SUPREME COURT
SECOND DIVISION

TANDUAY DISTILLERY LABOR UNION,
***Petitioner*,**

-versus-

G.R. No. 75037
April 30, 1987

NATIONAL LABOR RELATIONS COMMISSION, LAMBERTO SANTOS, PEDRO ESTERAL, ROMAN CHICO, JOSELITO ESTANISLAO, JOSE DELGADO, JUANITO ARGUELLES, RICARDO CAJOLES, and JOSEFINO PAGUYO,
***Respondents*.**

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TANDUAY DISTILLERY, INC.,
***Petitioner*,**

-versus-

G.R. No. 75055
April 30, 1987

NATIONAL LABOR RELATIONS COMMISSION (NLRC), LAMBERTO SANTOS, PEDRO ESTERAL, ROMAN CHICO, JOSELITO ESTANISLAO, JOSE DELGADO, JUANITO ARGUELLES,

RICARDO CAJOLES, and JOSEFINO PAGUYO,

Respondents.

x----------x

D E C I S I O N

GUTIERREZ, JR., *J.*:

These consolidated Petitions for *Certiorari* seek the review and setting aside of respondent National Labor Relations Commission's decision in NLRC Case No. AB-6-11685-81 dated May 26, 1986, affirming the October 12, 1984 decision of the Labor Arbiter, and of the NLRC resolution dated June 26, 1986, which denied the motion for reconsideration of the petitioners.

The facts of the case are as follows:

Private respondents were all employees of Tanduay Distillery, Inc., (TDI) and members of the Tanduay Distillery Labor Union (TDLU), a duly organized and registered labor organization and the exclusive bargaining agent of the rank and file employees of the petitioner company.

On March 11, 1980, a Collective Bargaining Agreement (CBA), was executed between TDI and TDLU. The CBA was duly ratified by a majority of the workers in TDI including herein private respondents, and a copy was filed with the Ministry of Labor and Employment (MOLE) on October 29, 1980 for certification. The CBA had a term of three (3) years from July 1, 1979 to June 30, 1982. It also contained a union security clause, which provides:

> "All workers who are or may during the effectivity of this Contract, become members of the Union in accordance with its Constitution and By-Laws shall as a condition of their continued employment, maintain membership in good standing in the Union for the duration of the agreement."

On or about the early part of October 1980, while the CBA was in effect and within the contract bar period, the private respondents joined another union, the Kaisahan Ng Manggagawang Pilipino (KAMPIL) and organized its local chapter in TDI, with private respondents Pedro Esteral and Lamberto Santos being elected President and Vice-President, respectively.

On November 7, 1980, KAMPIL filed a petition for certification election to determine union representation in TDI, which development compelled TDI to file a grievance with TDLU on November 7, 1980 pursuant to Article XV of the CBA.

Acting on the grievance of TDI, TDLU wrote the private respondents on December 23, 1980 requiring them to explain why TDLU should not take disciplinary action against them for, among other things -

> "Disloyalty to the Tanduay Distillery Labor Union (T.D.L.U.) by forming and joining another union with a complete takeover intent as the sole and exclusive bargaining representative of all rank and file employees at TDI." (p. 16, Rollo)

TDLU created a committee to investigate its erring members in accordance with its by-laws which are not disputed by the private respondents. Except for Josefino Paguyo who, despite due notice, was absent during the investigation conducted on January 2, 1981, all the private respondents were present and given a chance to explain their side. Thereafter, in a resolution dated January 9, 1981, TDLU, through the Investigating Committee and approved by TDLU's Board of Directors, expelled the private respondents from TDLU for disloyalty to the Union effective January 16, 1981. By letter dated January 10, 1981, TDLU notified TDI that private respondents had been expelled from TDLU and demanded that TDI terminate the employment of private respondents because they had lost their membership with TDLU.

Acting on the demand of TDLU, TDI, in a Memorandum dated January 13, 1981, notified "that effective January 16, 1981, we shall file the usual application for clearance (with preventive suspension to

take effect on the same day) to terminate your services on the basis of the union security clause of our CBA.

Accordingly, TDI filed with the MOLE on January 14, 1981 its application for clearance to terminate the employment of private respondents. This application docketed as Case No. NCR-AC-1-435-81 specifically stated that the action applied for was preventive suspension which will result in termination of employment, due to (T)hreat to (P)roduction traceable to rival (U)nion activity. The private respondents then filed with the MOLE a complaint for illegal dismissal against TDI and Benjamin Agaloos, in his capacity as President of TDLU, which complaint was docketed as Case No. STF-1-333-91. The cases were jointly heard and tried by Labor Arbiter Teodorico Dogelio.

