THE PHILIPPINE LAW ON ORGANIZED LABOR-COM, ACT NO. 213

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> [CONCLUDED] CHAPTER V

THE PENAL PROVISION OF THE LAW

Section 5 of Commonwealth Act No. 213 provides as follows:

Any person or persons, landlord or landlords, corporation or corporations or their agents, partnership or partnerships or their agents, who intimidate or coerce any emavee or laborer or tenant under his or the employ, with the intent of prevent-ing such employee or laborer or tenant from joining any registered legitimate labor organization of his own choosing, or who dismiss or threaten to dismiss such employee or laborer or tenant from his employment for having joined, or for being a member of, any registered legitimate labor organization, shall be guilty of a felony and shall be punished by imprisonment of not exceeding one year or a fine not exceeding one thousand pesos, or both, at the discretion of the court.

There are two classes of acts punishable under this article:

1st. The act of intimidating or coercing any employee or laborer or tenant with the intention of preventing such employee or laborer or tenant from joining any registered legitimate labor organization, of his own choosing.

2nd. The act of dismissing or threatening to dismiss such employee or laborer or tenant from his employment for having joined, or for being a member of, any registered legitimate labor organization.

The first class of acts are concededly within the power of the National Assembly to punish. The use of force or intimidation disturbs the public peace and interferes with the personal liberty and security of the laborers, and as such, it is not only the right but also the duty of the National Assembly to suppress.

As to the power of the legislature to punish the second class of acts, however, this had been for so many years the subject of controversy among leading American jurists and legal talents. Some of them believed that the legislature is without power to punish such act for to do so would deprive the employers of their constitutional rights,103 while others believed the contrary.104 To be able to appreciate the merits of the two conflicting views I shall frame a hypothetical case which involves this controversial part of the law.

Let us assume that an information was fi'ed by the City Fiscal of the following tenor:

108 Among the jurists may be mentioned Justice Harlan and Justice Pitney. 198 Among them may be mentioned, Justice Holmes, Chief Justice Hughes and Justice Day.

"The undersigned accuses Mr. Reves for violating Section 5 of Commonwealth Act No. 213 committed as follows:

That on or about October 5, 1938 in the City of Manila, and within the jurisdiction of this court, the accused, being the managing partner of Reyes & Co., maliciously and feloniously dismissed from his employ A, B, C, D and E without just cause. That said dismissal was due to the defendant's having discovered the fact that said employees are members of Labor Union 'X, Y, Z.' All contrary to law."

The defendant after having been duly summoned and arraigned pleaded not guilty. He admits all the allegations in the complaint, but sets the defense that the section of the law under which he is prosecuted is unconstitutional.

The Arguments for the Defense

1. It Deprives Employer of Liberty and Property Without Due Process of Law:

"The right of a person to sell his labor upon such terms as he deems proper is, in its essence, the same as the right of a purchaser of labor to prescribe the conditions upon which he will accept such labor from the person offering to sell. In all such particulars the employer and the employee have equality of rights, and any legislation that disturbs that equality is an arbitrary interference with the liberty of contract, which no government can legally justify in a free land, under a constitution which provides that no person shall be deprived of his liberty without due process of law." (Adair v. United States, 208 U. S. 161; to the same effect in Lochner v. New York, 198 U. S. 45.)

"Included in the right of personal liberty and the right of private property-partaking the nature of each-is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property. If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long established sense . . ." (Coppage v. Kansas, 236 U. S. 1)

"Liberty includes not only the right to labor, but to refuse to labor, or for labor and to terminate such contracts and to refuse to make such contracts. * * * Hence. we are of the opinion that this Act contravenes those provision of the Federal Constitution, which guarantees that no person shall be deprived of life, liberty, or property without due process of law." (Gillespie v. People, 188 Ill. 176).

