

MALACAÑANG

MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 93

REPRIMANDING MR. EDUARDO TAYLOR AS GENERAL MANAGER OF THE CEBU PORTLAND CEMENT COMPANY.

This is an administrative case against Mr. Eduardo Taylor, general manager of the Cebu Portland Cement Company (CEPOC), who is charged by Congressman Ramon Durano and Messrs. Ramon Ros, Galileo Sotto, Carlos Ramirez and Venancio Dungea with a number of irregularities, including persecution, favoritism, misappropriation and electioneering. Upon my instructions, the charges were investigated by the Department of Justice whose investigator made a thorough inquiry in the premises and submitted an exhaustive report on the case. The Secretary of Justice finds the report to be in accordance with the evidence presented, and I agree with him. For obvious reasons, only those charges wherein the respondent has been found to be somehow wanting or remiss in the discharge of his duties will be taken up here.

Under Congressman Durano's charge that the respondent caused the purchase of low-quality coal at higher cost, it appears that in the resolution of the board of directors of the CEPOC dated March 3, 1949, resuming the purchase of Batan (Albay) coal, it was provided that such purchase would be at ₱13 per ton f.o.b.. Batan, "the Cebu Portland Cement Company to shoulder the transportation expenses from Batan to Cebu, which will be approximately ₱10 per ton." From the tenor of the resolution the corporation could have contracted for the transportation of the coal to bring the cost thereof to the lowest possible figure. However, it left the matter entirely in the hands of the supplier who was automatically paid a flat rate of ₱10 for freightage for every ton delivered. As it was possible that the cost of freight could be less than ₱10 per ton in view of the increase of bottoms from year to year since liberation, respondent would seem to be negligent in allowing the automatic payment of ₱10 per ton for freightage without making or ordering an inquiry into the reasonableness of the rate and whether it was the lowest obtainable. Had he done so, the "loss" imputed to him could have been avoided. However, no proof has been adduced that the company might have saved any amount had it contracted for the transportation of the coal itself, as it was possible too that the rate remained stationary at ₱10 per ton.

Respondent is also charged with having committed acts tending to corrupt and unduly influence the electorate at the expense of the corporation in (a) that he directed, under pain of dismissal if they refused, the officers, employees and laborers of the corporation to vote for the former President and other candidates of

the Liberal Party in the last general elections and (b) that he utilized the sum of ₱100,000 voted by the board of directors for the repair of the roads to the company coal mines in certain municipalities of Cebu for the purpose of buying votes for the abovementioned candidates.

In his defense the respondent denied ever issuing the orders attributed to him in any of the meetings attended by him, although he admitted making known his position in the last elections at said meetings, in the sense that he was, as usual, for the Administration. I am convinced that the respondent did not give the orders in the manner and tenor described in the charge. However, there are strong indications that in his own clever way he intended all along to carry his subordinates to his side of the political fence. Four or five days immediately preceding the last elections he went on an inspection trip to the various company mines and called to a conference the staff members thereof, at the close of which he manifested that he was personally for the Administration. While it may be true that at no time did he ever request his subordinates to vote for the same candidates he was then supporting, his acts and manifestations more than suggested his intention which his subordinates could ill afford to ignore. Although he was careful to avoid making a direct and open approach, he nevertheless attempted to reach his objective through friendly and subtle means. His acts, though not strictly speaking illegal, were nonetheless improper. Let it be stated in fairness to him that although by the nature of his position he was not subject to the strict rules of the Civil Service, he did not impose his will on his subordinates nor openly abuse his influence over them.

Regarding the second portion of the electioneering charge, the record shows that upon the recommendation of the respondent the CEPOC board of directors in a resolution dated September 18, 1953 (Exh. S), appropriated the sum of ₱100,000 for the "repairs and improvement of the roads and bridges in Danao, Arga, Uling Coal Mines, the marble quarries, and in the cement plant." Witnesses testified that those roads and bridges needed no repair by October 1953, the same being then in good and passable condition. Payrolls were also presented showing that a total of 9,915 laborers were employed for the purpose at a total cost of ₱87,101.90 to the corporation.

The respondent explained that his recommendation was based on his personal observations and on the persistent reports of his technical men in the field that due to the bad condition of the roads caused by the continuous rain in Cebu the mines could not operate at a low cost and their vehicles were constantly damaged;

that before submitting the matter to the board he first inquired from the director of public works, who was at the same time a member of the board, whether his office could undertake the job but the latter suggested that it would be better for the corporation itself to do it; that after the amount had been set aside, he had nothing more to do with the execution and completion of the work, much less in the employment of the laborers, as he had left the same to his general mine superintendent in Cebu. Respondent was corroborated on material points by the latter who went further to claim that as general mine superintendent he had sufficient authority to appoint daily laborers and that such authority could be delegated by him to the resident mining engineers who in fact appointed the laborers involved herein.

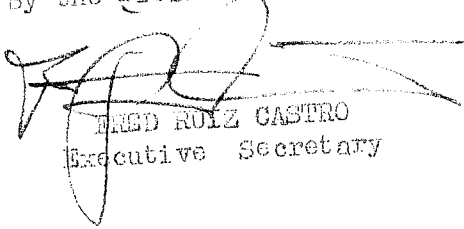
From the evidence presented I am satisfied that the respondent recommended in good faith the appropriation of the amount in question because he was convinced of the necessity of repairing the company's property referred to. There is no evidence whatsoever that in the disbursement of the amount he took orders from the Administrator of Economic Coordination then. Neither is there proof that he had anything to do with the actual hiring of the laborers or the manner in which they were chosen. However, the disbursement of the fund was made under circumstances smacking of the "pork barrel" system for political patronage for which respondent must have his share of the responsibility as head of the office, not to mention that the appropriation was made upon his initiative. Thus, the expenditure was made from October 16 to November 7, 1953, when political campaigns were at their feverish heights; thousands of laborers, almost 10,000 of them, worked in shifts for three or four days for a period of three weeks; and almost forty per cent of them were without any tools to work with.

It is lamentable that although corresponding reports on the repairs were in due course submitted to the respondent who could not have failed to notice the irregular manner in which the amount was expended, he being actually in Cebu from November 7, 1953, to election day and in fact voted there, he did not take any measures to hold his subordinates to account but chose to seek shelter under the claim that the company used to employ laborers much bigger in number and that the laborers were hired at the discretion of the officials in charge of the projects.

The foregoing shows that the respondent has carried his political conviction beyond proper bounds and that he has been remiss in the discharge of his duties. In view thereof, he is hereby severely reprimanded with a warning to be more scrupulous and careful in the future; otherwise, a more drastic action will be taken against him.

Done in the City of Manila, this 20th day of January, in the year of Our Lord, nineteen hundred and fifty-five, and of the Independence of the Philippines, the ninth.

By the President:



FRED RUIZ CASTRO
Executive Secretary

