

### Case Title:

Kaisahan ng mga Manggagawa sa Kahoy sa Pilipinas vs. Gotamco Saw Mills

### Facts:

1. **Strike Initiation (September 10, 1946):** The laborers of Gotamco Saw Mills, represented by Kaisahan ng mga Manggagawa sa Kahoy sa Pilipinas, declared a strike, halting all operations.
2. **Court Involvement (September 19, 1946):** The Court of Industrial Relations (CIR) intervened, urging both parties to find a temporary resolution to minimize prejudice.
3. **Negotiations (September 21-23, 1946):** Following several conferences, the labor union accepted a temporary wage increase of P2.00 daily without meals and the right to take home small pieces of lumber as firewood.
4. **Court Order (September 23, 1946):** CIR approved this settlement and enjoined laborers to return to work, with Gotamco Saw Mills agreeing not to lay off or discriminate against union-affiliated laborers.
5. **Contempt Motions (January 7 & 9, 1947):** Gotamco accused the union of another strike violating the CIR order. The union counter-petitioned against Gotamco for employing new Chinese laborers without court permission.
6. **CIR Decision on Contempt (March 28, 1947):** CIR found the union in contempt but acquitted Gotamco on the employment issue, also ruling on another laborer's (Maximino Millan) dismissal and reinstatement petition.
7. **Reconsideration and Resolution (July 11, 1947):** CIR denied the union's motion for reconsideration, affirming its earlier orders.

### Issues:

1. **Validity of CIR Order (September 23, 1946)** under Section 19 of Commonwealth Act No. 103.
2. **Constitutionality of Section 19** (claims of involuntary servitude).
3. **Contempt Charges Against the Union** for striking during the pendency of the case.
4. **Contempt Charges Against Gotamco** for alleged discriminatory practices and unauthorized employment of new laborers.
5. **Reinstatement of Maximino Millan** and whether his dismissal was justified.

### Court's Decision:

1. **Validity of CIR Order:**
  - **Resolution:** The CIR order was found to be compliant with Section 19. The order followed preliminary hearings showing public interest requiring striking workers to return,

thus legally sound.

2. **Constitutionality of Section 19:**

- **Resolution:** Section 19 was determined constitutional. The court ruled voluntary employment together with the implicit condition that strikes or walkouts could be enjoined did not constitute involuntary servitude.

3. **Contempt against the Union:**

- **Resolution:** The union was found in contempt for violating the CIR order by engaging in a strike during the hearing of the main case.

4. **Contempt against Gotamco:**

- **Resolution:** Gotamco was exonerated from contempt regarding the employment of new Chinese laborers, as there was insufficient proof of violation.

5. **Reinstatement of Maximino Millan:**

- **Resolution:** The court denied Millan's reinstatement, citing his troublesome nature as just cause for dismissal.

**Doctrine:**

- **Doctrine of Adherence to Agreements:** Agreements reached during mediations and hearings, once ratified by CIR, need compliance by both parties.
- **Constitutionality of Section 19:** Voluntary employment agreements, even containing conditions on strikes or labor actions, do not amount to involuntary servitude.
- **Jurisdiction and Powers of CIR:** CIR's jurisdiction under Section 19 extends to preventing strikes to serve public interest and expedite resolution of labor disputes.

**Class Notes:**

- **CIR Orders:** Compliance is mandatory once an agreement is certified.
- **Section 19, Commonwealth Act No. 103:** Prevents strikes during dispute resolution; constitutional if labor enters employment voluntarily.
- **Contempt Power of CIR:** CIR can enforce compliance and hold violators accountable to ensure industrial harmony.
- **Labor Agreements:** Temporary settlements in labor disputes must be adhered to until final resolution.

**Relevant Statutes and Application:**

- **Commonwealth Act No. 103, Section 19:** Underpins CIR power to manage strikes

during pending disputes.

- **Voluntary vs. Involuntary Servitude:** Employment contracts entered voluntarily with implied strike-related conditions are constitutional.

**Historical Background:**

- **Post-War Rehabilitation:** The importance of maintaining industrial output for economic revival post-World War II necessitated stable industrial relations, influencing the rigorous enforcement of CIR orders to prevent labor disruptions critical to rehabilitation and reconstruction.