

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**CLLC E.G. GOCHANGCO WORKERS
UNION, CORNELIO L. PANGILINAN,
LEO TROPACIO, OLIMPIO GUMIN,
JUANITO SUBA, ROLANDO SANTOS,
RUBEN BUELA, ODILON LISING,
REYNALDO DAYRIT, ROGELIO
MANGUERRA, ORLANDO NACU,
DIOSILINO PERDON, ERNESTO
GALANG, ORLANDO PANGILINAN,
JESUS SEMBRANO, RENATO
CASTAÑEDA, EDILBERTO BINGCANG,
ERNESTO CAPIO, RUFO A.
BUGAYONG, RICARDO S. DOMINGO,
TERESITO CULLARIN, ISRAEL VINO,
ERNESTO RAMIREZ, ROMEO S. GINA,
ARNEL CALILUNG, PEDRO A.
SANTOS, RODOLFO CAPITLY,
BUENAVENTURA B. PUNO,
EDILBERTO QUIAMBAO, FERNANDO
LISING, ERNESTO M. TUAZON,
MERCELO LANGUNSAD, MARCELINO
VALERIO, SERAFIN PAWA, JESUS S.
DAQUIGAN, and ISMAEL CAYANAN,
*Petitioners,***

-versus-

**G.R. Nos. L-67158 to 62
May 30, 1988**

**NATIONAL LABOR RELATIONS
COMMISSION (NLRC), and E.G.
GOCHANGCO, INC.,**

Respondents.

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DECISION

SARMIENTO, J.:

The cases before the Court pit labor against management, in which, on not a few occasions, it is labor that has cause for complaint. The Solicitor General states the facts as follows:

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1. Petitioner union is a local chapter of the Central Luzon Labor Congress (CLLC), a legitimate labor federation duly registered with the Ministry of Labor and Employment (MOLE), while the individual petitioners are former employees of private respondent who were officers and members of the petitioner union.
2. Private respondent is a corporation engaged in packing and crating, general hauling, warehousing, sea van and freight forwarding.
3. Sometime in January 1980, the majority of the rank and file employees of respondent firm organized the E.G. Gochangco Workers Union as an affiliate of the CLLC. On January 23, 1980, the union filed a petition for certification election under RO3-LRD (MA) Case No. 178-80. The MOLE Region 111 office set the hearing for the petition on February 27, 1980.
4. On February 7, 1980, the CLLC national president wrote the general manager of respondent firm informing him of

the organization of the union and requesting for a labor-management conference to normalize employer-employee relations (Annex "D," Case 486-80).

5. On February 26, 1980, the union sent a written notice to respondent firm requesting permission for certain member officers and members of the union to attend the hearing of the petition for certification election. The management refused to acknowledge receipt of said notice (Annex "E," Case 486-80).
6. On February 28, 1980, private respondent preventively suspended the union officers and members who attended the hearing namely: Cornelio Pangilinan, president; Leo Tropico, vice-president; Olimpio Gumin, treasurer; Buenaventura Puno, director; Reynaldo Dayrit, sgt.-at-arms; Ernesto Ramirez; Ernesto Galang; Odilon Lising; Jesus Daquigan; and Edilberto Quiambao. The common ground alleged by private respondent for its action was "abandonment of work on February 27, 1980." On the same date, all the gate passes of an the above-mentioned employees to Clark Air Base were confiscated by a Base guard.
7. Claiming that private respondent instigated the confiscation of their gate passes to prevent them from performing their duties and that respondent firm did not pay them their overtime pay, 13th month pay and other benefits, petitioner union and its members filed a complaint for constructive lockout and unfair labor practice against private respondent, docketed as RO3-AB Case No. 486-80 on March 10, 1980.
8. On March 12, 1980, private respondent filed an application for clearance to dismiss Cornelio Pangilinan, Leo Tropico, Olimpio Gumin, Reynaldo Dayrit, Odilon Lising, Edilberto Quiambao; Ernesto Ramirez, Ernesto Galang, Buenaventura Puno, Arnel Calilung, Romeo Guina, docketed as RO3-AB Case No. 556-80. Subsequently private respondent filed another clearance to dismiss Jesus

Daquigan, Serafin Pawa and Rufo Bugayong, docketed as RO3-AB Case No. 557-80.

