

GREGORIO ARANETA EMPLOYEES UNION, ETC., ET AL., PETITIONERS VS. ARSENIO C. ROLDAN, ET AL., RESPONDENTS. D E C I S I O N

G.R. No. L-6846. July 20, 1955

Ponente: JUGO, J.

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JUGO, J.:

This is a petition for certiorari to review the Resolution of the Court of Industrial Relations dated March 31, 1953.

Associate Judge Jose S. Bautista of said court, in his order of February 10, 1953, states the facts of the case substantially as follows:

The Agricultural Division of the Gregorio Araneta, Inc., was established in 1947 with a capital of P200,000. The total investment in that Division in 1953 was about P3,000,000. To reduce this overcapitalization, the Board of Directors felt that it was necessary either to invite fresh capital from outside or to adopt a retrenchment policy. When Heacock and Company refused the invitation to invest in the enterprise, the Board took the alternative of retrenchment.

The Board decided not to import as much merchandise as usual. It also reduced credits. All these plans required a reduction in the volume of business necessitating likewise a reduction of personnel and caused the laying off of 17 employees. The selection of those to be laid off was made by a technical man and approved by the Board. These employees were given one month separation pay, except Nicolas Gonzalez who refused to receive it.

The reorganization of the Agricultural Division was adopted by unanimous resolution of the Board of Directors as a consequence of the retrenchment policy. This was adopted even before the petitioner, "Gregorio Araneta Employees' Union", was organized and; consequently, it was never directed against the union. Judge Bautista adds: "* * *. Considering this fact, and taking into account all the circumstances of this case, especially the actual reduction of business of said Division, the court fails to find sufficient justification for altering the action of the Board of Directors regarding those employees, who received their severance pay".

Judge Bautista, however, believed that Gonzales should not have been separated because his work was shifted to another employee by the name of Augusto Achacoso, who was thus overburdened.

Both parties filed their respective motions for reconsideration with the court en banc. The latter modified the decision of Associate Judge Bautista in its resolution of March 31, 1953, prepared by the Presiding Judge Arsenio C. Roldan and concurred in by Associate Judges Modesto Castillo and Juan L. Lantin. The modification consists only in holding that the laying off of Gonzales was also legal. Judge Bautista dissented with regard to the separation of Gonzales, giving the same reasons he gave in his original opinion.

We find no reason for disturbing the decision of the Court of Industrial Relations, en banc. The laying off of the 17 employees was due to the retrenchment policy which the Company had to adopt in order to reduce the over-capitalization and minimize expenses. The volume of business was considerably reduced.

It should be noted that the retrenchment policy was adopted before even the organization' of the petitioning union. It was not, therefore, aimed at the Union or any of its members for union or labor activities. It was not an unfair labor practice.

In view of the foregoing, the petition is denied, without pronouncement as to costs. It is so ordered.

Bengzon, Acting C. J., Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, and Reyes, J. B. L., JJ., concur.

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