other and that new limitations imposed by either Party upon the extent to which aliens are accorded national treatment with respect to carrying on business activities within its territories, shall not be applied as against enterprises owned or controlled by citizens of the other Party which are engaged in such activities therein at the time such new limitations are adopted, nor shall such new

limitations be applied to American citizens or corporations or associations owned or controlled by American citizens whose States do not impose like limitations on citizens or corporations or associations owned or controlled by citizens of the Republic of the Philippines."

5. That a determination, in this case, of the issue thus raised by petitioner herein would amount to a declaratory judgment which is, admittedly, beyond the original exclusive jurisdiction of this Court to render;

6. That, moreover, such determination would, in effect, foreclose a similar adjudication of said issue in about twenty (20) cases now pending in courts of first instance, involving corporations which are not parties in this proceedings and which would be denied due process of law, if the relief prayed for by petitioner herein were granted;

7. That, apart from merely asserting, in general terms, that the contested directive is contrary to law, petitioner herein has not adduced any specific argument or even exerted an earnest effort to show that this contention is borne out by consistent with the above quoted provision of the Philippine Trade Agreement of 1955 thereby failing to show, even *prima facie* that the aforementioned view and opinion of the executive branch of our Government is contrary to law, much less null and void; and

8. That Republic Act Nos. 1180 and 1355 and said Trade Agreement involve national policies the enforcement of which is one of the main duties imposed by the Constitution upon the President, whose decisions, views or opinions thereon—unless and until voided or modified by final judgment of a competent court in appropriate cases—should prevail over those of local executive officials, such as petitioner herein, as Mayor of the City of Manila, and are binding upon the latter;

The Court Resolved, without prejudice to a more extended opinion and to pasting, in appropriate proceedings, upon the proper interpretation of said statutes and Trade Agreement, and the merits and demerits of the stand taken in the opinion relied upon in the contested directive, that the petition herein should be, as it is hereby dismissed, and the writs therein prayed for are, accordingly, denied.

Concepcion, C.J., Reyes, J.B.L., Dizon, Regala, Makalintal, Bengzon, J.P., Zaldivar, Sanchez and Ruiz Castro, JJ., concur.

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