

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**THE PHILIPPINE AMERICAN
MANAGEMENT COMPANY, INC. and
PHILIPPINE AMERICAN LIFE
INSURANCE COMPANY,**
Petitioners,

-versus-

**G.R. No. L-35254
January 29, 1973**

**THE PHILIPPINE AMERICAN
MANAGEMENT EMPLOYEES
ASSOCIATION (PAMEA-FFW) and
COURT OF INDUSTRIAL RELATIONS,**
Respondents.

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DECISION
(RESOLUTION dated May 25, 1973)

FERNANDO, J.:

This Court is confronted, in this *Certiorari* and prohibition proceeding, with the question, “basic but as yet unresolved,” in the language of the petition, of whether or not the respondent Court of Industrial Relations, in a case certified to it by the Secretary of Labor pursuant to the Minimum Wage Law,^[1] could issue a return-to-work order pending the final outcome of the dispute before it. This the respondent Court did in a resolution now challenged in this suit, It is petitioner’s contention that thereby it acted without jurisdiction or, at the very least, with grave abuse of discretion. The private respondent, the Philippine American Management Employees Association, the labor union to which the employees involved are affiliated, maintain the contrary and would uphold the action taken by respondent Court. It is thus obvious that implicit in this controversy is the scope of authority conferred on respondent Court. Had there been a presidential certification in a labor dispute in an industry indispensable to the national interest, such a power is undeniable.^[2] This is so as the authority to be exercised by respondent Court is one of compulsory arbitration. An explicit provision in the law of its creation, Commonwealth Act No. 103 empowers it “pending award, or decision [to order an] employee, tenant, or laborer [not to] strike or walk out of his employment when so enjoined [by it] 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 cannot, in its opinion, be promptly decided or settled; and if he has already done so, that he shall forthwith return to it.^[3] An order of such nature could likewise be issued by it when in accordance with the very same statute it was called upon Presidential directive “to investigate and study all pertinent facts related to [an] industry concerned or to . . . industries established in a designated locality, with a view to determining the necessity and fairness of fixing and adopting for such industry or locality a minimum wage.”^[4] That was so before the present Minimum Wage Law was enacted in 1951. Now the wage scale is specified. Nonetheless, where a labor dispute concerning the matter results in a strike, the Secretary of Labor as indicated at the outset, in the event his efforts at conciliation fail, endorses such controversy to respondent Court. The Industrial Peace Act, which became a law in 1953, continues to recognize the arbitral power of respondent Court in this wise: “In order to prevent undue restriction of free enterprise for capital and labor and to encourage

the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining, no court of the Philippines shall have the power to set wages, rates of pay, hours of employment, or conditions of employment except, as in this Act is otherwise provided and except as is provided in Republic Act Numbered Six hundred two and Commonwealth Act Numbered Four hundred forty-four as to hours of work.”^[5]

In the perspective thus supplied by the history of the legislative response to the question of minimum wages and the role of respondent Court, it is rather apparent that it is not a light burden assumed by petitioners in maintaining the proposition that under the Industrial Peace Act, respondent Court may not issue a return-to-work order. Notwithstanding the pleadings submitted by their counsel, Messrs. Cacnio and Pablo as well as Messrs. Angara, Abello, Regala and Cruz, being notable for thoroughness and scholarly research, it cannot be concluded that they were successful. They did call attention to the adoption of the collective bargaining regime, with its stress on industrial democracy under the Industrial Peace Act^[6] as contrasted with the former paternalistic policy embodied in the previous law,^[7] to bolster their stand, but, as will be subsequently shown, that hardly suffices to carry the day. Lastly, their imputing to respondent Court grave abuse of discretion because of its failure to determine the legality of the strike before issuing the challenged order is equally fruitless. With the conclusion reached by us that the crucial issue posed should be answered in the negative and that respondent Court is not bereft of the power to issue a return-to-work order in a dispute over minimum wages submitted to it by the Secretary of Labor, the petition must fail.

