ADMINISTRATIVE LAW

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The mushrooming of administrative bodies vested with the rule-making and adjudicative functions truly makes the existence and development of administrative law in the Philippines remarkable. Administrative bodies may take the form of a new board, another separate commission, or an added office. Regardless of form, these administrative bodies singularly help courts of justice adjudicate in a simpler and faster manner. Likewise, they also assist the legislature, in a more flexible and less cumbersome fashion, in promulgating necessary regulations.

Although of recent development in this jurisdiction, the need to understand the principles of administrative law in its modern limited sense is necessary, considering the increasing number of agencies vested with the power to promulgate rules and decisions affecting private rights in the public interest.

The growing reliance reposed on administrative bodies for an expeditious and efficient manner of solving numerous problems occassioned by the complex changes in the modern legal system, simply brings to focus the undeniable importance of fully appreciating the role which administrative law plays in our own legal system. It is with this end in view that this survey has been diligently prepared.

RULE-MAKING POWER

A. Central Bank of the Philippines

In the case of *Bacolod Murcia Milling Co. Inc. v. Central Bank of the Philippines*,[1] the petitioner challenged the validity of Circular No. 20 of the Central Bank,[2] particularly Section 4 (a) thereof which contains the exchange control provision.[3] Respondent claimed that the establishment of exchange control may be implied from

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[1] G.R. No. L-12610, October 25, 1963.

[2] Promulgated by the Central Bank on December 9, 1949.

[3] Sec. 4 (a) provides:

"All receipts of foreign exchange shall be sold daily to the Central Bank by those authorized to deal in foreign exchange. All receipts of foreign exchange by any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation shall be sold to the authorized agents of the Central Bank by the recepients within one business day following the receipt of such foreign exchange. Any person, firm, partnership, as-

the general duty imposed upon the Central Bank of preserving and maintaining the international value of the peso. According to the Central Bank the forcible sale of foreign exchange to the Central Bank, in relation to the powers and responsibilities given to it in Section 2, 14, 64, 68, 70, 74 and other sections of Republic Act No. 265 (Charter of the Central Bank) can be regarded as falling within the category of "implied powers", those necessary for the effective discharge of its responsibilities. Consequently, respondent claimed that the Charter of the Central Bank contains sufficient standards on which the power to require the forcible sale of foreign exchange could be premised, taking into consideration the principle that a body created by law has the power to promulgate rules and regulations to implement a given legislation and effectuate its policies.

The Supreme Court, speaking through Justice Alejo Labrador, held the view that since the Central Bank Act merely authorizes the Monetary Board to license or to restrict or regulate foreign exchange, said Act does not include the authority to commendees foreign exchange earned by exporters and pay for it the price it fixes, later selling it to importers at the same rate of purchase. Justice Labrador is of the opinion that such confiscatory power to commendees may not be exercised by the Central Bank under its Charter; that such confiscatory measures if justified by a monetary crisis can be adopted by the Legislature alone under its police power, (because such confiscation can be exercised only under a clear and express provision of law authorizing and directing such confiscation.) The disputed Section 4 (a) is beyond the power of the Central Bank to adopt under the provisions of its charter, particularly Sec. 74 thereof.

However, the Supreme Court refused to grant the writ prayed for on two grounds: *viz.*, estoppel on the part of petitioner when it obtained the license to export, knowing that it was subject to Central Bank Circular No. 20, Sec. 4 (a)[4], and that the suit was barred by Sec. 49 of Republic Act No. 265 and because of international agreements which the Philippines has entered into, the Central Bank may not unilaterally change the present rate of exchange of ₱2 to the dollar.

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sociation, branch office, agency, company or other unincorporated body or corporation, residing or located within the Philippines, who acquires on and after the date of this Circular foreign exchange shall not, unless licensed by the Central Bank dispose of such foreign exchange, in whole or in part, not receive less than its full value, nor delay taking ownership thereof, except as such delay is customary; provided further, that within one day upon taking ownership, or receiving payment, of foreign exchange the aforementioned persons and entitites shall sell such foreign exchange to designated agents of the Central Bank."