However, on January 26, 1981, the Med-Arbiter granted the private respondents' petition calling for a certification election among the rank and file employees of TDI. The Med-Arbiter's Order stated, inter-alia that the existence of an uncertified CBA cannot be availed of as a bar to the holding of a certification election (italics supplied). On appeal of TDI and TDLU to the Bureau of Labor Relations (BLR), the order for the holding of a certification election was reversed and set aside by the BLR on July 8, 1982, thus:

> "A careful perusal of the records of the case will reveal that the uncertified CBA was duly filed and submitted on 29 October 1980, to last until June 30, 1982. Indeed, said CBA is certifiable for having complied with all the necessary requirements for certification. Consistent with the intent and spirit of P.D. 1391 and its implementing rules, the contract bar rule should have been applied in this case. The representation issue cannot be entertained except within the last sixty (60) days of the collective agreement." (Emphasis supplied) (p. 243, Rollo)

The last 60 days in a collective bargaining agreement is referred to as the "freedom period" when rival union representation can be entertained during the existence of a valid CBA. In this case, the "freedom period" was May 1 to June 30, 1982. After the term of the CBA lapsed, KAMPIL moved for a reconsideration of the July 8, 1982 decision of the BLR on July 23, 1982 on the same ground that since

the CBA then in question was uncertified, the contract bar rule could not be made to apply. On December 3, 1982, the BLR reversed itself, but for a different reason and held that:

> "Movant union (Kampil) now seeks for the reconsideration of that Order on the ground, among others, that the CBA in question is not certifiable and, hence, the contract bar rule cannot properly apply in this case.
>
> "After a more careful examination of the records, this Bureau is of the view that the instant motion should be given due course, not necessarily for the arguments raised by herein movant.
>
> "It should be noted that the alleged CBA has now expired. Its expiry date being 30 June 1982. Consequently; there appears to be no more obstacle in allowing a certification election to be conducted among the rank and file of respondent. The contract bar rule will no longer apply in view of the supervening event, that is, the expiration of the contract." (Emphasis supplied) (pp. 244-245, Rollo)

TDLU filed a petition for review of the BLR decision with the Supreme Court, docketed as Case No. G.R. No. 63995. TDI argued that KAMPIL did not have a cause of action when the petition for certification was filed on November 7, 1980 because the freedom period was not yet in effect. The fact that the BLR issued its order when the 60-day freedom period had supervened, did not cure this defect. Moreover, the BLR decision completely overlooked or ignored the fact that on September 21, 1982, a new CBA had been executed between the TDLU and TDI so that when the BLR allowed a certification election in its order dated December 3, 1982, the contract bar rule was applicable again. This Court denied TDLU's petition in a minute resolution on November 14, 1983.

Using the foregoing as relevant and applicable to the consolidated cases for the clearance application for termination filed by TDI and the illegal dismissal case filed by the private respondents on October 12, 1984, Labor Arbiter Teodorico Dogelio rendered a decision denying TDI's application to terminate the private respondents and ordering TDI to reinstate the complainants with backwages. It should

be noted that the Labor Arbiter rendered the decision even before the petitioner company could file its memorandum, formal offer of exhibits and its manifestation and motion to correct tentative markings of exhibits. This decision of the arbiter was upheld by the respondent NLRC in NLRC Case No. AB-6-11688-81 in its decision dated May 20, 1986.

TDI and TDLU moved for reconsideration of the questioned decision. In its motion, TDI alleged, inter alia, that respondent NLRC did not rule on the validity of the CBA as a contract, neither did it resolve squarely the validity of the enforcement of the union security clause of the CBA. TDI stated further that respondent NLRC failed to consider the fact that at the time the private respondents were expelled by TDLU and consequently terminated by TDI, the union security clause of the CBA was in full force and effect, binding TDI and TDLU.

For its part, TDLU said that the decision of the Supreme Court in the certification case could not be used by respondent NLRC to justify its decision in the dismissal case because the issues on the cases are entirely different and miles apart. It is for this reason that there are two (2) cases that are involved. TDLU explained that the Supreme Court decided to dismiss the petition for *certiorari* of TDI and TDLU in the certification case because the original CBA existing at the time the private respondents formed and joined KAMPIL had already expired. However, TDLU made it clear that when the private respondents organized KAMPIL in TDI, the same CBA was still in force and the disaffiliation did not take place within the freedom period. Hence, at that point in time, the private respondents committed disloyalty against the union.

