

**PHILIPPINE SHEET METAL WORKERS' UNION (CLO),
PETITIONER, VS. THE COURT OF INDUSTRIAL RELATIONS,
PHILIPPINE CAN COMPANY, AND LIBERAL LABOR UNION,
RESPONDENTS.**

G.R. No. L-2028. April 28, 1949

Ponente: REYES, J.

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REYES, J.:

This is a petition for certiorari to review an order of the Court of Industrial Relations on the ground that the same was rendered in excess of jurisdiction and with grave abuse of discretion.

The said order was issued in case No. 37-V (2) of said court involving an industrial dispute between the respondent company (a corporation engaged in the manufacture of tin plates, aluminum sheets, etc.) and its laborers some of whom belong to the Philippine Sheet Metal Workers' Union (CLO) and some to the Liberal Labor Union. The dispute was over certain demands made upon the company by the laborers, one of the demands (No. 13th in the list) being for the recall of eleven workers who had been laid off. Temporarily taken back on certain conditions pending final determination of the controversy, these eleven workers were in the end ordered retained in the decision handed down by the court on February 19, 1947, which disposed of this part of the case as follows:

"The petitioner tried to prove that the 11 laborers were laid off by the respondent company due to their union activities. As a matter of fact, of the 11 workers laid off, there are included officers and members of the petitioning union, namely, the president, Pablo Sicat; the vice-president, Generoso Villanueva; and the secretary, Marcos Eugenio. The respondent company proved that the laying off of these eleven workers was due to lack of materials. With regard to this contention, the examining division of this Court was ordered to investigate the availability of materials used in connection with the work performed by these eleven laborers, the volume of business and if the work performed by these workers during Sundays, legal holidays, and night shift.

"After considering the evidence, both testimonial and documentary and the response of the chief of the examining division of this Court, we are of the opinion that there was really lack of materials at the time of the laying off of these 11 laborers. However, there is also sufficient evidence to the effect that the respondent company, in reducing the number of its personnel, selected workers that belonged to the petitioning union. This is discrimination and the same can not be tolerated. The right to reduce personnel must not be abused and must not be taken advantage of to dismiss laborers with whom the management is displeased due to their union activities. In the present case, it is the opinion of the Court that the management of the company selected these 11 workers because they organized a labor union. Although the company has the right to reduce its personnel, the said company erred in abusing this right. It is, therefore, ordered that these 11 workers be retained in the respondent company until the occurrence of facts that may give rise to a just cause of their laying off or dismissal, or there is evidence of sufficient weight to convince the Court that their conduct is not satisfactory. As a consequence, the company is ordered to pay their corresponding wages from the date of their lay-off to

the date of their temporary readmission in the company."

As a separate incident from the above, the company, on February 10, 1947, that is, nine days before the decision came down, filed a motion in the case, asking for authority to lay off at least 15 workers in its can department on the ground that the installation and operation of nine new labor-saving machines in said department had rendered the services of the said workers unnecessary. The Philippine Sheet Metal Workers' Union (CLO) opposed the motion, alleging that there was more than sufficient work in the company to keep all its workers busy, and, on the further allegation that the company had hired without the authority of the court some ten new laborers pending resolution of the principal case, it in turn asked that the company be declared guilty of contempt of court. About a year later, the court, after due hearing and investigation, rendered an order, dated February 5, 1948, granting the company's motion to lay off 15 workers and denied the petition to have the company declared in contempt of court. This order is the one now before us for review.

The fifteen laborers slated for dismissal, had each of them a bad record according to the list submitted by the company, which reads as follows:

- "1. Pablo Sicat, coppersmith, por haber abandonado por mucho tiempo su trabajo;
- "2. Manuel Pajarillo, making the handles of the cans, por frecuentes ausencias;
- "3. Marcos Eugenio, solderer, por haber estado saliendo a menudo en horas de trabajo y dejado el servicio sin causa razonable ini permiso;
- "4. Miguel Magcalin, solderer, por haber abandonado definitivamente el trabajo;
- "5. Juanito Villanueva, solderer, por ineficiencia;
- "6. Melitona Basilio, solderer, por haber estado saliendo a menudo en horas de trabajo sin causa razonable;
- "7. Felicidad Villanueva, painting rubber, por ineficiencia;
- "8. Conchita Basilio, painting rubber, por ser perezosa y salidas a menudo en horas de trabajo;
- "9. Soledad del Rosario, painting rubber, por no tener interes en el trabajo y salidas a menudo en horas de labor;
- "10. Fortunata Angelo, painting rubber, por ser ineficiente y desobediente;
- "11. Segundina San Juan, painting rubber, por ineficiencia e inobediencia; todos miembros de la union recurrente;
- "12. Fermino Tiozon, can maker, por ser perezoso;
- "13. Genaro Galvez, general helper, por ser perezoso;
- "14. Leonardo Soliman, operator-messenger, por ineficiencia, por haber estado llegando tarde a la fabrica y durmiendo en horas de trabajo; miembros de la union terceristas; y
- "15. Ho Ching Sing, laborer, por haber abandonado el trabajo sin previa notificacion; no unionista."

And the order complained of is based upon the following conclusions of fact of the court below:

- "1. La compa ia tiene instalada y en operacion en su fabrica, ademas de las maquinas antiguas, trece (13) nuevas unidades de 'labor saving machines', entre similares y enteramente diferentes, que llegaron de los Estados Unidos de America en distintas fechas, desde el agosto de 1946 hasta el junio de 1947.
- "2. Dichas nuevas maquinas ahorran obra de mano y tiempo, hacen mas faciles y rapidos los trabajos y

aumentan el volumen de la produccion.