The decisive facts are not in dispute. The then Secretary of Labor Adrian E. Cristobal, on January 6, 1972, as noted in the petition, “endorsed the dispute to respondent [Court;” informing its Presiding Judge: “The President has taken cognizance to the existing labor dispute involving minimum wage between the management of the Philippine American Management Company, Inc. (PAMCI) and the Philippine American Management Employees Association (PAMEA-FFW).”^[8] His communication continued: “Pursuant to Section 16 (e) of Republic Act No. 602, otherwise known as Minimum Wage Law as

amended by Republic Acts Nos. 4180, 4707 and 5388, and in accordance with the directive of the President of the Philippines, I have the honor to elevate to the Court the present labor dispute between the Philippine American Management Company, Inc. (PAMCI) and the Philippine American Management Employees Association (PAMEA-FFW).^[9] There was part of petitioner Philippine American Management Company an urgent motion to dismiss on the ground of lack of jurisdiction over the subject matter, alleging that the certification had no basis in fact since the dispute clearly involved no demand for minimum wage.^[10] There was an opposition on the part of respondent Union asserting that the question of minimum wages was material.^[11] Respondent Court deferred resolution on the motion to dismiss. Then came on March 17, 1972 an urgent motion by respondent Union for the issuance of a return-to-work order.^[12] Notwithstanding an opposition on the part of petitioners,^[13] the then Presiding Judge of respondent Court, Arsenio I. Martinez, granted respondent's motion in an order of April 19, 1972, the dispositive portion of which reads: "[Premises considered], pending the resolution of the legality of the strike, and while it is believed that Section 19 of C.A. 103, as amended, no longer obtains in all cases especially under Section 10 of Republic Act 875, in view of the special circumstances of this case, and pursuant to Section 19 of C.A. 103, as amended, the Philippine American Management Employees Association (PAMEA-FFW) and its officers and members are ordered to lift their strike and picket and to return to work immediately, with a warning that any striker who disobeys this order will mean his dismissal from employment. The Philippine American Management Company, Inc. (PAMCI), by its officers and agents, is hereby directed to accept the strikers, petitioners herein, back to work under the same terms and conditions of employment before the strike was declared. Petitioner Union and its officers and members are enjoined not to strike or cause any stoppage of work and the respondent PAMCI and agent are directed not to dismiss, lay-off or suspend any of the employees concerned without the prior approval of this Court. Without pronouncement as to the back-wages. [So ordered]."^[14] There was a motion for reconsideration,^[15] but it was denied in a resolution of June 26, 1972.^[16]

The issue was squarely joined in the answer submitted by respondents. They sought the dismissal of the petition as for them no

serious question could be raised as to the jurisdiction of respondent Court. The stand taken by the contending parties was developed further in their respective memoranda, petitioners attempting, in the face of rather formidable odds, to prop up what is inherently a shaky position, with support from what they considered applicable doctrines. The effort was commendable, but the outcome was predictable. As stated at the outset, the petition cannot prosper. Now for the reasons.

1. It is not open to dispute that were it not for the Industrial Peace Act,^[17] the Court of Industrial Relations exercise to the full its powers as an arbitral tribunal, with the widest range of authority recognized by law. At present, however, it is bereft of such competence except where, as previously noted, there has been a Presidential certification to it of a labor dispute in industries indispensable to the national interest.^[18] Or, as likewise made mention of, there is an indorsement to it by the Secretary of labor of a minimum wage dispute.^[19] The occasion for the exercise of such jurisdiction is thus limited, but, once invoked, the scope of what may legitimately be done has not been curtailed. So this Court has uniformly held in an impressive number of cases, where the effect of a certification of a labor dispute by the President was involved. In the first of such decisions, *Philippine Marine Radio Officers Association vs. Court of Industrial Relations*,^[20] Justice Labrador as ponente stated: “We agree with counsel for the Philippine Marine Radio Officers’ Association that upon certification by the President under Section 10 of Republic Act 875, the case comes under the operation of Commonwealth Act 103, which enforces compulsory arbitration in cases of labor disputes in industries indispensable to the national interest when the President certifies the case to the Court of Industrial Relations. 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 that Act. If the Court of Industrial Relations is granted authority to find a solution in an industrial dispute and such solution consists in the ordering of employees to return back to work,