9. On April 22, 1980, petitioner Ricardo Domingo who was preventively suspended on April 17, 1980 filed a complaint for unfair labor practice against the latter, docketed as RO3-AB Case No. 558-80.
10. On April 30, 1980, the services of nine (9) more union members, namely: Ernesto Tuason, Israel Vino, Pedro Santos, Juanito Suba, Edilberto Sarmiento, Diosalino Pandan, Antonio Razon, Benjamin Capiz and Jesus Sembrano, were terminated by private respondent on the ground that its contract with the U.S. Air Force had expired. The nine employees filed a complaint for illegal dismissal against private respondents on June 2, 1980. docketed as RO3-AB Case No. 663-80.
11. On May 9, 1980, private respondent fined with MOLE, Region III, a Notice of Termination of Contract together with a list of employees affected by the expiration of the contract, among them, the 39 individual petitioners herein.
12. All the aforementioned cases were consolidated and assigned to Labor Arbiter Andres Palumbarit.
13. After hearing, Labor Arbiter Federico S. Bernardo who took over the cases from Arbiter Palumbarit rendered a decision dated July 2, 1982, the dispositive portion of which reads:

“WHEREFORE, In view of all the foregoing, the instant complaint of complainants is hereby granted and the respondent’s application for clearance is hereby denied.

The respondent is hereby ordered:

1. To reinstate all the suspended/dismissed employees to their former positions without loss of seniority rights and other privileges, with full backwages including cost

of emergency living allowance from the date of their suspension/dismissal up to the supposed date of actual reinstatement, as follows:

	<u>NAME</u>	<u>BACK WAGES</u>	<u>ECOLA</u>	<u>TOTAL</u>
1.	Cornelio Pangasinan	P11,266.00	P7,738.00	P19,004.00
2.	Leo Tropico	11,266.00	7,738.00	19,004.00
3.	Olimpio Gumin	11,266.00	7,738.00	19,004.00
4.	Reynaldo Dayrit	11,266.00	7,738.00	19,004.00
5.	Buenaventura Puno	11,266.00	7,738.00	19,004.00
6.	Ernesto Galang	11,266.00	7,738.00	19,004.00
7.	Ernesto Ramirez	11,266.00	7,738.00	19,004.00
8.	Edilberto Quiambao	11,266.00	7,738.00	19,004.00
9.	Jesus Daquigan	11,266.00	7,738.00	19,004.00
10.	Renato Castañeda	11,134.00	7,633.00	18,767.00
11.	Edilberto Bingcang	11,134.00	7,663.00	18,767.00
12.	Benedicto Capio	11,134.00	7,663.00	18,767.00
13.	Orlando Nacu	11,134.00	7,633.00	18,767.00
14.	Rodolfo Capitly	11,134.00	7,663.00	18,767.00
15.	Arnel Calilung	11,134.00	7,663.00	18,767.00
16.	Romeo Gina	11,134.00	7,663.00	18,767.00
17.	Orlando Pangilinan	11,134.00	7,663.00	18,767.00
18.	Eduardo Alegado	11,134.00	7,663.00	18,767.00
19.	Teresito Cullarin	11,134.00	7,663.00	18,767.00
20.	Rogelio Manguerra	11,134.00	7,663.00	18,767.00
21.	Ruben Buela	11,134.00	7,663.00	18,767.00
22.	Rolando Santos	11,134.00	7,663.00	18,767.00
23.	Ricardo Domingo	11,134.00	7,663.00	18,767.00
24.	Serafin Pawa	11,134.00	7,663.00	18,767.00
25.	Rufo Bugayong	11,134.00	7,663.00	18,767.00
26.	Ernesto Santos	11,134.00	7,663.00	18,767.00
27.	Ismael Cayanan	11,134.00	7,663.00	18,767.00
28.	Marcelo Lagunsad	11,134.00	7,663.00	18,767.00
29.	Marcelo Valerio	11,134.00	7,663.00	18,767.00
30.	Ernesto M. Tuazon	10,618.00	7,225.00	17,843.00
31.	Israel Vino	10,618.00	7,225.00	17,843.00
32.	Pedro Santos	10,618.00	7,225.00	17,843.00
33.	Juanito Suba	10,618.00	7,225.00	17,843.00
34.	Edilberto Sarmiento	10,618.00	7,225.00	17,843.00
35.	Dioselino Pendon	10,618.00	7,225.00	17,843.00
36.	Antonio Pazon	10,618.00	7,225.00	17,843.00
37.	Benjamin Capiz	10,618.00	7,225.00	17,843.00
38.	Jesus Sembrano	10,618.00	7,225.00	17,843.00
	GRAND TOTAL	P419,636.00	P267,337.00	P706,973.00