[4] Only with respect to the demand for the payment of the foreign exchange at the rate of ₱3 to $1.

THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES

Can the Secretary of Agriculture and Natural Resources act directly on a case pending before the Director of Lands without waiting for the decision of said Director?

The Supreme Court answered this question in the affirmative in the case of *Uichanco v. Secretary of Agriculture and Natural Resources*[5] in view of the special circumstances of the case. According to the Supreme Court, it was to the benefit of both parties, it being more expedient and practical for the Secretary to act upon and decide the land conflict in question, because the matter was referred to him by the Office of the President.

The reasoning of the Court is this: Under Section 79(A), 79(B), and 79(C), it is clear that the Secretary of Agriculture is empowered to promulgate rules and regulations for the internal administration of offices and bureaus under its jurisdiction, and repeal or modify the decisions of the chiefs thereof. While under Lands Administrative Order No. 6 and its amendments the procedure to be followed in appeals from the decisions of the Director of Lands concerning land claims is outlined, yet nothing in said rules and regulations or in any existing law prohibits the Secretary from exercising the power which he did in this case. These rules and regulations were promulgated by the Secretary for the convenience of the Department as well as litigants, and are adopted to facilitate office transactions.

And it cannot be contended that an administrative regulation should not be given the same weight as a rule of court but should rather be given a more liberal interpretation for, as is well known, a regulation adopted pursuant to law has the force and effect of law. In fact, it is a wise policy that administrative regulations be given the same force as rules of court in order to maintain the regularity of administrative proceedings.[6]

JURISDICTION

A. COURT OF INDUSTRIAL RELATIONS

In four recent cases, the Supreme Court has consistently adhered to its ruling in the case of Prisco v. Court of Industrial Re-

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[5] G.R. No. L-17328, March 30, 1963

[6] Valerio v. Sec. of Agriculture and Natural Resources, G.R. No. L-18587, April 23, 1963.

[7] Gracella v. El Colegio del Hospicio de San Jose, Inc. G.R. No. L-15152, January 31, 1963; Naguiat v. Arcilla, et al., G.R. No. L-16602, February 28, 1963; Barranta v. IH Co. of the Phil. G.R. No. L-18198, April 22, 1963; Nobel v. Cabije, et al., G.R. No. L-18206, April 23, 1963.

lations,[8] which has been reiterated in a long line of decisions. It is settled that in order the CIR may require jurisdiction over a controversy in the light of RA 875, the following circumstances must be present: (a) there must exist between the parties an employer-employee relationship, or the claimant must seek his reinstatement; (b) the controversy must relate to a case certified by the President to the CIR as one involving national interest, or must have a bearing on an unfair labor practice charge, or must arise either under the Eight-Hour Labor Law or under the Minimum Wage Law. In default of any of these circumstances, the claim becomes a mere money claim that comes under the jurisdiction of the regular courts.[9]

However, a confusing pronouncement was made in the case of *Gallardo v. Corominas.*[10] This was an action in the CFI seeking reinstatement to the position of ship captain, recovery of salaries from the date of dismissal until reinstatement and damages. The jurisdiction of the CFI was questioned, and the Supreme Court held that the lower court did not have jurisdiction. The Supreme Court stated that "it is already well-settled that where an employee seeks reinstatement to the office from which he claims to have been wrongfully discharged, the CIR is the one vested with jurisdiction over all claims arising out of, or in connection with the employment."

This ruling is very confusing since from the facts of the case it does not appear that the controversy was connected with a case certified by the President to the Court of Industrial Relations neither does it appear that ot was in realtion to an unfair later practice charge, nor did it arise under the Eight-Hour Labor Law nor the Minimum Wage Law. Actually, this is not one of the four types of cases enumerated although reinstatement is sought here.

