

**CENTRAL VEGETABLE OIL MANUFACTURING CO., INC., PETITIONER
AND APPELLANT, VS. PHILIPPINE OIL INDUSTRY WORKERS UNION
(CLO), (C.V.C. LOCAL), ET AL., RESPONDENTS AND APPELLEES.**

G.R. No. L-4061. May 28, 1952

Ponente: PARAS, C.J.

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PARAS, C.J.:

In case No. 146-V of the Court of Industrial Relations between the Central Vegetable Oil Manufacturing Company, Inc. and the Philippine Oil Industry Workers Union, the parties entered on July 17, 1948, into an agreement worded as follows:

"1. That pending the re-opening of the factory in all the departments:

"(a) Alfonso de los Reyes will work in place of Primitivo Tan at P6 per day and he and Jose Deogracias (the latter at P6.30 per day) will be working regularly in the filling department;

"(b) Primitivo Soriano will be working as a helper electrician at P3.30 per day;

"(c) Apolinario Roque will work as filterman at P6.12 per day;

"2. That, if the new machinery has not been installed upon the re-opening of the factory in all its departments, the Company shall admit all the former laborers of April 3, 1948; that, if the new machinery has then been installed upon the reopening of the factory in all its departments, the Company and a duly authorized representative of the Union shall determine who among the former laborers shall be hired for each kind of work it deemed capable to do the same and any disagreement thereon will be submitted to the Court of Industrial Relations for arbitration and decision; provided, however, that during the negotiation and the pendency of the matter before the Court of Industrial Relations, the laborers called by the Company and the Union members shall work and continue working to the end that the re-opening of the factory shall not be delayed;

"3. That, upon the re-opening of the factory in all its departments, the Company and a duly authorized representative of the Union shall fix wages of the laborers at such scales similar to those of the Philippine Refining Company, in as much as the same machines now being used by the said Company are to be installed in the factory; and, in case of any disagreement, the provisions in paragraph 2 of this agreement will apply;

"4. That all laborers of April 3, 1948, shall be given a loan of twenty (20) days wages, except those who already received geatuity from the Company as per attached list and those who will be working during the present period pending the re-opening of the factory in all its departments, said loan being without interest and payable at the rate of twenty (20%) per centum of each laborer's weekly wage; except, however, that those laborers who are forcibly laid off shall have the right to keep their loan without obligation to repay the same.

"The above-mentioned Union agrees to allow its affiliated laborers who were working on June 10, 1948, to resume work immediately upon signing of this agreement."

This agreement, which was approved by the Court of Industrial Relations on July 23, 1948, was supplemented in the sense that, in determining the former laborers who shall be hired for each kind of work, the Company and the duly constituted representative of the Union shall not consider the re-employment of those who have already received gratuity before July 17, 1948, and severed their relations with the Company.

The arrangement embodied in the agreement was conceived by the parties in contemplation of the installation of new machineries of the Company which might necessitate the reorganization of its personnel. Accordingly, there was a time when, while machineries were being installed in the new oil mill, 24 laborers of the Union were laid off. However, upon demand of said 24 laborers, the Company allowed them to work one day each week, so that from June 27 to July 5, 1949, they continued to work on shifts of four men a day, during which they were also granted a loan equivalent to one day's salary per week. From July 5 to August 6, 1949, when the super duos were being tested, however, these 24 laborers were allowed to work on full time basis. On or about August 6, 1949, a notice was posted on the bulletin board of the Company by the plant superintendent to the effect that the oil mill would stop operation at 7:00 a. m., Sunday, August 7, 1949, due to the readjustment of the machineries until further notice, and that all shifts, mechanics and assistants should report for work at 8:00 a. m., Monday, August 8, 1949. On this latter date, while the three mechanics and three assistants reported for work, the 24 laborers did not.

