

REFERENCE DIGEST

CONSTITUTIONAL LAW: CENSORSHIP, ITS EFFECTS ON PROGRESS. This article is intended to enlighten the readers regarding the dangers that censorship poses towards freedom which, according to the author, is, in substance and in theory, one of the most powerful aids of man in his perpetual struggle to obtain a semblance of happiness and dignity in his ephemeral sojourn through life.

Censorship, whenever and wherever applied, invariably poses a threat to freedom. If applied with moderation, reason, and understanding, it may curtail the tendency to license without endangering freedom. On the other hand, if strictly applied, together with bigotry, hypocrisy and dogmatism, it may raise a real danger to freedom. The author defines censorship, in its most common and usual application, as the practice of giving authority to a certain person or persons to examine books, manuscripts, plays, films, and other acts intended for public dissemination, prior to such publication or performance, to ascertain if there is anything immoral or offensive in them.

The different civil rights of an individual as guaranteed by the Constitution are enumerated and discussed comprehensively. Decisions of the United States Supreme Court and the Philippine Supreme Court are cited to show the concern of the courts for the protection of those precious civil rights.

The author then expounds on censorship as the great threat to the freedom of expression of ideas. The human character of censors is discussed to show the fallibility and susceptibility to bigotry, prejudice and dogmatism. It is feared that what will be published are only those ideas that are agreeable to the censors; therefore, there is always the risk that ideas that may be correct and beneficial to mankind may be suppressed simply because they happen to be disagreeable to the censors.

Freedom from censorship is an indispensable attribute of a nation to gain progress. Censorship may be used as a very effective means to maintain ignorance and extreme credulity among the masses, thus making them docile and bereft of inquisitive minds. It is an obstacle to any progress in science, because the latter flourishes in an atmosphere of freedom of exchange of ideas. Censorship cannot be an instrument of progress, due to its tendency to resist change. (Manuel L. Lintag, *Censorship, Its Effects On Progress*, VIII F.E.U.L.Q. No. 1, at 86-90 (1960). P2.50 at the Far Eastern University Institute of Law. This issue also contains Llaneza, *Mutual Funds in the Philippines*; Sayoc, *Effective Collective Bargaining to Promote Industrial Peace*.)

CORPORATION LAW: MUTUAL FUNDS IN THE PHILIPPINES. The idea of mutual funds caught fire in the Philippine late in 1957 when the Filipinas Mutual Fund

organized. The author divides the concept of Mutual Funds into two, namely: (a) the pooling together of investments of a large number of persons into one fund and (b) the investment of the money in as large a number of industries in the Philippines as is possible.

The author accurately explains the workings and operations of a mutual fund. An investor may invest his money under any of the following plans:

1. The Systematic Investment Plan,
2. The Systematic Plan with Insurance,
3. The Single Payment Investment Plan.

All these plans are discussed comprehensively, complete with elucidating charts and examples. In addition, the types of Investment Trust Companies, viz, the open-end type and the closed-end type, are explained fully and contrasted with each other for the readers' enlightenment.

The author, quoting from Isip's A.B.C. of Mutual Funds, enumerates nine rights and privileges of the shareholder or planholder in a mutual fund. The following advantages of a mutual fund investment are fully explained: (a) mutuals have the benefit of diversification of investments; (b) the benefit of professional management which studies the market day after day and invests only after a searching analysis of conditions prevailing in the stock market; (c) the liquidity of the investment; (d) mutual funds guard against the eventuality of inflation; (e) there is more than even chance of gains; and (f) the ability to amass a large amount of capital and generate it to the various industries in the country.

In contrast to these, mutual funds also have the following disadvantages, namely: (a) mutual fund investments do not offer any fixed rate of return; (b) redemption values depend on the value of the shares on the day they are turned in and therefore a lower redemption price must necessarily cause a loss to the investor; (c) unlike money in banks, money invested in mutual funds does not enjoy the advantage of safety and guaranteed return; (d) diversification is subjected to myriads of unforeseen risks which may impair or destroy it.

