

**GBEGORIO TORRES ET AL., PLAINTIFFS AND APPELLEES, VS.
CRISTINA GONZALEZ, INC., JORGE B. VARGAS, ACTING DIRECTOR
OF LANDS, AND SILVERIO APOSTOL, ACTING SECRETARY OF
AGRICULTURE A...***G.R. No. 32243. September 03, 1930*

Ponente: JOHNS, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-32243/>**JOHNS, J.:**

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There is no dispute about any material fact. The land in question formerly belonged to Cristina Gonzalez, for which she held a Torrens title, and upon which she executed a mortgage to the Agricultural Bank of the Philippine Islands which was later foreclosed, and the property sold and bid in by the Government, and for want of redemption the title again became vested in the Government. During the time that she was such owner, she had numerous tenants working on, the land, among whom were the plaintiffs.

The important question in this case is whether or not the land officials have any legal right to execute the lease of the land to Cristina Gonzalez, Inc. The proceedings were had under section 35 of Act No. 3219 under which the required notices for the leasing of the land were published and posted calling for sealed bids, as a result of which seven different sealed bids were submitted, one of which was informal, and for such reason was rejected. The bid of the plaintiffs was P8,040; Ramon Pons, P6,500; Cristina Gonzalez, Inc., P4,000; Mercedes Tombo Lopez, P8,000; Bernardino Estrella, P7,200; and Feliciano Nable, P5,520.

It will thus be seen that the bid of Cristina Gonzalez, Inc. was the lowest of all of the bids, and that plaintiffs' the highest.

Section 35 provides:

* * * * *

"Upon the opening of the bids the land shall be awarded to the highest bidder. If there are two or more bids which are higher than the others and equal, and one of such higher and equal bids is the bid of the applicant, his bid shall be accepted. If, however, the bid of the applicant is not one of such equal and higher bids, the Director of Lands shall at once submit the land for public bidding, and to the person making the highest bid on such public auction the land shall be awarded. In any case the applicant, if any, shall always have the option of raising his bid to equal that of the highest bidder, and in this case the land shall be awarded to him. No bid received at such public auction shall be accepted until the bidder shall have deposited the rental for the first three months of the lease."

Construing that section the Director of Lands, treating Cristina Gonzalez, Inc. as the applicant, submitted to it the question as to whether or not it wanted to lease the land on the terms and conditions specified in plaintiffs' bid, and it declaring itself ready and willing to accept such terms, the Director of Lands awarded the lease to Cristina Gonzalez, Inc. upon the theory that it was his duty to do so under the provisions of section 35 above quoted.

There is no claim or pretense that its bid was one of two or more bids which "are higher than the others and equal."

Neither is there any claim that one of such equal and higher bids was that of Cristina Gonzalez, Inc. It will be noted that this section specifically provides that "if, however, the bid of the applicant is not one of such equal and higher bids, the Director of Lands shall at once submit the land for public bidding, and to the person making the highest bid on such public auction the land shall be awarded." That provision is clear, definite, and certain, and upon the admitted facts, after the bids were opened, it was the duty of the Director of Lands to take the necessary steps to "submit the land for public bidding." Upon that point the appellees have submitted a strong, well-written brief, which was their real contention in the lower court.

In some respects the language of the Act is awkward and cloudy, but in that particular it is clear, definite, and certain. It follows that the judgment of the lower court, declaring the proposed lease to Cristina Gonzalez, Inc. null and void, must be sustained.

After quoting the provisions of that section, the appellees say:

"These provisions are mandatory and leave no room for discretion or arbitrary will in the Director of Lands in carrying them out when he holds the raised bid to be legal and valid. But if, as held by the trial court, the bid made by Mr. Schenkel in raising the sealed bid of the applicant to equal that of the plaintiffs had been held by the Director of Lands to be null and void, then there would have been no one entitled to raise his bid to equal that of the plaintiffs, and the plaintiffs would have been entitled to the award of the lease, and the trial court held that the Director of Lands abused his authority and discretion in not awarding the lease to plaintiffs.

"We respectfully submit that the sealed bid and the raised bid in behalf of the defendant corporation were both illegal, null and void, as held by the trial court, and that they should have been held null and void by the Director of Lands, and that the award of the lease should have been made by the Director of Lands to plaintiffs, as was done by the trial court."

As we construe section 35, it is not only mandatory as to the defendants, but it is also mandatory as to the plaintiffs, for the simple reason that the law specifically provides that "if the bid of the applicant is not one of such equal and higher bids, the Director of Lands shall at once submit the land for public bidding," and there is no claim or pretense that the bid of the applicant was one of such equal and higher bids. In fact it is alleged in plaintiffs' complaint that Cristina Gonzalez, Inc. was the lowest bidder. In that situation how and upon what theory can the lease be awarded to the plaintiffs. The reason that the proposed lease to Cristina Gonzalez, Inc. is null and void applies with equal force to the plaintiffs.

Appellees contend that by reason of the fact that the contract of lease to Cristina Gonzalez, Inc. is null and void, it follows that the lease should be awarded to them.

In this class of cases, the proceedings are initiated by the filing of the application for a lease of the land which in the instant case was filed by Cristina Gonzalez, Inc., and in all of the proceedings it was deemed and treated by both the plaintiffs and the land officials as the applicant. That is to say, its application was the basis of all subsequent proceedings. How then and upon what theory can the fact that the land office did not "at once submit the land for public bidding," and that it illegally and erroneously awarded the lease to Cristina Gonzalez, Inc. would the plaintiffs be entitled to have the lease awarded to them, and upon what legal principle should it be

awarded to them without first having submitted the land "for public bidding?"

As we construe the law, the making of any lease by the Government of this land is more or less at its option, but when the Government proposes to lease land, it must follow and conform to the provisions of Act No. 3219, which in this particular are mandatory.

In this case, we have had the benefit of the able and well-written briefs of opposing counsel in which a number of other legal questions are presented, which from our point of view are unnecessary to this opinion.

The judgment of the lower court, declaring the proposed lease to Cristina Gonzalez, Inc. null and void is affirmed, and its judgment awarding the lease of the land to the plaintiffs is reversed, and the case remanded to the land officials for such further proceedings as are not inconsistent with this opinion. Neither party to recover costs on this appeal.

Nothing said in this opinion should be construed as passing upon or deciding the question as to whether or not Cristina Gonzalez, Inc. is or is not a qualified bidder. So ordered.

Avanceña, C. J., Street, Malcolm, Villamor, Ostrand, Romualdez and Villa-Real, JJ., concur.

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