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## Legislation, Executive Orders, and Court Decisions

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

RECENTLY there appeared in one of the local papers an article to the effect that in the case of the Peter Paul Co. labor dispute (L-6491, October 29, 1954) the Supreme Court had ruled that article 302 of the Code of Commerce relating to one month's notice of termination of employment was still in effect. As the wage administration office had already ruled that the article had been repealed by the new Civil Code there was some confusion among employers and employees as well, as to what had actually happened. What the Supreme Court actually said (page t of the decision) was:

"The second question raised in this petition for review is the alleged erroneous conclusion of law made by the Court below that Art. 302 of the Code of Commerce has been expressly repealed by the New Civil Code. We see no practical need to decide this question squarely, for the reason that even assuming that the New Civil Code has not repealed Art. 302 of the Code of Commerce, as insisted by the appellant Union, the 55 employees laid off by the respondent Company on September 3, 1950, would not be entitled to the payment of one month severance pay anyway, because the Court below expressly found that they were given one month's notice before they were dismissed, and Art. 302 of the Code of Commerce requires the payment of the *mesada* only to employees dismissed without such previous notice.

In another case (*Dee C. Chuan & Sons Inc. v. Nahag, L-7201, L-7211, September 22, 1954*) the Court of Industrial Relations granted one month's separation pay on the ground that no notice had been given to the employees or the court of the closing of the company's retail business. The Supreme Court said:

"\* \* \* In other words, whether the cause of the termination of the employment is the closing of the business or other justifiable cause, a laborer is entitled to one month separation pay if the requisite notice is not given him one month in advance, or his separation is made without the sanction of the court. This is in keeping with the spirit of social justice enshrined in our Constitution.

ONE of the cases (*Smith, Bell & Co., Ltd. v. Register of Deeds of Davao, L-7084, October 27, 1954*) recently decided seems to have caused considerable stir among the members of the Congress and there will probably be introduced in the next Congress measures to limit the term of leases to aliens. The pertinent points are covered by the following language:

"\* \* \* A lease for a period of 50 years does not give rise to a right of permanent possession that would put the security of the country in peril; the possession will only last for the period stipulated in the contract.

"And, lastly, article 1643 of the Civil Code of the Philippines provides, in part, as follows: '\* \* \* However, no lease for more than ninety-nine years shall be valid.'

"The contract the registration of which is the object of these proceedings, is only for a period of 25 years, renewable for another 25 years; it does not last 99 years. The contract, therefore, is in accordance with law; it is valid. Only a lease for more than 99 years is void."

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