**SUPREME COURT**
**EN BANC**

**LUZON STEVEDORING CORPORATION,**
***Petitioner*,**

***-versus-***

**G.R. No. L-17411**
**December 31, 1965**

**THE COURT OF INDUSTRIAL RELATIONS and LUSTEVECO EMPLOYEES ASSOCIATION-CCLU,**
***Respondents*.**
**x----------x**

**LUSTEVECO EMPLOYEES ASSOCIATION-CCLU, ET AL.,**
***Petitioners*,**

***-versus-***

**G.R. No. L-18681**
**December 31, 1965**

**LUZON STEVEDORING CO., INC., ET AL.,**
***Respondents*.**
**x----------x**

**LUZON STEVEDORING CORPORATION,**
***Petitioner*,**

***-versus-***

**.R. No. L-18683**
**December 31, 1965**

**THE COURT OF INDUSTRIAL RELATIONS and LUSTEVECO EMPLOYEES ASSOCIATION-CCLU,**
***Respondents*.**
**x----------x**

**D E C I S I O N**

**BENGZON, J.P., *J.*:**

The Luzon Stevedoring Corporation (LUZON for short) recognized the Lusteveco Employees Association-CCLU (hereinafter called LEA) as the sole collective bargaining representative of its employees working in its various departments, namely, administration, marine, stevedoring lighterage including checkers (river, bay and North Harbor), Lusteveco terminals, Lusteveco canteen, Philippine Compradores, Ozalid, I. B. M., motor pool, medical and molasses trading-mining. On March 15, 1957 it entered into a collective bargaining agreement with LEA which provided for, among others, (1) disqualification from membership with LEA of LUZON's police force, doctors, and persons employed as confidential secretaries of the executive staff and of the legal department, (2) grievance procedure for the amicable settlement of grievances, and (3) prohibition to declare a strike, stoppage of work or slowdown by the employees or lockout by LUZON. Said agreement was stipulated to remain in force up to September 30, 1958.

In May 1958, during the existence of the aforestated collective bargaining agreement, LEA recruited and accepted members of

LUZON's police force, contrary to paragraph (c), Article 1 of the collective bargaining agreement.

In June, 1958 LUZON dismissed eight security guards, all LEA members, for various offenses. Without previous notice and/or demand LEA declared a strike against LUZON on June 11, 1958. Twenty six LEA Slipways and Engineering company (formerly members of Lusteveco Bulk Oil Union) joined the strike. This dispute was certified by the President of the Philippines to the Court of Industrial Relations pursuant to Section 10 of Republic Act 875 and docketed as Case No. 21-IPA. Upon the court's suggestion LUZON and LEA agreed on the following, pending settlement of the dispute:

> "That effective June 17, 1958, the workers who can return on said date shall go back to work and the Company shall accept them under the terms and conditions obtaining before the strike; and the Company to give the daily workers their strike duration pay from June 11, 12, 13, 14, 16 to 17, 1958, and that monthly-paid workers should not be deducted their pay on Sunday, June 15; and the union shall withdraw their demand (q) regarding expulsion of officers and the company shall grant demand (K) regarding union facilities including the use of the bulletin boards now in the premises of the Company; the Company shall in the meantime reinstate back to work the eight (8) security guards and one driver who were allegedly dismissed but the cases of Edito Cruz and Alejandro Galicia, the two security guards and that of the driver, Ricardo Malabanan, are submitted to the Court for decision under its compulsory powers, also call off the strike and the unions to withdraw their picket lines."

Whereupon, the Court of Industrial Relations, on June 21, 1958, ordered the parties to comply with their agreement. LEA strikers returned to work. In the same orders the Sta. Mesa Slipways and Engineering Company and the Kapisanang Bunga ng Pawis of Union Obreros Estevedores de Filipinas (UOEF), Committee No. 11, were made co- respondents with LUZON. Sta. Mesa Slipways and Engineering Company is a subsidiary of LUZON. It operates a terminal at Pandacan, Manila which handles the storage of bulk oil. Twenty-six of the employees in said terminal are members of LEA.

The Kapisanang Bunga ng Pawis of Union Obreros Estevedores de Filipinas (UOEF), Committee No. 11 is the exclusive collective bargaining representative of the employees of Sta. Mesa Slipways and Engineering Company. On April 9, 1958 said union executed a three-year collective bargaining agreement with Sta. Mesa Slipways and Engineering Company containing a union shop and no- strike and no-lockout clauses.