2. To restore transportation privilege as being extended before the filing of the instant case; and
 3. If their reinstatement is no longer possible due to closure of the establishment, in addition to the payment of their full backwages and cost of living allowance, to pay their respective separation pay as provided for under the Labor Code.”
14. Private respondent appealed to the NLRC which rendered the questioned decision on May 31, 1983 as follows:

“WHEREFORE, in the light of foregoing premises, the appealed decision is hereby set aside and another one issued dismissing the above-entitled cases filed by the complainants-appellees for lack of merit and granting the application for clearance to terminate the services of individual complainants-appellees filed by respondent-appellant.”

15. Petitioners moved for a reconsideration of the above decision on July 12, 1983 which NLRC denied in a resolution dated December 6, 1983.
16. Hence, this petition.^[1]

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The petitioners assign three errors in support of their petition:

I

THAT PUBLIC RESPONDENT GRAVELY ABUSED ITS DISCRETION AND SERIOUSLY COMMITTED ERRORS IN LAW IN CONSIDERING PRIVATE RESPONDENT’S EVIDENCE INTRODUCED FOR THE FIRST TIME ON APPEAL, AND PUBLIC RESPONDENT NLRC HAS SERIOUSLY COMMITTED ERRORS IN GIVING DUE COURSE TO PRIVATE RESPONDENT APPEAL FROM THE

DECISION OF LABOR ARBITER FEDERICO S. BERNARDO,
ALTHOUGH SAID APPEAL WAS NOT VALIDLY PERFECTED
ON TIME;

II

THAT PUBLIC RESPONDENT NLRC COMMITTED SERIOUS
ERRORS IN LAW IN RENDERING A DECISION THAT IS
CONTRARY TO THE EVIDENCE ON RECORD(S); and

III

THAT PUBLIC RESPONDENT NLRC COMMITTED AN
ERROR IN NOT AWARDING BACKWAGES TO THE
INDIVIDUAL PETITIONERS FOR REFUSAL OF PRIVATE
RESPONDENT TO REINSTATE THEM AFTER RENDERING
OF THE DECISION OF LABOR ARBITER FEDERICO S.
BERNARDO AND AFTER SAID LABOR ARBITER ORDERED
PRIVATE RESPONDENT TO REINSTATE THEM.^[2]

On the first issue, the petitioners submit that the motion for reconsideration, treated subsequently as an appeal,^[3] of the private respondent had been filed beyond the ten-day period prescribed by the Labor Code, in the absence of any statement thereon as to material dates. The respondent Commission ruled that it was, on the strength of receipts in possession of the Labor Department disclosing such dates and showing that said appeal had been seasonably filed. As a matter of practice, and in connection with ordinary civil cases, this Court has assumed a stance of liberality towards the application of the material data rule, if it can be otherwise verified from other evidence that the appeal had been perfected within the time prescribed.^[4] We see no reason why we should hold otherwise as far as labor cases are concerned. Accordingly, we yield to the respondent Commission's finding that the E.G. Gochangco, Inc. had filed its appeal on time. It may be further noted that the petitioners themselves can offer no proof, other than vague inferences from circumstances, of the belated appeal they allege.

