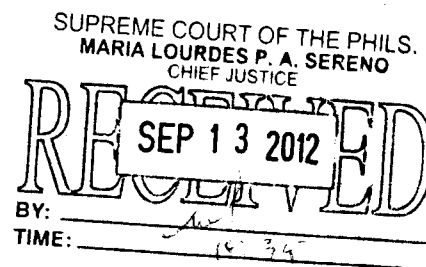




Republic of the Philippines
Supreme Court
Manila



FIRST DIVISION

HEIRS OF ARCADIO CASTRO,^{*}
SR., represented by ARCADIO
CASTRO, JR.,
Petitioners,

G.R. No. 163026

Present:

SERENO, C.J.,
Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
VILLARAMA, JR., and
REYES, JJ.

- versus -

RENATO LOZADA, FELIPE
CRUZ, ONOFRE INONCILLO,
ALFREDO FRANCISCO,
LIBERATO FRANCISCO,
FELIPE DE LA CRUZ,
HERNANDO HERRERA,
GERARDO MIRANDA, FELIX
INOVERO, ARCADIO IDAGO
and RESTITUTO DE LA CRUZ,
Respondents.

Promulgated:

29 AUG 2012

X- -----X

DECISION

VILLARAMA, JR., J.:

Assailed in this petition for review on *certiorari* under Rule 45 is the Decision¹ dated March 30, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 56257 affirming the Decision² dated August 4, 1999 of the Office of the President (OP) which upheld the ruling of the Department of Agrarian Reform (DAR) giving due course to the applications to purchase of

^{*} Also referred to as Arcadio de Castro in some parts of the records.

¹ *Rollo*, pp. 40-50-A. Penned by Associate Justice Edgardo F. Sundiam (deceased) with Associate Justices Eubulo G. Verzola and Remedios Salazar-Fernando concurring.

² *Id.* at 60-67. The decision was rendered in O.P. Case No. 96-K-6651.

respondents as occupants/tillers of lands under the provisions of Commonwealth Act (C.A.) No. 539.

Respondents are the occupants/tillers of a rice land situated at Upig, San Ildefonso, Bulacan, designated as Lot No. 546, Cad 320-D with an aggregate area of 274,180 square meters, which is part of the Buenavista Estate. In April 1977, respondents filed their respective applications to purchase Lot No. 546 with the DAR-Bulacan Provincial Office. Since the 1940's, respondents recognized Arcadio Castro, Sr. as their landlord who claimed to be the original tenant of the land. However, records of the DAR Region III Office showed that the registered claimant of Lot No. 546 is one "Arcadio Cruz." Consequently, Land Inspector Rogelio I. Estrella reported to the Ministry of Agrarian Reform (MAR) District Officer that Lot No. 546 applied for by the respondents is disposable and recommended the issuance of corresponding clearance in favor of the applicants.³

The processing of respondents' applications was stalled due to the opposition of Arcadio Castro, Sr. who submitted photocopies of certain official receipts and the Affidavit executed by his sister-in-law, Jacobe^{••} Galvez. In the said affidavit, Jacobe Galvez attested that upon the instruction of her brother-in-law, she paid on September 27, 1944 the "cost and rental" of Lot No. 546 in the amount of ₱5,091.80. Additional payments were supposedly made in 1961 in the amounts of ₱1,181.77 and ₱530.52. Jacobe Galvez further explained that while the receipts were issued in her name, her payments were made for and in behalf of her brother-in-law who actually owns the land and is the one receiving rentals or share in the harvest from the tenants.⁴ Arcadio Castro, Sr. also submitted a Certification dated March 29, 1983 issued by MAR Bulacan District Office in Baliuag, Bulacan stating that per their records, Jacobe Galvez paid cost and rental of ₱5,091.80 under Official Receipt (OR) No. 5429266 dated September 27, 1944.⁵ On November 25, 1982, respondents' applications and supporting documents

³ DAR records, pp. 115-126 and 160.

^{••} Spelled as Jacove in some parts of the records.

⁴ DAR records, p. 154.