On June 26, 1986, respondent NLRC denied the motion for reconsideration filed by TDI and TDLU for lack of merit. In its petition, TDI alleged that:

I.

> "RESPONDENT COMMISSION ACTED IN EXCESS AND WITH GRAVE ABUSE OF ITS DISCRETION AND IN A MANNER CONTRARY TO LAW IN RENDERING ITS

DECISION EN BANC OF MAY 20, 1986 AND IN DENYING PETITIONER'S MOTION FOR RECONSIDERATION THEREOF IN ITS RESOLUTION DATED JUNE 26, 1986 BECAUSE —

"1. THE RESPONDENT COMMISSION HAS IGNORED THE FACT THAT THE PRIVATE RESPONDENTS WERE EXPELLED BY TDLU FROM ITS MEMBERSHIP ON JANUARY 16, 1981 AND, CONSEQUENTLY, TDLU HAD DEMANDED OF THE PETITIONER OF THE ENFORCEMENT OF THE UNION SECURITY CLAUSE OF THE CBA, THE SAID CBA WAS AN EXISTING AND A VALID CONTRACT BETWEEN THE PETITIONER AND TDLU, AND EFFECTIVE BETWEEN THE PARTIES;

"2. IT IS FUNDAMENTAL THAT A UNION SECURITY CLAUSE PROVISION IN COLLECTIVE BARGAINING AGREEMENT IS BINDING BETWEEN THE PARTIES TO THE CBA UNDER THE LAWS;

"3. THE EXPULSION OF THE PRIVATE RESPONDENTS FROM TDLU WAS THE UNION'S OWN DECISION. HENCE, WHEN TDLU DEMANDED OF THE PETITIONER THE ENFORCEMENT OF THE SECURITY CLAUSE PROVISION OF THE CBA BY SEPARATING PRIVATE RESPONDENTS FROM THEIR EMPLOYMENT, FOR HAVING LOST THEIR MEMBERSHIP IN THE UNION, THE PETITIONER WAS DUTY BOUND TO DO SO;

"4. THE ALLUSION THAT THE CBA WAS NOT CERTIFIED BY THE BUREAU OF LABOR RELATIONS (BLR) HAS NOTHING TO DO WITH ITS EFFECTIVENESS AS A VALID CONTRACT BETWEEN ALL PARTIES THERETO.

II

> RESPONDENT COMMISSION ACTED WITH GRAVE ABUSE OF DISCRETION AND IN EXCESS OF ITS JURISDICTION IN HOLDING THAT PRIVATE RESPONDENTS DID NOT COMMIT ACTS PREJUDICIAL TO THE PETITIONER'S PRODUCTION EFFORTS TO BE SUFFICIENT BASIS FOR THEIR PREVENTIVE SUSPENSION AND EVENTUAL REMOVAL."

On the other hand, petitioner TDLU in essence contends that:

> THE CBA IS VALID AND BINDING NOT ONLY ON TDI AND TDLU BUT LIKEWISE ON PRIVATE RESPONDENTS WHO HAVE RATIFIED THE SAME IN THEIR INDIVIDUAL CAPACITIES AS MEMBERS OF TDLU; HENCE, THE UNION SECURITY CLAUSE IS VALID AND BINDING ON THEM; THE ACTION OF TDLU IN REQUESTING FOR THE ENFORCEMENT OF THE UNION SECURITY CLAUSE OF THE CBA BETWEEN TDI AND TDLU IS PART OF THE INHERENT RIGHT TO SELF-ORGANIZATION;
>
> TDLU CANNOT BE MADE LIABLE FOR THE PAYMENT OF BACKWAGES BECAUSE ALL THAT IT DID WAS ASK FOR THE ENFORCEMENT OF A CBA, WHICH CBA HAS NEVER BEEN DECLARED NULL AND VOID AND THE UNION SECURITY CLAUSE SOUGHT TO BE ENFORCED WAS NOT ALSO DECLARED NULL AND VOID;
>
> PRIVATE RESPONDENTS DISAFFILIATED THEMSELVES FROM TDLU BY ORGANIZING THE LOCAL CHAPTER OF KAMPIL IN TDI IN OCTOBER 1980, BUT THE ACT OF DISAFFILIATION WAS COMMITTED OUTSIDE THE FREEDOM PERIOD PROVIDED UNDER PRESIDENTIAL DECREE 1391 WHICH LIMIT ALL PETITIONS FOR CERTIFICATION ELECTION, DISAFFILIATION AND INTERVENTION TO THE 60-DAY FREEDOM PERIOD PRECEDING THE EXPIRATION OF THE CBA. HENCE, PRIVATE RESPONDENTS COULD BE EXPELLED FROM

MEMBERSHIP FOR DISLOYALTY AND OTHER INIMICAL ACTS AGAINST THE INTEREST OF TDLU.