This is not to say, however, that such an appeal has merit. The Solicitor General himself urges that we grant the petition and hence,

reverse the respondent Commission. But apart from such urgings, the records themselves show that a reversal is in order.

We are convinced that the respondent company is indeed guilty of an unfair labor practice. It is no coincidence that at the time said respondent issued its suspension and termination orders, the petitioners were in the midst of a certification election preliminary to a labor-management conference, purportedly, “to normalize employer-employee relations.”^[5] It was within the legal right of the petitioners to do so,^[6] the exercise of which was their sole prerogative,^[7] and in which management may not as a rule interfere.^[8] In this connection, the respondent company deserves our strongest condemnation for ignoring the petitioners’ request for permission for some time out to attend to the hearing of their petition before the med-arbiter. It is not only an act of arrogance, but a brazen interference as well, with the employees right to self-organization, contrary to the prohibition of the Labor Code against unfair labor practices.^[9]

But as if to add insult to injury, the company suspended the petitioners on the ground of “abandonment of work”^[10] on February 27, 1980, the date on which, apparently, the pre-election conference had been scheduled. (The petitioners sought permission on February 26, 1980 while the suspension order was issued on February 28, 1980.) What unfolds here is a clear effort by management to punish the petitioners for their union activities.

As a consequence of such a suspension, the Clark Air Base guards confiscated the employees’ gate passes, and banned them from the base premises. We cannot be befooled by the company’s pretenses that “the subsequent confiscation by the Americans of the complainants’ passes is beyond the powers of management.”^[11] To start with, those passes would not have been confiscated had not management ordered the suspension. As put by the Solicitor General, “the U.S. Air Force authorities could not have known who were supposed to report for work on February 27, 1980,”^[12] and who were under suspension. Conversely, in the absence of such a suspension order, there was no ground to seize such gate passes. Base guards, by themselves, cannot bar legitimate employees without the proper sanction of such employees’ employers.

What disturbs us even more, however, is the perplexing gullibility with which the respondent National Labor Relations Commission would fall for such an indefensible position. Said the Commission: “So, with their gate passes confiscated, even if management will reinstate them, without the gate passes, they cannot enter the US Clark Airforce Base and perform their jobs, for the gate pass is a pre-requisite for their entrance for employment.”^[13] For surely, and as we stated, the petitioners were dispossessed of those gate passes precisely because of the suspension meted out against them. It is not the other way around, as the Commission would have us believe, for the confiscation of such passes would not furnish a ground for suspension. Reinstatement then would have deprived the base guards any right to hold on to such passes any further. In the absence of superior orders, mere base guards are bereft of any discretion to act on such matters.

In finding the petitioners’ suspension illegal, with more reason do we hold their subsequent dismissal to be illegal. We are not persuaded by the respondent firm’s argument that “final termination should be effected as the contract has expired.”^[14] What impresses us is the Solicitor General’s submission that the petitioners were regular employees and as such, their tenure did not end with the expiration of the contract. We quote:

The records show that petitioners were regular employees whose employment did not terminate with the expiration of private respondent’s contract with the U.S. Air Force. In their position paper in the arbitration proceedings, they averred that they had been employed by private respondent for six (6) months or more before they were terminated as follows:

	<u>NAMES</u>	<u>DATE EMPLOYED</u>	<u>POSITION</u>
1.	Cornelio Pangilinan	Jan. 1976	Driver
2.	Leo Tropico	Mar. 1977	Driver
3.	Olimpio Gumin	Jan. 1977	Driver
4.	Juanito Suba	June 1976	Driver
5.	Rolando Santos	Oct. 1978	Driver
6.	Ruben Buela	Jan. 1975	Packer
7.	Odilon Lising	May 1975	Packer
8.	Reynaldo Dayrit	May 1976	Packer
9.	Rogelio Manguerra	Mar. 1977	Packer

