

INSULAR LUMBER CO., (PHIL.), INC., PETITIONER, VS. COURT OF APPEALS, MIGUEL BUNDA, ET AL., RESPONDENTS.

G.R. No. L-29769. October 28, 1977

Ponente: FERNANDEZ, J.

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FERNANDEZ, J.:

This is a petition to review the decision of the Court of Appeals in CA-G.R. No. 37134-R (Miguel Bunda, et al. vs. Insular Lumber Company), the dispositive part of which reads:

"WHEREFORE, with the modifica-tion that each of the plaintiffs is entitled to separation pay equi-valent to his salary corresponding to one-half month for every year of service, the judgment a quo is af-firmed, with costs."[1]

In a complaint dated March 22, 1963 filed against In-sular Lumber Company in the Court of First Instance of Negros Occidental, Miguel Bunda, Hilarion Catamin, Marcos Dictado, Anastacio Jarina and Jose Lechago sought the recovery of ter-mination pay, damages and attorney's fees.[2] The complaint was docketed as Civil Case No. 187.

The parties submitted in the trial court the fol-lowing:

"AGREED STATEMENT OF FACTS

The Parties, through their res-pective Counsel, hereby agree and stipulate:

1. That the allegations of Par. 1 of the Complaint are hereby admitted regarding Plaintiffs' civil capacities, status and residences;
2. That defendant Company is a private American Corporation authorized to do business in the Philippines; It is engaged in the manufacture of lumber at its mill site at Barrio Fabrica, Municipa-lity of Sagay, Province of Negros Occidental, where it also maintains its Office, although the Head Office of Defendant Company is in the City of Philadelphia, United States of America; that it employs around 1500 laborers in connection with its business operation; and that Court summons could be served with said Defendant Company at the said Barrio Fabrics, through its General Manager, Richard S. Kearns;
3. That all the above Plaintiffs were employed in various jobs with Defendant Company until their respective services were terminated on the follow-ing dates, as follows:

NAMES DATE OF SEPARATION

1. Miguel Bunda September 6, 1960
2. Hilarion Catamin March 14, 1960
3. Marcos Dictado November 27, 1956
4. Anastacio Jarina December 1, 1959

5. Jose Lechago April 1, 1960

4. That the reason for the termination of plaintiffs' services was due to 'reduction of labor force';

5. That all the Plaintiffs, some-times on January, 1955, received from the Defendant Company, 'Certificates of Appreciation', all dated December 31, 1954, like Exh. 'A' - Plaintiff (Hilarion Catamin) which is attached hereto, wherein the following service data appear as follows:

NAMES LENGTH OF SERVICES

AS OF DEC. 31, 1954

1. Miguel Bunda 21 years

2. Hilarion Catamin 21 years

3. Marcos Dictado 26 years

4. Anastacio Jarina 24 years

5. Jose Lechago 35 years

6. That the Defendant Company, including the various departments where Plaintiffs used to work before, are still operating;

7. That upon Plaintiffs' separation from the Defendant Company, they received from the said Defendant the respective sums indicated below as follows:

NAMES AMOUNTS

1. Miguel Bunda P351.00

2. Hilarion Catamin P539.50

3. Marcos Dictado P303.75

4. Anastacio Jarina P539.50 - 232.70

5. Jose Lechago P870.00

Payments of the above amounts to the plaintiffs are evidenced by cash vouchers is much the same terms as the cash vouchers signed by Plaintiff, Hilarion Catamin (Exh. '1' Defendant) attached hereto as an integral part of this stipulation.

8. That the amounts received by Plaintiffs as above stated were computed in accordance with the provisions of the Collective Bargaining Contract between the Defendant Company and the Allied Workers' Association, the latter being the union chosen by the majority of the laborers of defendant Company in a certification election ordered by the Court of Industrial Relations. The pertinent provision of the said Collective Bargaining Agreement reads as follows:

'Section 1. With the exception of Employees and Workers entitled to benefits under the Workmen's Compensation Act and the Termination Pay Law, the COMPANY agrees to give death and separation gratuities after one (1) year's service to all its employees and workers in case of death or honorable discharge from the service due to (1) old age, (2) reduction of force, and (3) disablement due to physical reasons.