The private respondents admit that the root of the whole controversy in the instant case is the organization of a Local Union Chapter of KAMPIL at TDI and the subsequent filing of a petition for certification election with the MOLE by said local chapter. This local chapter of KAMPIL was organized with the help of, among others, the private respondents some of whom were elected union officers of said chapter. They contend that their act of organizing a local chapter of KAMPIL and eventual filing of a petition for certification election was pursuant to their constitutional right to self-organization.

The issues to be resolved are the following: (a) whether or not TDI was justified in terminating private respondents' employment in the company on the basis of TDLU's demand for the enforcement of the Union Security Clause of the CBA between TDI and TDLU; and (b) whether or not TDI is guilty of unfair labor practice in complying with TDLU's demand for the dismissal of private respondents.

We enforce basic principles essential to a strong and dynamic labor movement. An established postulate in labor relations firmly rooted in this jurisdiction is that the dismissal of an employee pursuant to a demand of the majority union in accordance with a union security agreement following the loss of seniority rights is valid and privileged and does not constitute an unfair labor practice.

Article 249 (e) of the Labor Code as amended specifically recognizes the closed shop arrangement as a form of union security. The closed shop, the union shop, the maintenance of membership shop, the preferential shop, the maintenance of treasury shop, and check-off provisions are valid forms of union security and strength. They do not constitute unfair labor practice nor are they violations of the freedom of association clause of the Constitution. (See Pascual, Labor Relations Law, 1986 Edition, pp. 221-225 and cases cited therein.) There is no showing in these petitions of any arbitrariness or a violation of the safeguards enunciated in the decisions of this Court interpreting union security arrangements brought to us for review.

In this light, the petitioner points out that embedded at the very core and as raison d'etre for the doctrine which enforces the closed-shop, the union shop, and other forms of union security clauses in the collective bargaining agreement is the principle of sanctity and inviolability of contracts guaranteed by the Constitution.

This Court speaking thru Mr. Justice Labrador, in Victorias Milling Co., Inc., vs. Victorias-Manapla Workers Organization (9 SCRA 154), ruled:

> "Another reason for enforcing the closed-shop agreement is the principle of sanctity or inviolability of contracts guaranteed by the Constitution. As a matter of principle the provision of the Industrial Peace Act granting freedom to employees to organize themselves and select their representative for entering into bargaining agreements, should be subordinated to the constitutional provision protecting the sanctity of contracts. We can not conceive how freedom to contract, which should be allowed to be exercised without limitation may be subordinated to the freedom of laborers to choose the organization they desire to represent them. And even if the legislature had intended to do so and made such freedom of the laborer paramount to the sanctity of obligation of contracts, such attempt to override the constitutional provision would necessarily and ipso facto be null and void.
>
> x x x

The action of the respondent company in enforcing the terms of the closed-shop agreement is a valid exercise of its rights and obligations under the contract. The dismissal by virtue thereof cannot constitute an unfair labor practice, as it was in pursuance of an agreement that has been found to be regular and of a closed-shop agreement which under our laws is valid and binding.

In the instant case, the CBA in question provides for a Union Security Clause requiring:

> "(c) All workers who are or may during the effectivity of this contract, become members of the union in accordance with

> its constitution and by-laws shall as a condition of their continued employment, maintain membership in good standing in the union for the duration of the agreement." (Emphasis supplied)

Having ratified that CBA and being then members of the TDLU, the private respondents owe fealty and are required under the Union Security Clause to maintain their membership in good standing with it during the term thereof, a requirement which ceases to be binding only during the 60-day freedom period immediately preceding the expiration of the CBA. When the private respondents organized and joined the KAMPIL Chapter in TDI and filed the corresponding petition for certification election in November 1980, there was no freedom period to speak of yet. For under Presidential Decree No. 1391, promulgated May 29, 1978, the law applicable in this instance provides:

> "No petition for certification election for intervention, disaffiliation shall be entertained or given due course except within the 60-day freedom period immediately preceding the execution of the Collective Bargaining Agreement.

and under Section 21, Rule 3 of the Rules Implementing PD 1391 "pending certification of a duly filed collective bargaining agreement, no petition for certification election in the same bargaining unit shall be entertained or processed." (promulgated September 19, 1978). The Labor Code further mandates that "no certification election shall be entertained if a Collective Bargaining Agreement which has been submitted in accordance with Article 231 of the Code exists between the employer and a legitimate labor organization except within sixty (60) days prior to the expiration of the life of such collective agreement" (Art. 257).

The fact, therefore, that the Bureau of Labor Relations (BLR) failed to certify or act on TDLU's request for certification of the CBA in question is of no moment to the resolution of the issues presented in this case. The BLR itself found in its order of July 8, 1982 that "the certified CBA was duly filed and submitted on October 29, 1980, to last until June 30, 1982 is certifiable for having complied with all the requirements for certification."

The validity of the CBA is not here assailed by private respondents. They admitted having organized the local chapter of KAMPIL at TDI, although it is claimed that this was done when there was no certified CBA between TDI and TDLU that would constitute a bar to the certification election. Of significance is the ruling in Manalang vs. Artex Development Co., Inc., (21 SCRA 561, 569) decided on a factual setting where the petitioners had affiliated themselves with another labor union, Artex Free Workers, without first terminating their membership with Bagong Buhay Labor Union (BBLU) and without the knowledge of the officers of the latter union, for which reason the petitioners were expelled from the BBLU for acts of disloyalty; and the company, upon the behest of BBLU dismissed them from employment pursuant to the closed-shop stipulation in a Collective Bargaining Agreement. This Court ruled:

> "The validity of the Collective Bargaining Agreement of March 4, 1960 is not assailed by the petitioners. Nor do they deny that they were members of the BBLU prior to March 4, 1960 and until they were expelled from the union.'
>
> "The petitioners' further contention that the closed-shop provision in the Collective Bargaining Agreement is illegal because it is unreasonable, restrictive of right of freedom of association guaranteed by the Constitution is a futile exercise in argumentation as this Court has in a number of cases sustained closed-shop as a valid form of union security.
>
> "Finally, even if we assume, in gratia argumenti, that the petitioners were unaware of the stipulations set forth in the collective bargaining agreement, since their membership in the BBLU prior to their expulsion therefrom is undenied, there can be no question that as long as the agreement with closed-shop provision was in force, they were bound by it. Neither their ignorance of, nor their dissatisfaction with, its terms and conditions would justify breach thereof or the formation by them of a union of their own. As has been aptly said, 'a collective bargaining agreement entered into by officers of a union, as agent of the members, and an employer, gives rise to valid enforcible contractual relations, against the individual

union members in matters that affect the entire membership or large classes of its members,' and 'a union member who is employed under an agreement between the union and his employer is bound by the provisions thereof, since it is a joint and several contract of the members of the union and entered into by the union as their agent.'"

In an earlier case, this Court held:

"Nor can it be said that the stipulation providing that the employer may dismiss an employee whenever the union recommends his expulsion either for disloyalty or for any violation of its by-laws and constitution is illegal or constitute of unfair labor practice, for such is one of the matters on which management and labor can agree in order to bring about harmonious relations between them and the union, and cohesion and integrity of their organization. And as an act of loyalty a union may certainly require its members not to affiliate with any other labor union and to consider its infringement as a reasonable cause for separation. This is what was done by respondent union. And the respondent employer did nothing but to put in force their agreement when it separated the herein complainants upon the recommendation of said union. Such a stipulation is not only necessary to maintain loyalty and preserve the integrity of the union but is allowed by the Magna Charta of Labor when it provided that while it is recognized that an employee shall have the right to self-organization, it is at the same time postulated that such right shall not injure the right of the labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein (Section 41(b) par. 1, Republic Act 875). This provision is significant. It is an indirect restriction on the right of an employee to self-organization. It is a solemn pronouncement of a policy that while an employee is given the right to join a labor organization, such right should only be asserted in a manner that will not spell the destruction of the same organization. The law requires loyalty to the union on the part of its members in order to obtain to the full extent its cohesion and integrity. We therefore, see nothing improper in the disputed provisions of the collective bargaining