⁵ Id. at 173.

were forwarded to Cesar C. Jimenez, Acting District Officer, BaliuagBulacan.⁶

On April 22, 1983, Benjamin M. Yambao, Trial Attorney II of the Bureau of Agrarian Legal Assistance in Baliuag, Bulacan issued a Report⁷ upholding the right of Arcadio Castro, Sr. over Lot No. 546 subject to compliance with further requirements of the MAR.

In 1989, it appears that Arcadio Castro, Sr. has voluntarily offered to sell his properties situated in the Buenavista Estate.⁸ At this time also, respondents, who began doubting the ownership of Arcadio Castro, Sr., stopped paying rentals.

On June 19, 1990, Municipal Agrarian Reform Officer (MARO) Jose S. Danganan forwarded to Erlinda Pearl V. Armada, Provincial Agrarian Reform Officer (PARO) of Bulacan, the documents pertaining to the conflicting claims over the subject landholding. In his letter MARODanganan stated –

The undersigned upon review and evaluation of the documents submitted by Mr. Castro, has noted the following:

1. That, per certification of payment it appears that only the excess area of 31,300 square meters was paid by Jacobe Galvez sister of deceased Arcadio Castro Sr. sometime in 1961;
2. That, the total area of lot 546 is 274,180 square meters;
3. That, the xerox copy of official receipt submitted (O.R. No. 3664086) was blard[sic] and unreadable;
4. That, the report of Atty. Benjamin Yambao dated April 22, 1983 was based only on the certification of Mr. Oscar M. Trinidad wherein, the actual payment made by Jacobe Galvez is only ₱1,181.77 representing 31,300 square meters only;
5. That, no application nor any documents (Order of Award, Application to Purchase) to support the claim of Mr. Castro was submitted[;]
6. That, no receipt of payment on the remaining area of lot 546 was presented/submitted.

⁶ Id. at 162.

⁷ Id. at 171-172.

⁸ Id. at 163-165.

In view of the above facts, the undersign [*sic*] honestly believe that the Legal Affairs Division is more in a position to review and resolve the said conflict.⁹

On December 20, 1990, Atty. Yambao, as directed by PARO Armada, reported on his findings, maintaining his earlier finding that Arcadio Castro, Sr. has already acquired a vested right over Lot 546 by paying for the same in 1944 and 1961, the latter payment having been made for the increase in area of 31,300 square meters after the final survey. Citing the letter of OIC Trinidad, Atty. Yambao stated that Lot 546 was listed in the name of “Arcadio Cruz” instead of “Arcadio Castro, Sr.”¹⁰

On November 14, 1990, Legal Officer II Jose R. Joven of the Legal Assistance Division of the PARO rendered a legal opinion stating that: (1) there is no evidence or public document to show that registrant “Arcadio Cruz” and claimant Arcadio Castro, Sr. are one and the same person, and no legal action was taken to correct the discrepancy in name as to vest unto the claimant legal personality to be the proper party-in-interest; (2) the recognition and giving of rentals by tenant-applicants to Arcadio Castro, Sr. and subsequently to his heirs for several years, do not constitute estoppel; (3) granting without admitting that “Arcadio Cruz” and Arcadio Castro, Sr. are one and the same person, the latter was more than compensated by the payments made by the tenants who are still immersed in poverty; (4) payments made by Jacobo Galvez did not specify the lot for which these were intended, considering that Jacobo Galvez, Nieves Castro and Arcadio Castro, Sr. were all registrants over several lots, and also because from the payment for “excess area” made by Jacobo Galvez it cannot be presumed that it is one for the main parcel absent any documentary evidence; and (5) in case of doubt, it is more in keeping with justice and equity to resolve the issue in favor of the actual tenants of the land. Said office thus recommended that respondents’ application over Lot 546 may be processed subject to guidelines provided in Administrative Order (AO) No. 3, series of 1990.¹¹

⁹ Id. at 150.

¹⁰ Id. at 178, 180.

¹¹ Id. at 138-139.

On May 16, 1991, DAR Regional Director Antonio M. Nuesa issued the following Order¹²:

WHEREFORE, premises considered, Order is hereby issued:

1. Declaring Lot No. 546, Cad 320-D, Case I, Buenavista Estate vacant;
2. Rejecting the claims of the heirs of Arcadio Castro, Sr., to the lot;
3. Giving due course to the applications of Renato Lozada and his co-applicants.