'Section 2. The gratuity payments mentioned in Section 1 above, shall be exclusive of Social Security System benefits and shall be based on the following schedule:

'Over 1 to 8 years' ser-vice (excluding war years) -? 1 Mo's Pay

'Over 8 to 16 years' ser-vice (excluding war years) -? 2 Mo's Pay

'Over 16 to 24 years' ser-vice (excluding war years) – 3 Mo's Pay

'Over 24 to years' service and up (excluding war years) -- 5 Mo's Pay.

It is understood and agreed that such month's gratuity pay provided hereinabove, is to be computed by multiplying the Worker's daily basic rate by twenty-six (26) working days.'

9. That at the time of the termina-tion of Plaintiffs' services, they were receiving as their respective daily wages, as follows:

NAMES DAILY WAGES

1. Miguel Sunda P4.50
2. Hilarion Catamin P4.00
3. Marcos Dictado P4.00
4. Anastacio Jarina P5.00
5. Jose Lechago P5.75

10. That Defendant admits that Plaintiffs were not given notice of termination for the corresponding periods provided for in Rep. Act 1787.

11. That to eliminate unnecessary repetitions of presenting evidence of the same tenor by both parties herein and to expedite the proceeding of this particular case, the parties herein agree that the testimony of Mr. Hans Ettisberger in Civil Case No. 6241, entitled 'Isaac Aguisando et al vs. Insular Lumber Company to reduce its labor force and the means by which the same was carried out, as well as the testimony of said witness brought in the cross-examination thereof, shall be the same testimony that said witness will give in this particular case.

12. That, likewise, the par-ties hereby agree that the testi-monies of the following plaintiffs, namely, Alejandro Ardo, in Civil Case No. 110 (6863); Felipe Espolong, in Civil Case No. 36 (6221); Anacleto Llavore in Civil Case No. 51 (6486); Esperidion Samaniego, in Civil Case No. 86 (6763) and Felix Bantigue, Jr., in Civil Case No. 6764, previously heard before the Honorable Court in connection with their claim for damages, attorney's fees and also as to the continued operation as of this date, of Defendant Company in-cluding the several departments where Plaintiffs used to work before their terminations (shall be the same testimonies that said witnesses will give in this case).

RESPECTFULLY SUBMITTED:

BACOLOD CITY (FOR SAN CARLOS CITY), April 15, 1964.

HILADO & HILADO (SGD.) LEONARDO C. FERNANDEZ

P. O. Box 199 1233 Tecson?Tindalo

Bacolod City Tondo, Manila

Counsel for Defendant Counsel for Plaintiffs

By:

(SGD.) JUAN M. HAGAD"[3]

The trial Court rendered its decision dated October 25, 1965, the dispositive part of which reads:

"In view of the foregoing, judgment is hereby rendered as follows:

- (1) The defendant, Insular Lumber Company, is ordered to pay Miguel Bunda the sum of P857.50 for his 21 years of service at the rate of P4.50 per day minus P351.00 which he received by way of compensation;
- (2) Hilarion Catamin shall be paid the sum of P552.50 for his 21 years of service at a daily wage of P4.00 minus P539.50 for which he received by way of compensation from the Company;
- (3) Anastacio Jarina shall be paid the sum of P787.80 for his 24 years of service at a daily wage of P5.00 minus the sum of P772.20 which he received by way of compensation from the defendant;
- (4) Jose Lechago shall be paid the sum of P1,746.25 for his 35 years of service at a daily wage of P5.75 minus the sum of P870.00 which he received from the defendant Company by way of compensation;
- (5) The case of Marcos Dictado is ordered dismissed as he was separated on November 27, 1956, before, the passage of Republic Act 1787 and the compensation he received from the Company in the sum of P303.75 was in accordance with law then in force at the time;
- (6) The plaintiffs are not entitled to any award for damages for the reason that the Company acted in good faith and there is no evidence of bad faith or intent to circumvent the law;
- (7) The defendant Company is ordered to pay the additional sum of P500.00 for attorney's fees and to pay the costs.

SO ORDERED.

Bacolod City, Philippines, October 25, 1965.

(SGD.) JOSE C. DIVINAGRACIA

Judge"[4]

The parties appealed to the Court of Appeals where the case was docketed as CA-G. R. No. 37134-R. On August 30, 1968 the Court of Appeals[5] affirmed the judgment appealed from with the modification that each of the plaintiffs is entitled to separation pay equivalent to his salary corresponding to one half month for every year of service.

