SUPREME COURT
EN BANC

"KAISAHAN NG MGA MANGGAGAWA SA KAHOY SA PILIPINAS",
***Petitioner-Appellant*,**

-versus-

G.R. No. L-1573
March 29, 1948

GOTAMCO SAW MILL,
Respondent-Appellee.
x----------x

D E C I S I O N

HILADO, *J.*:

In its Petition for a Writ of Certiorari, the "Kaisahan ng mga Manggagawa sa Kahoy sa Pilipinas" prays, for the reasons therein set forth, that we reverse and vacate the orders of the Court of Industrial Relations dated September 23, 1946 (Annex A) and March 28, 1947 (Annex B) and its resolution of July 11, 1947 (Annex C).

In the order of September 23, 1946, it is recited that the laborers in the main case (case No. 31-V of the Court of Industrial Relations) declared a strike on September 10, 1946, "which suspended all the work in the respondent company"; that on September 19, 1946 (presumably after the case had been brought to the Court of Industrial Relations) said court informed the parties that the

continuation of the strike would necessarily prejudice both parties, and that a temporary solution, satisfactory to both parties, must be found to put an end to it, at the same time, urging both parties to be reasonable in their attitude towards each other; that ample opportunity was given to both parties to iron out their differences until September 21, 1946, when the court continued the conference at which, among other things, the leader of the laborers informed the court that, although said laborers were not exactly satisfied with the arrangement, in order to cooperate with the court and with the parties so that the laborers could return to work and the company resume its operation, they had no objection to accepting a temporary settlement of P3.50 without meal, as against the proposal of the company of P2.00 without meal; that after a series of conferences held on September 23, 1946, the date of the order now under consideration, the labor leader decided to accept a temporary arrangement of the wage problem as proposed by the management, that is, P2.00 over-all increase without meal to all striking laborers; that Francisco Cruz, President of the Union, manifested that he would have a hard time convincing the laborers, but in view of their desire to preserve the harmony which used to exist between the parties, they were going to accede to this proposition, provided that the management would permit the laborers to bring with them home, if available, small pieces of lumber to be utilized as firewood; that the negotiations culminated in an agreement by which the laborers would return to their work on Tuesday, September 24, 1946, at 7:00 o'clock in the morning, and the respondent company would resume its operation on said date under the following conditions:

> "(1) That all the laborers and workingmen will receive an overall increase of P2.00 daily, without meal, over the wages received by them before the strike;
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> "(2) That the management will permit the laborers to bring with them home, if available, small pieces of lumber to be utilized as firewood; and
>
> "(3) That the foregoing increase and privilege will take effect upon the return of the workingmen to work until the final determination of the present controversy."

The same order then proceeds as follows:

> "Finding the above temporary agreement between the parties to be reasonable and advantageous to both, the court approves the same and orders the striking laborers of the respondent company to return to their work on Tuesday, September 24, 1946 at 7:00 o'clock in the morning, and the respondent company to resume its operation and admit the striking laborers. The respondent company is enjoined not to lay-off, suspend or dismiss any laborer affiliated with the petitioning union, nor suspend the operation of the temporary agreement, and the labor union is enjoined not to stage a walk-out or strike during the pendency of the hearing."

From the order of March 27, 1947, it appears that on January 7, 1947, the respondent Gotamco Saw Mill filed with the Court of Industrial Relations an urgent motion asking that the petitioning union be held for contempt of court for having staged a strike during the pendency of the main case "in violation of the order of this court dated September 23, 1946"; that on January 9, 1947, petitioner filed an answer with a counter-petition alleging, among other things, that a representative of petitioner conferred with respondent regarding certain discriminations obtaining in the respondent's saw mill, but instead of entertaining their grievances said respondent in a haughty and arbitrary manner ordered the stoppage of the work and consequently the workers did then and there stop working; and in the counter-petition said petitioner asked that the respondent be held for contempt for having employed four new Chinese laborers during the pendency of the hearing of the main case, without express authority of the court and in violation of section 19 of Commonwealth Act No. 103, as amended. It is also recited in the said order of March 28, 1947, that on that same date, January 9, 1947, respondent filed with the court another urgent motion for contempt against the petitioning union for picketing on the premises of the respondent's saw mill and for grave threats which prevented the remaining laborers from working.

