

for naturalization, is married to a Filipino, and is now living as a peaceful resident in this country. Besides possessing all the qualifications required of an applicant for naturalization, the evidence shows that during the last war, he clearly identified himself with the Filipinos, even helping in the underground resistance movement. However, the law must be complied with.

The following authorities may be cited:

"x x x It is not within the province of the courts to make bargains with applicants for naturalization. The courts have no choice but to require that there be a full compliance with the statutory provisions" (2 Am. Jr., 577).

"An alien who seeks political rights as a member of this nation can rightfully obtain them only upon terms and conditions specified by Congress. Courts are without authority to sanction changes or modifications; their duty is rigidly to enforce the legislative will in respect of a matter so vital to the public welfare" (U.S. vs. Ginsberg, 243 U.S., 472; 61 L. ed. 853; 856).

In view of the foregoing, the judgment appealed from is affirmed, with costs against the appellant.

SO ORDERED.

*Paras, Pablo, Bengzon, Padilla, Montemayor, Reyes, Bautista Angelo, Labrador, Concepcion, and Diokno, J.J., concur.*

#### IX

*Allied Workers Association of the Philippines, vs. Insular Lumber Company, G.R. No. L-6128, February 25, 1954, Montemayor, J.*

EMPLOYER AND EMPLOYEE; UNFAIR LABOR PRACTICES; CASE AT BAR. — The Insular Lumber Co. employed laborers who belonged either to the Allied Workers Association of the Philippines or to a rival union known as the United Labor Union. Santos, a foreman of the Saw Mill Department of the Company, had previously been an active and leading member of the Allied Workers Association of the Philippines, but recently had been President of a rival union (the United Labor Union). On April 18, 1952, the Allied Workers Association of the Philippines demanded the immediate expulsion and dismissal of Santos, and one of the grounds for the petition was that he had committed and continued to commit acts which constitute unfair labor practices, cruel and detrimental to the members of the Association. These unfair and cruel labor practices consisted in the threats made by Santos against the workers that if they did not join the United Labor Union, they would be expelled from their jobs or reported to the special policemen of Governor Lacson to be manhandled and said laborers were forced to pay P1.00 each and to enter said union against their will and desire, etc. The Lumber Co. filed a motion stating that as may be seen from the charges filed by the Association, the charges against Catalino who was the president of the United Labor union, a rival of the Association had nothing to do with the performance of his duties as an employee of the Lumber company, and that the charges were motivated by the fact of Catalino's being president of the United Labor Union; that the Lumber Company was under no obligation to take any part in the charges and countercharges of rival unions.

HELD: — We cannot agree to the order appealed from stating that the charges against Catalino de los Santos were made against him as president of a rival labor union and in no manner affected the Lumber Company. It will be remembered that Catalino in allegedly making the threats and put-

ting pressure upon the laborers working under him so acted while he was working as a foreman of the Lumber company, exercising the functions and authority of an important employee or official of the Company. Furthermore, if he so acted with the knowledge and consent of the company, the parties to this case and the Court wants to know and have the right to know. We are more inclined to agree with Presiding Judge Roldan in his dissent that under the circumstances the Lumber company should take direct interest in the case, deny or meet the charges for the reason that its good name is involved; that the continued employment of Catalino would in no way solve the industrial conflict between the parties to the case, and that unless the Lumber Company could show that the acts of Catalino complained of, if proven, were individual acts without the authority of the Company, or if authorized, were exceeded, the Company could not escape blame, and that Catalino as foreman exercised to a limited extent managerial functions as a result of which his acts as an agent may be considered as the acts of his principal.

*Emilio R. Severino* for petitioner.

*Ross, Selph, Carrasasco and Janda* for respondent.

#### DECISION

MONTEMAYOR, J.:

There is no dispute as to the facts. Respondent INSULAR LUMBER COMPANY (later to be referred to as the Lumber Company) is a domestic corporation engaged in the lumber business in Fabrica, Negros Occidental, employing laborers who belong either to the petitioner ALLIED WORKERS ASSOCIATION OF THE PHILIPPINES (later to be referred to as the Association) or to a rival union known as the UNITED LABOR UNION, of which Catalino de los Santos is the President. On April 18, 1952, the petitioner Allied Workers Union sent a letter to the respondent Lumber Company presenting three demands, namely:

- (1) The immediate expulsion and dismissal of Catalino de los Santos, foreman of the Sawmill Department of the Insular Lumber Company on the ground that he had committed and continued to commit acts which constitute unfair labor practices, cruel and detrimental to the members of the petitioner;
- (2) The standardization of salaries and wages based on proper job classification and evaluation; and
- (3) A general daily increase of P2.00 in wages and salaries of all the employees and laborers of the company.