SO ORDERED.¹³

The Regional Director noted that the records do not show that efforts were exerted by Arcadio Castro, Sr. or his heirs to rectify what they claimed was an error in the listing of Arcadio Cruz as tenant of the land. While the tenant-applicants recognized Arcadio Castro, Sr. as their landlord, such acquiescence does not bind the DAR. Regarding the payments made by Jacobe Galvez in her name but which she later disclaimed in favor of her brother-in-law, the Regional Director found it not credible. Arcadio Castro, Sr.'s hiring of tenants was also found to be in contravention of AO No. 3, series of 1990, which is applicable to all landed estates. It was further noted that Arcadio Castro, Sr. appears in the records of the Municipal Assessor of San Rafael, Bulacan as declared owner of five other parcels of land.

The heirs of Arcadio Castro, Sr. represented by Arcadio Castro, Jr., filed a motion for reconsideration which was treated as an appeal by the Office of the DAR Secretary.

In his Order¹⁴ dated August 12, 1996, Secretary Ernesto D. Garilao affirmed the Regional Director's ruling. Secretary Garilao concurred with the Regional Director's finding that Arcadio Castro, Sr., assuming him to be the *bona fide* tenant of Lot 546, had violated Land Tenure Administration (LTA) AO No. 2, series of 1956 when he leased the subject landholding

¹² CA rollo, pp. 79-80.

¹³ Id. at 80.

¹⁴ Id. at 72-78.

already allocated to him without prior consent of the DAR. Citing the investigation report of Land Inspector-Designate Rogelio I. Estrella, the *SinumpaangSalaysay* of the tenants-applicants and the Joint *SinumpaangSalaysay* of barangay *kagawads* Renato Inovero and LuisitoSabarriaga confirming that it is the tenants-applicants who are in possession and actual cultivators of Lot 546, Secretary Garilao ruled that Arcadio Castro, Sr. failed to comply with the requirement of personal cultivation under LTA AO No. 2, series of 1956. The arguments on non-retroactivity of administrative rules and regulations, as well as Arcadio Castro, Sr.'s alleged vested right to acquire Lot 546, were rejected by Secretary Garilao who ruled that the tenant-applicants have the right of preference to purchase their respective portions of the said landholding.

Dissatisfied, the heirs of Arcadio Castro, Sr. appealed to the OP which dismissed their appeal. The OP declared that the assailed ruling is in accord with the policy of giving preference to the landless under C.A. No. 539 which is a social legislation. Considering that Arcadio Castro, Sr., as found by the DAR officials, is already the registered owner of several other real properties, Lot 546, applied for by the tenants-tillers who are landless, should therefore be awarded to the latter.¹⁵

The OP likewise denied the motion for reconsideration filed by the heirs of Arcadio Castro, Sr. who then elevated the case to the CA in a petition for review under Rule 43 of the 1997 Rules of Civil Procedure, as amended.

By Decision dated March 30, 2004, the CA concurred with the finding of the OP and DAR that Arcadio Castro, Sr. and his heirs failed to show that they personally cultivated the subject landholding. Neither did Arcadio Castro, Sr. acquire a vested right over Lot 546 by payments allegedly made on his behalf by Jacobo Galvez, the amount of which was found by DAR to be insufficient and no document or application whatsoever supports the claim of Arcadio Castro, Sr. The CA also sustained the OP and DAR in

¹⁵ Id. at 64-71.

ruling that Arcadio Castro, Sr. should be disqualified from claiming Lot 546 as he already is the declared owner of several other properties. Finally, the CA held that the award of Lot 546 to the tenants-applicants is consistent with the policy under the 1987 Constitution upholding the right of landless farmers and farm workers to own directly or collectively the lands they till, and the State's duty to undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as Congress may prescribe.¹⁶

