SUPREME COURT
SECOND DIVISION

PROGRESSIVE WORKERS' UNION AND ITS 3,000 OFFICERS AND MEMBERS,
***Petitioners*,**

-versus-

G.R. Nos. L-59711-12
May 29, 1987

HON. FLAVIO P. AGUAS, THE COMMANDING GENERAL, P.C. METROCOM, THE DISTRICT COMMANDER, EASTERN POLICE DISTRICT, METROPOLITAN POLICE FORCE, THE STATION COMMANDER, MUNTINLUPA POLICE STATION, and SOLID MILLS, INC.,
***Respondents*.**
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D E C I S I O N

FERNAN, *J.*:

This is a Special Civil Action for *Certiorari* and Prohibition with Prayer for the Issuance of a Writ of Preliminary Injunction to Annul and Set Aside the Order dated February 19, 1982 issued by respondent Labor Arbiter Flavio P. Aguas in NLRC Cases Nos. NCR-2-2209-82 and 2-2222-82 entitled, "Solid Mills, Inc." Complainant versus Progressive Workers' Union-FFW, Manuel Arias, Respondents," and to enjoin respondent Labor Arbiter from further acting on said cases.

Petitioner Progressive Workers' Union is the local chapter of the Federation of Free Workers [FFW] in respondent company, Solid Mills, Inc. In the collective bargaining agreement [CBA] entered into on March 26, 1981 by and between Solid Mills, Inc., and the FFW as the certified bargaining representative of the rank-and-file employees, respondent company agreed to grant across-the-board wage increases to covered bargaining unit employees as follows:

> "[a] Daily wage employees effective January 1, 1980 up to August 16, 1980P1.50 per day to an employee on regular status as of January 1, 1980.
>
> Effective January 1, 1981 P1.50 per day to an employee on regular status as of January 1, 1981.
>
> Effective January 1, 1982 P1.50 per day to an employee on regular status as of January 1, 1982.
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> "In computing the full retroactive pay of covered employees as of signing of this agreement for work rendered from January 1, 1980 up to August 16, 1980, a straight computation shall be followed: 25.25 days per month or a maximum of 189 days x P1.50. A similar computation will be used to determine full retroactive pay with respect to the second increase of P1.50 for the period of work covered from January 1, 1981 up to the signing of this agreement. There will be no further or other computation of claims arising from the computation of retroactive pay.

> "The salaries of monthly employees shall be adjusted on the basis of the following formula:
>
> $$\frac{303}{12} \times \text{wage increase}$$
>
> "It is understood that the above-wage increases shall not result in any change or modification of the established pay scale for any job classification."[1]

Respondent company implemented this CBA stipulation by giving the union members a retroactive pay of P397.13 each for the first year wage increase, without further including said P1.50 wage increase into the basic wage rate of the rank-and-file employees. Contending that the P1.50 wage increase for the period January 1, 1980 to August 16, 1980 should be included in the basic wage rate starting January 1, 1980 so that at the end of the three-year period the workers shall have enjoyed a total increase of P4.50 a day, instead of just P3.00 a day, the individual petitioners, thru their Union President, Manuel Arias, presented a grievance to respondent company demanding strict and faithful compliance with said CBA provision. Grievance meetings thereafter held between the representatives of the Union and the respondent company proved to be unavailing. Hence, on January 4, 1982, the Union filed with the Conciliation Division, Bureau of Labor Relations, Ministry of Labor & Employment [MOLE], Manila, a notice of strike for unfair labor practice, violation of CBA, violation of SS law, job evaluation and failure to restate work week.

Officer-in-charge of the Bureau of Labor Relations, Atty. Romeo I. Young, summoned the parties to several conciliation conferences, but he likewise failed to settle the dispute.