10. Orlando Nacu	May 1977	Packer
11. Dioselino Perdon	May 1977	Packer
12. Ernesto Galang	June 1977	Packer
13. Orlando Pangilinan	June 1977	Packer
14. Jesus Sembrano	May 1977	Packer
15. Renato Castañeda	May 1976	Packer
16. Edilberto Sarmiento	Aug. 1977	Packer
17. Eduardo Alegado	Dec. 1977	Packer
18. Benjamin Capiz	June 1978	Packer
19. Antonio Razon	Nov. 1978	Packer
20. Edilberto Bingcang	May 1978	Packer
21. Ernesto Santos	June 1978	Packer
22. Benedicto Capiro	Oct. 1978	Packer
23. Rufo Bugayong	May 1977	Packer
24. Ricardo S. Domingo	Dec. 1978	Packer
25. Teresito Cullarin	Mar. 1978	Packer
26. Israel Vino	May 1979	Packer
27. Ernesto Ramirez	Mar. 1979	Packer
28. Romeo S. Gina	Sept. 1979	Packer
29. Arnel Calilung	Sept. 1979	Packer
30. Pedro A. Santos	May 1979	Packer
31. Rodolfo Capitly	Nov. 1978	Packer
32. Buenaventura B. Puno	Sept. 1979	Packer
33. Edilberto Quiambao	Nov. 1978	Packer
34. Fernando Lising	Jan. 1975	Checker
35. Ernesto M. Tuazon	Feb. 1975	Mechanic
36. Marcelo Lagunsad	Jan. 1963	Mechanic
37. Marcelino Valerio	May 1979	Mechanic
38. Serafin Pawa	Feb. 1979	Packer
39. Jesus S. Daquigan	May 1977	Packer
40. Ismael Cayanan	May 1978	Packer ^[15]

As regular employees, the petitioners' tenure are secure, and their dismissal must be premised on a just cause.^[16]

We find none here. What we find, instead, are flimsy attempts by the respondent company to discredit the person of the petitioners' counsel, or their officers, and other resorts to argumenta ad hominem.^[17]

There is no merit in the claim that the petitioners' terms were coterminous with the duration of the contract. There is nothing in the records that would show that the petitioners were parties to that contract. It appears furthermore that the petitioners^[18] were in the

employ of the respondent company long before that contract was concluded. They were not contract workers whose work terms are tied to the agreement, but were, rather, regular employees of their employer who entered into that contract.

But even if dismissal were warranted, the same nonetheless faces our disapproval in the absence of a proper clearance then required under the Labor Code.^[19] It is true that efforts were undertaken to seek such a clearance, yet there is no showing that it was issued. That still taints the dismissal with the vice of illegality.

The Court likewise rejects the claims of an alleged waiver by the petitioners of their economic demands, in the light of an alleged order issued by Labor Arbiter Luciano Aquino in connection with another case(s) involving the same parties. (It was Labor Arbiter Federico Bernardo who penned the unfair labor practice/illegal dismissal case.) The Honorable Aquino's disposition reads:

The records show that a "Waiver of Claims, Rights and Interest" was filed by above-named petitioners stating, among other things, that said petitioners are waiving their claims, rights and interests against the respondents.

ACCORDINGLY, let the above-entitled cases be DISMISSED in view of the waiver made by the petitioners.^[20]

Acting on these allegations, the respondent Commission, baring its clear bias for management, ruled that the petitioners had waived their claims. Thus:

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With respect to the second issue, that is, whether or not the waiver of rights and interests executed by Fernando G. Lising, Odilon G. Lising, Jose C. Tiamzon, Ernesto Tuazon, Pedro Santos, Ruben Buela, Eduardo Alegado, Estrael Vino, Rogelio Manguerra, Edilberto Bingcang, Olimpio Gumin, Leo Tropicico, Orlando Nacu, Rodolfo T. Capitly and Juanito Suba, are valid, the alleged president of complainant-appellee union Benigno Navarro, Sr., contends that said Atty. Solomon has no authority

to appear for and in behalf of individual complainants-appellees who waived their rights and interests in these cases since there was no authority from him. Records, however, disclose that said Atty. Solomon had been the attorney of record for complainants-appellees since the inception of these cases, and, therefore, his authority to represent them cannot be questioned — not even by Mr. Navarro who allegedly took over the presidency of complainant-appellee union after the disappearance of the former president, Mr. Ricardo Alconga, Sr. And besides, the waiver of rights and interests were personally executed by the signatories therein and all that Atty. Solomon did was to assist them.^[21]

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We find this puzzling for clearly, Labor Arbiter Aquino's resolution refers to other cases^[22] and not the instant unfair labor practice controversy. The Commission cannot feign simple mistake for such a lapse. Wittingly or unwittingly, it had made itself a pawn of the respondent corporation or otherwise had yielded to its influence. The Court rebukes Atty. Isagani M. Jungco counsel for the respondent company, for his unbecoming act and the individual members of the Commission itself, for besmirching the integrity of the Commission.

In any event, we have held that unfair labor practice cases are not, in view of the public interest involved, subject to compromises.^[23] Furthermore, these alleged waivers do not appear to have been presented in the first instance. They cannot be introduced for the first time on appeal.

We come, finally, to the respondent company's liability for backwages and for emergency cost-of-living allowances (ECOLA). In its appeal, the company denies any liability, pointing to "representative samples of the documents evidencing payment was likewise submitted due to the voluminous records which cannot be all produced."^[24] The Commission accepted this argument, noting that "these xerox copies of payment of allowances, were never spurned by complainants-appellees."^[25] The Solicitor General observes, on the other hand, that these alleged documents were never presented at the hearing but surfaced only on appeal.^[26] Indeed, there is no reference in the Labor

Arbiter's decision to these documents, and apparently,, the respondent firm entered the same in evidence at the appeal level only. As we have declared, a party is barred from introducing fresh matters at the appellate stage. Besides, and as the Solicitor General points out, "the ECOLA awarded to petitioners in the decision of the Labor Arbiter include only those that pertain to them from the time of their dismissal up to July 1, 1982,"^[27] the date the Labor Arbiter ordered their reinstatement.^[28] Accordingly, we rule the respondent corporation liable for such unpaid claims.

Before Batas Blg. 70^[29] was enacted into law, unfair labor practices were considered administrative offenses,^[30] and have been held akin to tort,^[31] wherein damages are payable. We therefore not only order herein the reinstatement of the petitioners and the payment of backwages (including cost-of-living allowances) to them, but impose as well moral and exemplary damages. With respect to backwages, we hold the respondent E.G. Gochangco, Inc. liable, in line with the recommendation of the Solicitor General and in accordance with accepted practice, for backwages equivalent to three (3) years without qualification or deduction.^[32]

As for moral damages, we hold the said respondent liable therefor under the provisions of Article 2220 of the Civil Code providing for damages for "breaches of contract where the defendant acted fraudulently or in bad faith." We deem just and proper the sum of P5,000.00 each in favor of the terminated workers, in the concept of such damages.

We likewise grant unto said workers another P5,000.00 each to answer for exemplary damages based on the provisions of Articles 2229 and 2231 and/or 2232 of the Civil Code. For "acting in gross and evident bad faith in refusing to satisfy the petitioners' plainly valid, just and demandable claims,"^[33] the respondent firm is further condemned to pay attorney's fees. The Court considers the total sum of P20,000.00 fair and reasonable.

If only for emphasis, the new Constitution considers "labor as a primary social economic force."^[34] As the conscience of the government, it is this Court's sworn duty to ensure that none trifles with labor rights.

