

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, PETITIONER, VS. FREE TELEPHONE WORKERS UNION AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-25420. March 13, 1968

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

On November 1, 1964 Free Telephone Workers Union de-clared a strike against the Philippine Long Distance Telephone Company to break an impasse over negotiations on a 20-point demand of the union. On November 3, 1964 the President of the Philippines certified the strike to the Court of Industrial Relations, under Section 10, Republic Act 875, as one clearly affecting an industry indispensable to the national interest.

After hearing, on November 9, 1964, the Court of Industrial Relations rendered a partial decision in the case (No. 51-IPA). Said decision stated that the demand of the union had been reduced to six points; that of these, the parties have agreed to settle amicably Demand 1 (union security) and Demand 14 (work schedule), and approving said agreement; that regarding Demand 3 (wage increases for the next three-year period), the Philippine Long Distance Telephone Company is ordered to pay to rank and file employees numbering 1,345 the amount of P0.16 wage increase per hour counted from November 9, 1964, the date of said decision, and to run for a period of one year thereafter, leaving the issue of wage increases for the second and third years to be determined later; and, that pursuant to Section 19 of Commonwealth Act 103, as amended, the Free Telephone Workers Union members are ordered to return to work immediately and Philippine Long Distance Telephone Company is ordered to accept them under the same terms and conditions of employment, while the other unresolved demands are under consideration; and, finally, that during the pendency of the case there shall be no strike or lockout. Under such terms work was re-sumed.

Subsequently, on April 21, 1965, Republic Act 4180 was approved and took effect, raising the minimum wage to P6.00 a day. As a result on May 6, 1965 the union presented to the company a demand for an automatic wage increase of P0.25 per hour for all rank and file employees receiving P0.75 per hour, to implement the new statutory minimum wage. Replying thereto the Philippine Long Distance Telephone Company stated that since the wage issue was then pending in the Court of Industrial Relations, the new minimum wage law's implementation should be determined by said court.

On May 17, 1965, Free Telephone Workers Union filed a notice of strike with the Department of Labor for alleged refusal to negotiate on its demand for wage adjustment under Republic Act 4180 which allegedly constituted unfair labor practice. On June 2, 1965 the Philippine Long Distance Telephone Company filed in the Court of Industrial Relations a petition for preliminary injunction to enjoin Free Telephone Workers Union from striking, alleging among other things that Free Telephone Workers Union and Philippine Long Distance Telephone Company had agreed on March 3, 1965 to submit all further disputes to the Court of Industrial Relations and that a strike will violate the Court of Industrial Relations' no-strike order of November 9, 1964

(partial decision).

On June 3, 1965 Free Telephone Workers Union filed a motion to dismiss said petition for preliminary injunction alleging that the Court of Industrial Relations had no jurisdiction to consider it. Acting in the said petition for preliminary injunction which was docketed as Case No. 51-IPA[2], the Court of Industrial Relations, on July 6, 1965, issued a temporary restraining order forbidding the union from striking pending resolution of its motion to dismiss on the issue of jurisdiction.

On July 7, 1965, Free Telephone Workers Union filed with the Court of Industrial Relations a motion for reconsideration of said order. And on the same day it declared a strike. The following day, July 8, 1965, Philippine Long Distance Telephone Company filed in the Court of Industrial Relations an urgent motion to declare the latest strike illegal as violative of the no-strike order of July 6, 1965 and the partial decision of November 9, 1964 and praying that the strikers be ordered to return to work or forfeit their jobs. Again, Free Telephone Workers Union, on July 9, 1965, filed a motion to dismiss said Philippine Long Distance Telephone Company's urgent motion. On July 16, 1965 the Court of Industrial Relations issued an order denying Free Telephone Workers Union's motion to dismiss filed on June 3, 1965 for lack of merit; ordering Free Telephone Workers Union to call off the strike declared on July 7, 1965 and lift its picket lines; ordering the striking employees to return to work within three days from receipt of a copy of the order, otherwise Philippine Long Distance Telephone Company is authorized to replace any of them, "provided, however, that employees who shall have been replaced may be reinstated by the Court after due hearing and after establishing good and valid grounds for their failure to return to work as here-in directed." It deferred resolution as to the strike's legality or illegality.