The Insular Lumber Co. (Phil.), Inc. submits that the Court of Appeals committed the following errors:

"First Assignment of Error

THE COURT OF APPEALS ERRED WHEN IT HELD THAT THE TERMINATION OF EMPLOYMENT OF EMPLOYEE-RESPONDENTS COULD NOT BE JUSTIFIED AS AN ANA-LOGOUS JUST CAUSE FOR TERMINATION OF EMPLOYMENT UNDER REPUBLIC ACT NO. 1787.

Second Assignment of Error

THE COURT OF APPEALS ERRED IN ALLOWING RESPONDENTS TO RECOVER TERMINATION PAY AND IN ANY EVENT IN AWARDING SUCH PAY COMPUTED ON THE BASIS OF THE FULL PERIOD OF THEIR EMPLOYMENT IN THE COMPANY."[6]

According to the petitioner, the testimony of Mr. Ettisberger established that the private respondents were laid off from their employment in the Insular Lumber Company in pursuance of a program for reduction of personnel; and that the company was forced to adopt the re-trenchment program because it was losing money and could no longer compete in the foreign market for its products of sawn lumber.[7]

Anent the first error assigned, the petitioner sub-mits that "From the testimony of Mr. Hans Ettisberger which was accepted by the parties in the trial court and from which the factors which compelled the appellant company to retrench and in the process dismiss some 600 workers were fully established, it is clear that the causes therefore are not attributable to any fault or whim of the appellant." [8] The petitioner goes on to state that "In the instant case, the undisputed testimony of Mr. Ettisberger established that unless the Company reduced its personnel it faced closure of its establishment in the face of the many unfavorable business factors then prevailing." [9]

The just causes for termination of employment by the employer under Republic Act No. 1787 are:

"SECTION 1. Section one of Republic Act Numbered Ten hundred and fifty-two is hereby amended to read as follows:

SECTION 1. In cases of employment, without a definite period, in a commercial, industrial, or agricultural establishment, or enterprise, the employer or the employee may terminate at any time the employment with just cause; or without just cause in the case of an employee by serving written notice on the employer at least one month in advance, or in the case of an employer, by serving such notice to the employee at least one month in advance or one-half month for every year of service of the employee, whichever is longer, a fraction of at least six months being considered as one whole year.

The employer, upon whom no such notice was served in case of termination of employment without just cause may hold the employee liable for damages.

The employee, upon whom no such notice was served in case of termination of employment without just cause shall be entitled to compensation from the date of termination of his employment in an amount equivalent to his salaries or wages corresponding to the required period of notice.

The following are just causes for terminating an employment without a definite period:

1. By the employer -?

- a. The closing or cessation of operation of the establishment or enterprise, unless the closing is for the purpose of defeating the intention of this law;
- b. Serious misconduct or wilful disobedience by the employee of the orders of his employer or representative in connection with his work;
- c. Gross and habitual neglect by the employee of his duties.
- d. Fraud or willful breach by the employee of the trust reposed in him by his employer or representative;
- e. Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family, or representative; and
- f. Other causes analogous to any of the foregoing.

x x x"

The submission of the petitioner that termination of employment by reason of economy to prevent closure of business is analogous to "closing or cessation of operation of the establishment or enterprise" provided in Section 1 (a) of Republic Act No. 1787 has no merit. It is now settled that the just cause for terminating an employment without a definite period is the closing or cessation of the operation of the establishment or enterprise. Thus this Court has held that:

"True, appellant's film exchange business where appellees worked was closed as of February 28, 1962 but what the law considers as just cause for terminating an employment without a definite period is the closing or

cessation of operation of the establishment or enterprise of the employer, and not merely the closing or cessation of operation of any particular division or department of the employer's business. To sustain appellant's contention in this regard would amount to reading this into the law - something which we are not ready to do, considering its adverse effects upon the rights of the employees. If it must be so, let the law say it clearly." [10]

The Court of Appeals found that the cases cited by the petitioner are not applicable to the instant case because:

"Resolving first the appeal of the defendant it is argued by said appellant that the trial court erred in holding that the termination of employment of plaintiffs could not be justified as an analogous just cause for terminating employment under Republic Act No. 1787. In short, defendant-appellant takes issues with the interpretation made by the said trial court in making the defendant-appellant company liable under the provisions of Republic Act 1787, particularly in holding that the reason for terminating plaintiffs-appellants' employment cannot be made analogous to 'closing or cessation of operation' under par. (a).