WHEREFORE, the petition is **GRANTED**. The decision of the public respondent, the National Labor Relations Commission, is **REVERSED** and **SET ASIDE**. Judgment is hereby rendered:

1. Ordering the private respondent, E.G. Gochangco, Inc., to **REINSTATE** the terminated workers;
2. Ordering the private respondent to **PAY** them backwages equivalent to three (3) years without qualification or deduction;
3. Ordering it to **PAY** them the sum of **FIVE THOUSAND (P5,000.00) PESOS EACH**, as and for moral damages;
4. Ordering it to **PAY** them the sum of **FIVE THOUSAND (P5,000.00) PESOS EACH**, as and for exemplary damages; and
5. Ordering it to **PAY** them the sum of **TWENTY THOUSAND (P20,000.00) PESOS** as and for attorney's fees.

This Decision is **IMMEDIATELY EXECUTORY**.

Costs against the private respondent.

IT IS SO ORDERED.

Yap, C.J., (Chairman), Melencio-Herrera, Paras and Padilla, JJ., concur.

[1] Rollo, 70-75.

[2] Id., 10.

[3] Id., 9.

[4] Del Rosario vs. Conanan, No. L-37901, March 30, 1977, 76 SCRA 136.

[5] Rollo, id., 71.

[6] CONST. (1973), Art. II, Sec. 9; CONST. (1987), Art. XII, Sec. 3 .

[7] Trade Unions of the Phils. and Allied Services vs. Trajano, No. L-61153, January 17, 1983, 120 SCRA 64.

[8] Supra. The exception is when the petitioner is management itself.

- [9] Pres. Decree No. 442, Art. 248, par. (a).
- [10] Rollo, id.
- [11] Id., 46.
- [12] Id., 83.
- [13] Id., 37.
- [14] Id., 46.
- [15] Id., 78.
- [16] Pres. Decree No. 442, supra, Art. 280; CONST. (1973), supra, Art. II, Sec. 9.
- [17] Rollo, id., 93-95.
- [18] Except for six employees; see rollo, id., 80.
- [19] Pres. Decree No. 442, supra, Art. 278, par. (b). Under the amendment introduced by Batas Blg. 130, sec. 13, no clearance is necessary to terminate employment upon grounds stated therein.
- [20] Rollo, id., 49.
- [21] Id., 35-36.
- [22] RO3-AB-CASES NOS. 852-30-855-30; 857-80 and 860-80. Labor Arbiter Bernardo decided RO3-AB-CASES NOS. 486-80, 557-80, 558-80, 663-80, and 556-80.
- [23] AFP Mutual Benefit Association, Inc. vs. AFP-MBAI-EU, Nos. 39140 & 39145, May 17, 1980, 97 SCRA 715. Article 1700 of the Civil Code reads in part: "The relation between capital and labor are not merely contractual. They are so impressed with the public interest that labor contracts must yield to the common good."
- [24] Rollo, id., 40.
- [25] Id., 39.
- [26] Id., 86.
- [27] Id.
- [28] Id. Actually, the decision is dated July 2, 1982.
- [29] AN ACT TO STRENGTHEN THE CONSTITUTIONAL RIGHT OF WORKERS TO SELF-ORGANIZATION AND FREE COLLECTIVE BARGAINING AND TO PENALIZE UNFAIR LABOR PRACTICES FURTHER AMENDING FOR THE PURPOSE ARTICLES 244, 247, 249, 250, AND 289 (BOOK V) OF PRESIDENTIAL DECREE NUMBERED FOUR HUNDRED FORTY-TWO, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES. The act was approved on May 1, 1980.
- [30] Pres. Decree No. 442, Art. 250 (1979). The criminalization of unfair labor practices has been explained as follows: "Our experience in the field of labor relations of the last four years, since the Labor Code (P.D. 442) took effect on November 1, 1924, has shown that the change in concept of 'unfair labor practice' as outlined in Article 250 of the same, from 'penal' to 'administrative,' has brought more harm than good.
- "Emboldened by the law's liberality, nay, inadequacy, irresponsible, sometimes vindictive employers, many of them aliens, ride high brazenly committing such unfair labor practices. Legitimate unions and labor organizations, most especially the weak and newly-organized, easily get busted with impunity, harassed or discriminated against, and terms and

conditions of employment retrogressing to sub-standard level instead of improving all on account of the lack of effective deterrents to and penal sanctions against such pernicious practices.