> agreement entered into between the parties." (Ang Malayang Manggagawa ng Ang Tibay Enterprises, et al. vs. Ang Tibay, et al. 102 Phil. 669) (Emphasis supplied)

We agree with petitioner TDLU that the dismissal of the petition for *certiorari* in G.R. No. 63995 entitled TDLU vs. Kaisahan ng Manggagawang Pilipino could not be construed as to extinguish the right of TDLU to expel private respondents for acts of disloyalty when they organized a local chapter of KAMPIL in October 1980 in TDI. The subject matter brought to this Court in G.R. No. 63995 was the decision of the Bureau of Labor Relations dated December 3, 1982 requiring the holding of certification election in TDI within twenty (20) days from receipt of said BLR's decision which reads:

> "Movant union (KAMPIL) now seeks for the reconsideration of that order on the ground, among others, that the CBA in question is not certifiable and, hence, the contract bar rule cannot properly apply to this case.
>
> "After a careful examination of the records, this Bureau is of the view that the instant motion should be given due course, not necessarily for the arguments raised by herein movant.
>
> "It should be noted that alleged CBA has now expired, its expiry date being 30 June 1982. Consequently, there appears to be no more obstacle in allowing a certification election to be conducted among the rank and file of respondent. The contract bar rule will no longer apply in view of the supervening event that is, the expiration of the contract. (ANNEX C, TDI's Memorandum dated November 28, 1986; Emphasis supplied).

It is clearly apparent that the BLR aforesaid Order which this Court upheld in G.R. No. 63995 when it dismissed TDLU's petition in a minute resolution, did not pass upon the question of legality or illegality of the dismissal of private respondents from TDI by reason of their expulsion from TDLU for disloyalty. That question was neither raised nor passed upon in the certification case, and was not a proper issue therein because a petition for certification election is not a litigation but a mere investigation of a non-adversary character to determine the bargaining unit to represent the employees (George

Peter Lines, Inc. vs. Associated Labor Union, 134 SCRA 82). Hence, no inference could be derived from the dismissal of said petition that either the BLR or this Court has decided in favor of private respondents insofar as the question of union disloyalty and their suspension and termination from employment of TDI is concerned.

Simply put, the BLR ordered the holding of a certification election because the CBA in question had already expired, its expiry date being June 30, 1982. Consequently, there appears to be no more obstacle in allowing a certification election. "The contract bar rule will not apply in view of the supervening event, that is, the expiration of the CBA."

But the fact that the CBA had expired on June 30, 1982 and the BLR, because of such supervening event, ordered the holding of a certification election could not and did not wipe out or cleanse private respondents from the acts of disloyalty committed in October 1980 when they organized KAMPlL's local chapter in TDI while still members of TDLU. The ineluctable fact is that private respondents committed acts of disloyalty against TDLU while the CBA was in force and existing for which they have to face the necessary sanctions lawfully imposed by TDLU.

In Villar vs. Inciong (121 SCRA 444), we held that "petitioners, although entitled to disaffiliation from their union and to form a new organization of their own, must, however, suffer the consequences of their separation from the union under the security clause of the CBA:"

> "Inherent in every labor union, or any organization for that matter, is the right of self-preservation. When members of a labor union, therefore, sow the seeds of dissension and strife within the union; when they seek the disintegration and destruction of the very union to which they belong; they thereby forfeit their rights to remain as members of the union which they seek to destroy. Prudence and equity, as well as the dictates of law and justice, therefore, compelling mandate the adoption by the labor union of such corrective and remedial measures, in keeping with its laws and regulations, for its preservation and continued existence; lest by its folly and inaction, the labor union crumble and fall. (Idem., p. 458).

The private respondents cannot, therefore, escape the effects of the security clause of their own applicable collective bargaining agreement.

WHEREFORE, the decision dated May 26, 1986 and the resolution dated June 26, 1986 of respondent National Labor Relations Commission in NLRC Case No. AB-11685-81 are hereby **SET ASIDE**. The expulsion of private respondents from TANDUAY DISTILLERY LABOR UNION and their consequent suspension and termination from employment with TANDUAY DISTILLERY, INC., without reinstatement and backwages, are hereby **SUSTAINED.**

No cost.

SO ORDERED.

Paras, Padilla, Bidin and Cortes, *JJ.*, concur.
Fernan, *J.*, took no part. My brother-in-law, Atty. Pompeyo Nolaco, is a partner of the law firm counsel for the petitioner in G.R. No. 75055.