In support of the contention, defendant-appellant cited the case of Amador Capiral vs. Manila Electric Co., Inc., et al., G. R. No. L-15721, promulgated by the Supreme Court on December 27, 1963, interpreting the application of sub-paragraph (f) of Section of Republic Act 1787 in relation to said sub-paragraph (a) thereof. In said case, the Supreme Court in declining to apply the benefits of Republic Act 1787 to the plaintiff herein whose position as news photographer had been abolished, sustained the view of the Meralco that it was more economical to engage the services of an outside photographer. The case of Union of Philippine Education Employees vs. Philippine Education Co., Inc., G. R. No. L-7161, May 19, 1955, of the Supreme Court was also cited.

It is observed that the facts in the first cited decision by the defendant-appellant (Capiral vs. Manila Electric Co., et al) as well as the second case of Union of Philippine Education Employees vs. Philippine Education Co., Inc.), and the third, the Philippine Sheet Metal Workers's Union (CLU) vs. Court of Industrial Relations, et al.) are not the same as the facts of the instant case. In case at bar, the plaintiffs have rendered services to the defendant company for not less than twenty years and in the case of Jose Lechago, he had served the company for thirty five years as of the time they were dismissed. It also appears that the department to which the plaintiffs were connected have not been abolished and that defendant company is still existing with a labor force of 1,500. Thus, while in the Capiral case the position of news photographer was abolished, in this particular case the position was not abolished but only the persons occupying the positions were dismissed. Of course, Mr. Ettisberger of the defendant company, gave as a cause of the dismissal of plaintiffs the fact that the company adopted a policy of modernizing and mechanizing the operations of the company thus necessitating the reduction in the labor force. We do not subscribe to the view that this purpose is one of the analogous causes mentioned under sub-paragraph f (1) of Republic Act 1787, justifying the dismissal of an employee. We can glean from the records that plaintiffs in this particular case have spent the best years of their lives in the service of the company. Precisely, one of the purposes behind the enactment of the termination pay law is to afford protection to this kind of employees against the unbridled right of the employer to dismiss his employees. At least, Republic Act 1787 extends this gratification or separation pay to employees who have been unjustly dismissed from the service." [11]

As correctly stated by the Court of Appeals, "In case of doubt all labor legislation x x x shall be construed in favor of the safety and decent living for the laborer." [12]

The submission of the petitioner that assuming that Republic Act No. 1787 is applicable to the case at bar, only those services of the private respondent after June 21, 1957 when the law took effect should be considered because the said law partakes of a penalty and should not be given retroactive effect deserves scant consideration.

That Republic Act No. 1787 utilized years of service does not mean retroactive application of the law if the time previous to June 21, 1957 were included. Moreover, Republic Act No. 1787 was enacted in the exercise of the

police power of the State. Hence, it may be given retroactive effect. This Court has explained that:

"4. Petitioner further contends that in applying the law, only those services of private respondents after June 21, 1957 should be reckoned in the computation of their termination pay. Because, so petitioner avers, a contrary interpretation would have the effect of giving the law retroactive application.

This theory is short of being compelling. The right of employees to separation pay in the case before us attached after, not before, June 21, 1957. How separation pay is to be computed lies within the permissible prerogatives of Congress. Congress considered the number of years of service of an employee as the basis in determining the amount to be paid as separation pay. It could have fixed a different criterion. That it utilized years of service does not mean retroactive application of the law if the time previous to June 21, 1957 were included. The determination of the amount is to be made after said date when right to separation pay was granted to dismissed employees. There should thus be no room for the notion that the law has been applied retroactively in this case.

More to this. An idea difficult to pigeonhole is that Republic Act 1787 was enacted in the exercise of the police power of the State. And, legislative acts or measures enacted pursuant to the police power of the State may have retroactive effect. What needs stressing is the fact that in this case, at the time of the passage of Republic Act 1787, an employer-employee relationship existed between petitioner and private respondents. Dismissal was effected after said law came into being. By the law, termination pay must be given said employees." [13]

The assertion that the petitioner "being an American Company, went out of business after the Island of Negros was over-run by the Japanese x x x" is challenged. According to the respondents, "The records will show that the Petitioner Company was in continuous operation even during the Japanese enemy occupation period from 1942 to 1945, under its own corporate name although temporarily administered by the enemy occupation forces." [14] The employment of the private respondents was not deemed terminated by the alleged fact that the petitioner went out of business.

The Court of Appeals did not commit the errors assigned. However, it should be made clear that the modification of the Court of Appeals of the decision appealed from should not apply to the plaintiff Marcos Dictado who was separated on November 27, 1956 before the passage of Republic Act 1787 and who had received as compensation from the company the sum of P303.75.