According to the memorandum filed on behalf of the Lumber Company dated January 7, 1953, on April 18, 1952, the company replied to the petition as regards the demand for the expulsion and dismissal of Catalino de los Santos, saying that the latter had been the foreman of the sawmill department of the company for many years, had previously been an active and leading member of the petitioner Association, but recently had been the President of a rival union (The United Labor Union) of which many employees and laborers of the company were affiliated; that while the accusations made against Catalino might be well founded the company wanted to say that the United Labor Union had made more or less similar charges from time to time against several members of the Association, and that inasmuch as the company had always followed a strictly neutral attitude as between the two unions, said company had ignored said complaints; consequently, the company felt that in order to be fair it should not take the drastic action of dismissal requested but that if the Association sent proof that Catalino had been enriching himself at the expense of the laborers working under him, the company would immediately investigate the matter.

Convinced that the Lumber Company refused and failed to grant the three demands aforementioned, the Association declared a strike in the afternoon of June 7, 1952. On June 9, 1952, the company sought the intervention of the Court of Industrial Relations (CIR) by filing a petition entitled "INSULAR LUMBER COMPANY, petitioner, vs. ALLIED WORKERS ASSOCIATION, respondent, Numbered 705-V".

On June 14, 1952, while the strike was in progress, the Lumber company filed an urgent petition in the CIR asking it to order the strikers back to work. On June 17, 1952, Associate Judge Jose Bautista who was hearing the case issued an order to the laborers and employees of the Lumber Company who were on strike to return to work pending determination of the demands and issues involved in the case. Pursuant to said order the striking laborers and employees returned to work.

Complying with the verbal order of Judge Bautista the Association presented a specification of charges against Catalino de los Santos, dated June 16, 1952. According to this specification, Catalino de los Santos was working as foreman of the sawmill department of the Lumber company, which sawmill department was the biggest department of the Lumber company; that ten laborers whose names were listed, working in said sawmill under Catalino were threatened that if they did not join the United Labor Union they would be expelled from their jobs or reported to the Special Policemen of Governor Lacson (presumably of Negros Occidental) to be manhandled, and said laborers were forced by Catalino to pay P1.00 each as entrance fee to said Union against their will and desire; that Antonio Ablando, a laborer in the sawmill department under Catalino was promised by the latter a job provided that in exchange he lent Catalino the sum of P10.00; that eventually Ablando was given a job but during the time that he was working with the Lumber Company, Catalino had taken from him the total amount of P130.00 allegedly borrowed but never paid, and that Catalino also took one of Ablando's pigs worth P30.00 without paying for the same; that about 458 laborers whose names were listed in the specification and who were working in the sawmill department under Catalino were threatened that if they refused to sign their membership and affiliation with the "VOICE OF THE POOR", a union being organized by Catalino, they would be separated from the service; that the Lumber company had been duly advised of these doings and activities of De los Santos but that the management had not done anything to protect said laborers who had been the object of the threats, intimidation and coercion by Catalino, and that the laborers so mentioned and listed were ready to testify in court.

On June 21, 1952, the Lumber company filed a motion stating that as may be seen from the specification of charges filed by the Association, the charges against Catalino who was the president of the United Labor Union, a rival of the Association had nothing to do with the performance of his duties as an employee of the Lumber company, and that the charges were motivated by the fact of Catalino's being president of the United Labor Union, that there was no law specifying what are unfair labor practices by rival union leaders; that the Lumber company could not act on ex-parte charges; that the Lumber company was under no obligation to take any part in charges and countercharges of rival unions; that Catalino should be served a copy of the charges and given the opportunity to answer the same and make such defenses and present evidence as he may have, with such counsel as he may select for all of which the Lumber company could not be held responsible; that the other issues involved referring to the demands for standardization of and increase in wages could be properly discussed and submitted to the CIR in Manila. The motion concluded with a prayer that the Lumber company be relieved of any obligation or duty to defend Mr. Catalino de los Santos against the charges filed by the Association, and that the CIR dismiss

such charges as not a proper issue in the dispute between the petitioner and respondent with the right of course on the part of the Association to present such charges before the proper tribunal.

