

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**THE BRADMAN COMPANY, INC.,
*Petitioner,***

-versus-

**G.R. Nos. L-24134-35
July 21, 1977**

**COURT OF INDUSTRIAL RELATIONS
and MANILA BAY WATCHMEN
ASSOCIATION,**

Respondents.

X-----X

D E C I S I O N

FERNANDO, J.:

A vigorous plea for the reversal of a Decision of respondent Court^[1] finding petitioner guilty of an unfair labor practice for refusing to bargain collectively in good faith and requiring the reinstatement of fifty-nine workers, cannot avail in the light of the facts as found by such tribunal. Nor does the invocation of the constitutional rights to equal protection^[2] and to the nonimpairment of contractual obligation,^[3] call for a different conclusion in view of the social justice^[4] and protection to labor mandates^[5] that specifically call for application in labor controversies.

The decision sought to be reversed speaks for itself. On the question of the failure to bargain collectively, it was stated: “It appears that during the pendency of Case No. 744-MC, the complainant union [private respondent Manila Bay Watchmen Association] sent to, and received by, the Company on May 7, 1960, a letter containing 11 sets of labor proposals for collective bargaining. The Company refused to act upon the union proposals, as testified to by Florendo M. Padilla, shipping manager of the company, viz: ‘Q, — Did you, as shipping manager, did you make a reply to this demand filed by the Manila Bay Watchmen Association? A — No, I did not. As recommended by our president, Mr. Bradley, I did not make any written reply. If my memory serves me right, I did not make any written reply.’ (Italics supplied). The records also show that following the certification of the union by this Court on November 18, 1960 as the sole bargaining agent, as aforesated, it again sent a letter to, and duly received by, the company on December 29, 1960, reiterating its labor demands of May 7, 1960, with the warning that the company’s failure to take appropriate and prompt action on the labor proposals will force the union to take measures to protect its rights. In spite of the fact that all the while the company knows that the watchmen working on board its vessels are members of the union, and that said union has been certified by this Court as the sole representative of all the watchmen or guards working in its vessels, the company still stubbornly resisted and disregarded the union’s request and bargaining proposals. ‘These demands being made by the Manila Bay Watchmen Association, we disregarded the request and demands.’ (t.s.n., p. 39, F. M. Padilla, *ibid.*) It could, therefore, be concluded under the foregoing established facts that there is clear and evident refusal to bargain collectively on the part of the management of respondent company.”^[6] As to the reinstatement ordered by the respondent Court, there is this excerpt from the appealed decision: “The evidence discloses that the company’s vessel ‘Eurymedon’ was in the Port of Manila on January 2, 1961. In the morning of that day, the members of the complainant reported for work but were stopped from boarding the said ship by the manager of the company, Mr. Manzano, telling them that ‘you have a case in Court, so we have already changed you with another watchmen, the Sea Watchmen Agency. It must be stressed that the testimonies of witnesses for the complainant to the effect that the union members were not allowed by respondent’s manager, Mr. Manzano, to board the S/S Eurymedon on January 2,

1961, and that since then have been refused employment because they have filed a case in Court, was never refuted or denied by the respondent. This fact and other facts and circumstances well established in the record clearly preponderate in favor of the complainant's claim that the discharge of the 59 subject-workers was due to union affiliation and activities of requesting union recognition and for better terms and conditions of employment and for bringing an action against the company before this Court."^[7]

The facts as found by respondent Court cannot be any clearer. It is a well-settled doctrine that they are well-nigh conclusive on this Tribunal except in the absence of a showing that they are not supported by substantial evidence. There is no such showing in this case. Both the petition and the brief filed by petitioner's counsel, the then law office of Ozaeta, Gibes and Ozaeta, are impressive for their scholarship. They cannot, in the light of what was found as established by respondent Court, justify, as noted at the outset, a reversal of the decision.

1. Under the industrial Peace Act,^[8] it was an unfair labor practice for an employer [t]o refuse to bargain collectively with the representatives of his employees subject to the provisions of sections thirteen and fourteen."^[9] When there is such a refusal to bargain collectively by an employer was discussed at length in *Herald Delivery Carriers Union vs. Herald Publications, Inc.*:^[10] 1. the Industrial Peace Act specifically provides: 'In the absence of an agreement or other voluntary arrangement providing for a more expeditious manner of collective bargaining, it shall be the duty of an employer and the representative of his employees to bargain collectively in accordance with the provisions of this Act. Such duty to bargain collectively means the performance of the mutual obligation to meet and confer promptly and expeditiously and in good faith, for the purpose of negotiating an agreement with respect to wages, hours, and/or other terms and conditions of employment, and of executing a written contract incorporating such agreement if requested by either party, or for the purpose of adjusting any grievances or question arising under such agreement, but such duty does not compel any party to agree

to a proposal or to make concession. In the first case dealing with the above statutory provision, *Buklod ng Saulog Transit vs. Casalla*, Justice Padilla for the Court made clear that the literal language be of the above section should be adhered to. Nor is it to be lost sight of that implicit in *BCI Employees and Workers Union vs. Mountain Province Workers Union*, is the notion that the labor organization designated as the collective bargaining representative should have a reasonable time within which it could negotiate with the employer to conclude a collective bargaining agreement. It is worthy of note that this duty to bargain in good faith was given added dimension in *Republic Savings Bank vs. Court of Industrial Relations*, where the then Justice, now Chief Justice, Castro, as ponente stated: 'For collective bargaining does not end with the execution of an agreement. It is a continuous process. The duty to bargain imposes on the parties during the term of their agreement the mutual obligation "to meet and confer promptly and expeditiously and in good faith for the purpose of adjusting any grievances or question arising under such agreement" and a violation of this obligation is, by section 4(a) (6) and (b) (13) an unfair labor practice. That the same hospitable scope to the statutory command should be apparent in American law should occasion no surprise. The regime of collective bargaining would be a wreck if it were otherwise. Professor Archibald Cox, one of the most eminent authorities in the field, did note that even before the Wagner Act, the major source of our Industrial Peace Act, it was the prevailing view that a true collective bargaining agreement 'involves more than the holding of conferences and the exchange of pleasantries. While the law does not compel the parties to reach agreement, it does contemplate that both parties will approach the negotiations with an open mind and will make a reasonable effort to reach expression in a later decision, with its stress on 'the incontestably sound principle' that the employer 'had a duty to negotiate in good faith with his employees' representatives, to match their proposals, if unacceptable, with counterproposals; and to make every reasonable effort to reach an agreement.' The Wagner Act called for a more explicit declaration. Professor Cox added:

‘Although the law cannot open a man’s mind, it can at least compel him to conduct himself as if he were trying to persuade and were willing to be persuaded. To offer the union a contract saying, “Take it or leave it,” is not bargaining collectively within the meaning of the act.’^[11] In this particular decision, it was shown that respondent employer, after it was served with written bargaining proposals by petitioner union, acted unilaterally and without notice to the latter on the question of whether or not the work performed by the delivery and carrier workers should be assumed by the so-called independent contractors. It did not even bother to submit an answer or reply concerning the bargaining proposals submitted by petitioner. Instead, there was an evasion of duty to bargain collectively through unfulfilled promises of submitting an answer or counterproposal. It was quite clear, as found by respondent Court, that it betrayed indifference to its duty. So it is in this controversy. A similar resolution finding an unfair labor practice is thus indicated.

2. Equally so, there can be no valid objection to the reinstatement ordered in the decision under review. The Industrial Peace Act cannot be any clearer: “If, after investigation, the Court shall be of the opinion that any person named in the complaint has engaged in or is engaging in any unfair labor practice, then the Court shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice and take such affirmative action as will effectuate the policies of this Act, including (but not limited to) reinstatement of employees with or without back-pay and including rights of the employees prior to dismissal including seniority.”^[12] As a matter of fact, the statute was quite categorical that the duty of respondent Court to take affirmative action included but was not limited to the “reinstatement of employees with or without backpay.” Petitioner certainly cannot be heard to allege that in requiring such reinstatement, there was an infringement both of the equal protection and nonimpairment guarantees of the Constitution. The futility

of the equal protection plea is quite apparent. With the Constitution specifically committed to protection to labor, the more general provision on equal protection certainly does not call for application. Moreover, the very philosophy of the 1935 Constitution, stressed even more in the present fundamental law, calls for state solicitude and concern for the lower-income groups in our society.^[13] With such explicit declaration, reliance on the general provision on equal protection is certainly misplaced. It is equally futile to rely on the prohibition against any law impairing the obligation of contracts. After a finding of an unfair labor practice, respondent had no choice except to assure the continuance in their work of the employees in question. So it was provided by the Industrial Peace Act It is a valid police power measure enacted pursuant to the constitutional mandates of social justice and protection to labor. The doctrine that the nonimpairment clause yields to the police power has an impress of orthodoxy.^[14] It would be much too late in the day to characterize the statutory remedy of reinstatement as susceptible to such a reproach.

WHEREFORE, the Decision of respondent Court, subject matter of this petition for review, is affirmed. Costs against petitioner.

Barredo, Antonio, Aquino, Concepcion, Jr., and Santos, JJ., concur.

[1] The private respondent is Manila Bay Watchmen Association.

[2] According to Article III, Section 1 par. (1) of the 1935 Constitution applicable at the time the assailed decision was rendered: No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.” The equal protection clause is reproduced in identical language in Article IV, Section 1 of the present Constitution.

[3] According to Article III, Section 1, par. (10) of the 1935 Constitution: “No law impairing the obligation of contracts shall be passed.” The non-impairment clause is reproduced in identical language in Article IV, Section 11 of the present Constitution.

[4] According to Article II, Section 5 of the 1935 Constitution: “The promotion of social justice to insure the well-being and economic security of all the

people should be the concern of the State.” The present Constitution has expanded and made more specific the social justice provision. Cf. Article II, Section 6.

- [5] According to Article XIV, Section 6 of the 1935 Constitution: “The State shall afford protection to labor, especially the working women and minors and shall regulate the relations between landowner and tenant, and between labor and capital in industry and in agriculture. The State may provide for compulsory arbitration.” The present Constitution likewise vitalized further this mandate by enumerating specifically the mode in which labor should be protected. Cf. Article II, Section 9.
- [6] Annex E to Petition, 6-7.
- [7] Ibid, 7-10.
- [8] Republic Act No. 875 (1953).
- [9] Ibid, Section 4(a), par. 6.
- [10] L-29966, February 28, 1974, 55 SCRA 713.
- [11] Ibid, 718-720. The Buklod decision is reported in 99 Phil. 16 (1956); the BCI Employees decision, L-23813, Dec. 29, 1965, in 15 SCRA 650; the Republic Savings Bank decision, L-20303, Sept. 27, 1967, in 21 SCRA 226. The citation from Professor Cox came from his article, The Duty to Bargain in Good Faith, 71 Harv. Law Rev. 1401, 1405 (1934).
- [12] Republic Act No. 275, Section 5 (c).
- [13] Cf. Antamok Goldfields Mining Co. vs. Court, 70 Phil. 340 (1940). Article II, Section 9 of the present Constitution reads: “The State shall afford protection to labor, promote full employment and equality in employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration.”
- [14] Philippine American Life Insurance Co. vs. The Auditor General, L-19255, Jan. 18, 1968, 22 SCRA 136.