it cannot be contended that the Court of Industrial Relations does not have the power of jurisdiction to carry that solution into effect. And of what use is its power of conciliation and arbitration if it does not have the power and jurisdiction to carry into effect the solution it has adopted. Lastly, if the said court has the power to fix the terms and conditions of employment, it certainly can order the return of the workers with or without backpay as a term or condition of the employment.”^[21] Since then there has been no question, as explicitly affirmed by the same jurist in *Hind Sugar Co. vs. Court of Industrial Relations*^[22] promulgated three years later, as to the statutory authority of respondent Court being “broad enough to authorize [it] to order the return to work not only of the actual workers who were so at the time of the strike but all other regular workers of the company, even though not actually at work or working during the day of the strike because they are seasonal workers.”^[23] To erase any doubts as to the breadth of its authority, if any still existed, Justice Paredes, speaking for this Court, in *Rizal Cement Workers Union vs. Court of Industrial Relations*,^[24] declared: “Inasmuch as the present case has been certified by the President of the Philippines to the CIR, said Court is authorized to exercise its powers of arbitration under the provisions of Act No. 103, as amended, including the fixing of the terms and conditions of employment which embrace reinstatement of the strikers, with or without back wages.”^[25] Of similar import is this statement from Justice Zaldivar opinion in *Feati University vs. Bautista*:^[26] “To certify a labor dispute to the CIR is the prerogative of the President under the law, and this Court will not interfere in, much less curtail, the exercise of that prerogative. The jurisdiction of the CIR in a certified case is exclusive. Once the jurisdiction is acquired pursuant to the presidential certification, the CIR may exercise its broad powers as provided in Commonwealth Act 103. All phases of the labor dispute and the employer-employee relationship may be threshed out before the CIR, and the CIR may issue such order as may be necessary to make effective the exercise of its jurisdiction.”^[27] He added: “Untenable also is the claim of the University that the CIR cannot issue a return-to-work order after strike has been

declared, it being contended that under Section 10 of Republic Act No, 875 the CIR can only prevent a strike or a lockout — when either of this situation had not yet occurred.”^[28] “The overwhelming implication,” as noted by Justice Sanchez in *Bachrach Trans. Co., Inc. vs. Rural Transit Shop Employees Association*, “is that [the Court of Industrial Relations] is granted great breadth of discretion in its quest for a solution to a labor problem so certified.”^[29] In the latest case in point, *Philippine Airline Employees Association vs. Philippine Air Lines, Inc.*^[30] Justice Makalintal, with reference to the specific point at issue, quoted with approval an excerpt from the above *Bachrach* decision. Thus: “The power to issue a return-to-work order is precisely given to the Court of Industrial Relations under Section 19 of Commonwealth Act 103 in a case certified thereto by the President, in which it acts under broad powers of compulsory arbitration.”^[31]