Acting upon this motion of the Lumber company Judge Bautista issued an order dated June 28, 1952 holding that according to the specification of charges filed by the association against Catalino de los Santos, it was clear that the charges were filed against him as President of a rival union for unfair labor practices and in no manner affected the Lumber company, as the dispute was between two rival unions; however, considering that the said charges against Catalino might involve the Lumber company if not solved in time, the court (CIR) would proceed to investigate said charges, "but in so doing it shall relieve the petitioner Lumber company of the obligation or duty to defend Mr. De los Santos." The order required Catalino to be notified of the same and of the date of hearing of the charges against him in Bacolod City. As to the other demands, namely, standardization of salaries and general increase of wages, the hearing was ordered held in Manila.

The Association filed a motion for reconsideration of the above referred order of June 28, 1952. On said motion for reconsideration the CIR acted in banc and Judge Bautista with the concurrence of Associate Judges Castillo and Yanson ruled that the court failed to find sufficient reasons for altering or modifying said order. However, Presiding Judge Roldan and Associate Judge Lanting dissented in separate opinions. The Association is now appealing to this Court from the said order.

We cannot agree to the order appealed from stating that the charges against Catalino de los Santos were made against him as president of a rival labor union and in no manner affected the Lumber company. It will be remembered that Catalino in allegedly making the threats and putting pressure upon the laborers working under him so acted while he was working as a foreman of the Lumber company, exercising the functions and authority of an important employee or official of the Company. Furthermore, if he so acted with the knowledge and consent of the company, the parties to this case and the Court wants to know and have the right to know. We are more inclined to agree with Presiding Judge Roldan in his dissent that under the circumstances the Lumber company should take direct interest in the case, deny or meet the charges for the reason that its good name is involved; that the continued employment of Catalino would in no way solve the industrial conflict between the parties to the case, and that unless the Lumber company could show that the acts of Catalino complained of, if proven, were individual acts without the authority of the Company, or if authorized, were exceeded, the Company could not escape blame, and that Catalino as foreman exercised to a limited extent managerial functions as a result of which his acts as an agent may be considered as the acts of his principal. We also agree with Judge Lanting in his dissent that if it were true as claimed in the order appealed from that the charges against Catalino in no manner affected the lumber company but involved only two rival unions, then the CIR lacked jurisdiction over the subject matter because there was no employer-employee relationship involved; that as a foreman Catalino by his position must have had certain supervisory, if not managerial functions; that when he indulged in the anti-labor practices attributed to him there was the likelihood that he was acting for the Company, and that said Company has the burden of proof to show why it should be exempt from blame for the acts of Catalino, and that even if it was proven that the company did not know of such acts, still it could be compelled to discharge Catalino in order to remove a sure cause of dissension in the Company.

In conclusion, we are of the opinion that the charges against Catalino de los Santos affect and involve the Lumber company. It would appear that as foreman of the sawmill department em-

ploying hundreds of laborers he had the right to employ and discharge laborers or at least the authority to recommend their employment and discharge. Naturally, with such authority, and the laborers knowing it, his urging them to join a certain labor union under threat of dismissal and his requests for loans even when not repaid, could not well be ignored or rejected by them. Of course, as the order appealed from states, the Lumber company cannot be compelled to defend Catalino de los Santos; but that the company should be vitally interested in the investigation against Catalino, there is no doubt. The company is a party to the case. Whether it wants to take part in the investigation and hearing, that is its affair, but it will naturally be bound by any finding and decision of the CIR based on said investigation and hearing. With this understanding and with the consequent modification of the order appealed from, the same is hereby affirmed. No costs.

*Paras, Pablo, Bengzon, Padilla, Reyes, Jugo, Bautista Angelo, and Labrador, J.J., concur.*

X

*Larry J. Johnson, Plaintiff-Appellee, vs. Maj. Gen. Howard M. Turner, et al., Defendants-Appellants, G. R. No. L-6118, April 26, 1954, Montemayor, J.*

**ACTION AGAINST THE GOVERNMENT OF THE UNITED STATES; JURISDICTION.** — Philippine courts have no jurisdiction to try cases against the Government of the United States unless said government has given its consent to the filing of such cases.

*Sixto F. Santiago* for appellants.  
*Quintin F. Pidal* for appellee.

**DECISION**

**MONTEMAYOR, J.:**

This is an appeal by the defendants from a decision of the Court of First Instance of Manila ordering them or their successors or representatives to return to plaintiff or his authorized representative the confiscated Military Payment Certificates (SCRIP MONEY) in the reconverted or new series, amounting to \$3,713.00. For purposes of the present appeal the pertinent facts not disputed are as follows.

