

# RECENT LEGISLATIONS

SECOND NATIONAL ASSEMBLY  
*First Session*

B. N. 37

(COMMONWEALTH ACT  
No. 444)

THE EIGHT-HOUR LABOR LAW

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. The legal working day for any person employed by another shall be of not more than eight hours daily. When the work is not continuous, the time during which the laborer is not working and can leave his working place and can rest completely shall not be counted.

SEC. 2. This Act shall apply to all persons employed in any industry or occupation, whether public or private, with the exception of farm laborers, laborers who prefer to be paid on piece work basis, domestic servants and persons in the personal service of another and members of the family of the employer working for him.

SEC. 3. Work may be performed beyond eight hours a day in case of actual or impending emergencies caused by serious accidents, fire, flood, typhoon, earthquake, epidemic, or other disaster or calamity in order to prevent loss to life and property or imminent danger to public safety; or in case of urgent work to be performed on the machines, equipment, or installations in order to avoid a serious loss which the employer would otherwise suffer, or some other just cause of a similar nature; but in all such cases the laborers and employees shall be en-

titled to receive compensation for the overtime work performed at the same rate as their regular wages or salary, plus at least twenty-five *per centum* additional.

In case of national emergency the Government is empowered to establish rules and regulations for the operation of the plants and factories and to determine the wages to be paid the laborers.

SEC. 4. No person, firm, or corporation, business establishment or place or center of labor shall compel an employee or laborer to work during Sundays and legal holidays, unless he is paid an additional sum of at least twenty-five *per centum* of his regular remuneration; *Provided however,* That this prohibition shall not apply to public utilities performing some public service such as supplying gas, electricity, power, water, or providing means of transportation or communication.

SEC. 5. Exemption from the provisions of sections two and three hereof may be granted by the Secretary of Labor in the interest of the public, or if, in his opinion, such exemption is justifiable either because the organization or nature of the work requires it, or because of lack or insufficiency of competent laborers in a locality or because the relieving of laborers must be done under certain conditions, or by reason of any other exceptional circumstances or conditions of the work or industry concerned; but when such exemption is granted employees and laborers will be at least twenty-five *per centum* in addition to their regular salaries or wages for the time in excess of eight hours.

SEC. 6. Any agreement or contract between the employer and the laborer or employee contrary to the provisions of this Act shall be null and void *ab initio*.

SEC. 7. Any violation of this Act by the employer or person having direct control and supervision over the work shall be punished by a fine of not more than one thousand pesos, or by impris-

onment for not more than one year, or both.

SEC. 8. Acts Numbered Forty-one hundred and twenty-three and Forty-two hundred and forty-two of the former Philippine Legislature are repealed.

SEC. 9. This Act shall take effect upon its approval.

Approved, June 3, 1939.

SECOND NATIONAL ASSEMBLY  
*First Session*

B. No. 1091

(COMMONWEALTH ACT  
No. 437)

AN ACT PROHIBITING THE INVESTMENT OF ANY FUND OF A CORPORATION IN ANY OTHER CORPORATION OR IN ANY BUSINESS OTHER THAN THAT FOR WHICH IT WAS ORGANIZED UNLESS CERTAIN REQUIREMENTS ARE FULFILLED, AMENDING FOR THAT PURPOSE THE CORPORATION LAW, AS AMENDED.

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. Act Numbered Fourteen hundred and fifty-nine, as amended, commonly known as the Corporation Law, is further amended by inserting after section seventeen a new section, to be known as section seventeen and one-half, which shall read as follows:

“SEC. 17½. No corporation organized under this Act shall invest its funds in any other corporation or business, or for any purpose other than the main purpose for which it was organized, unless

its Board of Directors has been so authorized in a resolution by the affirmative vote of stockholders holding shares in the corporation entitling them to exercise at least two-thirds of the voting power on such a proposal at a stockholders' meeting called for that purpose: *Provided*, That for the purposes of this section the business described in the prospectus issued by the corporation upon its organization and duly filed in the Securities and Exchange Commission shall prevail over the purpose clause of its articles of incorporation. Notice of such meetings shall be given to all of the stockholders on records of the corporation whether or not they shall be entitled to vote thereat: *Provided, however*, That any stockholder who did not vote to authorize the action of the Board of Directors may, within forty days after the date upon which such action was authorized object thereto in writing and demand payment for his shares. If, after such a demand by a stockholder, the corporation and the stockholder can not agree upon the value of his share or shares at the time such corporate action was authorized, such value shall be ascertained by three disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and

the third by the two thus chosen. The findings of the appraisers shall be final and no action shall be taken by the corporation upon said resolution until after payment shall have been made of said award, which must be made within thirty days thereafter. In addition to any civil remedy on the part of the stockholder, the directors of the corporation shall be subject to criminal prosecution for any violation of this provision

in accordance with section one hundred ninety and one-seven of this Act. Upon payment by the corporation to the stockholder of the agreed or awarded price of his shares, the stockholder shall forthwith transfer and assign the share or shares held by him as directed by the corporation."

SEC. 2. This Act shall take effect upon its approval.

Approved, May 31, 1939.

#### TRUE COURAGE

"TRUE COURAGE is the result of reasoning. A brave mind is always impregnable. Resolution lies more in the head than in the veins, and a just sense of honor, and of infamy, of duty and of religion, will carry us farther than all the force of mechanism."—  
JEREMY COLLIER.