

INDUSTRIAL, COMMERCIAL AGRICULTURAL WORKERS ORGANIZATION (ICAWO), PETITIONER, VS. JOSE S. BAUTISTA, BALTAZAR M. VILLANUEVA, JUDGES OF THE CIR; BIENVENIDO TAN, JUDGE OF THE COURT...

G. R. No. L-15639. April 30, 1963

Ponente: REGALA, J.

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REGALA, J.:

This is an appeal from the resolution of the Court of Industrial Relations in Case No. 590-ULP, dismissing the complaint filed by petitioning union against respondents Martha Enterprises Inc., Daniel Evangelista, Edgardo Ledesma, Alejandro Dionio, Knights of Labor, Teofilo Bernal and Joaquin Enriquez, Jr.

The complaint charged that respondents violated the right of their employees to self-organization under the Industrial Peace Act (Republic Act No. 875) by questioning them about their union activities and affiliation; by inflicting bodily harm on some of them; by threatening to dismiss employees on account of their membership in petitioning union; by requiring employees to join the Knights of Labor as a condition of their continued employment and by laying off members of the petitioner for refusing to join the Knights of Labor.

After trial, the Honorable Arsenio I. Martinez found respondent company guilty of having dismissed employees and of having refused to re-employ them upon its reopening on account of their union activities and accordingly ordered the company to pay backwages to the workers concerned from the day of their dismissal up to the time the operation of the Bulingan Logging Camp of the Martha Enterprises, Inc. was transferred to Emiliano Bautista. The Court of Industrial Relations found the other charges to be groundless and therefore dismissed the same.

Both parties moved for a reconsideration of the decision. By a 3 to 2 vote, the Court of Industrial Relations en banc reversed the decision of Judge Martinez and dismissed the complaint. The resolution of the said court en banc is now before Us for review on petition of the union.

In brief, the Court of Industrial Relations found the facts to be as follows:

On September 1, 1954, the company laid off 21 temporary laborers, the dismissal to take effect on September 3, 1954, in view of the restriction imposed by the Bureau of Forestry on the amount of timber that the company could cut.

On September 15, 1954, the company laid off 55 more laborers, the dismissal to take effect on October 15, 1954, on which latter date the company closed its Bulingan Log ging Camp for the following reasons appearing on Exhibits "1", "1-A-1" to "1-A-48" and "1-B" to "1-B-38";

- Our recent survey of the area revealed that the total forested stand now remaining would no longer warrant and justify large-scale logging operation;
- The forested area left for exploitation is very rugged terrain, making operations difficult and costly;

- The farther that we go inside the area the longer hauling time is required, thus greatly reducing our productive capacity, while on the other hand, more roads require additional expenses;
- Costs in fuels, materials, equipment spare parts and accessories have risen;
- Orders from abroad for export logs have greatly declined;
- In line with the Bureau of Forestry's policy of forest conservation, our annual timber quota allowed us for the year 1953-1954 has been reduced to 20,000 cubic meters, and may be further reduced for the year 1954-1955;
- The Bureau of Forestry has also directed us to operate on a selective logging-method, another factor which directly lowered our production.

On November 3, 1954, the company resumed operation of its Bulingan Logging Camp. When some (members of the petitioning union applied for re-employment, the company refused them on account of the closed shop proviso of a collective bargaining agreement which It had entered into on October 15, 1954 with the Knights of Labor. The closed shop agreement made membership in the Knights of Labor a condition for employment in the company. The Court of Industrial Relations found that, although the collective bargaining agreement was signed on October 15, 1954, yet negotiations for the same had been held since August, 1954. The Court therefore held that under such circumstances, it is clear that the company had no ulterior motive in entering into agreement with the Knights of Labor. So that the closed shop agreement being valid in accordance with the provision of Republic Act No. 875, Section 4 (a), it cannot be said that the refusal of the company to employ laborers, who are not members of the Knights of Labor, is a discriminatory act punishable by law.

The Court of Industrial Relations also found from the evidence that, Federico Lozada, president of the petitioning union arrived on September 1, 1954 and not on September 5, 1954 as believed by Judge Martinez. It therefore, concluded that-

"* * * on September 1, 1954, when the respondent company decided to dismiss from the service temporary laborers as shown in Exhibit '3' and on September 15, 1954, as stated in Exhibit '2' (earlier in its resolution, the CIR found that the company had decided to close its logging camp as early as September 6), the president of the complainant union, Federico Lozada, had not even arrived at the Bulingan Logging Camp to organize the complainant union and consequently the workers at said camp were not yet members thereof. Evidently, therefore, they could not have been dismissed because of union membership or activities."