On January 21, 1982, Atty. Young advised Mr. Manuel Arias thru a letter that the notice of strike filed by the Union "is hereby considered as not duly filed on the ground that the real issue raised therein as revealed in the conciliation conferences, is the interpretation of the CBA provisions on the first year wage increase which is not strikeable. This is without prejudice to your bringing said issue before the proper forum; viz: voluntary arbitration."[2]

This notice notwithstanding, the Union notified the BLR on January 29, 1982 that it would conduct a referendum on February 1, 2 and 3, 1982 for the purpose of a strike-vote. The referendum was held as scheduled with 81% of the union members allegedly voting to go on strike against respondent company. After the result of the referendum had been reported to the BLR, the union went on strike in the early morning of February 11, 1982. On the same day, respondent company filed with the NLRC, MOLE, the twin petitions docketed as NLRC Cases Nos. NCR-2-2209-82 and 2-2222-82, praying in the main that the strike staged by the union be declared illegal and the participating officers and members thereof be declared to have lost their employment status. Respondent company likewise prayed for a preliminary injunction/restraining order commanding the union, its members, agents, representatives and sympathizers to lift their picket lines and allow free and unobstructed ingress to and egress from the company and to refrain from committing coercion, threats and other illegal acts.

On February 18, 1982, the union filed a motion to dismiss the complaints on the ground that under B.P. 130, the labor arbiter has no jurisdiction over the subject matter of the complaints or the nature of the actions.

On February 19, 1982, in view of the violence that erupted in the picket lines which resulted in the death of one of the strikers and physical injuries to others, respondent labor arbiter issued the following interim Orders:

> "1. That the company should recognize the right of the Progressive Workers' Union to strike and maintain picket lines without however prejudice to the final determination of the main issues in these cases which is whether or not the strike is violative of Batas Pambansa Blg. 130;
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> "2. The strikers must not interfere or disrupt the peaceful ingress and egress of the workers who may want to work and those of third parties transacting business with the company;

"3. The company should accept back these workers to their former positions under the same terms and conditions existing before the strike;

"4. The workers are urged to report for work within forty-eight [48] hours from receipt of this Order; and

"5. The returning workers should not interfere in the peaceful picketing of the strikers."[3]

Upon receipt of the order, respondent company caused to be published on February 21, 1982 in the Bulletin Today an announcement ordering the striking employees to return to work effective 6:00 A.M. of February 22, 1982.

On February 22, 1986, the instant petition was filed. The Court en banc required respondents to file an Answer on or before Monday, March 8, 1982, and set the plea for a preliminary injunction for hearing on March 9, 1982.

On March 5, 1982, the Federation of Free Workers filed a motion for leave to intervene and submit a manifestation, stating that as the certified exclusive bargaining representative of the rank-and-file workers of the respondent company, it did not authorize petitioner-union to file the present case; that in fact, the FFW, on January 25, 1982 had disauthorized those previously authorized to act for the union, including Manuel Arias, from undertaking major decisions without the consent of the officers and members of the union; that as the entity which negotiated the CBA, it confirms that respondent company agreed to give a retroactive pay of P1.50 per day worked from January 1, 1980 up to August 16, 1980 only, because on January 18, 1980, the company complied with P.D. 1713 by giving a P3/per day in wage increase and allowance which absorbed the P1.50; that any grievance that some members of the union may have with respect to the CBA stipulation should be resolved thru voluntary arbitration; and that it did not authorize or sanction the strike at Solid Mills, Inc.

Respondent company filed its answer also on March 5, 1982, while the Solicitor General filed an answer in behalf of public respondents on March 8, 1982.

At the hearing on March 9, 1982, the Court en banc denied petitioners' motion for a preliminary injunction upon the consensus reached by the parties and the intervenor that the assailed Order should be read according to its plain meaning and that it was not a return to work order. The Court further provided that "counsel for management as well as for labor unions should see to it that their respective clients be made aware of the authoritative decisions of the Court and that in case of doubt as to an order emanating from a Labor Arbiter or any other official of the Ministry of Labor with authority to act on the matter, such doubt should be resolved in accordance with the constitutional mandates of social justice and protection to labor. In this specific case that would preclude the misinterpretation as to the Labor Arbiter having the power to issue a return to work order, one of the questions on the merits not passed upon in this resolution."[4]