On July 17, 1965 Free Telephone Workers Union filed a motion for reconsideration of said order. And, meanwhile, Free Telephone Workers Union's President, Manuel P. Sanchez and Secretary General, Ildefonso L. Abasolo, Jr., issued directives to strikers to maintain the picket lines stating that those who work during the strike will be dismissed from the union. Said directives were issued with the knowledge and consent of the 23 members of Free Telephone Workers Union's legislative council. Also, Roberto Abraham, a union member, performed acts of persuading his fellow strikers not to return to work.

On July 21, 1965 Philippine Long Distance Telephone Company filed a manifestation stating that in the exercise of its authority under the order of the Court of Industrial Relations dated July 16, 1965, it had on that day dismissed, and was now hiring, replacements of the 26 officers and members aforementioned who induced strikers not to return to work. A counter-manifestation was filed by Free Telephone Workers Union. And considering the foregoing manifestation and counter-manifestation as a motion and opposition, respectively, the Court of Industrial Relations set the incident for hearing.

And in the meantime, on July 31, 1965, the Court of Industrial Relations en banc affirmed by resolution the orders of July 6 and 16, 1965, denying Free Telephone Workers Union's motion for reconsideration. On August 11, 1965, Free Telephone Workers Union offered to return to work. A sizeable number, however, including the 26 officers and members aforementioned,* were not admitted by the company.

Acting on the motion and opposition aforesaid, after hearing, the Court of Industrial Relations on November 4, 1965 ruled that the partial decision of November 9, 1964 and the orders of July 6 and 16, 1965 were defied by Free Telephone Workers Union President, Manuel P. Sanchez, Secretary General Ildefonso L. Abasolo, Jr., and Treasurer Constantino V. Pastrana,** and disobeyed by the rest of the 26 employees named in the manifestation. Accordingly, Sanchez, Abasolo, Jr., and Pastrana were ordered suspended for three months counted from September 9, 1965, the date the incident was submitted for resolution, the rest of the 26 members were sternly warned. Philippine Long Distance Telephone Company however was directed to reinstate all these employees

except the three above-named who should be reinstated after serving the period of their suspension, all without back wages. It expressly did not resolve the issue of the legality or illegality of the strike of July 7, 1965, deferring its resolution.

On November 10, 1965 Philippine Long Distance Telephone Company and Free Telephone Workers Union filed motions for reconsideration. On November 29, 1965 the court of Industrial Relations en banc denied Philippine Long Distance Telephone Company and Free Telephone Worker's Union's motions for reconsideration. And hence, Philippine Long Distance Telephone Company took the present appeal from the Court of Industrial Relations order of November 4, 1965 and its resolution en banc of November 29, 1965.

At issue is the question of whether the Court of Industrial Relations erred in ordering the reinstatement of the 26 employees above mentioned considering that, first, said employees were found to have defied the Court of Industrial Relations' no-strike orders; second, that the Court of Industrial Relations previously authorized the replacement by Philippine Long Distance Telephone Company of the strikers who failed to return to work in three after receipt of the July 16, 1965 return-to-work order; and third, the issue of the strike's legality or illegality is still to be resolved.

The present case involves a labor dispute certified by the President to the Court of Industrial Relations as affecting an industry indispensable to the national interest. As such, the rule that reinstatement of strikers should not be ordered where the strike's legality is still to be resolved, enunciated in *Philippine Can Company v. Court of Industrial Relations*, 87 Phil. 9; and *Latex Products v. Court of Industrial Relations*, 93 Phil. 1024, does not apply. As this Court itself stated in the *Philippine Can* case: "In such cases, pending determination of the conflict especially where public interest so requires or when the court cannot promptly decide the case the strikers are ordered back to work." (At p. 16.)

The power to issue a return-to-work order is precisely given to the Court of Industrial Relations under Section 19 of Commonwealth Act 103 in a case certified thereto by the President, in which it acts under broad powers of compulsory arbitration. (*Bachrach Trans. Co v. Rural Transit*, G.R. No. L-26764, July 25, 1967).