Before this Court, petitioners assail the CA in affirming the ruling of the OP and DAR that Arcadio Castro, Sr. has not acquired a vested right over Lot 546, which is erroneous and illegal being based on the report of MARO Jose S. Danganan which is incomplete and defective. Petitioners averred that the fact that MARO Danganan at the time had no record of legal opinions concerning the subject landholding was admitted by him during the September 11, 1990 meeting. Petitioners thus contend that the DAR Secretary's reliance on the baseless report by the MARO violated their constitutional right to due process as laid down in the case of *AngTibay v. CIR*¹⁷ declaring that the tribunal must consider the evidence presented and that the decision rendered must be on the evidence presented at the hearing and to use authorized legal methods of securing evidence and informing itself of facts material and relevant to the controversy. They claim that the DAR Secretary ignored vital documentary evidence showing that Arcadio Castro, Sr. was really the listed claimant of Lot 546 and that he had made payments for it.

Petitioners argue that contrary to the conclusions of the DAR Secretary and OP, Arcadio Castro, Sr. had the legal and equitable title to Lot 546 since the receipt by the government of payments made by him resulted in a perfected contract of sale between them over the said lot. Further, petitioners contend that independent of such contract of sale, Arcadio Castro, Sr. obtained legal title over Lot 546 by virtue of acquisitive

¹⁶ *Rollo*, pp. 44-50-A.

¹⁷ 69 Phil. 635 (1940).

prescription from the time he paid for it in 1944 and has since possessed it adversely, openly and publicly. In any event, petitioners impute bad faith on the part of respondents who, after all the years of having a tenancy agreement with Arcadio Castro, Sr. and subsequently his heirs, would later repudiate the same and question the title of the landowner. They stress that under Section 2 (b), Rule 131 of the Rules of Court, a tenant is not permitted to deny the title of his landlord at the time of the commencement of the relation of tenant and landlord between them.

As to the qualifications of Arcadio Castro, Sr. as the original tenant under C.A. No. 539, petitioners argue that assuming LTA AO No. 2, series of 1956 has retroactive application, it must be presumed that official duty had been regularly performed so that by the government's acceptance of payments, it may be presumed that they found him to possess all qualifications set by law for the purchase of Lot 546. Hence, it is a clear blunder on the part of the CA to uphold the erroneous findings of the DAR Secretary that Arcadio Castro, Sr. violated Section 21 of LTA AO No. 2, series of 1956. Petitioners assert that at the time respondents applied for Lot 546 in 1977, the said rule applies to them but not to Arcadio Castro, Sr. because the latter was no longer a "claimant" or "applicant" but rather the legal or equitable owner of the land.

Petitioners also stress that C.A. No. 539 does not impose any restrictions on the exercise of the rights and attributes of ownership of tenants who purchase and acquire land under Section 1 thereof. It was therefore erroneous for the DAR Secretary to conclude that Arcadio Castro, Sr.'s act of leasing the subject landholding allocated to him without the prior consent of the DAR is a violation of LTA AO No. 2, series of 1956, with the effect of cancellation of the agreement to sell executed by the government in favor of the transferor or assignor, the reversion of the lot covered thereby and the forfeiture of all payments made to the government. Such conclusion is based on the erroneous assumption that LTA AO No. 2 is applicable to tenants who have already purchased and acquired lands under C.A. No. 539.

From the facts established, the Court is presented with the following issues for resolution: (1) whether Arcadio Castro, Sr. acquired a vested or preferential right over Lot 546; (2) whether LTA AO No. 2, series of 1956 was retroactively applied in this case; and (3) whether the DAR and OP erred in giving due course to the applications of respondents.

We deny the petition.