Upon request of both parties, the court required the presentation of evidence pertinent to the incidents thus raised. Thereafter, the said order of March 28, 1947, was entered, and the court stated therein the

three questions to be determined as follows: first, if there was violation by the petitioning union of the order of said court of September 23, 1946, which would warrant the commencement of contempt proceedings; second, whether the facts and circumstances attending the picketing constitute contempt of court; third, whether there was violation by the respondent of section 19 of Commonwealth Act No. 103, as amended, in taking in four Chinese laborers pending the hearing and without express authority of the court; and fourth, whether the dismissal of Maximino Millan was with or without just cause.

The court, passing upon these questions, found and held:

> "(1) That there was a violation of the order of the court dated September 23, 1946, by the petitioning union and thereby ordered Atty. Pastor T. Reyes, special agent of the court, to take such action as may be warranted in the premises against the person or persons responsible therefor for contempt;
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> "(2) That the question of picketing being closely and intimately related to the strike which had been found illegal, did not need to be passed upon, it being imbibed by question No. 1;
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> "(3) That there being no strong and clear proof on the question of respondent having violated section 19 of Commonwealth Act No. 103, as amended, respondent was thereby exonerated from any liability in connection with the alleged employment of four Chinamen;
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> "(4) That Maximino Millan being of troublesome nature and unworthy to work among his fellow laborers, his petition for reinstatement contained in demand No. 5 of the main case was thereby denied."

The above cited resolution of July 11, 1947, was entered by the Court of Industrial Relations, sitting in banc, and denied reconsideration of its order of March 28, 1947, as requested by the petitioning union. In the course of said resolution, the union's contention is recited that the

provisions of section 19 of Commonwealth Act No. 103, as amended, upon which the order of September 23, 1946, was based, had not been complied with; in other words, that the said order was not issued in conformity with the requisites of the said section, because, it was said, before its issuance there had been no proper hearing and there was no express finding by the court that public interest required the return of the striking workers. The further contention is therein recited that, granting that the order of September 23, 1946, was issued in conformity with said section 19, said provision is unconstitutional for being in violation of the organic proscription of involuntary servitude. Passing upon these contentions, the Court of Industrial Relations said:

"The order of September 23, 1946, was issued in conformity with the provisions of section 19. Said order was proposed and issued on the basis of the agreement entered into by the parties after the preliminary hearings and conferences. While it is true that the order of the Court now in question did not make any express finding as to whether public interest required the return of the striking workers, it is undeniable, however, that until the present the main case has not been decided or settled in view of the numerous incidents arising therefrom since the certification of the dispute by the Department of Labor to the Court on September 14, 1946. The fact that the Court did not decide nor settle the dispute promptly, need not be stated in the said order because it is a fact which is borne out by the entire record of the case. If the petitioner was aggrieved by the terms of the order, it could have objected right then and there and could have appealed said order within the period prescribed by law, and not to wait after it had become final, definite, and conclusive. The record shows that the petitioner in its answer and counter-petition for contempt based its complaint upon section 19 (Incidental Case No. 31-V [4]). It is, indeed, strange that after taking advantage of this order and enjoyed (enjoying) the benefits thereunder, the petitioner now comes to impugn and challenge the validity. The second motion for reconsideration is a sad instance where the petitioner attacks the validity of an order under which it once took shelter.

