

**MANILA ELECTRIC COMPANY, PASAY TRANSPORTATION CO., INC.,
PAMPANGA BUS COMPANY, RAYMUNDO TRANSPORTATION CO.,
INC., ACRO TAXICAB COMPANY, INC., MANILA YELLOW TAXICAB
CO., INC., FR...***G.R. Nos. 39609, 39643-39649. September 20, 1933*

Ponente: MALCOLM, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-39609/>**MALCOLM, J.:**

These eight cases and a respectable number of other cases pending before the Public Service Commission relate to the right of various operators of autocalesas to secure the issuance of certificates of public convenience. More specifically, there is only one fundamental question before the appellate court, and this is whether or not it clearly appears that there was no evidence before the Public Service Commission to support reasonably its orders granting certificates of public convenience (Public Service Commission Act, No. 3108, sec. 35), for the reason that the operation of autocalesas in the City of Manila and outlying territory and the authorization to do business will promote the public interests in a proper and suitable manner (sec. 15 [i], as amended). In this connection it should be explained that the word "autocalesa" is one of local coinage, recently invented in the City of Manila, and is applied to a certain kind of motor vehicle consisting of a chassis, mounted on three wheels, provided with one motor, which makes it quite similar to a motorcycle.

The applicants are understood to be owners of horse-drawn carromatas. Their purpose in seeking authorization from the Public Service Commission for the operation of autocalesas is to substitute their horse-drawn vehicles with motorized units more in keeping with modern progress. The thought is that thereby these owners may endeavour to recoup losses occasioned horse-drawn carromatas through competition with electric line, bus, and taxicab fares. According to the applicants, carromatas are bound gradually to disappear from the streets of Manila.

In finding that public convenience would be advanced by permission to the autocalesas to operate in the City of Manila and its suburbs, the Public Service Commission stressed the betterment of moral and sanitary conditions. However, an examination of the record discloses that other factors were emphasized in the course of the reception of the testimony and it is proper to take these factors into consideration. The chief of police of the City of Manila testified that the substitution of carromatas by motorized units would relieve traffic congestion to a great extent. The superintendent of the automobile division of the Bureau of Public Works testified that a larger revenue would be received from autocalesas than from carromatas. There was also evidence given to the effect that the masses of the people prefer motor vehicles to carromatas when they can afford to use them. The principal advocate of the autocalesas stated that his purpose was to serve not the middle class or the better class but the poor class. The conclusion, therefore, must be that there was evidence before the commission supporting in some degree at least its orders.

The oppositions of the Manila Electric Company and of the owners of buses and taxicabs center on the proposition that the public of Manila and its environs are adequately served by existing operators and that the

operation of autocalesas would constitute ruinous competition against existing operators. It was argued that the coordinated street railway and autobus transportation services in the City of Manila and its suburbs might be forced out of business through competition with the autocalesas. It was of course conceded on all sides that the use of autocalesas will furnish competition to established public utilities. But the traffic engineer of the Manila Electric Company had to admit that such of the autocalesas' passengers as are carried at P0.10 would not be competitive with the street car and autobus service, but that autocalesas' passengers carried at P0.05 would be competitive.

As a subsidiary basis for opposition, it was contended that it will be impossible for the Public Service Commission to enforce the 70.10 rate for autocalesas, and that consequently such rate affords no protection against ruinous competition. In this connection it should be stated that the Public Service Commission granted the certificates prayed for with certain instructions, among which was the imposition of rates charged as follows:

"RATE A:

"P0.10 per passenger within the city limits, without regard to distance covered.

"Double fare shall be collected for trips from Manila to adjoining municipalities and vice versa.

"RATE B:

"P0.50 for thirty minutes, P0.75 for forty-five minutes, P1 for one hour, and P0.60 for each succeeding hour, regardless of the number of passengers."

It is conceded that the autocalesas are not provided with taximeters, and that inspectors are not employed to check the number of passengers or the amount collected from them. On the contrary the owners of these vehicles realizing the difficulty of maintaining adequate supervision of the persons running the autocalesas have seen fit to let the autocalesas for hire on the basis of the payment of a fixed amount per month. Admitting that the advent of this new type of transportation service creates a problem, respondents answer that its solution rests squarely with the Public Service Commission. It is appropriate to point out that the thirteenth condition of the commission's order provided that any violation of the conditions therein imposed shall be sufficient cause for the suspension of the operation of the business of the applicant during a reasonable period of time or for the cancellation of the certificate of public convenience. Should the autocalesas carry passengers at rates which violate the certificate of public convenience, it would be comparatively easy to secure evidence to this effect and to bring it to the attention of the Public Service Commission for appropriate action.

It is of interest to take account of the development of means of transportation during the last thirty years in Manila and the municipalities surrounding the metropolis. Originally horse-drawn vehicles, such as calesas, carromatas, and carretelas were only available for the convenience of the travelling public. Then came the Manila Electric Company with its modern street railway system which placed at the disposition of the people this newer means of transportation. The Manila Electric Company had only well begun to provide for the necessities of the people

when autobuses were invented and brought into competition. A number of companies were permitted to operate autobuses through the streets of Manila, and to meet this competition, the Manila Electric Company has also been forced to provide buses. Autobuses were only nicely in the field when still a newer means of transportation was provided in the form of taxicabs. The original taxicabs had only begun to operate when others claimed the same privilege and the Manila Electric Company instituted its zoning system. Still more recently, the midget taxis have come into the field to provide even keener competition. And now, after all these years, the owners of the lowly carromatas of which there are about 5,000 in the City of Manila, have asked for protection to enable them to substitute possible profits for certain losses. Invariably has the stereotyped defense of ruinous competition been made to each advance, and the spectre of dire calamity has been raised in an endeavour to perpetuate monopoly and frighten away competition.

The same tendency to progress has been noted in the decisions of this court which have had to do with public utilities. In *Batangas Transportation Co. vs. Orlanes* ([1928], 52 Phil., 455), it was announced that it was the policy of the law to protect the investments of existing operators who are rendering adequate and satisfactory service from unjustified competition from newcomers in the field of transportation. But that salutary doctrine was modified in *Carmelo and Oriol vs. Monserrat* ([1931], 55 Phil., 644), by not giving it application to a taxicab service not operated on any fixed schedule or over any certain route. And more recently, garages have been permitted to substitute taxicabs for garage cars and bantam taxis have been judicially recognized. It is believed that the basic thoughts in the mind of the court have ever been protection of investments and the convenience of the public. The two thoughts have seemed to conflict at times, and undoubtedly competition has weakened investments, and the public has not been adequately served by affording it suitable transportation, but as best they can, the courts have endeavoured to accomplish these two purposes. Here we have a method of transportation which, it is said, will benefit the masses without endangering the investments of other public utilities, and if this be true, this method of transportation should be encouraged, leaving it to the future to determine if corrective measures should be taken to avoid cut-throat competition.

In resume, we are unable to state that it clearly appears that there was no evidence before the Public Service Commission to support reasonably its orders granting certificates of public convenience to the applicants to operate autocalesas on the streets of Manila and the surrounding territory, for the reason that the operation of said public utilities and the authorization to do business will promote the public interests in a proper and suitable manner. On the contrary, affirmatively speaking, we find sufficient evidence corroborative of the conclusions of the Public Service Commission, and find that the welfare of the public, particularly of the masses, will be advanced by permitting the autocalesas to operate. Accordingly, the decision and orders under review will here be respected and confirmed, the costs of this instance to be paid by the petitioners and appellants.

Villa-Real, Abad Santos, Hull, and Imperial, 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.