In the case of *Jornales v. Central Azucarera de Bais*[11] the Supreme Court disregarded the designation of plaintiff's action as one "for specific performance with damages and preliminary mandatory injunction", and looked into the allegations of the complaint. The plaintiffs averred that upon their failure to become members of the United Central and Cellulose Labor Association as required by the defendants, the latter dismissed them. The Court held that this was a clear statement of an unfair labor practice committed by the employees,[12] cognizance of which, there being a prayer for

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[8] G.R. No. L-13206, May 23, 1960.

[9] A restatement of the doctrine established in Campos et al v. MRR Co., G.R. L-17905, May 25, 1962.

[11] G.R. No. L-10280, September 30, 1963.

[12] Section 4a (a), Rep. Act No. 875 (discrimination in regard to hiring or tenure of employment).

reinstatement in the complaint, is given to the Court of Industrial Relations. The manner in which the employment contracts were breached placed the case outside the jurisdiction of the Court of First Instance. The Court explained that a contract of employment may be violated by the employer by unjustifiably dismissing the employee, in which case the general law on contracts applies, and the action compel the employer to reinstate the employee is cognizable by the courts of first intance. However, if the dismissal is discriminatory, though also a breach of a private contract of specific performance, it constitutes a violation of a puublic right which the law specially protects, and for the redress of which a specific procedure in a designated court, i.e., the Court of Industrial Relations must be followed.

Claims for unpaid wages for work done by employees during Sundays and legal holidays, if the services had really been rendered by them and not paid by the employer constitutes, and is, a grievance that may lead to a strike because claimants continue in the employ of employer bank. Such being the case, the Court of Industrial Relations on has jurisdiction to hear and decide the case, not the Court of First Instance.[13] Similarly, the courts of first instance have no jurisdiction to issue an anti-picketing injunction, whether final or preliminary, in relation to two pending proceedings in the Court of Industrial Relations, namely, one for certification election and the other for unfair labor practice.[14]

In consonance with its pronouncement in Prisco v. Court of industrial Relations [15] the Supreme Court has withheld jurisdiction from the CIR in cases which are mere money claims,[16] or where the petitioner-employee seeks reinstatement on the ground that the criminal charge against him, upon which his separation from the service was predicted, has been dismissed.[17]

Reiterating its stand made in a long line of cases,[18] the Court held in the case of *Manila Sanitarium* and *Hospital v. Gabuco* [19] that a purely charitable and educational institution, not established or operated for profit or gain, is not governed by the Industrial

[13] Bank of America v. CIR et al. G.R. No. L———, December 26, 1963.
[14] National Mines and Allied Workers' Union v. CFI of Camarines Norte, G.R. No. L-16884, January 31, 1963.
[15] *Supra*, note 8.
[16] Kapisanan ng mga Manggagawa v. CIR et al., G.R. No. L-18969, April 24, 1963; Insular Refining Co. Inc. v. CIR, G.R. No. L-19247, May 31, 1963.
[17] Perez v. CIR et al., G.R. No. L-18182, February 27, 1963.
[18] U.S.T. Hospital Employees v. Santo Tomas Hospital, G.R. May 24, 1954; San Beda v. CIR and N.L.U., 51 OG 5836; University of San Agustin v. CIR, et al, G.R. No. L-12222, May 28, 1958.
[19] G.R. No. L-14311, January 31, 1963.

Peace Act. Also, a purely religious temporality and a non-profit enterprise, such as the La Loma Catholic Cemetery, is not covered by Republic Act No. 875; hence, the CIR has no jurisdiction to entertain petitions of labor unions or organizations for certification as the exclusive bargaining representative of said employees and laborers.[20]

B. COURT OF AGRARIAN RELATIONS

In the case of *Tawatao* and *del Rosario v. Garcia*,[21] petitioners contended that Republic Act No. 1199, as amended by Republic Act No. 2263, does not apply to fishponds, for there is no cultivation of the land to speak of, but applies only to agricultural lands subject to cultivation. Disposing of this contention as without merit, the Court cited Section 46(c) of Republic Act No. 1199, as amended.[22] It stated that the law does not require actual cultivation of the land so that disputes affecting tenancy relation involving a landholding fall under its provisions. While Section 4(c) provides that the consideration for the use of fishponds shall be governed by stipulation between the parties, yet the same does not strip the Court of Agrarian Relations of its jurisdiction over tenancy disputes involving such kind of landholding. Furthermore, the Court has held in two cases[23] that land in which fish is produced is classified as agricultural land and that the words "real estate" include fisheries as used in Article 55 of the Hague Conventions of 1907. Since this case involved unlawful dispossession of the respondent tenants from their fishpond holdings upon no legal cause, the Court of Agrarian Relations had exclusive jurisdiction to order the reinstatement and payment of damages for losses suffered by them.