Meanwhile, LEA's collective bargaining agreement with LUZON expired on September 30, 1958.

On December 22, 1958 LUZON suspended 7 security guards all of whom were LEA members and filed a motion in the Court of Industrial Relations praying to make such suspensions into permanent dismissals. The 1958 Christmas bonus was reduced from the usual 15 days pay to only 10 days.

On January 2, 1959 LEA charged LUZON before the Court of Industrial Relations with unfair labor practice allegedly consisting of dismissal of LEA members, reduction of Christmas bonus, hiring of new security guards to lessen the working days of union members, formation of a company union, shifting of union-members to other jobs, non-payment of hospitalization expenses to union members, coercion and oppression to destroy LEA and hiring of non-union members with overtime privileges.

At midnight of January 2, 1959 LEA went on strike — for the second time. No strike notice was filed with the Conciliation Service previous to the strike.

The following day, January 3, 1959 LUZON filed a motion to declare the strike illegal and to hold the strike leaders in contempt of court. On January 4, 1959 LEA retaliated with a motion charging LUZON with unfair labor practice, namely, dismissal of 7 LEA members, threats to dismiss other employees and use of Manila Police as strike breakers. This motion was answered by LUZON on January 9 and 14, 1959. On January 19, 1959 LEA charged LUZON with using scabs and violence to break the strike.

While this case was being heard before the Court of Industrial Relations, LEA filed a motion praying that Alejandro Galicia, one of its members who joined the strike, be allowed to continue to live or stay in his hut (barong-barong) situated inside LUZON's Makati terminal.

Alejandro Galicia entered employment with LUZON on March 29, 1956 as a special policeman. In March 1957 he was assigned to guard LUZON's properties at its Makati terminal. Thereafter he was allowed to live without rent inside the Makati terminal compound in a shack which he made out of the berth of a sunken barge belonging to LUZON. LUZON supplied him with lumber and other building materials.

On June 2, 1958 Galicia was dismissed for abandonment of post. As stated earlier, on June 11, 1958 LEA declared a strike but the Court of Industrial Relations ordered the strikers to return to work. Galicia was among those reinstated. Then on December 22, 1958 he and six others were indefinitely suspended for various offenses. Galicia participated in LEA's second strike on January 2, 1959. LUZON alleged that it was sometime during the same month that Galicia and his wife vacated and left the shack inside Makati terminal.

One year later, specifically on January 31, 1960, he and his wife entered Makati terminal for the purpose of reoccupying said shack, without first seeking LUZON's permission. Before sunrise the following morning, LUZON, with the help of Mandaluyong policemen, tried to eject him. Thereupon, LEA filed with the Court of Industrial Relations the aforestated motion to let him continue staying inside Makati terminal. On February 6, 1960 LUZON instituted criminal proceedings in the municipal court of Mandaluyong, Rizal against Galicia and his wife for qualified trespass to dwelling for which they were convicted on June 6, 1960. The case is pending appeal in the court of First Instance.

On May 16, 1960 the Court of Industrial Relations denied LEA's motion to allow Galicia to continue staying inside Makati terminal but he was allowed however to visit his shack four times a week on Monday, Wednesday, Friday, and Saturday between the hours of 7:00 a.m. and 5:00 p.m. LUZON immediately appealed from such order to

this Court. Said appeal was docketed as G.R. No. L-17-411. The parties filed their respective briefs and on October 10, 1961 LEA filed a manifestation that —

> "Since the issuance of the appealed order, Galicia has not been allowed by the Company to go inside his barong-barong which was adjacent to the fence and only about 5 meters from the gate. Worse, the Company has since then torn down the barong-barong, and his modest belongings therein like books, gas stove, cooking utensils, plates, beddings etc. are now nowhere to be found. Galicia has expressed willingness to make allowances for the bitterness the Company harbors against him, in order to avoid trouble or being gunned down by the guards of the company."

And prayed that —

> "The determination of this case be held in abeyance until after a Decision is reached in G.R. L-18681 and L-16683 or that all these cases be lumped together."

We find deplorable indeed LUZON's tearing down of Galicia's shack without authority from the Court of Industrial Relations. At least, if it bore no regard for Galicia's alleged rights, LUZON ought to have given due respect to the orders of the court below. LUZON's demolition under the above circumstances is highly censurable.