> "The court believes that section 19 is constitutional. To start with, this section is presumed to be constitutional. Several laws promulgated which apparently infringe the human rights of

> individuals were 'subjected to regulation by the State basically in the exercise of its paramount police power'. The provisions of Act No. 103 were inspired by the constitutional injunction making it the concern of the State to promote social justice to insure the well being and economic security of all the people. In order to attain this object, section 19 was promulgated which grants to labor what it grants to capital and denies to labor what it denies to capital. Section 19 complements the powers of the Court to settle industrial disputes and renders effective such powers which are conferred upon it by the different provisions of the Court's organic law, more particularly, sections 1 and 4, and 'other plenary powers conferred upon the Court to enable it to settle all questions matters, controversies or disputes arising between, and/or affecting employers and employees', 'to prevent non-pacific methods in the determination of industrial or agricultural disputes' (International HardWood and Venser Co. vs. The Pañgil Federation of Laborers, G. R. No. 47178, cited in the case of Mindanao Bus Co. vs. Mindanao Bus Co. Employees' Association, 40 Off. Gaz., 115). Section 4 has been upheld in the case aforecited. It appearing that the power of this Court to execute its orders under section 19 is also the same power it possesses under section 4 of the same act, it inferentially follows that section 19 is likewise valid. (Manila Trading and Supply Co. vs. Philippine Labor Union, G. R. No. 47796.)"

In Manila Trading and Supply Company vs. Philippine Labor Union, supra, this Court said:

> "In the first place, the ultimate effect of petitioner's theory is to concede to the Court of Industrial Relations the power to decide a case under section 19 but deny it, the power to execute its decisions thereon. The absurdity of this proposition is too evident to require argument. In the second place, considering that the jurisdiction of the Court of Industrial Relations under section 19 is merely incidental to the same jurisdiction it has previously acquired under section 4 of the law, if follows that the power to execute its orders under section 19 is also the same power that it possesses under section 4." (40 Off. Gaz., [14th Supp.], No. 23, p. 178.)

Among the powers thus conferred is that to punish a violation of an order such as those now under consideration as for contempt of court.

We agree with the Court of Industrial Relations that section 19 of Commonwealth Act No. 103 is constitutional. It does not offend against the constitutional inhibition prescribing involuntary servitude. An employee entering into a contract of employment after said law went into effect, voluntarily accepts, among other conditions, those prescribed in said section 19, among which is the "implied condition that when any dispute between the employer or landlord and the employee, tenant or laborer has been submitted to the Court of Industrial Relations for settlement or arbitration, pursuant to the provisions of this Act, and pending award or decision by it, the employee, tenant or laborer shall not strike or walk out of his employment when so enjoined by the court after hearing and when public interest so requires, and if he has already done so, that he shall forthwith return to it, upon order of the court, which shall be issued only after hearing when public interest so requires or when the dispute can not, in its opinion, be promptly decided or settled . . .". (Italics supplied.) The voluntariness of the employee's entering into such a contract of employment — he has a free choice between entering into it or not — with such an implied condition, negatives the possibility of involuntary servitude ensuing. The resolution of July 11, 1947, states that the order of — September 23, 1946, was issued after a series of preliminary hearings or conferences, and we are satisfied that these were "hearings" within the meaning of the above mentioned section 19 of the law. The record certainly reveals that what was done during and what resulted from said preliminary hearings or conferences were reported to the court at a formal hearing. As to public interest requiring that the court enjoin the strike or walk out, or the return of striking laborers, aside from the legal presumption that the Court of Industrial Relations complied with the provisions of the law in this respect, we think that, considering the universally known fact, of which this Court takes judicial notice, that as a result of the destructions wrought by the late war, the economic and social rehabilitation of this country urgently demands the reconstruction of industrial, commercial and residential buildings, which in turn necessitates building materials, in which lumber figures prominently among the most vital, public interest of a most real and

positive character has attached to the lumber business. It is obvious that any undue stoppage or diminution in the production of lumber or allied products so sorely needed in reconstruction work will inevitably tend to paralyze, impede or slow down the country's program of rehabilitation which, for obvious and natural reasons, the government is striving to accelerate as much as is humanly possible.