The constant course of authoritative rulings lends itself to no other interpretation than that respondent Court, when discharging its functions as an arbitrator, is not to be cabined or confined within narrow bounds. The wide sweep of discretion enjoyed by it has thus been clearly and unmistakably recognized, the Industrial Peace Act notwithstanding. There is no justification to impose upon such competence a restriction for which there is no basis in the statutory language and against which the objective of such legislation stands as a warning and a reproach. To accept petitioner’s main contention then as to the absence of the jurisdiction of respondent Court is not in conformity with either the dictates of reason or sound policy considerations. A failure to abide by the terms of the Minimum Wage Law after all these years, if shown, is not to be tolerated. A labor union goaded into declaring a strike by such inexcusable omission is entitled to all the protection that the Constitution guarantees.^[32] In the first instance, the Secretary of Labor may come to its aid. His efforts failing, it is wisely provided that he should refer the dispute to respondent Court for compulsory arbitration. What cannot be ignored is that when such enactment was passed, the prevailing rule was for

respondent Court to act as an arbitral tribunal. To assert then that it could not, even during the pendency of the controversy before it, issue a return-to-work order its basic charter^[33] is clearly unpersuasive. It possesses the jurisdiction to do what it did.

2. Petitioners could not have been oblivious of the weakness of their principal contention. That must have accounted for their laying emphasis in their opening paragraphs with the assertion that the case before respondent Court was one of unfair labor practice, without a minimum wage aspect.^[34] Such an allegation was denied.^[35] Independent however, of the truth, or lack of it, of the assertion thus made, intended to bolster the plea of lack of jurisdiction of respondent Court, what is undisputed, as mentioned in their very own petition, was that on January 6, 1972, the Secretary of Labor, pursuant to the Minimum Wage Law^[36] endorsed the controversy on the precise question of whether or not petitioner Philippine American Management Company was complying with its mandatory terms. What was done by him, as a department head, in the regular course of business and conformably to a statutory provision is, according to settled jurisprudence that dates back to an authoritative pronouncement by Justice Laurel in 1939 in Villena vs. Secretary of the Interior,^[37] presumptively the act of the President, who is the only dignitary who could, paraphrasing the language of the decisions, disapprove or reprobate it.^[38] What other response could be legitimately expected from respondent Court then? It could not just simply fold its hands and refuse to pass on the dispute. "It is," as pointed out by Justice Laurel in the leading case of Ang Tibay vs. Court of Industrial Relations.^[39] decided in 1940, "more an administrative board than a part of the integrated judicial system of the nation."^[40] Only last August, there was a reiteration of such a view.^[41] As a matter of law, the Industrial Peace Act is an even clearer manifestation of the legislative policy to expand its administrative role, as an executive agency admittedly discharging quasi-judicial functions. Included as it is in that branch entrusted with the enforcement of legal norms headed by the Executive called

upon “to take case that the laws be faithfully executed,”^[42] how can respondent Court without an evasion of its clear duty and shirking of its responsibility, decline to pass upon the question of whether or not there is a failure to comply with the Minimum Wage law? It does not stand to reason then to argue as did petitioners that the jurisdiction of respondent Court is open to challenge, even on the assumption that the case before it originated bereft of any imputed minimum wage law violation. Nothing said in *Benguet Consolidated Mining Co. vs. Coto Labor Union*,^[43] as to the jurisdictional requisites that must exist, calls for a contrary conclusion. The mere fact that the dispute may have started as an unfair labor practice controversy is no bar to this question being passed upon by respondent Court if necessary to its ultimate solution, once the Secretary of Labor had endorsed the matter to it in accordance with law.

3. Neither does it avail petitioners to argue that the basic question as to the jurisdiction of respondent Court to issue a return-to-work order is to be answered in the negative in view of the alleged repugnancy between the basic philosophy underlying the Industrial Peace Act, in the main hostile to the concept of compulsory arbitration, and the Court of Industrial Relations Act. Such a contention, while possessing a semblance of plausibility, cannot prevail against a strict analysis. There is no need to repeat the Industrial Peace Act explicitly continues the jurisdiction of respondent Court with reference to a minimum wage controversy endorsed to it by the Secretary of Labor. The power to be exercised is necessarily one of compulsory arbitration. Should it be emasculated just because there is no explicit conferment of the authority which it did possess under the act of its creation, still in full force and effect at the time of the enactment of the Minimum Wage Law? For petitioners to take that stand is in effect to advance the view that there is an implied repeal. A recent decision, *Villegas vs. Subido*,^[44] cautions against such an approach. Thus: “It has been the constant holding of this Court that repeals by implication are not favored and will not be so declared unless it be manifest that the legislature so intended. Such a doctrine goes as far