The Court of Industrial Relations, without determining the right of Galicia to stay and live inside Makati terminal, denied LEA's motion but allowed him instead to visit the shack. Considering however that Galicia's shack is no longer there, the reason behind his request for returning to or visiting the premises of LUZON has disappeared and such question has become academic. Accordingly, the appeal of LUZON in L-17411 should be dismissed.[1]

On January 17, 1961 the Court of Industrial Relations declared the strike of January 2, 1959 illegal on four grounds, which are —

> "One, for having been declared without prior notice. The alleged suspension and eventual permanent dismissal of seven security

> guards — namely, Ricardo Taneo, Crispiniano Lucas, Geronimo S. Villaruel, Iluminado Buco, Alejandro Galicia, Felipe Macariola and Leon Pollante, two of whom the union did not prosecute, namely Ricardo Taneo and Crispiniano Lucas, as the union had no interest — were for justifiable causes and did not constitute an unfair labor practice. Second, the reduction from fifteen (15) to ten (10) days Christmas bonus could not be unfair labor practice considering the nature of the collective bargaining contracts then existing between the parties — especially so, all workers similarly situated were affected. The other incidents referred to herein as hiring of new security guards, threats of dismissal and formation of a company union were not substantially proven. It should also be noted that the collective bargaining contract between the parties provides for a grievance procedure. This grievance procedure was not followed. But even on the assumption that the requirements of law have been complied with and if there were acts committed amounting to unfair labor practice, the strike was unwarranted and unjustified since all such alleged causes were already pending before the Court at the time that the strike was declared. Third, for having conducted the strike in a manner not sanctioned by law especially the commission of illegal acts in the picket line. Fourth, the workers at the Pandacan Bulk Oil Terminal numbering 26 are bound by the provisions of the `no strike clause' of the collective bargaining contract. Indeed, any one count independent of one another could render the strike of January 2, 1959 illegal."

and rendered judgment, the dispositive portion of which states:

> "Respondent is given authority to dismiss the following: Iñigo Padil, Manuel Eseo, Josefino Frayna, Santos Abayan, Melecio Telosa (these men including Felipe Macariola, Iluminado Buco, Alejandro Galicia and Leon Pollante, are referred to as active unionists, according to the testimony of Padil and they are, therefore, similarly situated as the rest); Vicente Holganza, Edgardo Trillo, Fortunato Cruz, Manuel del Rosario (they are all identified in Exhibits `11-1' to `11-M-1'); the twenty-six (26) workers at the Pandacan Bulk Oil Terminal, members of the LBOU, but are bound by the collective bargaining contract

(Exhibit "29-Incident 4'); and all those who have, in the meantime, pending criminal cases in the ordinary courts of justice.

"The suspensions of security guards Felipe Macariola, Iluminado Buco, Alejandro Galicia, Leon Pollante and Geronimo Villaruel are for just causes and, therefore, the motion (Exhibit '1-Incident 4') to convert them into permanent dismissal is hereby GRANTED.

"Insofar as the other employees of the Luzon Stevedoring Corporation who joined the strike of January 2, 1959, are concerned, respondent corporation is hereby ordered either to reinstate them without backwages to their respective positions before said strike, or grant them severance pay in accordance with existing provisions of laws. However, with respect to the casual employees strikers, said corporation is ordered to pay them each one month separation pay only (Ruore Dupong Mfg. Co., 93 NLRB 1240; NLRB vs. Mackay Radio & Telegraph Co., 304, 333; Rothenberg on Labor Relations, p. 572).

"And regarding the Ayala Molasses Terminal, as the Court finds that its owner is Conrado Y. Simon, for obvious reason, the Court makes no pronouncement with respect to its workers."

LEA moved for reconsideration but only with respect to the portion of the judgment stating:

"Insofar as the other employees of the Luzon Stevedoring Corporation who joined the strike of January 2, 1959, are concerned respondent corporation is hereby ordered either to reinstate them without backwages to their respective positions before said strike, or grant them severance pay in accordance with existing provisions of laws. However, with respect to the casual employees-strikers, said corporation is ordered to pay them each one month separation pay only" (Ruore Dupong Mfg. C., 93 NLRB 12 40 Mackay Radio & Telegraph Co., 304. 333; Rothenberg on Labor Relations, p. 572).

Both motions were denied by the Court of Industrial Relations sitting en banc. Hence, the appeal of LEA in L-18681 and of LUZON in L-18683.