Notwithstanding that the 26 employees were found to have defied the partial decision and no-strike orders of the Court of Industrial Relations, said Court has discretion on whether to dismiss them, or suspend them, or reprimand them. Firstly, the strike's legality issue is still to be resolved; hence, the suspension or replacement plus reinstatement without back wages is for the present a reasonable sanction for the above stated defiance or disobedience. And if the strike is later found to be illegal, said employees can still be dismissed. For, the meanwhile they are ordered reinstated because national interest requires that the industry's services be not interrupted. Secondly, as stated, the Court of Industrial Relations, in a certified case, as this one, "is granted great breadth of discretion in its quest for a solution to a labor problem so certified" (*Bachrach* case, *supra*).

At the same time, however, We cannot simply pass over in silence the acts of plain defiance by Free Telephone Workers Union's officials of the Court of Industrial Relations' no-strike orders and return-to-work order. Such actions breed industrial unrest and cut against the philosophy of the Industrial Peace Act. For said law is premised on the full and total cooperation of labor and capital. And in the present case, management has shown its cooperation; it abided with the orders of the court; it always informed the court of its actions and moves. All other quarters, moreover, did their functions well, starting from the nation's President who certified the dispute to the Court of Industrial Relations. Said court, likewise, acted promptly as expected of it under the law, issuing return-to-work orders, no-strike and no-lockout orders, approved settlement of some demands and partly decided the wage-increase issue, for the first year. The record shows that only labor, because of its leaders, failed to act in the spirit of the Magna Carta of Labor. And although the directives of said leaders to the strikers not to return to

work, as well as their decision to strike notwithstanding a no-strike order, are sought to be justified by the pendency of motions for reconsideration, the sense of defiance, the tendency of disobedience and the plain unreadiness to cooperate on the part of said leaders are so deplorably of record that the same must be strongly condemned. Said leaders are therefore enjoined to henceforth strictly abide by court orders pending reconsideration, not only because orders of the Court of Industrial Relations are as a rule immediately executory, but also because peace in the industry, which redounds in the end to the welfare of all, cannot be achieved by unreasonable defiance of law but only thru the responsible partnership and cooperation of labor and capital under the rule of law.

As to the reliance by Philippine Long Distance Telephone Company on the Court of Industrial Relations' authorization to hire replacements, said authorization order dated July 16, 1965 expressly provided that replacements be temporary, that is, subject to the power of the Court of Industrial Relations to subsequently order reinstatement of replaced employees. And thus, Philippine Long Distance Telephone Company's contention that it can no longer reinstate the 26 employees in question because it had hired permanent replacements in their positions by virtue of the Court of Industrial Relations' authorization order, is plainly untenable. Said order precluded the hiring of permanent replacements.

Philippine Long Distance Telephone Company finally contends that at any rate it has the power to dismiss the 26 employees in question for serious misconduct on their part constituting in their having induced strikers not to return to work in the face of the orders of the Court of Industrial Relations to the contrary. Such contention deserves no serious consideration because Philippine Long Distance Telephone Company had admitted that its dismissal of said employees was pursuant to and under the authority strikers by the Court of Industrial Relations to replace strikers who failed to return to work. And consequently said dismissal must be subject to the conditions provided for in said authority regarding the power of the Court of Industrial Relations to order their reinstatement.

WHEREFORE, the appealed order and resolution en banc of the Court of Industrial Relations are hereby affirmed. No costs.

SO ORDERED.

Concepcion, C.J., on leave.

Reyes, Acting C.J., Dizon, Makalintal, Zaldivar, Sanchez, Ruiz Castro, Angeles, and Fernando, JJ., concur.

* Specifically: Manuel P. Sanchez, Ciriaco Bedaña, Cesar Rebuena, Ildefonso Abasolo, Constantino Pastrana, Angelina Reyes, Benito Delfin, Gregorio Rufino, Constancio Talusan, Jr., Eusebio Quinio, Marshal Dizon, Francisco Aquino, Jose de J. Soriano, Jose de la Torre, Emilio Cabrera, Restituto Pardon, Jesus N. Libres, Paulino de Jesus, Dolores Montales, Josefa Sta. Rosa, Asuncion Villanueva, Graciano Pagarigan, Lega-rio de los Reyes, Macario Macaraeg, Ramon Baviera, and Roberto Abraham.

** Pastrana presided over an emergency meeting of the union's legislative council which consented to the issuance of directives to strikers to remain on strike.

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