WHEREFORE, the decision sought to be reviewed is hereby affirmed except as to the plaintiff Marcos Dictado who as stated above was separated before the passage of Republic Act. 1787 and had received the compensation from the company in the sum of P303.75, with costs against the petitioner.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Martin, and Guerrero, JJ., concur.
Muñoz Palma, J., concurs with a separate opinion.

[1] Annex "A" to petition, Rollo, pp. 11-23. The decision was written by Justice Nicasio Yatco and concurred in by Justice Salvador V. Esguerra and Justice Eulogio S. Serrano.

[2] Annex "C" to petition, Rollo, pp. 25-28.

[3] Idem., Rollo, pp. 29-32.

[4] Idem., Rollo, pp. 40-41.

[5] Justice Nicasio Yatco, ponente, concurred in by Justice Salvador V. Esguerra and Justice Eulogio S. Serrano.

[6] Brief for Petitioner, pp. A-B, Rollo, p. 137.

[7] Idem., p. 7, Rollo, p. 137.

[8] Idem., p. 20, Rollo, p. 137.

[9] Idem., p. 25, Rollo, p. 137.

[10] Benjamin Wenceslao, et al. vs. Carmen Zaragoza, Inc., G. R. No. L-22577, July 31, 1968, 24 SCRA 554, 558.

[11] Annex "A" to Petition, pp. 7-9, Rollo, pp. 17-20.

[12] Article 1702, Civil Code of the Philippines.

[13] Insular Lumber Co. vs. Court of Appeals, 29 SCRA 371, 382-383.

[14] Brief for the Respondents, Rollo, p. 177.

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CONCURRING OPINION

MUÑOZ PALMA, J.:

I concur in the affirmance of the decision of the Court of Appeals with modification.

1. The separation of private respondents from the service of petitioner-company is without just cause for the reason that as found by the trial court and respondent appellate court, the dismissal was due to the company's "policy of modernizing and mechanizing its operation thus necessitating the reduction of its labor force," which cannot be considered as analogous to "closing or cessation of operation" under Section 1, Paragraph 1 (a) of R.A. 1787.[1] Hence, the first assigned error of petitioner company is without merit.

2. In the second assignment of error, petitioner contends that the Court of Appeals erred in allowing respondent employees to recover termination pay, and in any event in awarding such pay computed on the basis of the full period of their employment in the company. In brief, petitioner submits that R.A. 1787 is not to be applied in the instant case, and if applied at all, the law should cover only the period of services rendered by private respondents after June 21, 1957, the date of effectivity of R.A. 1787.

I am of the view that petitioner's submittal is meritorious insofar as the case of private respondent Marcos Dictado is concerned.

According to paragraph 3 of the "Agreed Statement of Facts" (see page 2 of main Opinion), Marcos Dictado was separated from the service of petitioner company on November 27, 1956, that is, before the effectivity of R.A. 1787. That being the case, the law applicable is the Termination Pay Law, R.A. 1052, which required only one month advance notice before separation without just cause, and in the absence of such notice the employee concerned was entitled to only one month separation pay.

Thus, in *Mapua Institute of Technology vs. Manalo*, per Labrador, J., where the Court applying R.A. 1787 ruled

that the respondent employee Manalo whose services were terminated without just cause was entitled to five months notice before his services could be terminated and awarded him P2,500.00 as termination pay based on his monthly salary of P500.00, on motion of petitioner Mapua Institute to the effect that R.A. 1052 is the law to be applied inasmuch as the employee was separated from the service before the effectivity of R.A. 1787, the Court reconsidered and modified its decision and reduced the five months to one month separation pay.[2]

With respect however to the other respondent-employees their separation from the service is covered by R.A. 1787 and they are entitled to the full benefits thereof computed from the time of their employment and not merely from June 21, 1957 as claimed by petitioner.

