

Title:

Tabora v. Montelibano & National Rice and Corn Corporation (NARIC)

Facts:

Urbano Tabora, the plaintiff, was employed by the National Rice and Corn Corporation (NARIC) as a warehouseman until he was suspended on June 30, 1950, following a report that indicated a shortage of 4,775 sacks of rice from his warehouse. This suspension came without a prior opportunity for Tabora to be informed or defend himself against the allegations. Following the suspension, Tabora faced criminal charges, including malversation, but was acquitted on September 20, 1952. Despite his acquittal, NARIC refused his request for reinstatement and payment of back salaries, prompting Tabora to seek legal relief. He demanded reinstatement, back salaries, and damages. The case progressed through the legal system, finally reaching the Supreme Court after the lower court dismissed his complaint, emphasizing that NARIC employees were not covered by civil service rules and regulations as per Republic Act No. 663.

Issues:

1. Whether Tabora's suspension and non-reinstatement by NARIC were lawful.
2. If Tabora's acquittal on criminal charges entitled him to reinstatement and back pay.
3. The applicability of Republic Act No. 663 concerning NARIC's governance regarding employee reinstatement and compensation.

Court's Decision:

The Supreme Court reversed the lower court's dismissal, ruling in favor of Tabora. It held that:

1. Tabora's suspension, without being informed or given a chance to defend himself, and subsequent non-reinstatement were unlawful.
2. His acquittal of the criminal charges entitled him to reinstatement and the payment of back salaries from the date of suspension till reinstatement.
3. Although Republic Act No. 663, which was approved after Tabora's suspension, granted NARIC the authority to establish employment rules, it did not authorize arbitrary removal or suspension of employees without cause. Furthermore, the Act's non-retroactively meant it did not apply to Tabora's case.

Doctrine:

The ruling established or reiterated that government or government-affiliated corporations could not arbitrarily suspend or remove employees without due process. Even in cases

where specific laws grant organizations autonomy in governing employment practices, such actions should still adhere to the principles of due process and fairness.

Class Notes:

- **Key Elements:** Employment security, due process in administrative proceedings, and the impact of criminal acquittal on employment status.
- **Relevant Statutes:** Republic Act No. 663 - Pertaining to NARIC's autonomy in employee governance, not applicable retroactively or in a way that denies due process.
- **Application:** This case demonstrates the judiciary's role in protecting employment rights against arbitrary actions by employers, especially state-affiliated corporations. Due process in suspension or termination is paramount, and acquittal in related criminal charges often warrants reinstatement and back pay, barring evidence to the contrary in administrative proceedings.

Historical Background:

The case highlights post-World War II governance and administrative challenges within the Philippine government and affiliated corporations. NARIC's role in stabilizing rice and corn prices was crucial in the post-war era, reflecting broader efforts to rebuild the nation's economy and infrastructure. The case underscores the evolving legal standards relating to employment security and due process within this context, illustrating the judiciary's balancing act between organizational autonomy and employee rights.