“Add to this depressing spectacle the sight of many labor leaders and active members getting arrested, detained or languishing in jails for violations of the ban on strikes, picketing or unlawful assembly, or for having brought the law into their own hands, while you grope in frustration looking for a single instance when an unscrupulous employer shall have suffered the same fate for having illegally locked out his establishment resulting in countless workers losing jobs and their only means of livelihood. Situations such as these not only serve to undermine the laudable gains achieved by the New Society but, just like one cancerous growth, will, slowly but surely, eat up the very fiber of our people’s faith in their government and the efficacy of its laws.

“Remedial legislative measures must, therefore, have to be instituted to effectuate the equal, desirable balance between capital and labor, necessary to bring about a stable, but dynamic and just industrial peace. Hence, these proposals to restore the penal concept of ‘unfair labor practice’ — although, for a speedy, faster disposition of the more immediate labor relations grievances arising therefrom, the civil aspect of ULP complaints must still continue to be processed and resolved in mere administrative proceedings — and to declare as unlawful all violations of the right of workers and employees to self-organization in order to provide adequate teeth for Article 289 of the Labor Code to grind along implementation of the declared State policy to encourage the growth of trade unions in the country.

“The proposed amendments under Sections 3 and 4 of this Bill, correlative to the thrust of its Section 2, are aimed at removing or preventing undue restrictions on the legitimate exercise of the rights of workers not only to self-organization but also to free collective bargaining.

“Aside from violating International Labor Organization conventions, of which the Republic of the Philippines is a signatory and therefore bound by its provisions, the limitation as to coverage presently imposed by Article 244 of the Labor Code, on the application of such right to organize and bargain collectively, only to enterprises or establishments ‘. . . operating for profit’ likewise unduly and unreasonably restricts what appears to be a clear, explicit, unmistakable mandate by Section 8, Article II (Declaration of Principles and State Policies) of the new Constitution making it, without distinction, the duty of the State to ‘assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.’

“Furthermore, it is asked, why should such right to self-organization be also confined by the Labor Code, as to exercise thereof, only ‘. . . for purpose of collective bargaining’? Was it not the original, well-settled, long recognized and primary purpose of self-organization of workers their own ‘mutual aid and protection’? This explains the proposal to add this general phrase to the provision referred to.

“Throughout the collective bargaining regime of R.A. 875, even until the present inferior courts in the country, notwithstanding repeated admonitions from our highest tribunal in a long line of decisions have invariably, if not unnecessarily, interfered, thru indiscriminate issuance of injunctions, restraining orders, assumption of original jurisdiction or otherwise, with the labor-capital, employer-employee relationship. In no small measure, this has prevented or discouraged the resort by the traditionally-opposing parties to the truly democratic method of regulating their relations by means of voluntary agreements entered into by themselves alone, freely and without compulsion, in collective bargaining. Such undue interferences must be stopped. For, evidently, while the picture of a concerned government looms heavily over labor-management relations, with a ready framework of compulsory arbitration if their disputes go out of hand, the purpose of the policy of the State in this regard stems from the recognition of a positive philosophy that “. . . real industrial peace cannot be achieved by compulsion of law” and that “sound and stable labor relations must rest, in keeping with the spirit of our democratic institutions, on an essentially voluntary basis.” (Explanatory Note, P.B. No. 386, 2d Regular Session, Batasang Pambansa, Metro Manila, May 1, 1980.)

[31] PASCUAL, LABOR AND TENANCY RELATIONS LAW, 256 (1975).

[32] Madrigal & Company, Inc. vs. Zamora, Nos. L-48237 and 49023, June 30, 1987, 151 SCRA 355.

[33] CIVIL CODE, supra, Art. 2208, par. (5).

[34] CONST. (1987), supra, Art. II, Sec. 18.