The Court of Agrarian Relations is by law vested with the "original and exclusive jurisdiction to consider, investigate, decide and settle all questions, matters, controversies or disputes involving all those relationships established by law" which include dispossesion of the tenanted agricultural land committed by third parties.[24] It results that the Court of Agrarian Relations can take cognizance of

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[20] Superintendent of La Loma Cemetery v. CIR, G.R. No. L-12365 July 31, 1963.

[21] G.R. No. L-17649, July 31, 1963.

[22] Sec 4(c) provides:

". . . the consideration for the use of sugar Lands, fishponds, saltbeds and of lands devoted to the raising of livestock shall governed by stipulation Between the parties."

[23] Molina v. Rafferty, 38 Phil. 167; Banaag v. Singson Encarnacion 46 O.G. 4895.

[24] See Section 21, Rep. Act No. 1199 and Section 7, Rep. Act No. 1267, as amended by Rep. Act No. 1409.

tenancy cases, regardless of the fact that there is an action of forcible entry brought involving a controversy on possession of the land subject of the action.[25]

In the case of *Victorias Milling Co., Inc. v. CIR* and *Free Visayan Workers*,[28] the issue resolved by the Court was whether or not the Industrial Peace Act applies to "agricultural workers", taking into consideration the fact that members of the respondent Union were merely laborers in the different sugarcane plantations of the petitioner. The Court of Agrarian Relations was adjudged to have the jurisdiction over unfair labor cases involving agricultural laborers in agricultural pursuits, i.e., laborers engaged in preparing the fields for the planting of sugarcane and in harvesting the same.

C. DEPARTMENT OF LABOR

In two recent cases,[27] our Supreme Court had occasion to reiterate its ruling in *Corominas v. Labor Standards Commission*[28] to the effect that the provision of Reorganization Plan No. 20-A, particularly Section 25 thereof, granting regional offices of the Department of Labor original and exclusive jurisdiction to consider money claim including overtime pay and unpaid wages of laborers is not authorized by the provisions of Republic Act No. 997, which created the Reorganization Commission.

Regional Offices of the Department of Labor are not empowered to order the execution of their awards by writs of execution. Only courts of justice have such power.[29]

D. WORKMEN'S COMPENSATION COMMISSION

The doctrine laid down in the case of Miller v. Mardo[30] that Reorganization Plan No. 20-A, insofar as it confers judicial power to the Regional Offices over cases *other than those falling under the Workmen's Compensation Act*, is invalid and of no effect, was reiterated in two 1963 decisions.[31] The provisions of said reorganization plan, insofar as they confer on said regional offices jurisdiction over claims for compensation falling under the Workmen's Com-

[25] Toledo, et al. v. CAR, G.R. No. L-16054, July 31, 1963.
[26] G.R. No. L-17281, March 30, 1963.
[27] Villafuerte v. Marfil, et al., G.R. No. L-17775, February 28, 1963; Andan v. Secretary of Labor, G.R. No. L-18556, March 29, 1963.
[28] G.R. No. L-14837, June 30, 1963 (and the Calupitan, Carlim and Fuentes cases decided on the same date.)
[29] National Shipyards and Steel Corp. v. Calixto, et al., G.R. No. L-18471, February 28, 1963.
[30] G.R. No. L-15138, July 31, 1961.
[31] Madrigal Shipping Co. v. Melad, G.R. No. L-17362 & 17367-69, February 28, 1963; Pangasinan Transportation Co. v. WCC, G.R. No. L-16490, June 29, 1963.

