

M. P. TRANSPORTATION CO., INC., PETITIONER AND APPELLANT, VS. MANILA RAILROAD COMPANY, RESPONDENT AND APPELLEE.

G. R. No. 41534. August 31, 1934

Ponente: IMPERIAL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-41534/>

IMPERIAL, J.:

The Manila Railroad Company, operating an autotruck, garage and taxicab service in the City of Baguio and its suburbs, applied to the Public Service Commission for authority to operate another service of auto-calesas within the same territory, particularly between said city and the mining districts.

The application was opposed by the M. P. Transportation Co., Inc., another operator of autotrucks for passenger and freight service, with fixed lines in the Mountain Province and the Province of La Union. The grounds of the opposition were: That the applicant is not authorized under its franchise to operate and engage in the auto-calesa business and service; that the public necessity and convenience do not demand the establishment of the proposed new service; that, unlike Manila, the problem of substituting horsedrawn by other motor vehicles does not exist in the City of Baguio and its suburbs, and that the granting of the certificate prayed for would result in a ruinous competition between it and the applicant.

After hearing, the commission granted the applicant a certificate of public convenience to operate ten (10) units of three or four-wheeled auto-calesas with chassis and bodies¹ similar to those used in the City of Manila, and a capacity of five (5) passengers including the driver, subject to the rate and other ordinary regulations stated in the decision. The oppositor appealed.

The commission declared that the necessity and convenience of the inhabitants of the City of Baguio and its suburbs would be better served by the auto-calesa service, basing its opinion mainly on the testimony of Casiano Rivera, superintendent of the Benguet Auto Line, who testified, in general terms, that the City of Baguio actually has about 10,000 inhabitants; that during the summer months they number approximately 30,000; that the laborers of the mining districts and the merchants residing thereabouts often come to the city and need this kind of cheap transportation, and that many of them cannot afford to pay the rates charged by other services, which is not less than fifty centavos (P0.50) a trip, in the case of garage cars.

Said witness, however, failed to mention the fact that at present the applicant is already operating in the City of Baguio and its suburbs an efficient service of midget taxicabs the rate of which is the usual ten and five centavos (P0.10 and 0.05).

Considering all the evidence which we have carefully examined, we hold that the same has not sufficiently or reasonably established the fact that the proposed auto-calesa service will promote public convenience and necessity or redound to the benefit of the inhabitants of said locality. Actually there is already in the same territory an efficient garage car, autotruck and midget taxicab service, the operators of which charge relatively low and very reasonable rates and we are at a loss to understand how the alleged public convenience and necessity in favor of the new service sought to be established can exist under such circumstance. Before this new service is

authorized, we believe that the rule already laid down in other similar cases, requiring the present operators to recondition and improve their service by increasing their equipment should the necessity and convenience of the inhabitants so demand, should be enforced.

In view of the reduced number of the inhabitants of the territory and the prospects and possibilities of their business the court is of the opinion that the operation of the proposed auto-calesa service will create between the present operators a ruinous competition which must be avoided.

The appellant is now rendering an efficient autotruck service making trips between the City of Baguio and the mining districts, where there are many laborers, and the neighborhood where many merchants reside, and to maintain this service it is compelled to furnish material and laborers for the upkeep and repair of the roads leading to the mining districts. The applicant has not been rendering this aid and it seems clear that for such service the appellant is entitled in this particular case to have its interest protected and secured.

Wherefore, the decision appealed from is reversed and it is held that the applicant is not entitled to the service applied for, with the costs of this instance against it. So ordered.

Malcolm, Villa-Real, Butte, and Goddard, 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.