A vested right is defined as one which is absolute, complete and unconditional, to the exercise of which no obstacle exists, and which is immediate and perfect in itself and not dependent upon a contingency.¹⁸ The term “vested right” expresses the concept of present fixed interest which, in right reason and natural justice, should be protected against arbitrary State action, or an innately just and imperative right which enlightened free society, sensitive to inherent and irrefragable individual rights, cannot deny. To be vested, a right must have become a title—legal or equitable—to the present or future enjoyment of property.¹⁹

In this case, the DAR and OP rejected petitioners’ claim of a vested right anchored on the payments made in 1944 and 1961 by Jacobo Galvez allegedly for Lot 546 and in behalf of Arcadio Castro, Sr. The DAR Secretary’s finding that petitioners failed to prove that the registered claimant of said land, “Arcadio Cruz” and Arcadio Castro, Sr. are one and the same person is based on the fact that Arcadio Castro, Sr. and his heirs never exerted efforts to correct the supposed error in the LTA/DAR files, and the absence of any document to show that Arcadio Castro, Sr. filed an application to purchase Lot 546. These findings of fact are binding upon the courts and may not now be disturbed unless it can be shown that the official concerned acted arbitrarily or with grave abuse of discretion.²⁰

¹⁸ *Bernabe v. Alejo*, G.R. No. 140500, January 21, 2002, 374 SCRA 180, 186.

¹⁹ *Go, Jr. v. Court of Appeals*, G.R. No. 172027, July 29, 2010, 626 SCRA 180, 199.

²⁰ *Galvez v. Vda.deKangleon*, No. L-17197, September 29, 1962, 6 SCRA 162, 169.

Perusing the records, we find that the photocopies of OR Nos. 3664087 and 3664088 are unreadable,²¹ the Certification²² dated March 15, 1976 issued by Cesar C. Jimenez of Agrarian Reform Team II No. 03-11-092-A based on said receipts indicated payment of only ₱1,181.77 in the name of Jacobe Galvez, the letter²³ dated March 8, 1983 of Oscar M. Trinidad indicated payments of ₱1,712.29 also based on the same receipts, and the Certification²⁴ dated March 29, 1983 issued by Corazon P. del Rosario (Accountant I, MAR Bulacan District Office) stated only that Jacobe Galvez paid in 1944 the amount of ₱5,091.80 as cost and rental under OR No. 5429266 without any reference to Lot 546 of the Buenavista Estate and without any copy of such receipt attached to it. Were it true, indeed, as petitioners claimed, that MARODanganan simply did not have complete records before him, petitioners could have submitted those documents to the DAR Secretary or attached them to their petition for review before the OP. But except for their bare allegation of violation of due process with the non-consideration of documentary evidence, petitioners have not adduced competent proof that Arcadio Castro, Sr. or his heirs had made full payment for Lot 546. As it is, petitioners failed to present any document to show that Arcadio Castro, Sr. filed an application to purchase or have a contract to sell executed by the government in his favor. From the MARO, to PARO and DAR Secretary, petitioners' evidence were duly considered and evaluated by said officials and all were one in concluding that Arcadio Castro, Sr. has not acquired any vested right over the subject land.

A party claiming a right granted or created by law must prove his claim by competent evidence. He must rely on the strength of his evidence and not on the weakness of that of his opponent.²⁵ The petitioners having failed to prove their right to acquire Lot 546 under C.A. No. 539, they cannot compel the DAR to convey the lot to them. Hence, no reversible

²¹ DAR records, p. 169.

²² Id. at 170.

²³ Id. at 141.

²⁴ Id. at 173.

²⁵ *Pornellosa v. Land Tenure Administration*, No.L-14040, January 31, 1961, 1 SCRA 375, 379.

error was committed by the CA in sustaining the DAR Secretary's findings and conclusions as affirmed by the OP.

We likewise find no arbitrariness in the CA's affirmance of the DAR and OP's ruling that the requirement of personal cultivation under LTA AO No. 2, series of 1956 applies to Arcadio Castro, Sr. Indeed, even assuming that Arcadio Castro, Sr. was actually the registered claimant on Lot 546, his act of entering into tenancy contracts with respondents prior to the award of the land to him without the prior consent of LTA/DAR violated the said AO.

Contrary to petitioners' submission, there was no retroactive application as regards to personal cultivation which requirement is embodied in the law itself. Section 1 of C.A. No. 539 explicitly provides that:

SECTION 1. The President of the Philippines is authorized to acquire private lands or any interest therein, through purchase or expropriation, and to subdivide the same into home lots or small farms for resale at reasonable prices and under such conditions as he may fix to their *bona fide* tenants or occupants or to private individuals ***who will work the lands themselves*** and who are qualified to acquire and own lands in the Philippines. (Emphasis supplied.)