Evidently due to the fact that no preliminary injunction was issued by the Court, respondent labor arbiter proceeded with the hearing on the merits of NLRC Cases Nos. NCR-2-2209-82 and 2-2222-82, and on March 15, 1982, rendered a decision thereon, the dispositive portion of which reads as follows:

> "WHEREFORE, judgment is hereby rendered:
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> [1] Declaring the strike staged by the respondents on February 11, 1982 to date as illegal;
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> [2] Declaring the officers of respondent union and all strikers identified and enumerated in Appendix 'A' of this decision to have lost their employment status as of February 11, 1982 and considered dismissed for just cause;
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> [3] Enjoining the respondents, their agents and sympathizers to lift their picket lines, with the end in view that ingress to and egress from the premises of the Company shall be free and unobstructed;

[4] Ordering all employees of the petitioner Company, except those who have lost their employment status under paragraph (2) to return to work within forty-eight (48) hours, under pain of being permanently replaced for failure to do so;

[5] Finding the respondents guilty of unfair labor practice for violation of the no-strike clause of the CBA and commanding them to cease and desist from the commission of said unfair labor practice immediately.

The assistance of police and military authorities is here requested for the strict enforcement of and compliance with this decision, with the further request that any employee or party that shall interfere, frustrate or disobey this decision shall be taken to this Office for contempt citation."[5]

Following receipt of said decision, petitioner union filed before this Court on March 17, 1982 an urgent motion for the issuance of a temporary restraining order to enjoin respondents, especially the police and military authorities from implementing the same. Acting on the motion, the Court, on March 18, 1982, resolved to reiterate its resolution of March 9, 1982 and to consider the decision of respondent labor arbiter dated March 15, 1982 as non-existent, and without force and effect in law, considering that the basic question of whether or not a labor arbiter is empowered to declare a strike illegal had not been passed upon by the Court.

Petitioners submit that:

A

THE RESPONDENT ARBITER HAS ACTED WITH GRAVE ABUSE OF DISCRETION WHEN HE ISSUED THE DISPUTED ORDER WHEN, OBVIOUSLY, HE HAS NO JURISDICTION OVER THE SUBJECT MATTER OF THE PETITION AND COMPLAINT OR THE NATURE OF ACTION OR SUIT.

B

THE RESPONDENT ARBITER HAS ACTED WITH GRAVE ABUSE OF DISCRETION WHEN HE ISSUED THE DISPUTED ORDER WHEN, OBVIOUSLY, ARTICLE 255 OF THE LABOR CODE OF THE PHILIPPINES, AS AMENDED, SECTION 4, RULE XVI OF THE IMPLEMENTING RULES OF SAID CODE AND SECTION 9, RULE XII OF THE IMPLEMENTING RULES OF B.P. 130 PROHIBIT THE ISSUANCE OF TEMPORARY OR PERMANENT RESTRAINING ORDER OR INJUNCTION.

The jurisdiction of the labor arbiter was originally defined and delineated under Article 217 of the Labor Code, as amended by P.D. 1691. Section 2 of Batas Pambansa Blg. 130 amended said Article 217 by providing:

> "Sec. 2. Subparagraph [2] of paragraph [a] and paragraph [b] of Article 217 of the Labor Code are amended to read as follows:
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> [2] Those that involve wages, hours of work and other terms and conditions of employment, and
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> [b] The Commission shall have exclusive appellate jurisdiction over all cases decided by the Labor Arbiter."

As thus amended, Article 217 of the Labor Code at the time of the strike on February 11, 1982, reads:

> "ART. 217. Jurisdiction of Labor Arbiters and the Commission. — [a] The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:
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> [1] Unfair Labor practice cases;
>
> [2] Those that involve wages, hours of work and other terms and conditions of employment; and

[3] All money claims of workers, including those based on non-payment or under-payment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees compensation, social security, medicare and maternity benefits;

[4] Cases involving household services; and

[5] All other claims arising from employer-employee relations, unless expressly excluded by this Code.

[b] The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters."