This gave rise to a petition dated August 13, 1949, which the Central Vegetable Oil Manufacturing Company, Inc. filed with the Court of Industrial Relations against the Philippine Oil Industry Workers Union, praying that the laborers affiliated with the respondent Union be discharged on the ground that they declared an illegal strike on August 8, 1949. After hearing, the Court of Industrial Relations, thru Judge Arsenio C. Roldan, rendered a decision on December 12, 1949, authorizing the Central Vegetable Oil Manufacturing Company, Inc. to dismiss the 24 laborers who failed to report for work on August 8, 1949, and to replace them with new laborers, without prejudice to other laborers of the Company who are members of the Union and who had not gone on strike. Upon motion for reconsideration filed by the Union, the Court of Industrial Relations ordered the reinstatement of the laborers and the payment of their wages from the day work is resumed in the Company. Judges V. Jimenez Yanson and Jose S. Bautista held that no strike was staged by the 24 laborers, on the ground that, if they in fact stopped working on August 8, 1949, it was because there was no work, as announced in the following notice posted in the bulletin board of the Company: "Oil mill will stop operation, August 6, 1949, until further notice. All the three mechanics and three assistant mechanics must report to their respective duty." Judge Juan L. Lanting concurred in the reinstatement of the laborers, but held that, even admitting that there was a strike, the same was not illegal. Judges Arsenio C. Roldan and Modesto Castillo dissented, holding that there was an Illegal strike because it was in violation of the agreement of July 17, 1948, and that, at any rate, said laborers had abandoned their work in violation of said agreement. The Company has filed the present petition for review on certiorari.

In our view of the case, we will assume that there was a strike on August 8, 1949. In this connection, it may be stated that on July 14, 1949, the respondent Union presented to the Company the following 14-point petition:

- "1. That, in case of reparation periods all laborers who are members of the Union be given other jobs in the company;
- "2. That, all night shift, workers covered from 6:00 p.m. to 6 a.m. be given an additional compensation of fifty per cent (50%);
- "3. That, sick leave up to complete recovery with full pay be provided the laborers;
- "4. That, free medicine, medical care, dental treatment and hospitalization be provided all laborers;
- "5. That, after one (1) month of service, any laborer be considered permanent;

"6. That, the closed-shop system in hiring new employees be established;

"7. That, in case of disability, death, incurable disease, dismissal and/or closing of the business, any laborer be given a compensation of two (2) months pay for every year, of service rendered;

"8. That, the amount of six pesos (P6.00) as the minimum wage for the present be given the laborers;

"9. That, the following laborers be given their former daily wages such as indicated hereinbelow:

'a. Pricilo Sarmiento 12.00 a day;

b. Raymundo Dizon 9.60 a day; and

c. All foreman 9.00 a day.'

"10. That, the check-off system in the collection of dues and other monetary obligation of the union members be established;

"11. That, one (1) man be given the sole responsibility in the supervision of all the works and operation of the whole factory;

"12. That, due to the present conditions of speedy and heavy pressure of work in which the present laborers can't cope with due to their small number, an expeller, two (2) copra bodega tendermen and one (1) copra meal tenderman be employed in each shift;

"13. That, the regular mechanics be reinforced or employed additional mechanics, and

"14. That, maternity leave of one (1) month before and one (1) month after delivery with full pay be provided all the female laborers."

In addition, on August 8, 1949, the Union asked the Company to allow the 24 laborers in question to work for more than one day, or a minimum of two days every week. This was turned down by the Company which also refused to consider the 14-point petition and insisted that the Union should appoint a representative who, with the Company, could fix the wages of the laborers at scales similar to those of the Philippine Refining Company, as required by the agreement of July 17, 1948.

In our opinion, the strike declared, on August 8, 1949, undoubtedly prompted by the refusal of the company to discuss the 14-point petition of the Union and to concede at least two working days a week, was legitimate. The plea of the laborers for better conditions and for more working days cannot be said to be trivial, unreasonable or unjust, much less illegal, because it is not only the inherent right but the duty of all free men to improve their living standards through honest work that pays a decent wage. We cannot hope to have a strong and progressive nation, as long as the laboring class (which constitutes the great majority) remains under constant economic insecurity and leads a life of misery. The demand for two working days a week, even regardless of those for sick leave, maternity leave, medical treatment and hospitalization, is the most legitimate that can be presented by any laborer, for it affects his very right to live. We need not stretch our imagination or power of reasoning to realize that the laborer who has to feed and clothe himself and his family for seven days a week, cannot survive on one day's wage.