Besides, the order of the court was for the striking workers to return to their work. And that order was made after hearing, and, moreover, section 19 of Commonwealth Act No. 103, in providing for an order of the court for the return of striking workers, authorizes such order, among other cases, "when the dispute can not, in its opinion, be promptly decided or settled". The provision says: ". . . and if he has already done so (struck or walked out), that he shall forthwith return to it, upon order of the court, which shall be issued only after hearing when public interest so requires or when the dispute cannot, in its opinion, be promptly decided or settled" (Italics supplied). In other words, the order to return, if the dispute can be promptly decided or settled, may be issued "only after hearing when public interest so requires", but if in the court's opinion the dispute cannot be promptly decided or settled, then it is also authorized after hearing to issue the order: we construe the provision to mean that the very impossibility of prompt decision or settlement of the dispute confers upon the court the power to issue the order for the reason that the public has an interest in preventing undue stoppage or paralyzation of the wheels of industry. And, as well stated by the court's resolution of July 11, 1947, this impossibility of prompt decision or settlement was a fact which was borne out by the entire record of the case and did not need express statement in the order.

Finally, this Court is not authorized to review the findings of fact made by the Court of Industrial Relations (Commonwealth Act No. 103, section 15, as amended by Commonwealth Act 559, section 2; Rule 44, Rules of Court; National Labor Union vs. Phil. Match Co., 40 Off. Gaz. 8th Supp. p. 134, Bardwell Brothers vs. Phil. Labor Union, 39 Off. Gaz. 1032; Pasumil Workers' Union vs. Court of Industrial Relations, 40 Off. Gaz. 6th Supp., p. 71).

However, Mr. Justice Briones thinks that we should expressly reserve our opinion on the constitutionality of the above statutory and

reglementary provisions should it, in the future, become necessary to decide it.

For all these considerations, the orders and resolution of the Court of Industrial Relations assailed by the instant petition are hereby affirmed, with costs against petitioner-appellant. So ordered.

Moran, *C. J.*, Paras, Feria, Pablo, Bengzon, Briones, Padilla and Tuason, *JJ.*, concur.

SEPARATE OPINIONS

PERFECTO, J., concurring and dissenting:

We concur in the result of the decision in this case, but we cannot agree with the pronouncement depriving the Supreme Court the power to revise findings of facts made by the Court of Industrial Relations.

We are of opinion that such curtailment of the powers of the Supreme Court is violative of the spirit and purposes of Commonwealth Act No. 103. The power of revision granted by the Supreme Court should not be limited so as to deny relief to any party that may foundedly feel aggrieved by any substantial finding of fact made by the Court of Industrial Relations. Many of the labor disputes that reach the Court of Industrial Relations center on disputed facts, such as reasonable salaries, reasonable working conditions, periods of rest, reasons for strikes or lockouts, injustice of the relations between employer and employees, etc. The aggrieved party must not be denied his day in court in the highest tribunal.

Validity of section 19 of Commonwealth Act No. 103 is impugned on constitutional grounds, upon the allegation that it is tantamount to authorizing involuntary servitude. We cannot agree with the proposition. Under said section, the question of involuntary work is not involved, but only the workability of the settlement of a labor dispute contemplated by Commonwealth Act No. 103. When workers

on strike appear before the Court of Industrial Relations to seek remedy under Commonwealth Act No. 103, they do so, on the assumption that the work in their employment were and are agreeable to their conscience and dignity and, as a matter of fact, they claim the right to continue performing the same work. Otherwise, they would not have resorted to strike, a means resorted to, to compel the employer and let them continue working, but on conditions more agreeable to the workers. If the strikers should feel that their work is in the nature of involuntary servitude, they would not resort to a strike nor recur to the Court of Industrial Relations, but will simply resign and seek some other employment.

When the strikers are seeking remedy under the law from the Court of Industrial Relations, the court may impose such reasonable conditions, one of them being that provided by section 19 of Commonwealth Act No. 103, prohibiting strikes or ordering strikers to return to work. Those reasonable conditions are considered as voluntarily accepted by the laborers, not only because it is expressly provided in section 19 of Commonwealth Act No. 103, but because it is a reasonable implementation of the powers of the court to effectively settle a labor controversy.

If the laborers should feel that they are compelled against their will to perform something which is repugnant to their conscience or dignity, they need not resort to any court action to seek judicial settlement of the controversy, as they can resign from their work and there is no power that can compel them to continue therein.