pensation Act, is perfectly legal, and their decisions on such claims are valid and binding. The jurisdiction conferred on these hearing officers partakes of the nature of referees.[32]

E. DEPORTATION BOARD

Can the President's power to order the arrest of an alien with the aim of determining the propriety of deporting him, (conceding without deciding that the President can personally do so), be delegated by him to the Deportation Board? The Supreme Court disposed of this question in the negative in the case of *Qua Chee Gan, v. The Deportation Board.*[33]

PROCEDURE

A. STANDING OF PARTIES

1. Court of Industrial Relations

Claims for the recovery of unpaid wages and overtime pay maybe taken cognizance of by the Court of Industrial Relations only if, at the time of the filing of the claim, the claimants are still in the service of the employes, or having been unlawfully or improperly separated from such service, should ask for reinstatement; otherwise, such claims should be brought before the regular courts.[34]

The question of whether the Court of Industrial Relations has the power to order reinstatement in an unfair labor practice case where it made no finding that the employee had been discriminatorily dismissed, cropped up in the case of *Malaya Worker's Union v. CIR.*[35] Citing the previous case of Baguio Gold Mining Co. v. Tabisola,[36] the court held:

> "The law is clear. In an unfair labor practice case where the court of Industrial Relations finds that the person charged in the complaint has engaged or is engaging in unfair labor practice, the court is expressly granted the power to order reinstatement with or without backpay. But this authority had been implicitly withheld where the charge is not substantiated. Then the CIR is directed to simply dismiss the complaint.
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> "The dismissed employee is not entirely without remedy if his charge of unfair labor practice fails and his complaint dismissed, because the breach by the employer of the obligation to him maybe redressed like an ordinary contract or obligation."

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[32] See: La Mallorca v. Ramos, L-15476, September 19, 1961.
[33] G.R. No. L-10280, September 30, 1963.
[34] Phil. Express Agency v. CIR, et al., G.R. No. L-17096, Dec. 27, '63.
[35] G.R. No. L-17880, April 23, 1963.
[36] G.R. No. L-15265, April 27, 1962.

2. Workmen's Compensation Commission

Nowhere in Sections 46 and 2 of the Workmen's Compensation Act does it appear that the claims cognizable by the WCC are those filed by an employee against his employer where there is an "industrial employment" as the term is defined in Section 39 (d). All that the law requires is that there must be an employer-employee relationship between the parties, which relationship, as held in *Asia Steel Corp. v. Workmen's Compensation Commission*[37] without which an indemnity is unauthorized. Indeed, all that the law states is that all claims for injuries or illness suffered under the circumstances mentioned in Section 2 are within the jurisdiction of the Workmen's Compensation Commission if there is an employer-employee relationship between the parties. That the employer, in the case of a private one, is not engaged in business for the purpose of gain is a matter of defense which he must raise at the earliest opportunity, in the same way that it was held that the non-application of the law because the employer's gross income is less than ₱10,000 is only an affirmative defense which, if not invoked on time is deemed waived.[38]

B. DUE PROCESS

1. Collector of Customs

While it is true that the proceedings before the Collector of Customs insofar as the determination of any act or irregularity that may involve a violation of any customs law or regulation is concerned, or of any act arising under the Tariff and Customs Code, are not judicial in character, but merely administrative, where the rules of procedure are generally disregarded, still due process should be observed in administrative proceedings because that is a right enshrined in our Constitution. The right to due process is not merely statutory; it is a constitutional right.[39]

2. Commissioner of Immigration

In the case of *De Bisschop v. Galang*,[40] the Court of First Instance granted a petition for prohibition and ordered the Commissioner to desist and refrain from arresting and expelling the petitioner from the Philippines, unless and until proper and legal proceedings were conducted by the Board of Commissioners of the Bu-

[37] G.R. No. L-7636, June 27, 1955.
[38] Manila Yacht Club, Inc. v. WCC, G.R. No. L-19258, May 31, 1963; (citing: Viana v. Al-Lagadan, 54 O.G. 644; Rolan v. Perez, 63 Phil. 80).
[39] National Development Co. v. Collector of Customs, G. R. No. L-17814, October 31, 1963.
[40] G.R No. L-18365, May 31, 1963.

reau of Immigration in connection with the application for extension of stay filed by Bisschop with said Board.

