

for a fixed compensation or remuneration—essentially, a contract of hire for services and not one of sale of goods or merchandise.

“An agreement by virtue of which one person receives from another a quantity of palay under a promise to return therefor hulled rice, upon certain terms, is an industrial and not a commercial contract; it is a hiring of services without mercantile designation and there is nothing mercantile about it.” (*Syllabus: Delgado vs. Bonnevie and Arandez*, 23 Phil. 308.)

Alien rice mill operators who purchase palay in large quantities, mill them, and sell the polished rice to the public for consumption may be deemed exempt, if their capital does not exceed five thousand pesos, on the theory that they are “processors” in contemplation of the Act.

“Process” means “to subject to some special process or treatment. Specif., (a) to heat, as fruit, with steam under pressure, so as to cook or sterilize; (b) to subject (esp. raw materials) to a process or manufacture, development, preparation for the market, etc.; to convert into marketable form, as livestock by slaughtering, grain by milling, cotton by spinning, milk by pasteurizing, fruits and vegetables by sorting and repacking.” (*Webster's Int. Dict., quoted in Colbert Mill & Feed Co. v. Oklahoma Tax Commission*, 109 P2d. 504). And a “processor,” specifically, is “one who is in the business of converting any agricultural commodity into a marketable form.” (*Webster's Int. Dict., cited in Kennedy vs. State Board of Assessment and Review*, 276 NW 205).

Palay is an agricultural product. By milling, it passes from its original roughness to conditions in which it is fit for different uses. Scraped of its outer shell, and of the substance enveloping the denuded grain, it becomes an object of the milled grain, which are: the hull, the bran, the flour, and the cleaned and polished kernel, all of which are separate and distinct articles of commerce.

8. Restaurants and panciterias.

Restaurants and panciterias capitalized at not more than five thousand pesos are exempt from the provisions of the Retail Trade Nationalization Law. (*Opinion No. 248, series of 1954.*)*

* See 4 Ateneo Law Journal 174 for text of this Opinion.

BOOK REVIEWS

ACCOUNTING FOR LAWYERS. By A. L. Shugerman. *Bobbs-Merrill Company, Inc.* 591 pages. Distributed by Lawyer's Cooperative Publishing Company. ₱39.28.

“Today, accounting has so entwined itself in the fabric of law that it would be hard to find a field of law without at least some accounting tinge. A knowledge of accounting has always been helpful to a lawyer . . . today such a knowledge is becoming increasingly indispensable.” With that prefatory remark, Prof. A. L. Shugerman, both lawyer and certified public accountant, justifies the existence of this book on the highly-specialized, not to say intricate, field of accounting. Mr. Shugerman has written it for lawyers who have had no previous accounting background.

Another writer (Beckel, *Effect of Recent Legislation on the Practice of the Law of Business Organizations*, 7 Ohio St. L. J. 130, 139), in commenting on the importance and usefulness to the corporation lawyer of some accounting know-how, has declared: “A corporation lawyer must have at least a superficial acquaintance with accounting. Frequently, proper accounting depends on legal concepts and courts frequently adopt accounting concepts.”

Part I, entitled “Basic Concepts and Procedures”, discusses the most fundamental of accounting principles and procedures as well as technical terminology. Like a good craftsman to an apprentice, Mr. Shugerman hands over to the reader the basic tools indispensable to the latter when he undertakes work on more specialized fields. In accounting parlance this is known as the “bookkeeping stage.”

If the reader should happen to be able to master this first portion of Mr. Shugerman's work, he may then go on to any one of the subsequent chapters which, respectively, deal with

specific accounting systems, such as those peculiar to corporations, estates and trusts, or consignor-consignee relationships.

Part II deals with Financial Statements, and explains at length the Balance Sheet and the Profit-and-Loss Statements. Especially ably prepared is the section treating of fixed assets. The author elucidates on the effect of depreciation and depletion on the Financial Statements, and further extends his discussion to include the many-angled connection of these valuation reserves to the legality of dividend declarations.

Part III (Business Associations and Legal Relationships) analyzes the various specialized accounting systems. Here, the author wisely subdivides the fields of accountancy into those most often encountered by the corporation lawyer.

It may well be said that Mr. Shugerman successfully attains the purpose which the book predominantly aims at, namely, to give the reader sufficient knowledge of the principles governing the science of accounting to thereby enable him to undertake and effectively solve problems involving application of such principles.

A noteworthy deviation of the author from the usual mode of treatment in textbooks of this kind is the citation of adjudicated cases in which courts have had occasion to invoke and to comment on or adopt some particular accounting concept or principle. And because of this aspect, the present volume is better fitted to be a guide or search book for reference work rather than a textbook on legal accounting. It is thus an excellent starting point in legal research on legal questions involving Accounting.

COMMENTS ON THE RULES OF COURT. By Manuel V. Moran.
NGM Publishing Company. Three Volumes. 1952 Revised Edition. Distributed by Pasicolan Book Service.
P150.00.

The Philippine Bench and Bar as well as our law schools are extremely fortunate to have in this jurisdiction as exhaustive and authoritative and systematized a record of our remedial

jurisprudence as the one authored by Mr. Manuel V. Moran, an eminent jurist and formerly Chief Justice of the Supreme Court. Little else need be said to justify and qualify his competence in the preparation and presentation of these commentaries on the Rules of Court. Today, as it has been for the past years, Mr. Chief Justice Moran's work stands as the standard authority on Philippine procedural law, a fact attested by the repeated and numerous times it is cited in decisions of the Supreme Court.

The most notable feature of this latest edition is that it is intended to be permanent. This is to be accomplished by following the method adopted by some standard American search books, notably *Corpus Juris Secundum* and *American Jurisprudence*. To keep his volumes up-to-date, the author will issue "annually or bi-annually, depending upon the tempo of the development of our jurisprudence on Remedial Law", supplemental pocket parts. To this end, each volume now has an inside-back-cover pocket.

Other new features incorporated into the 1952 Revised Edition include 1) all recent decisions of the Supreme Court; 2) new decisions which have modified or abrogated old doctrines; 3) amplification "in the interest of completeness and clarity" of former comments on different topics; 4) a brief discussion and explanation of "the effect of certain provisions of the new Civil Code upon some of the Rules"; and 5) a commentary on the Judiciary Act of 1948 (Republic Act No. 296), as amended, "with indications of its sources which may help in the proper construction to be given to each provision."