In its petition for certiorari (L-18681) LEA assigned the following errors:

> The Court of Industrial Relations erred —
>
> 1. In completely disregarding the duly established decisive facts set forth in the dissenting opinion, in thrusting aside without consideration practically all the evidence for petitioner while one-sidedly giving credence to all the company's evidence, and denying due process to petitioner.
>
> 2. In misapprehending, distorting or misrepresenting the facts, in making findings unsupported by substantial or credible proof, deciding questions of facts with very grave abuse of discretion and departing from the accepted and usual course of judicial proceedings as to call for an exercise of the power of supervision of the Supreme Court in the sense that the said court made findings and conclusions which are whimsical, manifestly mistaken and illogical.
>
> 3. In holding the strike illegal.
>
> Later LEA amended its petition for certiorari. It deleted the assignment of errors and in its place inserted the following statement of issues:
>
> "(a) First, Where a Company discovered to have a policy of giving 'hard and dirty assignments' to union members and of dropping 'to casual status' its employees 'who have joined the union — with a view eventually to dropping them completely under the pretext of 'Reduction in force and saving of 10% actually gave 'hard and dirty assignments to union members;

transferred union members to harder positions; talked to them about their union memberships; reduced their working days and hours attempted to form a company union; became 'too hard on the workers'; increased the number of security guards, which necessarily had the effect of reducing the working hours and income of old timers and union members; urged union members to join another union; paid overtime and gave meal allowance to new drivers but denied these privileges to old drivers who are union members; discriminated against a union member by not paying him his vacation leave pay 'equivalent to 15 days salary'; gave free food and drinks at its canteen to non-union members but not to union members; refused to give work to union members and told them to 'look for work in the union'; charged a unionist for crime not covered by its rules and regulations; dismissed a union member for a minor offense where the usual punishment had been one to five days suspension; dismissed unionist for alleged offenses believed to be fancied and provoked by the Company; reduced the Christmas bonus from fifteen to ten days' pay in violation of the Court Order 'to accept the strikers under the terms and conditions obtaining before the strike, 'which 'created the notion among the petitioners (workers) that such reduction was aimed at bringing them to their knees.' may a strike called against such acts — 'to save their union from being busted' - be considered unjustified, hence, illegal?

"(b) Second, May a Union legally go on strike where all such alleged causes are already pending before the Court?

"(c) Third, Is a strike notice necessary under the circumstances?

"(d) Fourth, May isolated acts of violence during a strike, imputable to both the employer and the strikers and against the precise instructions to avoid violence of the union leaders and counsel, prevent reinstatement of the strikers?

"(e) Fifth, May an employer's acceptance of some strikers back to work beyond the deadline set by him be considered as a condonation or a waiver of the right to punish the strikers, such that the employer can no longer punish or discriminate against other strikers, much less ask for their dismissal?"

LEA's brief, however, contains no assignment of errors.

In its briefs, LUZON urges the dismissal of LEA's appeal in L- 18681 on the ground that LEA failed to make an assignment of errors which is required in Section 17 (b), Rule 48.[2]

Want of specific assignment of errors in appellant's brief (LEA), is one of the grounds for the dismissal of an appeal under Section 1 (f), Rule 52,[3] of the Rules of Court. This ground proved fatal in several cases for where no assignment of errors is made no question may be considered by the appellate court (Section 5, Rule 53, now Section 7, Rule 51. Rules of Court).[4] Substantial compliance with the requirements is however sufficient.[5] The underlying reason for the rules is to point out to the court the specific part of the appealed judgment which the appellant seeks to controvert.

The assignment of errors embodied in LEA's petition for certiorari, the statement of the issues in its amended petition and the clear discussion of the points in issue in its brief, have accomplished the task of informing this Court which part of the decision of the Court of Industrial Relations is sought to be reviewed. LEA's appeal in L-18681 ought not therefore to be dismissed, as urged by LUZON, merely for the so-called lack of an assignment of errors in LEA's brief. Pleadings, as well as remedial laws, should be construed liberally, in order that the litigants may have ample opportunity to prove their respective

claims, and that a possible denial of substantial justice, due to legal technicalities, may be avoided.[6]

We come to the issue of whether or not the strike staged by LEA on January 2, 1959 against acts attributed to LUZON as enumerated in the statement of the first issue, aforequoted, is legal.