The Commissioner raised two main issues on appeal: (1) whether or not the Commissioner of Immigration is required by law to conduct formal hearings on all applications for extension of stay of aliens, and (2) whether said Commissioners are enjoined to promulgate written decisions in such cases.

Justice J.B.L. Reyes, writing the majority decision, had these to say:

> "The administration of immigration laws is the primary and exclusive responsibility of the Executive branch of the government. Extension of stay of aliens is purely discretionary on the part of immigration authorities. Since Commonwealth Act No. 613, otherwise known as the Philippine Immigration Act of 1940, is silent as to the procedure to be followed in these cases, we are inclined to uphold the argument that courts have no jurisdiction to review the purely administrative practice of immigration authorities of not granting formal hearings in certain cases as the circumstances may warrant, for reasons of practicability and expediency. This would not violate the due process clause if we take into account that, in this particular case, the letter of appellant commissioner advising de Bisschop to depart in 5 days is a mere formality, a preliminary step, and therefore, far from final, because, as alleged in paragraph 7 of appellant's answer to the complaint, the "requirement to leave before the start of the deportation proceedings is only an advice to the party that unless he departs voluntarily, the State will be compelled to take steps for his expulsion." It is already a settled rule in this jurisdiction that a day in court is not a matter of right in administrative proceedings. (Cornejo v. Gabriel and Provincial Board of Rizal, 41 Phil. 188, 193-4)."

In the discussion of the second issue, the Court held that since the immigration law specifically enumerates when the decisions of the Board of Commissioners shall be in writing, to wit: (a) in cases of appeal from a decision of the Board of Special Inquiry as to matters of admission or exclusion of aliens, as provided in Section 27(c) of the Immigration Act; (b) the decision of the Board of Commissioners in cases of deportation under Section 37, par.(a) and (c), it seems clear that there is no requirement for the Board of Commissioners to render decisions on petitions for extension of stay in writing.

Hence, the writ of prohibition will not lie. Furthermore, another equally adequate and speedy remedy is available, viz., habeas corpus.

3. Public Service Commission

Although the Commission entered its order without notice or hearing, a requisite provided for by the Public Service Act before

suspension, revocation or cancellation of any certificate of public convenience, the defect, if any, was cured by the hearing held on the petitioner's motion to reconsider the order. The force and logic of that rule becomes more impressive when the motion for reconsideration had raised in issue all the merits and defenses of the movant which he would have raised in the original hearing had there been any.[41]

V. JUDICIAL INTERFERENCE

A. Exhaustion of administrative remedies and primary jurisdiction

The doctrine of exhaustion of administrative remedies is a rule long-recognized and adhered to; that administrative remedies provided for by law should first be exhausted before resort to the courts may be had. The soundness of this rule lies in the fact that it provides an orderly procedure which favors a preliminary administrative sifting process and serves to prevent attempts to swamp the courts with too many cases which could have been settled had the administrative remedies provided for been availed of in time.[42] It is also based on consideration of comity and convenience. If a remedy is still available with the administrative machinery, this should be resorted to before resort can be made to the courts, not only to give administrative agency the opportunity to decide the matter by itself correctly, but also to prevent unnecessary litigation.[43]

In consonance with this doctrine, the Court has ruled [44] that inasmuch as the Commissioner of Customs exercises supervision and control over the Collectors of Customs who are his subordinates, a person aggrieved by a decision of the Collector must appeal to the Commissioner first, before he may appeal to the Court of Tax Appeals.[45]

1. Exceptions to the rule

The doctrine of exhaustion of administrative remedies is not without exception. One of these is where the question in dispute is purely a legal one, and nothing of an administrative character is

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[41] Flash Taxicab Co. v. Cruz, G.R. No. L-16255, March 30, 1963. (This case reiterates the ruling in Borja v. Flores, 82 Phil. 106).