back as *United States vs. Reyes*, a 1908 decision. It is necessary then before such a repeal is deemed to exist that it be shown that the statutes or statutory provisions deal with the same subject matter and that the latter be inconsistent with the former. There must be a showing of repugnancy clear and convincing in character. The language used in the latter statute must be such as to render it irreconcilable with what had been formerly enacted. An inconsistency that falls short of that standard does not suffice. What is needed is a manifest indication of the legislative purpose to repeal.”^[45] Moreover, there is a failure on the part of petitioners to accord the most careful appraisal of what is implicit in a regime of collective bargaining, the basic postulate of the present Industrial Peace Act. It thus enshrines industrial democracy the sense that the parties, through the collective contract, could determine the rules that regulate labor management relations.^[46] Even then, there is an area placed beyond the sphere of bargaining between the parties. Included therein is the question of minimum wages. It is understandable why it should be so. For legislation of that character proceeds on the premise that there is a floor below which the amount of paid labor should not fall. That is to assure decent living conditions. Such an enactment is compulsory in nature; not even the consent of the employees themselves suffices to defeat its operation. More plainly put, the question of minimum wage is not negotiable. What the law decrees must be obeyed. It is as simple as that. That is why it is obvious that petitioners cannot successfully invoke the principles associated with the institution of collective bargaining. Nor is this all. The approach followed by the petitioners ignores a relevant provision of the Industrial Peace Act.^[47] There is thus set forth in categorical language an exception to the primordial concept underlying the Industrial Peace Act that working conditions are to be fixed not by respondent Court but by the parties themselves, With such an express recognition of the continuance of the role of respondent Court insofar as minimum wage is concerned, the argument that the crucial issue in this case, namely whether it is within the jurisdiction of respondent Court to

issue a return-to-work order, deserves an answer in the negative, falls flat.

4. There is this final objection on the part of petitioners. As set forth in their petition: “The validity of the strike having been squarely raised, a return-to-work order was, we submit, a grave abuse of discretion since the determination of the validity of the strike was crucial under the circumstances of the case.”^[48] Petitioners would rely on the *National Power Corporation vs. National Power Corporation Employees and Workers Association*^[49] case. Such a reliance is misplaced. As set forth in the opinion in that decision: “No adverse effect would be entailed if the Court of Industrial Relations would pass upon squarely as to whether the strike was legal before deciding the other issues. There was no question as to the legality of its power in the meanwhile to order the strikers to go back to work and thus avoid the dire possibility foreseen in the certification of ‘huge economic losses, untold inconveniences and grave dangers to safety and human lives.’ The Court is of the opinion that while the doctrine of the *Philippine Can Co.* case had been relaxed where we felt that the legality of a strike need not be inquired into, the situation confronting the Court of Industrial Relations here was such that a determination of the validity of this strike is crucial to the proper disposition of the matter.”^[50] It is to disregard then the peculiar circumstances implicit in that case that call for the prior determination of whether or not the strike was valid. There was no thought on the part of this Court to consider such an inquiry as a prerequisite to the issuance of a return-to-work order. The company involved in the *National Power Corporation* case is an instrumentality of the government. Following the view of Justice Makalintal in his opinion in *Agricultural Credit and Cooperative Financing Administration* decision^[51] that rendered obsolete the usual classification as to ministrant and constituent functions of government,^[52] and considering that under the *Industrial Peace Act* the right to strike is denied employees in instrumentalities of the government unless discharging proprietary functions, this Court deemed it best to have such a question looked into prior to giving effect to a return-to-

work order. For should the National Power Corporation be considered as performing governmental functions, then the right to strike is denied its employees.^[53] Certainly, the situation before us is entirely different. This particular argument then is no more of an obstacle to the validity of the return-to-work order than the others previously advanced. There was thus no jurisdictional issue raised of sufficient consequence to call for the nullification of the challenged resolution of respondent Court.

WHEREFORE, the petition for certiorari and prohibition is dismissed. With costs against petitioners.

Makalintal, Zaldivar, Castro, Teehankee, Makasiar, Antonio and Esguerra, JJ., concur.
Concepcion, C.J., and Barredo, J., did not take part.

[1] According to Section 16, subparagraph (c) of Republic Act No. 602: “Where the demands of minimum wages involve an actual strike, the matter shall be submitted to the Secretary of Labor, who shall attempt to secure a settlement between the parties through conciliation. Should the Secretary fail within fifteen days to effect said settlement, he shall indorse the matter together with other issues involved, to the Court of Industrial Relations which will acquire jurisdiction on the case including the minimum wages issue, and after a hearing where the views of the Secretary of Labor will be given, will decide the case in the same manner as provided in other cases. The decision shall be rendered by the court in banc within fifteen days after the case has been submitted for determination, and its finding of facts shall be conclusive if supported by substantial evidence, and shall be subject only to an appeal by certiorari.”

[2] According to Section 10 of the Republic Act No. 875; “When in the opinion of the President of the Philippines there exists a labor dispute in an industry indispensable to the national interest and where such labor dispute is certified by the President to the Court of Industrial Relations, said Court may cause to be issued a restraining order for bidding 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.”

[3] Section 19 of Commonwealth Act No. 103 (1936).

[4] Sec. 5 of Com. Act No. 103 (1946) insofar as pertinent reads: “Whenever conditions in a given industry or in a given locality so warrant, and in the interest of public welfare and for the promotion of industrial peace and

progress, the President of the Philippines shall direct the Court of Industrial Relations to investigate and study all pertinent facts related to the industry concerned or to the industries established in a designated locality, with a view to determining the necessity and fairness of fixing and adopting for such industry or locality a minimum wage or share of laborers or tenants, or maximum 'canon' or rental to be paid by the 'inquilinos' or tenants or lessees to landowners."

- [5] Sec. 7 of Republic Act No. 875 (1953).
- [6] Republic Act No. 875 (1953).
- [7] Commonwealth Act No. 103 (1936).
- [8] Petition, par. V.
- [9] Ibid.
- [10] Ibid, par. VII.
- [11] Ibid, par. VIII.
- [12] Ibid, par. XIV.
- [13] Ibid, par. XV.
- [14] Ibid, par. XVI.
- [15] Ibid, par. XX.
- [16] Ibid, par. XXII.
- [17] Republic Act No. 875 (1953).
- [18] Section 10 of Republic Act No. 875.
- [19] Section 16(c) of Republic Act No. 602 (1951). Conditions of employment may likewise be determined by the Court according to Section 7 of Republic Act No. 875.
- [20] 102 Phil. 373 (1957).
- [21] Ibid, 382-383. Cf. Radio Operators Association vs. Philippine Marine Radio Officers Association, 102 Phil. 526 (1957).
- [22] 108 Phil. 1026.
- [23] Ibid, 1032. Cf. Pampanga Sugar Development Co. vs. Court of Industrial Relations, L-13178, March 26, 1961, 1 SCRA 770.
- [24] L-18442, November 30, 1962, 6 SCRA 841.
- [25] Ibid. 846.
- [26] L-21278, December 27, 1966, 18 SCRA 1191.
- [27] Ibid, 1221.
- [28] Ibid, 1223.
- [29] L-26764, July 25, 1967, 20 SCRA 779, 784. Cf. Phil. Marines Officers' Guild vs. Compania Maritima, L-20662-63, March 19, 1968, 22 SCRA 1113; Liberation Steamship Co., Inc. vs. Court of Industrial Relations, L-25389, June 27, 1963 23 SCRA 1105; Cebu Portland Cement Co. vs. Cement Workers Union, 1-25032, Oct. 14, 1968, 25 SCRA 504; Free Telephone Workers Union vs. Phil. Long Distance Tel. Co., L-24593, July 31, 1970, 34 SCRA 44, and Phil. Fed. of Petroleum Workers vs. Court of Industrial Relations, L-26346, Feb. 27, 1971, 37 SCRA 711.
- [30] L-32740, March 31, 1971, 38 SCRA 372.
- [31] Ibid, 377.
- [32] According to Art. XIV, Section 6 of the Constitution: "The State shall afford protection to labor."

- [33] Commonwealth Act No. 103 (1936).
- [34] Petition, par. III.
- [35] Answer, par. 2.
- [36] Section 16(c), Republic Act No. 602 (1951).
- [37] 67 Phil. 451.
- [38] Cf. *Barte vs. Dichoso*, L-28715, Sept. 28, 1972. Here the opinion cited ten other decisions after Villena beginning with *Donnelly vs. Agregado*, 95 Phil. 142 (1954)) and ending with *Tecson vs. Salas*, L-27524, July 31, 1970, 34 SCRA 275.
- [39] 69 Phil. 635.
- [40] *Ibid*, 639.
- [41] Cf. *Phil. Charity Sweepstakes Employees Asso. vs. Court of Industrial Relations*, L-34688, August 30, 1972, 46 SCRA 754.
- [42] According to Article VII, par. 10 of the Constitution: “[The President] shall take care that the laws be faithfully executed.”
- [43] 105 Phil 915 (1959).
- [44] L-31711, September 30, 1971, 41 SCRA 190.
- [45] *Ibid*, 196-197. The opinion cites, among others, the following cases: *United States vs. Reyes*, 10 Phil. 423 (1908); *United States vs. Academia*, 10 Phil. 431 (1908); *Calderon vs. La Provincia del Santisimo Rosario*, 28 Phil. 164 (1914); *United States vs. Palacio*, 33 Phil. 208 (1916), not to mention 24 other cases up to an including *National Power Corporation vs. Arca*, L-23309, Oct. 31, 1968, 25 SCRA 931.
- [46] Cf. *Shell Oil Workers’ Union vs. Shell Co. of the Philippines*, L-28607, May 31, 1971, 39 SCRA 276.
- [47] Section 7 of Republic Act No. 875 deserves to be quoted in full: “In order to prevent undue restriction of free enterprise for capital and labor and to encourage the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining, no court of the Philippines shall have the power to set wages, rates of pay, hours of employment, or conditions of employment except, as in this Act is otherwise provided and except as is provided in Republic Act Numbered Six hundred two and Commonwealth Act Numbered Four hundred forty-four as to hours of work.”
- [48] Petition, par. XXV(d).
- [49] L-26169, June 30, 1970, 33 SCRA 806.
- [50] *Ibid*, 811.
- [51] *Agricultural Credit and Cooperative Financing Administration vs. Confederation of Unions in Government Corporations and Offices*, L-21484, November 29, 1969, 30 SCRA 649.
- [52] As set forth in his opinion: “The growing complexities of modern society, however, have rendered this traditional classification of the functions of government quite unrealistic, not to say obsolete.” At 662.
- [53] According to Section 11 of Republic Act No. 875: “The terms and conditions of employment in the government, including any political subdivision or instrumentality thereof, are governed by law and it is declared to be the policy of this Act that employees therein shall not strike for the purpose of

securing changes or modification in their terms and conditions of employment. Such employees may belong to any labor organization which does not impose the obligation to strike or to join in strike: Provided, however, That this section shall apply only to employees employed in governmental functions of the government and not to those employed in proprietary functions of the government including but not limited to governmental corporations.”

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