Legislation, Executive Orders, and Court Decisions

BY EWALD E. SELPH
Ross, Selph, Carrascoso & Janda

IN a case promulgated by the Supreme Court, in October, 1948, some points to be observed in dealing with a person who acts under power of attorney from another are noted (Ilodges v. Yulo, G. R. No. 48049, October 18, 1948.)

Under his power of attorney, the defendant borrowed ₱28,000 from the plaintiff, secured by a mortgage on certain real estate owned by the defendant's principals. Approximately ₱10,000 of the proceeds of the loan were applied to the payment to plaintiff of personal indebtedness due plaintiff from the attorney in fact. The loan was not paid and plaintiff brought foreclosure proceedings. Judgment was rendered in his favor for the amount of the mortgage loan less the amount applied to the personal indebtedness of the attorney in fact. This decision was based on the claim and finding by the Court that the payment of the personal indebtedness of the attorney in fact was beyond the authority granted in the power of attorney. As a general rule, an attorney in fact does not have authority to borrow on the security of his principal's property and such authority must be specific. In any event the plaintiff had cancelled the defendant's personal notes and had given him a receipt in full. The plaintiff having failed to recover from the mortgagors then discovered that he had erroneously cancelled defendant's notes and brought suit against the defendant to recover the ₱10,000. The defendant then invoked the statute of limitations and the plaintiff found himself out of court by reason of a mistake he had made 10 years before and is now without any remedy to recover his ₱10,000.

The moral of this case would seem to be that a person should use considerable care in dealing with an attorney in fact who signs a mortgage on his principal's property, and uses the proceeds to pay his own debts.

A decision of the Court of Industrial Relations promulgated November 25, 1948, (Luzon Marine Department Union v. Luzon Stevedoring Co. et al.) indicates that it is the national policy to avoid strikes and lockouts. The decision contains, among other things, the following statements of principle:

"From the foregoing discussion, we may reasonably conclude that it is our national policy to prevent or avoid strikes and lockouts as much as possible, altho we do not explicitly prohibit them. The right of labor to resort to direct action is recognized but that right is not absolute but subject to certain restrictions calculated to promote industrial peace and progress and to safeguard public interests.

"This policy finds parralled in the prevailing practice in many other countries...

"In the language of Justice Brandeis, 'the right to carry on business—be it called liberty or property—has value. To interfere with this right without just cause is unlawful' (Dorchy vs. State of Kansas, 272 U.S. 306). Therefore, such right, like the right to labor, deserves adequate protection...

"Viewed from all angles, the strike in question is not only unreasonable and unjustified but unlawful, and the strikers cannot invoke the protection of the law in their favor. To use the language of Chief Justice Moran, 'their cessation from their employment as a result of such unjustified strike is one of the consequences which they must take by the choice of a remedy of their own, outside of the statute.'"

The decision of Justice Brandeis (U.S. Sup. Court 71 L. Ed. 248, 269) referred to, involved the Kansas Industrial Relations Act.