Plaintiff-Larry J. Johnson, an American citizen, was formerly employed by the U. S. Army at Okinawa up to August 5, 1950, when he resigned, supposedly in violation of his employment contract. In the same month he returned to the Philippines as an American civilian, bringing with him Military Payment Certificates (SCRIP MONEY) in the amount of \$3,713.00 which sum he claims to have earned while at Okinawa. About five months later, that is, on January 15, 1951, he went to the U.S. Military Port of Manila and while there tried to convert said scrip money into U.S. dollars, allegedly for the purpose of sending it to the United States. Defendant Capt. Wilford H. Hudson Jr., Provost Marshal of the Military Port of Manila in the performance of his military duties and claiming that said act of Johnson in keeping scrip money and in trying to convert it into dollars was a violation of military circulars, rules and regulations, confiscated said scrip money, gave a receipt therefor and later delivered the scrip money to the military authorities. Johnson made a formal claim for the return of his scrip money and upon failure of the military authorities to favorably act upon his claim, on July 3, 1951, he commenced the present action in the Court of First Instance of Manila against Major General Howard M. Turner as Commanding General, Philippine Command (Air Force) and 13th Air Force with office at Clark Field; Major Torvald B. Thompson as Finance Officer, Provost Marshal, 13th Air Force with office at Clark Field; and Captain Wilford H. Hudson Jr. as Provost Marshal attached to the Manila Military Port Area, to recover said amount of \$3,713.00 "at the reconverted or new series and to the same

full worth and value." It may be stated in this connection that shortly after the confiscation of the scrip money in Manila on January 15, 1951, an order was issued by the U.S. military authorities for the conversion of all scrip money then outstanding into a new series, thereby rendering valueless and of no use the old series of which the scrip confiscated from Johnson formed a part, and that was the reason why the prayer contained in Johnson's complaint is for the return not of the very same scrip money (old series) confiscated, but the sum "at the reconverted or new series and to the same full worth and value."

The defendants through counsel moved for the dismissal of the complaint on the ground of lack of jurisdiction over their persons and over the subject-matter for the reason that they were being sued as defendants in their respective official capacities as officers of the U.S. Air Force and the action was based on their official actions, and that the U.S. Government had not given its consent to be sued. The motion for dismissal was denied and the case was heard, after which, the trial court found and held that it had jurisdiction because the claim was for the return of plaintiff's scrip money and not for the recovery of a sum of money as damages arising from any civil liability of the defendants; and that the confiscatory act of the defendants is contrary to the provisions of the Philippine constitution prohibiting deprivation of one's property without due process of law.

Pursuant to rules and regulations as well as the practice in U.S. military establishments in Okinawa and the Philippines, military payment certificates popularly known as "scrip money" is issued to military and authorized personnel for use exclusively within said military establishments and as sole medium of exchange in lieu of U.S. dollars, the issuance of said scrip money being restricted to those authorized to purchase tax free merchandise at the tax-free agencies of the U.S. Government within its military installations. It is said to be intended as a control measure and to assure that the economy of the Republic of the Philippines will be duly protected.

The confiscation of Johnson's scrip money is allegedly based on Circular No. 19, Part I, par. 7(a) of the GHQ, Far East Command, APO 500, dated March 15, 1949, the pertinent provisions of which read thus:

"7. Disposition of Military Payment Certificates.

A. Personnel authorized to hold and use military payment certificates prior to departing on leave, temporary duty, or permanent change of status from a military payment certificate areas to areas where military payment certificates are not in authorized use will dispose of their military payment certificates holding prior to departure. Similarly authorized personnel who lose their authorized status are required at the time of such loss to dispose of their military payment or certificate holdings."

It is the claim of the defendants that Johnson should have disposed of or converted his scrip money into dollars upon his resignation as employee of the U.S. Government when he lost his authorized status, and prior to his departure from Okinawa, and that his possession of said scrip money in the Philippines, particularly in the Manila Military Port Area was illegal, hence the confiscation.

Believing that the main and most important question involved in the appeal is that of jurisdiction, we shall confine our considerations to the same. In the case of Syquia v. Lopez, et al., 47 O.G. 665, where an action was brought against U.S. Army officers not only for the recovery of possession of certain apartments occupied by military personnel under a contract of lease, but also to collect back rents and rents at increased rates including damages, we held: