

MANILA RAILROAD COMPANY, APPLICANT AND APPELLANT, VS. M. P. TRANCO, INC., OPPONENT AND APPELLEE.

G.R. No. 39181. December 20, 1933

Ponente: HULL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-39181/>

HULL, J.:

The Manila Railroad Company put into effect on November 17, 1932, an alleged joint rate on fuel oil in tank cars from Manila to Bauang and from Bauang to the mines in the vicinity of Baguio. The Manila Railroad Company also owns the Benguet Auto Line, which operates from Bauang to the mines. The opponent-appellee operates an auto line from Bauang to the mines in direct competition with the Benguet Auto Line.

At present, the oil is shipped on the railroad consigned to the shipper at Bauang and redistributed at Bauang not only to the mines but also to other portions of Northern Luzon. Such is not a through shipment in fact. The application for the through rate on its face applies only when the Manila Railroad Company is given both the railroad and the truck haul, and, owning both services, it proposed a division of rates so that the truck line absorbed the entire reduction.

Appellant insists that shippers are not interested in the divisions that are made of through rates, and in this it is correct. But competitors are vitally interested in divisions, and shippers over the railroad have a right to avail themselves of the services of appellee as well as of the services of the Benguet Auto Line.

Divisions of joint rates should bear a direct relation to the service rendered, and a manipulation of divisions to bring about an unfair advantage over certain competition cannot be tolerated.

After hearing in which both sides fully presented their evidence as to the cost of hauling bulk oil in tanks, the Public Service Commission in its order dated January 24, 1933, in effect cancelled and revoked the rates in force for the hauling of bulk oil from Bauang to the mines and directed that a new rate of P10.50 and P11.20 from Bauang to the mines in areas 1 and 2, be put into effect.

The Manila Railroad Company appeals and claims that the commission erred in its action.

From the evidence there is no question that the rate proposed by the Manila Railroad Company for the haul in tank trucks is too low and would be unremunerative to the Benguet Auto Line and introduces an element of ruinous competition to the M. P. Tranco, Inc., appellee.

It is also contended that the Public Service Commission exceeded its authority when it proceeded to say in this case what it thought a fair and just rate should be. Appellant claims that the existing rates were too high and that the rates it proposed were proper, and on a hearing in which all available evidence was taken on that very question, it insists that the commission was without power to do anything but choose between the old rates and the proposed new rates, and that if it wanted to fix a rate of its own, it would have to proceed in a separate proceeding and retake the testimony.

This is to regard the form and not the substance, and we hold that the entire question was presented by the interested parties and the Public Service Commission is not limited to a selection of the old or the new rates, but can establish such rates as are proper under the evidence presented. As to fixing the rate it thought would be fair, the Public Service Commission had ample testimony to guide it. It did not act arbitrarily, and we cannot see from the evidence presented that the rates as now fixed are not fair, just, and properly remunerative to the auto services.

The order appealed from is affirmed, with costs against appellant. So ordered.

Malcolm, Villa-Real, Imperial, and Diaz, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.