The above-quoted legal provision does not mention cases involving the legality/illegality of strikes. However, in construing subparagraph [5] of paragraph [a] of Article 217 of the Labor Code, the Minister of Labor in his Ministry Order No. 13 dated November 17, 1981, stated:

x x x

"Declaring a strike or lockout to be illegal requires the exercise of judicial or quasi-judicial authority, which in this instance is located in the National Labor Relations Commission. Under Article 217 of the Labor Code, as amended, Labor Arbiters have original and exclusive jurisdiction over, among other disputes, 'all other claims arising from employer-employee relations,' and the Commission has exclusive appellate jurisdiction over all cases decided by Labor Arbiters. This statement of jurisdiction is intended to cover all disputes between employers and employees arising from their relationship as such, including those involving the legality of concerted actions.

"In view of the above, actions seeking the declaration of a strike or lockout to be illegal and the application of the sanctions provided therefor by Article 265 of the Labor Code, as amended by Section 12 of Batas Pambansa Blg. 130, shall be filed in the appropriate Regional Arbitration Branch of the National Labor

> Relations Commission and the same shall be taken cognizance of by the Labor Arbiters therein.
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> "This Order shall take effect immediately."

The interpretation by officers of laws which are entrusted to their administration is entitled to great respect.[6] We see no reason to detract from this rudimentary rule in administrative law, particularly when later events have proved said interpretation to be in accord with the legislative intent. Thus, barely three [3] months after the strike in question, or on June 1, 1982, Batas Pambansa Blg. 227 was approved, Section 2 of which explicitly recognizes the jurisdiction of labor arbiters over "cases arising from any violation of Art. 265 of this Code, including questions involving the legality of strikes and lockouts."[7] The failure of Batas Pambansa Blg. 130 to specifically provide for cases involving the legality or illegality of strikes was, to our mind, nothing more than an avoidance of superfluity, as subparagraph [5], paragraph [a] of Article 217 was indeed encompassing enough to include cases of this nature.

At any rate, Batas Pambansa Blg. 227 should be considered to be in the nature of a curative statute with retrospective application to pending proceedings.[8]

Verily, Batas Pambansa Blg. 130 mandates that it is the policy of the State to encourage free unionism and free collective bargaining; and that workers shall have the right to engage in concerted activities for the purposes of collective bargaining or for their mutual benefit and protection. It further provides that the right of legitimate labor organizations to strike and picket and of employers to lockout, consistent with the national interest, shall continue to be recognized and respected.[9] This does not, however, mean that the right to strike may be exercised indiscriminately. Otherwise, the law would not have provided for causes for which a strike may be justified, nor for the procedure to be followed before strikes can be declared and actually staged.[10] In fact, it must be noted that the law has imposed sanctions on union officers and workers who knowingly participate in an illegal strike, or who, knowingly commit illegal acts during a strike.[11] Thus, it cannot be said that B.P. Blg. 130 has erased the distinction between legal and illegal strikes. Otherwise stated, under B.P. Blg. 130, strikes

can still be declared illegal and the proper officer to whom this authority resides in the first instance is the labor arbiter under subparagraph [5], paragraph [a] of Article 217 of the Labor Code, as amended by Section 2 of Batas Pambansa Blg. 130.

Having reached this conclusion, the Court reconsiders its resolution of March 18, 1982 and hereby reinstates with modification the decision of respondent labor arbiter dated March 15, 1982 in NLRC Cases Nos. 2-2209-82 and 2-2222-82. We affirm the finding of respondent labor arbiter that the strike staged by herein petitioners is illegal for being based on a non-strikeable ground. However, in the light of Our ruling in Bacus, et al. vs. Ople, et al., 132 SCRA 690 that "a mere finding of the illegality of a strike should not be automatically followed by wholesale dismissal of the strikers from their employment," We modify that portion of the decision of March 15, 1982, declaring the officers of petitioner union and the members enumerated in Appendix "A" of said decision to have lost their employment status as of February 11, 1982 and considered dismissed for just cause.