The author bewails the lack of a particular law to govern mutual fund companies and hopes for the immediate approval of the proposed Investment Company Act to curb the abuses that Mutual Funds may commit due to the absence of a specific law to govern them. The proposed bill is now in the halls of Congress as House Bill No. 3210, which is the identical counterpart of Senate Bill No. 364. The passage of this proposed act, which is patterned after the U.S. Investment Act of 1940, should be one of the musts during the current session of Congress. The interests involved in mutual funds are so large and too widespread to be allowed to remain virtually unregulated. (Jose B. Llaneza, *Mutual Funds in the Philippines*, VIII F.E.U.L.Q. No. 1 at 1-23 (1960). P2.50 at the Far Eastern University Institute of Law. This issue also contains: Lintag, *Censorship, Its Effect On Progress*; Sayoc, *Effective Collective Bargaining To Promote Industrial Peace*.)

LABOR LAW: EFFECTIVE COLLECTIVE BARGAINING TO PROMOTE INDUSTRIAL PEACE. Collective Bargaining has been defined as bargaining by an organization

or group of workmen, in behalf of its members, with the employer. This topic is exhaustively treated by the author by means of a well-explained outline of the subject matter.

The first part of this article concentrates on the discussion of the Collective Bargaining Process. The term collective bargaining is believed to have been first used in 1891 by Beatriz Potter in "The Cooperative Movement of Great Britain." The relevant provisions of the Industrial Peace Act, the law governing the collective bargaining process, is efficiently commented upon. The history, nature and goals of collective bargaining are fully explained.

The second part of the article treats of the right and duty of labor and management to bargain collectively. Under the provisions of Commonwealth Act 213, collective bargaining was conferred as a right in favor of labor organizations. Considering this one-sided privilege and right granted to labor organizations, the Industrial Peace Act sought to make the situation more conducive to industrial peace by providing for mutual obligation of both employer and the employee to bargain collectively in accordance with the provisions of said Act. As stated by the author, the duty to bargain collectively consists of six important stages which are expounded thoroughly in the article. Emphasis is made on the element of good faith.

The third and last heading deals with the procedure in collective bargaining. Such procedure is provided for in Sec. 14 of Rep. Act 875.

There are two theories of collective bargaining, namely: (1) Standard of Living Theory, and (2) Group Demand Theory. Under the first, the bargaining strength of the workers is in direct proportion to the standard of living of the group and of the class. The Group Demand Theory is based on the classical law of supply and demand.

The first stage in the collective bargaining process is the filing or submitting of proposals by a party, usually by the employees' representatives. However, as the proposals of the employees' bargaining representative are rarely acceded to *in toto* by the employer, the majority of cases require a second stage — the Conference. During this period of Conference, a third party enjoying the confidence of both sides may intervene. This intervention may take the form of conciliation, mediation or arbitration. Each of these forms are fully expounded upon by the author.

The final steps in the collective bargaining process is the signing of the collective bargaining agreement by the parties. This signed written agreement is considered as the effective instrument of stabilizing labor relations and preventing strikes and industrial strife. This written contract gives the parties a sense of stability. (Jesus S. J. Sayoc, *Effective Collective Bargaining To Promote Industrial Peace*, VIII F.E.U.L.Q. No. 1, at 24—60 (1960). P2.50 at the Far Eastern University Institute of Law. This issue also contains: Llaneza, *Mutual Funds in the Philippines*; Lintag, *Censorship, Its Effects On Progress*.)

ANNUAL SURVEY OF 1959 SUPREME COURT DECISIONS (PART I). No knowledge of legal provisions and legal principles is reliable unless it be kept alive

by a continuous study of the decisions applying the law to various situations that constantly arise. Consequently, an annual survey of the Supreme Court decisions on the various aspects of the law is always a welcome aid to all those who intend to keep abreast with the law.

This survey (Part I) covers the 1959 decisions of the Supreme Court touching on nine subjects: Criminal Law, Land Registration, Administrative Law, Public Officers and Election Law, Municipal Corporations, International Law, Legal and Judicial Ethics, Evidence, and Criminal Procedure.

Each of the above subjects is subdivided into topics, each of which is treated first by a statement of the governing provisions of the law and legal principles, followed by the citation or digest of cases wherein the same were applied or ruled upon. The cases cited are either decisions reiterating previous doctrines or rulings which are precedent-setting or somewhat deviating from previous decisions. (*Annual Survey of 1959 Supreme Court Decisions, Part I* by Members of the Editorial Board, XXXV Phil. L. J., No. 1, at 669-803 (1960). P3.00 at the University of the Philippines, Diliman, Q.C.)