Thus, LTA AO No. 2, series of 1956 merely reiterated or amplified the foregoing primary condition in the award of lots comprising private landed estates acquired by the Government for resale to qualified beneficiaries. The pertinent provisions of said AO are herein reproduced:

SECTION 14. ***Persons Qualified to Purchase: Number of Lots Granted.*** — Subject to the provisions of Section 16 hereof, any private individual who is qualified to acquire and own lands in the Philippines and ***who will personally cultivate and/or occupy the lot or lots which may be sold to him***, may be allowed to purchase not more than one (1) home lot and/or farm lot except that in case of farm lots with areas less than six (6) hectares, more than one (1) lot may be purchased provided, however, that the total area of the lots which may be sold to one person shall not exceed six (6) hectares.

X XXX

SECTION 21. ***Transfer of Encumbrance of Rights.*** — A person having a right of preference to purchase a subdivision lot shall not be allowed to transfer, assign, alienate or encumber said right and any transfer, assignment, alienation or encumbrance made in violation of this prohibition shall be null and void. A *bona-fide* tenant, however, may transfer, assign, alienate or encumber his leasehold rights over a

subdivision lot to persons who will personally cultivate and/or occupy said lot and are qualified to acquired and own lands in the Philippines **with the prior written consent of the Chairman of the Land Tenure Administration;**^{x xx}

^{x xxx}Any transfer, assignment, alienation or encumbrance made without the approval of the Chairman of the Land Tenure Administration, as herein provided, is null and void and shall be **sufficient ground for the Chairman of the Land Tenure Administration to cancel the agreement to sell** executed in favor of the transferor or assignor, and to order the reversion of the lot covered thereby and the forfeiture of all payments made on account thereof to the government. Said payments shall be considered as rentals for the occupation of said lot by the transferor and as payment for administration expenses.

^{x xxx}

SECTION 24. *Conditions in Agreements to Sell, Deeds of Sale and Torrens Title.* — It shall be a condition in all agreements to sell and deeds of sale covering lots acquired under these rules and regulations **that said lots shall be personally occupied and/or cultivated by the purchasers thereof.**^{x xx} A purchaser of a farm lot who shall fail to start cultivation of said lot within six (6) months after the execution of his agreements to sell or deed of sale therefor shall be deemed not to have complied with said condition.

^{x xxx}

SECTION 25. *Violation of Any of the Conditions in the Preceding Section; Its Effect.* — The violation of any of the conditions set forth in the preceding section **shall be sufficient ground for the Chairman of the Land Tenure Administration to cancel an agreement to sell or deed of sale, and to order the reversion of the lot covered thereby and the forfeiture of all payments made on account thereof to the government.** In case, however, a transfer certificate of title has already been issued, the violation of any of said conditions shall be sufficient ground for the Chairman of the Land Tenure Administration to initiate and prosecute the proper action in court for the cancellation of said title and for the reversion of the lot involved to the government. (Emphases supplied.)

On the other hand, DAR AO No. 03-90 on the “Revised Rules and Procedures Governing Distribution and/or Titling of Lots in Landed Estates Administered by DAR” directs the MARO to review and evaluate the list of allocatees/awardees and conduct lot verification to determine whether they are still occupying and tilling the lots subject of Orders of Awards (OAs)/Certificate of Land Transfer (CLT).²⁶ An awardee or allocatee who is not the cultivator/occupant, such as when he employs tenants prior to full payment of the cost of the lot, the MARO shall cancel the OA/CLT and issue a Certificate of Land Ownership Award (CLOA) to qualified *actual*

²⁶ DAR AO No. 03-90, VII (Operating Procedures), A, 1.2.

cultivator/occupant. DAR AO No. 03-90 also laid down the following qualifications of a beneficiary in these landed estates:

V. Qualifications of a beneficiary are as follows:

- 1.Landless;
- 2.Filipino citizen;
- 3.**Actual occupant/tiller** who is at least 15 years of age or head of the family at the time of filing of application; and
- 4.Has the willingness, ability and aptitude to cultivate and make the land productive. (Emphasis supplied.)