It is noted that the following acts pointed out by LEA which have been allegedly committed by LUZON are not borne by the decision of the Court of Industrial Relations: Transfer of union members to harder positions; payment of overtime and meal allowances to new drivers but denial of these privileges to old drivers who are union members; giving of free food and drinks at its canteen to non-union members but not to union members; refusal to give work to union members and telling them to look for work in the union; and dismissal of unionists for alleged offenses believed to be fancied and provoked. For very obvious reasons, they cannot be made factual premises in resolving the issue. They were omitted from the decision either because they were not substantially proven, or the evidence tending to prove them were not believed by the court.

The policy of "giving hard and dirty assignment to union members and of dropping to casual status those employees who have joined the union" was sought to be proved by Exhibits A, A-1 and A-2. Doubtful of their existence, the Court of Industrial Relations gave the same practically no weight. We quote hereunder the observations of the lower court on the point:

> "Regarding the existence of these Exhibits 'A', 'A-1', and 'A- 'A-2-Incident 4', Macariola declared that he saw their originals lying around on the top of the table of the Secretary after office hours. Sensing their importance to the union, he allegedly obtained a thermofax copy of the confidential letter (Exhibit 'A-Incident 4'), while he copied Huie's note in long hand and the reply of San Luis thereto (Exhs. 'A-1 and 'A-2-Incident 4'). Major Rice when asked by counsel for the union regarding Exhibit A-Incident 4' denied its authorship. He stated that there were certain words in said exhibit which he never used at all. And with reference to Exhibit 'A-Incident 4', which is Huie's supposed note to Atty. San Luis, Macariola however failed to

> give a reasonable facsimile of Huie's signature, and admitted that he could not recall how Huie's signature appeared. He further admitted that he was not familiar with the signature of Atty. San Luis. And when Atty. San Luis was questioned regarding his alleged reply, Exhibit 'A-2-Incident 4', he testified that he had no knowledge of the same."

Inasmuch as with the Court of Industrial Relations rests the ascertainment of the weight and credibility of evidence, we leave the said finding undisturbed.

LEA tried to prove that LUZON'S officers, on different occasions, talked to its members concerning union membership and urged them to join another union. However, the Court of Industrial Relations gave no credence, on grounds of improbability, to the testimony of LEA's witnesses. Furthermore, said court observed that there was no evidence that a witness who was allegedly threatened with dismissal by a LUZON official was actually suspended or dismissed due to union membership. Credibility of witnesses is left to the judgment of the trial court, for said court had the opportunity to actually observe the witness during his examination.[7] For this reason, we are not inclined to disturb the trial court's finding.

It is further maintained that LUZON reduced the working days hours of LEA members, thereby necessarily reducing their wages. LUZON also allegedly increased the number of security guards which had the effect of decreasing their working hours and consequently, their income. The lower court however found even from the testimony of LEA witness Anastacio Legaspi that no such reduction in working hours was really made; that LUZON indeed hired ten security guards from November 17, 1958 to January, 1959 due to increase of posts to be guarded during the Christmas season, absences, resignation of six guards and separation of three guards. All told, LUZON took in ten new casual guards to replace nine who went out of the service. Upon these facts, we find in order the conclusion of the Court of Industrial Relations that the hiring of new guards did not constitute a discrimination against LEA members. Verily, the number of guards increased by only one those who ceased working for LUZON.

LUZON is charged for being too hard on LEA members. Not only that, LUZON allegedly discriminated against LEA by refusing to grant a LEA member a vacation leave with pay for fifteen days. Perusal of the records and the decision appealed from reveal that the LEA member whom LUZON treated too hard is probably Masuri Zapanta. It appears that on August 18, 1958 Zapanta, at about 2:30 o'clock in the afternoon collapsed and was treated in LUZON'S clinic. After treatment he went home. He was marked absent without permission for that day. The trial court concluded that marking Zapanta absent without permission although he actually worked for one and one-half hours is treating him too hard, but such treatment did not amount to discrimination. Although the decision is silent on the reason for said conclusion, the records however indicate its justification. Zapanta collapsed at 2:30 p.m. or 30 minutes before the start of his assigned shift. Moreover, he failed to report to his superiors after treatment in LUZON'S clinic and before he went home.

With respect to the charges of discrimination by LUZON's alleged refusal to grant Tiburcio Albano fifteen days vacation leave with pay, we find the same unsupported by evidence. Nevertheless, it may be stated that the disapproval of an application for leave of absence with pay does not necessarily indicate discrimination unless it could be shown that such disapproval was due to an employee's union membership or activity.