A similar question was resolved in *Abe, et al. vs. Foster Wheeler Co. and Caltex Phil., Inc.* In *Abe*, the dismissed employees of defendant corporation were employed after the repeal of Article 302 of the Code of Commerce which granted employees "mesada" or separation pay, and before the enactment of R.A. 1052, the law which restored the "mesada". It was contended by defendant-employer that inasmuch as the employees concerned were employed at a time when there was no law granting the "mesada", the latter were not entitled to a separation pay upon termination of their services even without prior notice. The Court ruled however that at the time the employees were separated from the service there was already a law granting the "mesada", R.A. 1052, which is to be applied. Said the Court:

"By its very nature, Republic Act 1052 is a measure intended to provide protection to the work-ing men, and, in a way, the employers as well, specifically in cases of employments with indefinite period or duration, by requiring the employer or employee, as the case may be, before terminating the employment, to give unto the other notice thereof 30 days in advance, non-observance of which by the employer, subjects him to payment (to the employee concerned) of a sum equivalent to the latter's compensation for one month. The logical question that may be raised concerns the nature of Republic Act 1052, i.e., whether it is a regulatory measure, not a substantive law so that its enactment may properly be considered a valid exercise of the police power of the State. The answer is in the affirmative.

"It may be observed that the Act prescribes the manner of terminating employment without a fixed or definite period, by requiring the employer or employee, before terminating such employment, to notify the other party of such fact. Evidently, the purpose of the regulation is to give the other party opportunity to find replacement or substitute, in the case of the employer, and other place of employment or source of livelihood, in the case of the employee. The right to be thus notified can hardly be considered substantive, nor does the provision requiring the employer to give the employee, dismissed without such advance notification, the equivalent salary of the latter for 1 month, bestow upon said employee any substantive right or interest immediately upon execution of the contract of employment. Actually, the enactment of the law merely makes an employment subject to the requirement that the same would not be terminated without notifying the other party of the impending termination, 30 days in advance. And, in case of non-compliance therewith, the employer shall be liable for payment to the employee of an amount equivalent to the latter's compensation for 1 month. It is clear therefrom that this provision on payment may only be availed of in case of failure to comply with the regulation on the giving of 30 day advance notice; that it partakes more of a penalty for violation of the requirement which is within the power of the legislature to impose (See *Thorpe vs. Ruthland & Burlington R.R. Co.*, 27 Vt. 140). The application, therefore of Republic Act 1052, which was enacted in the exercise of the police power of the State, to dismissal effected after June 12, 1954 is with legal sanction." (110 Phil. 198, 203-204, underline supplied)

In *Insular Lumber Company vs. Court of Appeals, et al.*, 29 SCRA 371, which is mentioned in pages 11-12 of the main Opinion, the Court, citing its decision in *Abe*, upheld the application of the amendatory law R.A. 1787 to the case of the dismissed employees of Insular Lumber who were all separated by the company after the effectivity of said law, more particularly in October, 1959. Notably, the cases of *Abe* and *Insular Lumber* are on

all fours with that of private respondents now before Us whose services were terminated after June 21, 1957, but would not apply to Marcos Dictado who was separated on November 27, 1956. The ruling in Abe and Insular does not conflict, in my view, with the Court's decision in Mapua Institute inasmuch as the latter applies to a situation where the employee is separated prior to the effectivity of R.A. 1787. The retroactivity of R.A. 1787 is upheld in the sense that the law applies in full force covering the period of service of the employee even prior to June 21, 1957, the date of effectivity of the law, for purposes of computing the termination pay due him should he be separated after June 21, 1957 without the required notice.

Accordingly, I concur in the affirmance of the decision under review except for that portion referring to respondent Marcos Dictado who under R.A. 1052 is entitled to separation pay for only one month as correctly decided by the trial court. The decision of respondent Court of Appeals which grants the full benefits of R.A. 1787 to all the private respondents should be accordingly modified.

[1] Decision of Court of Appeals, p. 20 rollo; p. 10, petitioner's brief

[2]

"Resolution

July 14, 1960

"LABRADOR, J.:

"Counsel for petitioner has filed a motion to reconsider the decision on the ground that the re-spondent was separated from the service of the petitioner in April, 1956, for which reason Republic Act No. 1052, before its amendment by Republic Act No. 1787, should be applied and respondent declared entitled only to one month's pay. Republic Act 1052 is substantially the same as the amendatory Act, so our decision still holds, except as to the amount of the mesada. We find that the motion is well founded and we hereby modify the dispositive part of the decision to read as follows:

"We, therefore, come to the conclusion that the provisions of Republic Act No. 1052 should govern the case. In accordance therewith the decision of the Court of Appeals is hereby reversed and respondent considered legally separated from the service as of the end of April, 1956. He is hereby declared entitled to receive one month's pay or P500, and petitioner is hereby ordered to pay the said sum to respondent. Without costs.

"So ordered." (108 Phil. 628, 634-635)

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