2. It Deprives Employer of the Equal Protection of the Law.

The Act is unilateral in its application. It takes into account the interest of the laborers at the expense of the employers. And "the right (to enter into contract of employment) is essential to the laborer as to the capitalists, to the poor as to the sick." (Coppage v. Kansas, supra) and "in the making of such contract—the parties have an equal right to obtain from each other the best terms they can as the result of private bargaining." (Adair v. United States, supra).

3. The Law Cannot be Sustained as a Proper Exercise of the Police Power of the

Such a statute makes the leveling of inequalities of fortune "an end in itself, and not an incident to the promotion of the general welfare. Indeed, to punish an employer for simply proposing terms of employment under circumstances devoid of coercion, duress, or undue influence, has no reasonable relation with public health, safety, morals and general welfare," (Coppage v. Kansas, supra) and as such, "the legislature has no author'ty to pronounce an innocent act criminal."

Argument for the Prosecution

1. The Employer is not Deprived of Liberty and Property Without Due Process of Law.

"The section is in substance, a very limited interference with freedom of contract, no more. It does not require the carriers (employers) to employ anyone, It does not forbid them to refuse to employ anyone, for any reason they may deem good . . . The section simply prohibits the more powerful party to exact certain undertakings, or to threaten to dismissal or unjustly discriminate on certain grounds against those already employed." (Adair v. United States, dissenting opinion of Justice Holmes).

"That the right to contract is a part of the individual freedom within the protection of this Amendment, and may not be arbitrarily interfered with is conceded. While this is true, nothing is better settled by the repeated dec'sions of this court than that the right of contract is not absolute and unvielding, but is subject to limitation and restraint in the interest of the public health, safety, and welfare, and such limitations may be declared in legislation of the state," (Coppage v. Kansas, dissenting opinion of Justice Day). -

"Due process of law is not denied by the provision" of this section. "It does not interfere with the normal exercise of the right of an employer to select his employees

or discharge them so long as he does not under cover of such right intimidate or coerce his employees with respect to their self-organization and representation.

"Employers have their correlative right to organize for the purpose of securing the redress of grievances and to promote agreements with employers relating to rates of pay and conditions of work.-Restraints for the purpose of preventing an unjust interference with that right cannot be considered arbitrary or capricious." (National Labor Relations Bd. v. Laughlin S. Corp., 301 U. S. 1).

2. It Does Not Deprive the Employer of the Equal Protection of the Law.

"The Act has been criticised as onesided in its application; that it subjects the employer to supervision and restraint and leaves untouched the abuses for which employees may be responsible. That it fails to provide a more comprehensive plan,-with better assurance of fairness to both sides and with increased chances of success in bringing about, if not compelling, is declared to be beyond the legislative authority of the State.

"But we are dealing with the power of Congress, not with a particular policy, or with the extent to which policy should go. We have frequently said that the legislative authority, exerted within its proper field, need not embrace all the evils within its reach. The Constitution does not forbid 'cautious advance, step by step,' in dealing with evils within the range of legislative power." (Jones Laughlin S. Corp., etc., supra).

"In present conditions a workingman not unnaturally may believe that only by belonging to a labor union can he secure a contract that shall be fair to him. If that belief, whether right or wrong, may be held by a reasonable man, it seems to me that it may be enforced by law in order to establish the equality of position between the parties in which liberty of contract begins. Whether in the long run it is wise for the legislature to enact legislation of this sort is not my concern, but I am strongly of the opinion that there is nothing in the constitution of the United States to prevent it and that Adair v. United States should be overruled." (Coppage v. Kansas, dissenting opinion of Justice Holmes).

3. The law is a Valid Exercise of the Police Power of the State.

"Discrimination and coercion to prevent the free exercise of the right of employees to self-organization and representation is a proper subject for condemnation by competent legislative authority;" for "experience has abundantly demonstrated that the recognition of the right of employees to selforganization and to have representatives of their own choosing for the purpose of collective bargaining is often an essential condition of industrial peace." But "such collective action would be a mockery if representation were made futile by interference

with freedom of choice." And hence, the prohibition, "instead of being an invasion of the constitutional right of either, was based on the recognition of the rights of both." (National Labor Rel. Bd. v. Jones & Laughlin S. Corp. 301 U. S. 1).

"The right to join labor unions is undisputed, and has been the subject of frequent affirmation in judicial opinion. Actingwithin their legitimate rights such associations are as legitimate as any organization of citizens formed to promote their common interest. They are organized under the law of many states, by virtue of express statutes passed for that purpose, and, being legal, and acting within their constitutional rights, the right to join them, as against coercive action to the contrary may be the legitimate subject of protection in the exercise of police authority of the state.

"It is urged that the statute has no object or purpose, express or implied, that has reference to health, safety, morals, or public welfare, beyond the supposed desirability of leveling inequalities of fortune by depriving him of his property or some part of his financial independence.

"But this argument admits that financial independence is not independence of law or of the authority of the legislature to declare the policy of the state as to matters which have a reasonable relation of the welfare, peace, and security of the community.

"Opinions may differ as to the remedy, but we cannot understand upon what ground it can be said that a subject so intimately related to the welfare of society is removed from the legislative power... It would be difficult to select any subject more intimately related to good order and security of the community than that under consideration." (Coppage v. Kansas, dissenting opinion of Justice Day).

Possible Decision of the Court

The Court is of the opinion that the authorities cited by the prosecution represent the law. The arguments presented by the defense, whatever, be their merits, cannot be maintained under the strain of recent decisions of the Federal Court of the United States.

Wherefore, the court finds that defendant is guilty of the crime charged and gives judgment convicting the defendant to six months imprisonment. So ordered.

CHAPTER VI

ACTIONS AND REMEDIES

- 11. Labor Unions As Parties to an Action Remedies Against Labor Unions
 - -Actions for Damages
 - -Enforcement of Contractual Obligations
 - -Injunction in Labor Disputes -Violation of Injunction
- Remedies Available to Labor Unions -Actions for Damages
 - -Actions for the Enforcement of Contractual Obligations

- -Tnjunction Courts Having Jurisdiction in Industrial Disputes
- 11. Labor Unions As Parties to an Action.

(a) Registered Labor Unions. As we have seen labor unions that are registered are considered juridical persons distinct and separate from the laborers composing it. Having such category, registered labor unions may sue and be sued in their corporate name without including their officers and members. This should not be taken. however, as to imply that officers and members of the same are immune from legal processes

The officers and members are still amenable to the provisions of our penal laws for crimes committed by them, whether or not the crime arose from acts which received the official sanction of the organization.103 Likewise, torts committed by officers or members which did not receive the sanction of the union will hold such members solely responsible for damages.106

(b) Unregistered Labor Unions. Previous to the year 1925 it was the established law in American jurisprudence that a labor union not incorporated can not sue107 or be sued108 in its common name, for it is not a legal entity distinct from its members; but that actions in which such association is involved must be brought by109 or against¹¹⁰ all of its members. In 1925, however, the United States Supreme Court held in the case of United States Mine Workers v. Coronado Coal Co. (259 U. S. 344) that in view of the affirmative legal recognition of their existence and usefulness and provisions for their protection, and of the fact that they act as entities distinct from their members, unregistered labor unions become in effect, quasi-corporations against which action may be brought in the association name.

An action may also be brought for or against a particular officer or member as a representative of a labor union under the authority of our local statute which provides as follows:

"Sec. 118 (C.C.P.) Numerous Parties-When the subject matter of the controversy is one of common or general interest to many persons, and the parties are so numerous that it is impracticable to bring them all before the court, one or more may sue or defend for the benefit of all.

It has been held that under a like provision one or more members of a labor union may sue on behalf of themselves and the

Moeller v. People, 70 Colo., 223, 199 Pac. 414;
 Com. v. Hurt. 4 Wheat, Ill.
 Hill v. Eagle Glass & Mfg. Co. 219 Fed. 719,
 Guilfoil v. Arthur, 158 Ill. 600, 41 N. E. 1009;

 ¹³¹ Guilfoil v. Arthur, 158 Ill. 600, 41 N. E. 1095;
 Donovan v. Danielson, 244 Mass. 432, 134 N. E. 1095;
 132 American Steel, etc. v. Wire Drawdris & Die Marchan Steel, etc. v. Wire Drawdris & Die Marchan Co. v. Inc. 100 Peri 100, 150 Peri 105, Latenze Co. v. Iron Molders Union, 150 Peri 105

others111 and that an action may be brought against the members of a union by suing some of them as representatives of the class,112

12. Remedies Against Labor Unions.

(a) Actions for Damages. Art. 1902 of the Civil Code provides:

"Any person who by an act or omission causes damage to another by his fault or negligence shall be answerable for the damage caused."

This provision of the law applies with as much force to labor unions as to natural persons. Thus, it has been held that a person against whom an unlawful boycott, strike, or picketing has been instituted may have his action for the damages thereby occasioned against the labor union which caused the injury113 provided there is a causal connection between the acts complained of and the damage suffered.114

Aside from liabilities for damages arising from torts, labor unions are also liable for damages due to breach of contract between employer and union;115 so also will labor unions be held liable for damages in case of injury resulting from criminal conspiracy.116

A labor union may likewise be sued for damages for unlawfully suspending or expelling a member from the organization117 or for any other breach of contract with its members.

Another interesting phase of this topic is the extent of liability of unregistered labor unions. Since the case of United States Mine Worker's v. Coronado Coal Co. (supra) was decided unregistered labor unions seem to be burdened with double form of liability. The labor unions are liable to the extent of its funds for damages done by individual members, in case the union sanctioned the act causing the damage, while at the same time the individual members are unlimitedly liable for the acts of their elected officials. For unregistered labor unions, this result is not merely exasperating but positively threatening. At any moment, their funds may be wiped out by the acts of uncontrolled individuals. And members themselves may have enormous damages assessed upon them by the action of remote officials.

This double liability above-mentioned can, of course, be avoided by registering labor unions in the Department of Labor. Under the favorite legal fiction of artificial personality, acts of laborers which had the sanction of the union will only hold the union for damages, and vice-versa, acts of laborers not having the sanction of the union will only subject the individual members to damages.

(b) Enforcement of Contract Obligations. Employers who entered into a contract with a labor union may enjoin the officers and agents of such union from violating said contract and a suit to enforce a contract between employers and labor unions is maintainable 118 unless it is for the specific performance of contract for personal services,119

(c) Injunctions in Labor Disputes. An injunction is a court order issued to prevent injury to property or property rights for which there is no adequate remedy at law.120 In industrial conflicts, this remedy was originally intended to protect property from irreparable injury during a strike or boycott. But at present the injuction has been called upon to perform a much wider service. Union workers and officials have at times been enjoined by court orders to urge non-unionmen to join a union;121 to picket;122 to issue slanderous statement against the employer which will likely damage the complainant's business123 to induce a third person to break the latter's contract with the employer;124 or to the putting of employers in the unfair list, in furtherance of a strike for an illegal purpose.125 It was also held that injunction has been properly issued restraining the sending by the national organization in the locality of funds to aid or promote acts of unlawful interference with complainant's business;126 against the display of banners, in proper cases;127 against applying vile names or words of ridicule or contempt to complainant's employers or partners, or persons intending to become such:128 against lawful acts interwoven with unlawful ones;129 against secondary boycotts;130 against the payment of strike benefits where the strike is for unlawful purpose;131 against the making of false or misleading statements, to the injury of the complainant's business, 182 against the destruction of property:133 etc.

It is thus seen, that with the wide variety of the use of injunction the labor unions are at times weakened to such a degree as to render strikes, boycotts and other labor's weapons of little use. The writer believes that any abuse of judicial discretion in the issuance of injunction would mean a widespread loss of confidence in the integrity of the courts.

(d) Violation of Injunction. Officers and members of labor organization violating an order of injunction issued by the

court will be punished as for contempt;131

labor, the law grants the same protection as it gives to employers by giving to labor unions the same right to bring an action for damages in case an actionable wrong is inflicted upon them. Thus, a labor union may bring action for damages arising from torts136 or breach of contractual obligations,137 which may be brought against employers, other persons, or even against their own members; so also may a labor union bring an action for damages arising from crimes committed against them, under the rule that every person criminally liable for a felony is likewise civilly liable.138

2. Civil Actions to Enforce a Contract. A labor union may bring an action for the enforcement of its contractual rights as long as the contract is lawful.139 Thus, an action may be brought by a labor union to enforce an agreement with an employer to give all his work to members of the union140 or to employ union laborers exclusively;141 or to enforce previous stipulations regarding wages and other terms and conditions of work,142

There is also a case which held that the articles of agreement of a labor union, whether called a constitution, charter, by-law or any other name, constitute a contract between the members which the courts will enforce, if not immoral or contrary to public policy or the law of the land.143

3. Injunction. Injuction may issue as well in behalf of labor unions where adequate remedy in law is not available. The remedy had been granted in cases where the rights of labor unions would be infringed by blacklisting;144 or in case their picketing members are molested or coerced, and such acts of interference or violence will result in the infliction of substantial money damages;145 or in case of an alleged conspiracy to cripple and destroy a labor union by preventing persons from joining it and by forcing its members to leave it by unlawfully procuring their discharge from employment because they are members of such union.146

(Continued on page 105)

90 Fed 598

¹¹¹ Strasser v. Moonelis, etc. 11 N. Y. S.R. 270.

Strasser v. Moonelis, etc., 11. N., Y., S.K. 270.
 Bassert v. Ohany, 251. N. Y. Supp. 877.
 Purington v. Kinchliff, 219. Ill. 159; Burnham v. avid, 217 Mass. 351; Auburn Draying Co. v. Wardell, 27 N. Y. I, 124. N. E. 97.
 Basser v. Grundy, 82 L. Y. N. E. 769, 48 Week.

Rep. 638.

115 Nederlaudsch etc. v. Stevedores' & L. Benev.

Soc., 265 Fed. 397.

116 Sorrell v. Smith A, C. 709, 13 B, R. C. 1.

127 Campbell v. Johnson, 167, Fed. 102.

and an injunction against members of a union as individuals may be violated by illegal action by them in associated capacity.135 13. Remedies Available to Labor Unions 1. Actions for Damages. On the side of

¹³⁴ United States v. Colo. 216 Fed. 654. ¹³⁵ American Steel & Wire Co. v. Wire Drawers' etc.

⁰ Fed. 598. 298 Art. 1902 Civil Code. ¹³⁸ Art. 1101, Civil Code. ¹³⁸ Art. 100 Revised Penal Code; Stone & Textile (xaminers & Shrinkers Employers' Asso. 122 N. Y.

Supp. 460.

129 Post v. Black's Stone, etc. Co. 200 Fed. 918; Art.
1255 Givil Code.

20 Smith v. Bowen, 232 Mass. 106.

12 Local Branch v. Sold, 8 Ohio App. 437.

24 Greenfield v. Central Labor Council, 104 Or. 236.

Browen v. Storekel, 74 Mich. 269, 41 N. W. 921,

R. A. 430.
 Bayer v. Western v. Teleg. Co. 124 Fed. 246.
 Atkins v. W. A. Fletcher Co. 65 N. J. Eq. 658. 55 Atl 1074

¹⁶ United States v. Moore, 129 Fed. 630.

¹¹⁵ Barnes v. Berry, 156 Fed. 72, 157 Fed. 883.
119 Chambers v. Davis, 128 Min, 613,
129 Look up Sees, 164-172, Act 190.
121 Floccus v. Smith, 199 Pa. St. 128, 48 Att, 894,
122 Vegelahn v. Gunter, 167 Mass. 29, 44 N. E. 1077,
123 Springhead Spinning Co. v. Lilley, 16 Week.

Rep. 1138, 128 Jitchman Coal & Coke Co. v. Mitchell, 245 U. S. 229; Montgomery v. Pacific Elec, R. Co. 293 Fed. 680.

^{29:} Montgomery v. Pacific Elec, R. Co. 293 Fed. 680. 29: Reynolds v. Davis. 25: Reynolds v. Davis. 25: Research v. Perkins, 147 Mass., 212. 25: Casaway v. Borderland Coal Corp. 278 Fed. 56. 25: United States v. Railway Employers' Dept. 283

ed. 479.

129 Thomsom Mach. Co. v. Brown, S9 N. J. Eq. 229.

120 Barnes v. Berry, 156 Fed. 72.

122 Inter. Organization v. Lewal Coal Co., 285 Fed.

^{32.} 133 Arthur v. Oakes, 63 Fed. 320.

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- 14. Courts Having Jurisdiction in Industrial Disputes.
- 1. The Court of Industrial Relations. 147
 The Court of Industrial Relations shall have power to decide and settle disputes between laborers and employers if these requisites exist:
- a. The dispute must be one causing or likely to cause a strike or lockout;
- The dispute must be due to differences as regards wages, shares or compensation, hours of work or conditions of employment;
- c. The number of employees or laborers involved in the dispute must exceed thirty;
- d. The industrial dispute is submitted to the Court by the Secretary of Labor, or by any or both of the parties to the controversy certified by the Secretary of Labor as existing and proper to be dealt with by the court for the sake of public interest.

These requisites may be gathered from the words of Section 4, Commonwealth Act No. 213. One should note that there seems to be a conflict between this Section and Section 1 of the same Act. The latter seems to bestow jurisdiction on the Court of Industrial Relations "to decide and settle any question, matter or dispute" between em-

147 Organized under Commonwealth Act. No. 103.

ployees and employer, which is not the case under Section 4. This contradiction is to be settled by regarding Section 1 as a general provision and Section 4 as particular provision, and then, apply the rule of statutory construction that when a general provision conflicts with a particular provision the latter shall prevail.

2. Other Courts. The organization of the Court of Industrial Relations did not have the effect of depriving ordinary Courts of Justice the jurisdiction of deciding industrial conflicts. This fact is very evident upon reading Commonwealth Act No. 103. In the first place, the act never uses the work "exclusive" or its equivalent when it designated the powers and duties of the Court of Industrial Relations; furthermore, only cases which received the certification of the Secretary of Labor may be heard by the court; as such, the act admits the conclusion that cases without such certification are still within the jurisdiction of the ordinary courts of the Philippines.

CONCEPT OF LIBERTY

Liberty does not import "an absolute right in each person to be, at all times and in all circumstances, wholly freed from restraint. There are manifold restraints to which every person is necessarily subject for the common good. On any other basis, organized society could not exist with safety to its members. Society based on the rule that each one is a law unto himself would soon be confronted with disorder and anarchy. Real liberty for all could not exist under the operation of a principle which recognizes the right of each individual person to use his own, whether in respect of his person or his property, regardless of the injury that may be done to others. ** * There is, of course, a sphere within which the individual may assert the supremacy of his own will, and rightfully dispute the authority of any human government—especially of any free government existing under a written Constitution—to interfere with the exercise of that will. But it is equally true that in every well-ordered society charged with the duty of conserving the safety of its members, the rights of the individual in respect of his liberty may at times, under the pressure of great dangers, be subjected to such restraint to be enforced by reasonable regulations, as the safety of the general public may demand." (Harlan, J., in Jacogson vs., Massachusetts (1905) 197 U. S., 11.) (Cited by Justice Malcolm in Rubi v. Provincial Board of Mindoro, 39 Phil., 660, 704-705.)

culture, read the LAWYERS' JOURNAL