The demands that gave rise to the strike may not properly be granted under the circumstances of this case, but that fact should not make said demands and the consequent strike illegal. The ability of the Company to grant said demands is one thing, and the right of the laborers to make said demands is another thing. The latter should be kept inviolate. There are adequate instrumentalities which may be resorted to in case of excesses. In this connection, it may be mentioned that there is nothing in the agreement of July 17, 1948, that may be interpreted as

prohibiting the Union absolutely from seeking more working days or better conditions for the laborers. And such prohibition will be patently immoral if not illegal.

The Union is charged with having violated its agreement of July 17, 1948, by refusing to name a representative for the purpose of fixing the scales of salaries and wages in accordance with those of the Philippine Refining Company, but, as Judge Lanting properly observes, said violation may be negated by the belief of the Union that the Company first violated the agreement by employing extra laborers. The explanation of the Company to the effect that extra laborers were hired, not to replace the regular laborers but merely to do odd jobs, is not entirely plausible, because the 24 laborers in question could have been as well employed to perform said odd jobs, specially because as admitted by the appellant, "the twenty-four laborers worked on rotation of four men a day so that each man worked one day a week. They worked—not in their regular work which had to do with the operation of the duo expellers and which duo expellers were not then operating—but by doing odd jobs and helping at the installation of the new machineries." At any rate, we think that the fixing of wages should be subordinated to the more urgent and important matter of threshing out the question of granting two working days to the laborers.

Wherefore, the appealed decision of the Court of Industrial Relations is affirmed, and it is so ordered with costs against the petitioner.

Feria, Pablo, Bengzon, Tuason, and Labrador, JJ., concur.

DISSENTING

BAUTISTA ANGELO, J.:

I dissent from the opinion of the majority that the failure of the twenty-four laborers to report for work on August 8, 1949, in line with the notice posted by the oil company that the mill will be stopped due to some adjustments until further notice, does not constitute an illegal strike or a sufficient justification for their separation notwithstanding the previous commitments they had with their employer.

It is an admitted fact that the company and the labor union entered into an agreement on July 7, 1948, whereby the union agreed that, upon the reopening of the factory after the installation of the new machineries, the company and a duly authorized representative of the union shall determine who shall be hired for each kind of work among the former laborers and shall fix the wages they should receive similar to those of the laborers of the Philippine Refining Company, and whereby the company agreed to pay to its laborers a gratuity of twenty days wages repayable as a loan by those laborers who shall be returned to work. This agreement was entered into in contemplation of the installation by the company of six new super duo expellers necessary to increase production and effect economy in the management. This agreement was approved by the Court of Industrial Relations. The company faithfully complied with this agreement by paying to the laborers their gratuity. While the six super duo expellers were being installed, three duo expellers were operated and in this operation thirty men were employed including the 24 laborers involved in this case. It developed later that the installation of the new machineries interfered with the operation of the three duo expellers. Consequently, the operation of these three duo expellers were stopped with the result that the 24 laborers were laid off. One week later, the union requested that these 24 laborers be given work at least one day a week in line with the procedure adopted by the Philippine Refining Company. The company agreed and the 24 laborers worked on rotation of four men a day so that each man worked one day a week. They worked not in line with the work which was assigned to them in the operation of the duo expellers but by doing odd jobs and helping in the installation of the new machineries. When the installation terminated, the testing of the new machineries started. This lasted one month or until August 6, 1949.