LEA seeks to justify its strike of January 2, 1959 by the alleged unjustified indefinite suspension of seven security guards, namely, Alejandro Galicia, Leon Pollante, Felipe Macariola, Geronimo Villaruel, Iluminado Buco, Crispiniano Lucas and Ricardo Taneo. The decision appealed from did not pass upon the cases of the two last named employees in view of LEA's manifestation that it did not have interest on the same. Galicia, Pollante and Macariola were suspended for challenging and threatening bodily harm to their superior officers on November 14, 1958. In addition, Macariola was charged for gross insubordination and insulting his superior officers on December 4, 1958. Villaruel's suspension was for sleeping during his tour of duty on October 8, 1958. Buco was suspended on three counts: failure to do his duty while guarding lighter L-62 on December 4, 1958 and challenging his superior officer to a fight on December 6 and December 7, 1958. The facts and events which constituted the causes

of the suspensions were found by the lower court to have been established by substantial evidence. Examination of the evidence confirmed the court's findings. But, did the suspensions constitute unfair labor practice or discrimination against LEA? We think not. Sleeping in post, gross insubordination, dereliction of duty and challenging superior officers to a fight are grave offenses, considering the function of a security guard which is to protect company property from pilferage or loss. Challenging superior officers to a fight and insubordination on the part of the employee are acts inimical to the interest of his employer. For having committed such offenses, LUZON had all the right to dismiss its erring employees if only as a measure of self-protection. The suspensions were justified and we cannot see how they could be a valid or justifiable cause for a strike.

A propos to the contention of LEA that the reduction of the 1958 Christmas bonus from 15 to 10 days pay violated the order of the Court of Industrial Relations issued on June 21, 1958 to accept the strikers under the terms and conditions obtaining before the strike of June 11, 1958 the record has nothing to substantially support a finding, and the lower court's decision made none, that it created an idea among LEA's workers that such reduction was aimed at "bringing them to their knees". The evidence shows that the reduced bonus was granted uniformly in all departments of LUZON, including those manned entirely by workers of another union. Moreover, the report of the examiners of the Court of Industrial Relations on the financial status of LUZON for the year 1958 indicates a decrease in percentage of profit for that year in comparison with previous years.

As a rule a bonus is an amount granted and paid to an employee for his industry and loyalty which contributed to the success of the employer's business and made possible the realization of profits. It is an act of generosity for which the employee ought to be thankful and grateful. It is also granted by a enlightened employer to spur the employee to greater efforts for the success of the business and realization of bigger profits. From the legal point of view, a bonus is not a demandable and enforceable obligation. It is so when it is made a part of the wage or salary or compensation. In such a case the latter would be a fixed amount and the former would be a contingent one dependent upon the realization of profits. If there be none, there would be no bonus. There is no showing that the Christmas bonus

was made in the collective bargaining agreement between LEA and LUZON a part of wages or salaries. Therefore, as stated above, the grant of said bonus is contingent upon the profits realized during the year. The reduced 1958 Christmas bonus was a necessary consequence of a reduced profit in that year. And there being no clear showing that the reduction of the bonus was aimed to discriminate against LEA members, the trial court's finding that such reduction constituted no anti- union activity should not be disturbed.

We have considered the ruling of this Court in Philippine Education Co., Inc. vs. Court of Industrial Relations, et al.[8] and noted that the material facts therein are different from those obtaining in this case. In said case the amount representing the Christmas bonus had already been set aside when the employer decided to withhold the same. The intention to prejudice the laborers in said case was patent and there was no factual justification of its nonpayment; based on the financial statement of the company's operation.

We have noted that the issues presented by LEA's appeal are factual. Being so, examination of the evidence and records of the case was made and we have found the lower court's conclusions substantially supported by the evidence. Such finding of fact of the Court of Industrial Relations, supported by substantial evidence, may not be disturbed by this Court.[9]

As LEA has failed to substantiate its charges of unfair labor practice, the strike of January 2, 1959 necessarily loses its justification. Consequently, the conclusion of the Court of Industrial Relations declaring said strike illegal should be upheld.

In view of the above finding, we find it unnecessary to pass upon the other questions raised by LEA.

In L-18683, the only issue is whether or not the Court of Industrial Relations committed error and/or acted with grave abuse of discretion, amounting to lack of jurisdiction, in ordering that the strikers be reinstated or granted severance pay in spite of its own finding that all of said strikers actually participated, authorized and ratified the illegal strike of January 2, 1959.