[42] Sampaguita Shoe & Slipper Factory v. Commissioner of Customs, G.R. No. L-10285, January 14, 1958.

[43] Montes v. Civil Service Board, G.R. No. L-10759, May 20, 1957, see also: Cruz v. Del Rosario and LTA, G.R. No. L———, Dec. 26, '63.

[44] Lopez & Sons, Inc. v. CTA, G.R. No. L-9274, February 1, 1957; Sampaguta Shoe & Slipper Factory v. Commissioner, *supra*.

[45] Reiterated in Negros Navigation co. v. Commission of Customs, G.R. No. L-18629, May 31, 1963.

to be or can be done.[46] This was first recognized in the case of Pascual v. Provincial Board of Nueva Ecija.[47] The recent case of *Tapales v. President and Board of Regents of U.P.*[48] reiterates this particular exception. In this case the legal question to be decided was whether or not the Board of Regents had the power under the U.P. Charter to limit the terms of office of deans and directors to five years. Accordingly, the question of whether the resolution adopted by the board of regents, limiting to five years the terms of office of such deans and directors who had been appointed in a permanent capacity before the passage of the resolution, could be given retroactive effect or not comes into focus. The Court ruled in the negative on both issues.

In the case of *Marinduque Iron Mines v. Secretary of Public Works & Communications*,[49] the Court ruled that the petitioner need not exhaust administrative remedies, considering the fact that the provisions of Republic Act No. 205650 does not require that appeal to the President should precede a recourse to the courts. The Court then fell back on its ruling in *Dimaisip v. Court of Appeals*[51] and ruled that failure to appeal from the decision of the Secretary of Agriculture and Natural Resources to the President cannot preclude plaintiffs from taking court action in view of the theory that the Secretary of a Department is merely an *alter-ego* of the President. Consequently, the assumption is that the action of the Secretary bears the implied sanction of the President, unless the same is disapproved by the latter.[52]

Where the parcel of land (that is the) subject of the litigation is not part of the public domain, but of private ownership acquired by the Government for resale to private persons, any aggrieved party may bring an action in court without the need of exhausting all administrative remedies.[53]

B. FINDINGS OF FACT

The rule is settled that the Supreme Court will not review findings of fact of administrative agencies, as long as the same are reasonably supported by evidence. This is so because these adminis-

[46] For the other exceptions, see: 73 C.J.S. 354 (cited in the Pascual case, *infra*.)

[47] G.R. No. L-11959, October 31, 1959.

[48] G.R. No. L-17523, March 20, 1963.

[49] G.R. No. L-15982, May 31, 1963.

[50] Gives the Secretary of Public Work and Communications the authority to order the removal of illegal construction.

[51] G.R. No. L-13000, September 25, 1959.

[52] Calo v. Fuertes, G.R. No. L-16537, June 29, 1962.

[53] Tiangco v. Lauchang, G.R. No. L-17598 & 17694, September 30, 1963, citing the ruling in Santiago v. Cruz, G.R. No. L-8271-72, December 29, 1955.

trative bodies are governed by the rule of substantial evidence rather than by the rule of preponderance of evidence as in ordinary civil cases.[54] Consonant to this rule, the Supreme Court has refused to disturb findings of fact in numerous 1963 cases appealed to it from the Court of Industrial Relations,[55] the Court of Tax Appeals,[56] the Court of Agrarian Relations,[57] the Public Service Commission,[58] and the Workmen's Compensation Commission.[59]

Accordingly, the findings of fact of the Secretary of Public Works and Communications under Republic Act No. 2056 should be respected in the absence of illegality, error of law, fraud or imposition, so long as said findings are supported by substantial evidence. The findings of the Secretary cannot be enervated by new evidence not laid before him, for that would be tantamount to holding a new investigation, and to substitute for the discretion and judgment of the Secretary the discretion and judgment of the court, to whom the statute has not entrusted the case. It is immaterial that the action should be one for prohibition or injunction and not one for certiorari; in either event the case must be resolved upon the evidence submitted to the Secretary, since a judicial review of executive decisions does not import a trial *de novo* but only an ascertainment of whether the executive finds are not in violation (of the Constitution or) of the laws, and are free from fraud or imposition, and whether they find reasonable support in the evidence.[60]