The testing was successful, but as the company needed to make some adjustments before resuming the operation of the mill, on said date, August 6, 1949, the company posted a notice saying that "the oil mill will stop operation at 7:00 a.m. Sunday, on August 7, 1949, due to some adjustments, until further notice". The notice also provided that "all shifts, mechanics and assistants will report for work 8:00 a.m., Monday, August 8, 1949". But when the latter date arrived, the 24 laborers failed to report for work. They went on strike.

Why did said laborers stage a strike? It appears that during the test operation of the new machineries, when it became apparent to the union that the installation was quite successful, the union realized that the company would soon call a conference of the representatives of both parties for the purpose of complying with their agreement concluded on July 7, 1948. The union knew that the company would enforce that portion of the agreement which provided for a scale of wages similar to the wages paid by the Philippine Refining Company. Finding that these wages were lower than their prevailing wages, the union decided to break that agreement. They, therefore, presented a petition containing 14 demands, among which is a demand for increase of wages. A conference for a discussion of these demands was arranged at which the union pressed for their approval. The representative of the company showed reluctance to discuss those demands unless they first discuss the question of wages which was very vital from the point of view of the company. It was then that the union made known to the company that it was not agreeable to the wages being paid by the Philippine Refining Company because they were low in view of the absence of a labor union in the said company, and demanded that those wages be increased. The company insisted that the wages of the Philippine Refining Company be followed, not only because there is an agreement to that effect, but also because the Philippine Refining Company was in a better financial condition because it has more super duos, bigger production and bigger capital than it had. The union remained adamant in its demands and nothing was accomplished in this conference. On August 7, 1949, another conference was held at which the union persisted in its refusal to abide by the agreement of July 7, 1949. This conference also broke up without the parties reaching an understanding but not after the president of the union had warned that, if the company should insist on following the wages paid by the Philippine Refining Company, the laborers would be forced to declare a strike. In effect, on August 8, 1949, said laborers went on strike on the alleged claim that they cannot agree to working only one day a week during the stoppage of operation of the oil mill contrary to the agreement they had with the company that they were to work on rotation of four men a day during the installation of the new machineries.

It is apparent that the impelling motive of the 24 laborers in declaring a strike is the refusal of the company to agree to their demand not to follow the wages paid by the Philippine Refining Company because they were low in view of the absence of a labor union in the said company, let alone the other thirteen demands that they included in their petition which the company refused to discuss unless the question of wages has been settled, and not precisely their avowed claim for more working days during the stoppage of the operation of the oil mill. It is for this reason that I dissent from the opinion of the majority because in my opinion the labor union must know how to respect the sanctity of valid commitments. It is evident that the purpose of the strike is merely to avoid and circumvent the agreement entered into by the company and the union on the latter knowing full well that said agreement was celebrated precisely in contemplation of the installation of the new machineries. That agreement received the sanction of the Court of Industrial Relations. It was still binding and in full force. If the move of the union be tolerated, we would be allowing a subversion of a contract freely entered into without any valid and justifiable reason. Such act cannot be sanctioned in law or in equity as it is in derogation of the principle underlying the freedom of contract and the good faith that should exist in contractual relations (*Manila Oriental Sawmill Co. vs. National Labor Union, et al.*, supra, p. 28.)

I agree with the majority that "it is not only the inherent right but the duty of all free men to improve their living standard through honest work that pays a decent wage". And I sympathize with the plight of the 24 laborers when

they were only allowed to work one day a week during the period of the installation of the new machineries. But it should be observed that if they were so allowed to work, it was only upon their express request because they preferred to earn something than to have nothing when the three super duos stopped operating. Moreover, the work they were undertaking was only temporary in nature with the particularity that when they staged a strike the company was already taking steps to resume the operation of the oil mill as a result of the installation of the new machineries. The remedy they have adopted for the redress of their grievance is not in keeping with the law and the circumstances, because they not only violated a commitment validly entered into but have shown little or no regard for the interest of their employer. Undoubtedly, the strike has caused unnecessary damage to their employer which could have been averted had the laborers presented their claim through proper negotiations and not by resorting to force. For these reasons, I dissent from the opinion of the majority.

Montemayor, J., concurs.

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