Since Arcadio Castro, Sr. and his heirs (petitioners) were not the actual occupants or tillers of Lot 546 and merely employed tenants (respondents) to work on said land, the CA did not err in sustaining the ruling of the DAR and OP. Thus, even assuming Arcadio Castro, Sr. to be the legitimate claimant of Lot 546, petitioners have no right of preference in the acquisition of said land as they failed to comply with the requirement of personal cultivation. As correctly observed by the OP, from the admission by petitioners that they leased the lands to the respondents in 1955, petitioners continued the lease even after LTA AO No. 2 already took effect. The OP likewise found no impairment of rights in applying retroactively the implementing rules because these are merely enforcing C.A. No. 539 which was already in effect in 1940.

It must also be mentioned that this case does not fall under the exceptional circumstances when the hiring of laborers and employment of tenants will not result in the cancellation of agreements to sell or orders of award under C.A. No. 539. Assuming Arcadio Castro, Sr. was indeed the original listed claimant/tenant of the land and the real “Arcadio Cruz,” evidence on record clearly established that Arcadio Castro, Sr. had never been an awardee or allocatee. In fact, investigation by DAR officials revealed that there was not even any application to purchase filed by Arcadio Castro, Sr. while the supposed official receipts issued in 1944 to Jacobo Galvez did not indicate the payments as intended for Lot 546 and which payments are insufficient for the entire area of said land.

There being no agreement to sell or order of award yet issued over Lot 546, DAR officials declared them available for disposition to qualified beneficiaries. Since Arcadio Castro, Sr. was not an *awardee* or allocatee, this case clearly falls under the general rule of personal cultivation as requirement to qualify for award of lots under C.A. No. 539. As we held in *Vitalista v. Perez*²⁷:

In this case, the general rule requires personal cultivation in accordance with LTA Administrative Order No. 2 and DAR Administrative Order No. 3, Series of 1990. However, Land Authority Circular No. 1, Series of 1971 clearly makes three exceptions on the personal cultivation requirement in cases where land is acquired under C.A. No. 539: (1) when the **awardee or promisee** dies; or (2) when the awardee or promisee is physically incapacitated; or (3) when the land is fully paid for but the government fails to issue the corresponding deed of sale. By specifying these excepted cases and limiting them to three, the said circular recognizes that outside these exceptions, **any deed of sale or agreement to sell involving lands acquired under C.A. No. 539 should be cancelled in cases where the awardee fails to comply with the requirement of personal cultivation.**(Emphasis and underscoring supplied.)

Finally, the Court holds that no reversible error was committed by the CA when it ruled that the order of DAR Regional Director giving due course to the application of respondents is consistent with the agrarian reform policy under the 1987 Constitution. Whereas C.A. No. 539 enacted in 1940 authorized the Government to acquire private lands and to subdivide the same into home lots or small farms for resale to *bona fide* tenants, occupants or private individuals who will work the lands themselves, the social mandate under the 1987 Constitution is even more encompassing as it commands “[t]he Congress [to] give [the] highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, x xx”.²⁸

To achieve such goal, “the State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farm workers, *who are landless*, to own directly and collectively the land they till or, in the case of other farm workers, to receive a just share of the fruits thereof.” A

²⁷ G.R. No. 164147, June 16, 2006, 491 SCRA 127, 146.

²⁸ CONSTITUTION, Art. XIII, Section 1.

just distribution of all agricultural lands was undertaken by the State through Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL), which was passed by Congress in 1988. It can thus be said that the 1987 Constitution has “a much more expanded treatment of the subject of land reform than was contained in past Constitutions.”²⁹

Moreover, C.A. No. 539 being a social legislation, this Court has previously declared that “in the construction of laws that find its origin in the social justice mandate of the Constitution,” the constant policy is “to assure that its beneficent effects be enjoyed by those who have less in life.”³⁰ And in the words of former Chief Justice Ricardo M. Paras, Jr., “[C.A.] No. 539 was conceived to solve a social problem, not merely as a direct or indirect means of allowing accumulation of land holdings.”³¹ In this sense, the law discourages absentee “tenants” or lessees. So it is in this case, the DAR found it more in keeping with the policy of the law to give preference to respondents who are *landless tenants* (or sub-lessees) of Arcadio Castro, Sr. and later his heirs, and *actual tillers* of Lot 546 in Buenavista Estate, over Arcadio Castro, Sr. who may have been the original “tenant” but an absentee one and who has other parcels of land declared in his name.