On appeal, petitioner contends:

- That respondent company signed the collective bargaining agreement on October 15, 1954 (the same day that it closed its Bulingan Logging. Camp) precisely to prevent the reemployment of its members when the company reopened on November 3, 1954. Petitioner argues that the closed shop agreement could not be made to apply to its members without doing violence to their right to self-organization as guaranteed by the Industrial Peace Act.[1]
- That the resolution of the Court of Industrial Relations en banc, reversing the decision of Judge. Martinez, is without legal and factual basis to stand on, hence, such resolution Annex 'B' is not supported by substantial evidence.

Both contentions of the petitioner are without merit. To begin with, petitioner does not show in what way the majority resolution reversing the decision of Judge Martinez is not supported by substantial evidence so as to warrant us in reviewing the facts of this case. All it does is to quote a portion of the dissenting opinion of Judge Martinez who, in order to defend his. decision, tried to review the evidence. We take the findings of fact of the Court of Industrial Relations en banc to be conclusive in, the absence of a showing that the same have no support

in evidence in line with the rule that this Court Will not review findings of fact of the Court of Industrial Relations as long as the same are supported by evidence. (National Development Co. vs. Court of Industrial Relations, et al, G. R. No. L-15422, November 30, 1962; Philippine Newspaper Guild vs. Evening News, Inc., 86 Phil. 303). This is so because the Court of Industrial Relation is governed by the rule of substantial evidence rather than by the rule of preponderance of evidence as in ordinary civil cases. (Iloilo Chinese Commercial School vs. Fabrigar, et al., G. R. No. L-16600, December 27, 1961)

Here, the Court of Industrial Relations found from the evidence that Pederico Lozada arrived at the Bulingan Logging Camp to organize petitioning union on September 1, 1954, whereas the lay-off of laborers was decided upon by the company as early as September 1 and 6, 1954. Obviously, therefore, the lay-off could not have been due to the membership of the employees in the petitioning union. On the other hand, it was found by the court that the lay-off on September 1 and 15 was prompted by economic reasons which forced the company to close its logging camp on October 15, 1954.

Since the closure of the logging camp and the lay-off of the employees were for valid reasons, petitioning union can not complain that the application of the closed shop agreement to its members when they sought re-employment upon the reopening of the camp on November 3, 1954 was discriminatory. In Freeman Shirt Mfg. Co., Inc., et al. vs. Court of Industrial Relations, et al., 110 Phil., 962; We held as follows:

"The closed-shop agreement authorized under sec. 4, subsec. 2(4) of the Industrial Peace Act above quoted should, however, apply only to persons to be hired or to employees who are not yet members of any labor organization. It is inapplicable to those already in the service who are members of a minority union. To hold otherwise, i.e., that the employees in a company who are members of a minority union may be compelled to disaffiliate from their union and join the majority or contracting union, would render nugatory the right of all employees to self-organization and to form, join or assist labor organization of their own choosing, a right guaranteed by the Industrial Peace Act (sec. 3, Republic Act No. 875) as well as by the Constitution (Art. III, sec. 1[6])."

This ruling was reiterated recently in Findlay Miller Timber Co. vs. PLASLU and Court of Industrial Relations, et al., G. R. Nos. L-18217, September 29, 1962.

Since the members of the petitioning union who applied for employment on November 3, 1954 (when the company resumed operations) were laid off for some valid reason, they stood on equal footing with any other persons who were applying for employment. As to the application of the closed shop agreement to them, therefore, there can be no objection. The Court of Industrial Relations committed no error in upholding the refusal of the company to re-employ members of the petitioning union unless they joined the Knights of Labor.

Wherefore, the resolution dated October 9, 1958 of the Court of Industrial Relations is hereby affirmed, without pronouncement as to costs.

Bengzon, C. J., Bautista Angelo, Labrador, Reyes, J.B.L., Paredes, Dizon and Makalintal, JJ., concur.

[1]Section 3 of Republic Act No. 875 provides that "Employees shall have the right to self-organization and to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining through representatives of their own choosing to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. * * *"

BARRERA, J.; Dissenting:

I dissent, because it seems to me that the temporary closing of the Bulingan Logging Camp and the signing of the collective bargaining agreement with a close-shop clause, precisely on the same date, October 15, 1954, were resorted to in order to do away with those laborers who did not desire to affiliate with the Knights of Labor. The reasons for the supposed closing of the Camp on October 15, 1954, if true, could not have disappeared in 19 days to justify the resumption of operation on November 3, 1954. The temporary closing appears not to have been in good faith and seems to have been thought of knowing that, without it, the old employees could not have been affected by the close-shop clause. If the discontinuance of operation is genuine, then why enter into a collective bargaining agreement precisely on the date of the suspension of Operation when there would be no work and hence no need of laborers?

The discrimination seems clear to me.

Concepcion, J., concurs.

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