"3. En su fabrica la compa ia tiene ochenta y cinco (85) obreros, y el propuesto despido de los quince (15) obreros, entre hombres y mujeres, se debe principalmente a que sus servicios son ya innecesarios porque sus trabajos han sido absorbidos por las nuevas maquinas.

"4. En la seleccion de dichos quince (15) obreros la compa ia, mediante un grupo o comite de tres (3) de sus funcionarios y empleados de confianza, con el gerente de la misma a la cabeza, se baso en los servicios y la conducta de cada obrero.

"5. El comite de seleccion no se quio por la afiliacion de los obreros a ninguna de las dos uniones obreras existentes en el seno de la fabrica, y solamente tuvo en cuenta al verificar la seleccion estos (a) Abandono del trabajo, sin aviso o justa causa; (b) Frecuentes ausencias injustificadas en la (el) servicio; (c) Salidas a menudo durante las horas de labor, sin causa razonable; y (d) ineficiencia, negligencia o falta de interes en el cumplimiento del deber.

"6. Los obreros cuyo despido esta propuesto por la compania han incurrido en las faltas que se atribuyen por la misma a cada uno de ellos.

"7. La compa ia no ha aceptado nuevos obreros y si ha hecho trabajar algunas veces a ciertos obreros o mecanicos suyos en exceso de las ocho horas, ha sido en interes de la eficiencia o por exigencias del servicio y no por haber tenido mucho volumen de trabajo en su fabrica.

"Indudablemente, la compa ia abrigando el deseo laudable de desarrollar su negocio y aumentar su produccion, ha introducido importantes cambios y mejoras en la elaboracion de sus productos, recurriendo al empleo de maquinarias modernas para atender debidamente y satisfacer mejor las demandas del publico consumidor. El proposito de la compa ia merece aplausos, el medio de que se vale para realizarlo es digno de encomio y su objetivo significa desenvolvimiento progresivo en la solucion de los problemas industriales para el beneficio de la comunidad. Todo paso o medida que tienda a favorecer el interes publico y con miras a dar impulso a la mecanizacion de las industrias, contribuye a la mejora de la economia y la ansiada rehabilitation del pais; y por lo tanto, no debe ser obstruido sino, por el contrario, fomentado."

It appearing that there has been fair hearing and that there is ample evidence to support the conclusions of fact of the lower court, we would have no ground for interfering with those conclusions. And these make it clear that there was real justification for reducing the number of workers in respondent company's factory, such a measure having been made necessary by the introduction of machinery in the manufacture of its products, and that the company cannot be charged with discrimination in recommending the dismissal of the fifteen laborers named in the above list since their selection was made by a committee composed of both officers and employees who took no account of the laborers' affiliation to the unions and only considered their proven record.

There can be no question as to the right of the manufacturer to use new labor-saving devices with a view to effecting more economy and efficiency in its method of production. As the lower court observes in its order,

"No se puede detener el curso de los tiempos. Si se quiere sobrevivir y prosperar, la unica alternativa es adaptarse a las exigencias del presente mundo moderno. No se puede cerrar los ojos a la realidad. No se puede depender de metodos antiguos, hay que recurrir a metodos mas eficientes y avanzados. La produccion no solo debe ser de elevada calidad sino ilimitada y su costo al alcance de todos. Debe seguirse el ejemplo de otros paises."

The right to reduce personnel should, of course, not be abused. It should not be made a pretext for easing out laborers on account of their union activities. But neither should it be denied when it is shown that they are not discharging their duties in a manner consistent with good discipline and the efficient operation of an industrial enterprise. We, therefore, approve of the following pronouncement of the court below:

"La compañía tiene derecho de despedir a sus empleados u obreros. Si bien este derecho esta sujeto a la regulacion del Estado, en su normal ejercicio no se inmiscuye la ley. El patrono paga el jornal de sus obreros por su trabajo, y es logico y justo que el mismo tenga drecho a esperar de los mismos lealtad y fiel cumplimiento de sus obligaciones. No es el proposito de la ley obligar al principal a retener en su servicio a un obrero cuando no recibe de este trabajo adecuado, diligencia (diligencia) y buen comportamiento, o cuando su continuacion en el empleo es claramente opuesta a los intereses de su patrono, porque la ley al proteger los derechos del obrero no autoriza la opresion ni la destruccion del principal."

The petitioner contends that the order complained of was made with grave abuse of discretion andsin excess of jurisdiction in that it is contrary to the pronouncement made by the lower court in its decision in the main case where it disapproved of the dismissal of eleven workers "with whom the management is displeased due to their union activities." It appears, however, that the pronouncement was made upon a distinct set of facts, which are different from those found by the court in connection with the present incident, and that very decision, in ordering the reinstatement of the eleven laborers, qualifies the order by saying that those laborers are to be retained only "until the occurrence of facts that may give rise to a just cause of their laying off or dismissal, or there is evidence of sufficient weight to convince the Court that their conduct is not satisfactory."

After a careful review of the record, we find that the Court of Industrial Relations has neither exceeded its jurisdiction nor committed grave abuse of discretion in rendering the order complained of. The petition for certiorari is, therefore, denied, but without costs against the petitioner for the reasons stated in its motion to litigate as pauper.

Moran, C.J., Paras, Feria, Pablo, Perfecto, Bengzon, Briones, Tuason, and Montemayor, JJ., concur.

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