That the respondents are actual tillers and qualified beneficiaries under C.A. No. 539 and its implementing rules -- to the extent of the portions of Lot 546 they respectively occupy and cultivate for decades already -- who should be given preference in the distribution of said land, is a factual question beyond the scope of this petition. The rule is that in a petition for review, only questions of law may be raised for the reason that

²⁹ Joaquin G. Bernas, S.J., The 1987 Constitution of the Republic of the Philippines: A Commentary, 2003 ed., p. 1198.

Sec. 4, Art. XIII reads in part:

“The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farm workers, who are landless, to own directly or collectively the lands they till or, in the case of other farm workers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation. x xx”

³⁰ *Tañag v. The Executive Secretary*, No. L-30223, February 27, 1971, 37 SCRA 806, 811, cited in *Rosario v. Court of Appeals*, G.R. No. 89554, July 10, 1992, 211 SCRA 384, 388.

³¹ See Dissenting Opinion of CJ Paras in *Bernardo, et al. v. Bernardo, et al.*, 96 Phil. 202, 215 (1954).

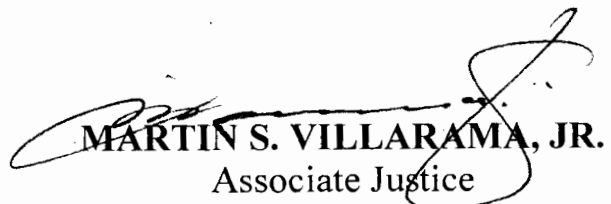
already -- who should be given preference in the distribution of said land, is a factual question beyond the scope of this petition. The rule is that in a petition for review, only questions of law may be raised for the reason that the Supreme Court is not a trier of facts and generally does not weigh anew the evidence already passed upon by the Court of Appeals.³²

Finally, it is well settled that factual findings of administrative agencies are generally accorded respect and even finality by this Court, if such findings are supported by substantial evidence.³³ The factual findings of the DAR Secretary, who, by reason of his official position, has acquired expertise in specific matters within his jurisdiction, deserve full respect and, without justifiable reason, ought not to be altered, modified, or reversed.³⁴ In this case, petitioners utterly failed to show justifiable reason to warrant the reversal of the decision of the DAR Secretary, as affirmed by the OP and the CA.


WHEREFORE, the petition for review on *certiorari* is **DENIED**. The Decision dated March 30, 2004 of the Court of Appeals in CA-G.R. SP No. 56257 is **AFFIRMED**.

No pronouncement as to costs.

SO ORDERED.


MARTIN S. VILLARAMA, JR.
Associate Justice


WE CONCUR:

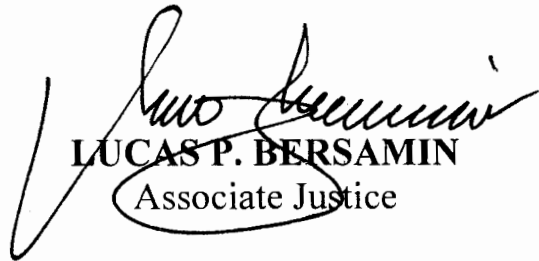

MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson


³² *National Power Corporation v. Court of Appeals*, G.R. No. 124378, March 8, 2005, 453 SCRA 47, 53-54.

³³ *Alangilan Realty & Development Corporation v. Office of the President*, G.R. No. 180471, March 26, 2010, 616 SCRA 633, 644, citing *Department of Agrarian Reform v. Samson*, G.R. Nos. 161910 & 161930, June 17, 2008, 554 SCRA 500, 511.

³⁴ *Id.*

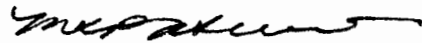

TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice