Legislation, Executive Orders, and Court Decisions

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DURING the last month several decisions of interest to employers of labor were rendered by the Supreme Court.

In the case of Philippine Manufacturing Company *vs.* National Labor Union, L-4507 (July 31, 1952) the Court affirmed a Court of Industrial Relations decision which held that temporary laborers not employed for a specified period or for a specific job were entitled to the benefit of Article 302 of the Code of Commerce. This article provides for one month's notice of termination and that the employee shall be entitled to the salary corresponding to such month. The Court also held that waiver of notice signed by the employee was invalid because the laborer is not a free agent and does not stand on an equal footing with the employer. The Court cited the provision of the Constitution (Art. II, sec. 5) to the effect that the promotion of social justice to assure the economic welfare of all the people should be the concern of the State, and (Art. XIV, sec. 6) that the State shall afford protection to labor and shall regulate the relations between labor and capital.

This decision would indicate that all contracts entered into by an employer with employees and laborers, should be submitted to the Court for approval. In any event all such contracts are subject to review by the courts. It is also authority for the principle that no constitutional or statutory right or privilege given a laborer can be waived by him whether supported by a valuable consideration or not.

This decision also reaffirms the principle that where a laborer is discharged without just cause while a petition or dispute is pending, he is entitled to reinstatement with pay as provided in the Court of Industrial Relations Law (Com. Act 103, sec. 19) which stipulates that no employer shall dismiss any employee without just cause while any petition or dispute is pending, and if the employer does so, the Court may direct the employee's reinstatement with the pay that he should have received had he not been dismissed.

IN another case (Ammen Transportation Co. *vs.* Bicol Transportation Employees Association, L-4941, July 25, 1952) the Supreme Court held that a check-off could be compelled in the event the employee had signed an order to that effect. This is the first time the check-off has been before the Supreme Court as a direct issue. Previously, the Court of Industrial Relations in banc had ruled that the employer could comply with the check-off or not as he saw fit but could not be compelled to do so even though so authorized by the employee. In this case the company had agreed to the check-off at one time but wished to discontinue it and objection was made that the check-off entails unnecessary time and expense and much additional accounting work. The Court said that all concessions made to labor impose burdens on the employer, and that the employer could make the check-off easier and at less

expense than the union could collect its dues if it had to send its members out to do so. The new Minimum Wage Law (Rep. Act 602, sec. 10) provides that wages shall be paid directly to the employee except in certain cases. One of the exceptions is in cases where the right of the employee or his union to the check-off has been recognized by the employer or authorized in writing by the individual employee concerned. The Court held that this was an alternative proposition and unless the last clause was for some purpose it was superfluous as the first clause required the consent of the employee. The Court concluded that under the last clause consent of the employer was not required. The Court further stated that—

"At any rate, Republic Act No. 602 is a clear signal that check-off is one of the matters affecting labor-management relations which the Court of Industrial Relations may include in an award, order or decision... In fact, the circumstances of this case make said adoption more compelling than in ordinary cases...

"The system of check-off is avowedly primarily for the benefit of the union and only indirectly of the individual laborers. However, the welfare of the laborers depends directly upon the preservation and welfare of the union. It is the union which is the recognized instrumentality and mouthpiece of the laborers. Only through the union can the laborers exercise the right of collective bargaining and other privileges. Without the union laborers are impotent to protect themselves against 'the reaction of conflicting economic changes' and maintain and improve their lot. To protect the interests of the union ought therefore to be the concern of arbitration as much as to help the individual laborers."

There is a dissenting opinion by two justices in which it is pointed out that section 10 of the Minimum Wage Law is permissive as to check-off but not obligatory; that there is no law compelling check-off and there are no limitations such as are provided in the United States for the protection of the employee.

In the case of Manila Terminal Co. *vs.* Court of Industrial Relations (L-4348, July 16, 1952) the Supreme Court held that an express waiver of overtime pay is invalid and that the principle of estoppel and laches cannot be invoked against the union. The Court said:

"In the first place, it would be contrary to the spirit of the Eight-hour Labor Law, under which, as already seen, the laborers cannot waive their right to extra compensation. In the second place, the law principally obligates the employer to observe it, so much so that it punishes the employer for its violation and leaves the employee or laborer free and blameless. In the third place, the employee or laborer is in such a disadvantageous position as to be naturally reluctant or even apprehensive in asserting any claim which may cause the employer to devise a way for exercising his right to terminate the employment."