LUZON maintains (1) that the strike of January 2, 1959 having been declared illegal, the strikers are not entitled to reinstatement citing Section 9(c) of the Industrial Peace Act and our ruling in National Labor Union, Inc. vs. Philippine Match Factory,[10] (2) that inasmuch as the employees terminated their employment by declaring a strike,[11] they cannot be granted severance pay pursuant to the Termination Pay Law;[12] and, that the judgment in question is merely based on sympathy and inclination which may not be used as basis for a judgment, invoking Caltex (Philippines), Inc. vs. Philippine Labor Organizations, Caltex Chapter.[13]

Upon certification by the President of the Philippines to the Court of Industrial Relations pursuant to Section 10 of the Industrial Peace Act, the case came within the operation of Commonwealth Act 103. Section 4 thereof enforces compulsory arbitration in labor disputes in industries indispensable to the national interest. Obviously, to give force and effect to the court's power of compulsory arbitration Commonwealth Act 103, in Section 13 provides:

> "The Court shall not be restricted to the specific relief claimed or demands made by the parties to the industrial dispute, but may include in the award, order or decision any matter or determination which may be deemed necessary or expedient for the purpose of setting the dispute or of preventing further industrial disputes."

The evident intention of the law is to empower the Court of Industrial Relations to act in such cases not only in the manner prescribed under Commonwealth Act 103, but with the same broad powers and jurisdiction granted by Republic Act 875. Section 10 of Republic Act 875 states:

> "SEC. 10. Labor Disputes in Industries Indispensable to the National Interest. — When in the opinion of the President of the Philippines there exists a labor dispute in an industry indispensable to the national interest and when such labor dispute is certified by the President to the Court of Industrial Relations, said Court may cause to be issued a restraining order forbidding the employees, to strike or the employer to lockout the employees, pending an investigation by the Court, and if no

other solution to the dispute is found, the Court may issue an order fixing the terms and conditions of employment."

If the Court of Industrial Relations is granted authority to find a solution in an industrial dispute, it cannot be contended that the Court of Industrial Relations does not have the power or jurisdiction to carry that solution into effect. And, if the said court has the power to fix the terms and conditions of employment, it certainly can order the reinstatement of the workers or payment of severance pay as a term or condition of employment.[14]

LUZON's appeal therefore has no merit.

**WHEREFORE**, in L-17411 the petition for review is dismissed for now being moot, and in L-18681 and L-18683, `the decision of the Court of Industrial Relations dated January 17, 1961 and its resolution dated May 27, 1961 are hereby affirmed, without pronouncement as to costs.

**Bengzon, *C.J.*, Bautista Angelo, Concepcion, Reyes, Barrera, Dizon, Regala, Makalintal and Zaldivar, *JJ.*, concur.**

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[1] Government of the Philippines vs. Court of Appeals, L-13836, May 20, 1960; Santos vs. Almeda Lopez, L-16422, April 29, 1961.
[2] Now Sec. 16(b), Rule 46 of the Rules of Court.
[3] Now Sec. 1(g), Rule 50.
[4] Paterno vs. City of Manila 17 Phil. 26; Tan Me Nio vs. Collector of Customs, 34 Phil. 944; Gemora vs. Municipal Council of Ilog, 58 Phil. 374; Tan Si Kiok, et al. vs. Tiacho, 79 Phil. 696; Traders Insurance & Surety Co. vs. Golangco, et al., 95 Phil. 824, Arong vs. Wajing, 108 Phil. 345.
[5] Santos vs. Rivera, 28 Phil. 513.
[6] Concepcion, et al. vs. Payatas Estate Improvement Co., Inc., 103 Phil. 1016.
[7] See Philippine Air Lines vs. Philippine Air Lines Employees Association, L-8197, Oct. 31, 1958; Basaysay vs. Workmen's Compensation Commission, 113 Phil. 510.
[8] 92 Phil. 381.
[9] Manila Pencil Co., Inc., vs. Court of Industrial Relations, L- 16903, August 31, 1965.
[10] 70 Phil. 300.
[11] 97 Phil. 306.

[12] Sec. 1, RA 1052, as amended by RA 1787.
[13] 92 Phil. 1014.
[14] Compañia Maritima vs. Philippine Marine Radio Officers' Association, L-10115, October 31, 1957.