In two recent cases,[61] the Court disregarded the findings of fact of the administrative agency concerned, on the ground that the evidence adduced did not reasonably support the conclusion made. In the case of *Vicente v. Workmen's Compensation Commission*,[62] the Court upheld the petitioner's claim, not only because the presumption of compensability was not destroyed by respondent company's evidence, but also because the WCA is a social legislation designed to give relief to the workman who has been the victim of an accident in the pursuit of his employment and must be liberally construed to attain the purpose for which it has been enacted.

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[54] See: Industrial, Commercial & Agricultural Workers' Organization v. CIR, et al., La Mallorca & PAMBUSCO v. Mendiola, G. R. No. I-19558, November 29, 1963.

[55] States Marine Corp. v. Cebu Seaman's Assn., G. R. No. L-12444, February 28, 1963.

[56] Collector of Internal Revenue v. Li Yao, G. R. No. L-11861, December 27, 1963; Li Yao v. Collector, G. R. No. L-11875, December 28, 1963.

[57] Belmi c. CAR, G. R. No. L-19343, April 27, 1963; Chavez v. CAR, G. R. No. L-17814, October 31, 1963.

[60] Lovina v. Moreno, G. R. No. L-17821, November 29, 1963.

[61] ALATCO v. Del Rosario, G. R. No. L-17882, August 30, 1963; Vicente v.. WCC and Gonzalo Puyat & Sons, Inc., G. R. No. L-18241, December 27, 1963.

[62] Vicente v. WCC and Puyat & Sons, Inc., *supra*.

C. FINALITY OF ADMINISTRATIVE DECISION

In the case of *Lovina v. Moreno*,[63] the Court had occassion to state in an *obiter dictum* that it does not believe that the absence of an express appeal to the courts under Republic Act 2056 is a substantial difference, so far as the Constitution is concerned, for it is a well-known rule that due process does not necessarily have to be a judicial process. Moreover, the judicial review of the decision of the Secretary of Public Works would always remain, even if not expressly granted, whenever his act violates the law or the Constitution, or imports abused of discretion amounting to excess of jurisdiction.

May the doctrine of *res judicata*[64] be made applicable to decisions of administrative bodies upon whom judicial powers have been conferred? Our Supreme Court, in the case of *Ipekdjian Merchandising Co. v. Tax Appeals*,[65] ruled that it would be unreasonably circumscribing the scope of this doctrine if said doctrine would apply exclusively to decisions rendered by what are usually understood as courts. The more equitable attitude is to allow extension of the defense to decisions of bodies upon whom judicial powers have been conferred. One such administrative body is the Board of Tax Appeals. While the decisions of the Board of Tax Appeals are administrative in character, those that are not brought before the Court of First Instance or before the Court of Tax Appeals, under the provisions of Republic Act No. 1125, within the 30-day period prescribed in Section 11 thereof, counted from the creation or organization of the Court of Tax Appeals, are considered as having been judicially confirmed by Republic Act No. 1125. The same shall be considered final and executory and enforceable by execution, just like any other decision by a regular court of justice.[66]

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[63] G. R. No. L-17821, November 29, 1963.

[64] The essential requisites for the existing of *res judicata* are: (1) the former judgment must be final; (2) it must have been rendered by a court having jurisdiction of the subject-matter and of the parties; (3) it must be a judgment on the merits; and (4) there must be, between the first and second actions (a) identity of parties, (b) identity of subject-matter and (c) identity of cause of action. Navarro v. Director of Lands, G. R. No. L-18814, July 31, 1962; Aring v. Original, G. R. No. L-18464, December 29, 1962).

[65] G. R. No. L-15430, September 30, 1963.

[66] see also: Ipekdjian Merchandizing Co. v. CTA, G. R. No. L-14791, May 30, 1963.