

NATIONAL POWER CORPORATION, PETITIONER, VS. NATIONAL POWER CORPORATION EMPLOYEES AND WORKERS ASSOCIATION AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-26169. June 30, 1970

Ponente: FERNANDO, J.

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FERNANDO, J.:

From a partial decision rendered on January 18, 1966 by the Presiding Judge of the Court of Industrial Relations, the Honorable Arsenio I. Martinez, affirmed in a resolution of February 11, 1966 by the Court en banc, appeals were elevated by the management of the National Power Corporation[1] as well as the labor union involved, National Power Corporation Employees and Workers Association.[2] As noted in the above partial decision: "This case involves an industrial dispute between the National Power Corporation Employees and Workers Association and the National Power Corporation resulting from the strike which the union declared on January 11, 1966 and certified to this Court by the President for compulsory arbitration, pursuant to Section 10 of Republic Act 875, otherwise known as the Industrial Peace Act." [3] The Presidential certification noted the cause of the dispute. Thus: "The dispute hinges on the claim of the Union for reopening of negotiations for salary increases of 21% across-the-board even before the expiration of the existing collective bargaining agreement alleging that certain promotions affected by the NPC entitle the Union to said opening." [4] The necessity for the certification was explained in this wise: "The National Power Corporation is charged with the development and production of hydroelectric power in the country. It sells, in turn, such power to private companies for distribution to the consumers. Stoppage of operations by the NPC, even briefly, will result in the suspension of most activities directly related to daily living. Operations in industrial and business houses may have to stop, and medical and hospital services will be immensely impaired. The continuance of the strike would consequently result in huge economic losses, untold inconveniences, and grave dangers to safety and human life. The labor dispute therefore clearly affects an industry indispensable to the national interest." [5]

The certification having been received on January 13, 1966, there was a conference as well as a hearing originally scheduled for the same afternoon and the morning of the next day, but for failure to serve the notices of hearing on the officers of the union, the matter was not heard until January 16, 1966. The hearing was continuous, the matter being submitted for resolution early in the morning of January 17, 1966. Then came, on January 18, 1966, the disputed decision, the dispositive portion of which reads: "In view thereof, the Court is hereby constrained to grant an increase of 21% based on the basic pay, to all the employees and workers of the National Power Corporation excluding the persons who were already granted salary increases beyond what is provided for in the Collective Bargaining Agreement of 1964, namely: Conrado Crucillo, Conrado del Rosario, Francisco No villa, Gregorio Silagan, Dominador Villena, Dionisio E. Reyes, Jorge Gonzales, Jesus C. Manapsal, Vicente Enciso, Francisco Claudio, and Mr. Roldan." [6] The dispositive portion likewise contained following: "Considering, however, the outstanding obligations of the company with the World Bank and other financial lending institutions, and considering further its expansion program, such increase shall be staggered or spread out for a

period of three (3) years under the following plan: January 1, 1965 - 11%; January 1, 1967 - 5%; January 1, 1968 - 5%; Total - 21%. The 11% increase due the workers effective January 1, 1965 shall be paid to the workers within a period often (10) days from receipt of this decision." [7] It was made "valid and effective for a period of three (3) years from January 1, 1966, and any modification, amendment or alteration shall be presented to the Court for compulsory arbitration by either or all of the parties herein." [8]

The appeal, on behalf of the National Power Corporation, was filed with this Court on June 17, 1966 Upon its posting a bond in the amount of P50,000.00, a writ of preliminary injunction to stay the execution and enforcement of the partial decision of January 18, 1966 was issued by this Court. On the other hand, the appeal of the National Power Corporation Employees and Workers Association was filed with us on June 18, 1966. Both appeals having been submitted for decision, they will be disposed of in this resolution.

The first error assigned in the brief for the petitioner National Power Corporation reads thus: "Respondent CIR erred in disposing of the economic demand of respondent Union for a 21% across-the-board general salary increases for all workers, except eleven supervisors, without first resolving the issue of validity or legality of the strike of January 11, 1966." [9] Petitioner in its brief in support of the above error stressed: "As earlier stated, on January 11, 1966, respondent Union declared a strike against your petitioner, x x x Even before formal hearings were had, your petitioner had already informed respondent CIR that your Petitioner was questioning the validity and legality of the strike of January 11, 1966. This was followed by a Manifestation on January 18, 1966, in which your Petitioner reiterated its right to raise the validity and legality of the strike of January 11, 1966. Despite the pendency before respondent CIR of your Petitioner's petition to declare the strike of January 11, 1966 illegal, the said respondent court decided on the merits the economic demands of respondent Union by directing your Petitioner to grant to all workers and officials, except eleven (11) supervisors, a 21% accross-the-board general salary increases effective January 1, 1965. We, therefore, respectfully submit that this action of respondent CIR in disposing of the economic demands of respondent Union for a 21% across-the-board general salary increases, without first resolving the issue of validity or legality of the strike of January 11, 1966, is contrary to law and judicial precedents." [10]

Reliance was had on our decision in *Philippine Can Co. v. Court of Industrial Relations*. [11] It was our ruling in that case that instead of the Court of Industrial Relations ordering the strikers back to work, it should first determine the validity of the strike and, in this particular litigation, whether the dismissal of the strikers were justified. The variance in the facts of the above case from the present litigation does not call for a different outcome. It is the view of the Court that, the legality of the strike having been squarely raised by management, a partial decision granting the wage increase should not have been rendered before such a crucial issue was resolved. The peculiar features of the matter before us require that what was done in *FEATI University v. Bautista*, [12] *Maritime Co. of the Phil. v. Paredes*, [13] and *Philippine Long Distance Telephone Co. v. Free Telephone Workers Union*, [14] relaxing the applicability of the *Philippine Can Co.* decision be not followed.

No adverse effect would be entailed if the Court of Industrial Relations would pass upon squarely as to whether the strike was legal before deciding the other issues. There was no question as to the legality of its power in the meanwhile to order the strikers to go back to work and thus avoid the dire possibility foreseen in the certification of "huge economic losses, untold inconveniences and grave dangers to safety and human lives." The Court is of the opinion that while the doctrine of the *Philippine Can Co.* case had been relaxed where we felt that the legality of d strike need not be inquired into, the situation confronting the Court of Industrial Relations here was such that a determination of the validity of this strike is crucial to the proper disposition of the matter.

WHEREFORE, the cases of *National Power Corporation v. National Power Corporation Employees and Workers Association* [15] and *National Power Corporation Employees and Workers Association v. National Power*

Corporation[16] are remanded for appropriate proceedings not inconsistent with this opinion.

Concepcion, C.J., Reyes, J.B.L, Dizon, Makalintal, Zaldivar, Ruiz Castro and Teehankee, JJ., concur.

Barredo, J., did not take part.

Villamor, J., is on leave

[1] L-26169.

[2] L-26178.

[3] Partial Decision, Annex A, Brief for the Petitioner, p. 64.

[4] Ibid., p. 65.

[5] Ibid

[6] Ibid., pp. 75-76.

[7] Ibid., p. 76.

[8] Ibid, p. 78.

[9] Assignment of Errors, *ibid.*, p. 10.

[10] Argument, *ibid.* pp. 14-15.

[11] 87 Phil. 9(1950).

[12] L-21278, 21462 & 21500, Dec. 27, 1966, 18 SCRA 1191.

[13] L-24811, March 8, 1967, 19 SCRA 569.

[14] L-25420, March 13, 1968, 22 SCRA 1013.

[15] L-26169.

[16] L-26178.

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