Insofar as the strikers who are ordinary unschooled laborers and who do not fully understand the import of what constitutes a strikeable or non-strikeable issue are concerned, compassion plays a role. The strikers here are low-income earners to whom a seemingly meager increase of P1.50 in daily wage is worth fighting for. Their reading and interpretation of the CBA provision, albeit erroneous, led them to believe in good faith that they are entitled to such increase and that the failure on the part of respondent company to comply with the CBA provision provided a valid ground for a strike. They had previously met with representatives of respondent company over this matter, but to no avail. Under these circumstances, they cannot entirely be blamed for thinking that only through the potent weapon of strike could they attain their objective. They were ill-advised and obviously not aware of the dire consequences of their acts. Thus, unable to sustain the strike for lack of funds and faced with the financial problem usually encountered during the opening of classes, the strikers presented themselves to respondent company on June 14, 1982 with an unconditional offer to return to work, but were rejected. As enunciated in Almira vs. B.F. Goodrich Phils., Inc., 58 SCRA 120, 131:

> "It would imply at the very least that where a penalty less puritive would suffice, whatever missteps may be committed by labor ought not to be visited with a consequence so severe. It is not only because of the law's concern for workingman. There is, in addition, his family to consider. Unemployment brings untold hardships and sorrows on those dependent on the wage earner. The misery and pain attendant on the loss of jobs then could be avoided if there be acceptance of the view that under all circumstances of this case, petitioners should not be deprived of their means of livelihood. Nor is this to condone what had been done by them. For all this while, since private respondent considered them separated from the service, they had not been paid. From the strictly juridical standpoint, it cannot be too strongly stressed to follow Davis in his masterly-work, Discretionary Justice, that where a decision may be made to rest on informed judgment rather than rigid rules, all the equities of the case must be accorded their due weight. Finally, labor law determinations, to quote from Bultmann, should not be only *secundum rationem* but also *secundum caritatem*."

More important, however, respondent company had accepted back to work some of the strikers listed in Appendix "A" of the March 15, 1982 decision during the pendency of this petition. In the case of Solid Mills, Inc. vs. NLRC, et al., G.R. No 75950, Resolution of March 11, 1987, respondent company entered into a compromise agreement with some of the strikers whereby it agreed to extend financial assistance in the amount of P1,000.00 each to some of the private respondents therein. Fairness and equity demand that respondent company accord the other strikers the same treatment by reinstating them to their former positions without backwages, or if reinstatement is not possible, by paying them the separation pay under the Labor Code or the CBA, whichever is higher.

WHEREFORE, the Petition for *Certiorari* and prohibition is hereby dismissed for lack of merit. However, on equitable considerations, respondent company is hereby ordered to reinstate the employees listed in Appendix "A" of the decision of March 15, 1982 of the respondent labor arbiter to their former positions without backwages, or if reinstatement is not possible, to pay them the separation pay

under the Labor Code or the CBA, whichever is higher, computed from date of employment up to February 11, 1982, except those who have accepted their termination and or financial assistance from respondent company.

SO ORDERED.

Gutierrez, Jr., Paras, Padilla, Bidin and Cortes, *JJ.*, concur.

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[1] Annex "B," Answer of Private Respondent, p. 79, Rollo.
[2] Annex "2," Answer of the Solicitor General, p. 131, Rollo.
[3] Annex "A," Petition, pp. 27-28, Rollo.
[4] Resolution dated March 9, 1982, p. 137-A, Rollo.
[5] Annex "A," Urgent Motion for the Issuance of a Temporary Restraining order, pp. 160-161, Rollo.
[6] Sierra Madre Trust vs. Secretary of Agriculture and Natural Resources, 121 SCRA 384.
[7] Subparagraph, [5], Par. [a], Art. 217.
[8] Garcia vs. Martinez, 90 SCRA 331.
[9] Art. 264, as amended by Sec. 11, B.P. Blg. 130.
[10] Sec. 11, B.P. Blg. 130, amending Art. 264 of the Labor Code.
[11] Section 12, B.P. Blg. 130, amending Art. 265 of the Labor Code.
