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Rodolfo G. Tupas

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The growth of manufacturing, mining, lumber industries and other large enterprises in the Philippines has led us to substitute the concept of "labor" for working people. Somewhere in the process of this substitution we seem to have forgotten what "labor" means. We seem to have forgotten that it means individual human beings who have different faces, who are weak and who are strong, and who have all the emotions and feelings that make them what they are. This mass concept of "labor" has tempted many to believe that workers are merely part of the law of economics, merely, as the Communists insist, "commodities."

But, to borrow the forceful words of Pope Pius XI: "Labor ... is not a mere chattel, since the dignity of the working man must be recognized in it, and consequently it cannot be bought and sold like any piece of merchandise." [1]

It was small wonder then that free labor and Catholic circles rejoiced, though not to the extent of dancing in the streets, but rejoiced, nevertheless, when the Congress of the Philippines on May 5, 1953 passed Republic Act 875 which is more popularly known as

the "Magna Charta of Labor." The "Magna Charta" in many ways restored the much-abused dignity and freedom of the workers.

For many painful years, Philippine labor had been the unwilling and unhappy victim of serious discrimination in legislation and still more in the execution of labor laws. The unfairness and inequalities of these laws were such that State and management were enabled to exercise a dominant and baneful influence on the still struggling free trade union movement in the Philippines.

The Filipino worker had a beautiful Constitution to fall back upon, at least in theory. The Constitution states clearly that a man has a right to associate for legitimate purposes. But until the passage of the "Magna Charta," this was not the case in fact. The worker was not free, in effect, to join a union of his own choosing.

Commonwealth Act 213, the labor legislation before the "Magna Charta," apparently did not look upon the worker's right to associate as a natural right. Commonwealth Act 213 stated, "An organization ... duly registered is *permitted* to operate by the Department of Labor" (underscoring ours). The big heresy in this provision was that the State was made to grant the right of association to the worker, when in reality the right to associate is a constitutional right. More than that it is a natural right.

The unorganized bread-winning Filipino worker was consequently left at the mercy and subject to the whims of the Department of Labor or, more particularly, of the Secretary of Labor. It would seem highly irregular in a democracy that any one man should have the power to suppress by fiat the right of association. Yet under Commonwealth Act 213 this had been the law and practice.

A 1952 Senate Blue Ribbon Committee investigation revealed that if a union was not in the good graces of the Secretary of Labor, its permit was either

suspended or cancelled without any hearing or without "due process of law."

This practice was directly opposed to what Pope Pius XI plainly stated:

> People are quite free not only to found such associations, which are a matter of private order and private right, but also in respect to them 'freely to adopt the organization and the rules which they judge most appropriate to achieve their purpose.' The same freedom must be asserted for founding associations that go beyond the boundaries of individual callings.[2]

The State's prescription for labor-management disputes was compulsory arbitration as provided for by Commonwealth Act 103. The paternalistic idea behind compulsory arbitration was that the workers did not know "what was good for them" and therefore needed the fatherly protection of the State. The State consequently held in abeyance that freedom of the workers which would have put them on a par with the owning classes in the settling of labor-management problems.

The State tried this system for 15 years. During these years, labor cases were embarrassingly and somewhat unbelievably delayed,[3] the workers income, particularly in Manila, remained substantially the same except in cases where it had actually decreased,[4] and the Court of Industrial Relations judges presumed such a complete knowledge of the nation's economy that their decisions began to have the earmarks of a "planned economy."

Neither did labor receive any sympathy, understanding or cooperation from management. It was not enough that the State severely restricted labor's right to strike by the free use of anti-strike injunctions, but management, because of the inadequacy of the old laws, was able to ignore the unions and their demands. The very existence of free unions was discouraged by the formation of "company unions," and

officials and members active in the free unions were often dismissed or induced by favors and promotions to desist from their activities. There was in the old legislation nothing illegal about forming "company unions."

The passage of the "Magna Charta," therefore, in spite of a few but critical defects, ushered in a new climate for the free trade union movement in the Philippines.

We can never overemphasize the importance of unions in a democratic country. Unions not only help improve the standard of living of the workers and the economy of the nation as a whole but carry an essential part in the Popes' Industrial Council Plan.[5]

In the words of Pope Pius XI:

> Let those free associations which already flourish and produce salutary fruits make it the goal of their endeavors, in accordance with Christian social doctrine, to prepare the way and to do their part towards that ideal type of vocational group which we have mentioned above.[6]

Republic Act 875, the "Magna Charta," was based upon the philosophy that the State should provide the framework within which free capital and free labor could best draw up voluntary agreements covering wages, working conditions and other allied items.

The reasoning of this statute is that the State will be of greater help to capital and labor and will better fulfill its function of promoting the temporal prosperity and peace of its people, if the State does not force its will in every detail of the capital-labor relation, but rather makes sure by legislation that the two parties are free and equal in drawing up agreements. Capital is free to furnish money or not as it deems the conditions offered by labor to be unjust or just. Labor, likewise, is free to furnish labor or not as it deems the conditions offered by capital to be unjust or just. Granted that freedom, the parties are likely

to meet in the middle and find mutually helpful terms and conditions under which to cooperate.

This philosophy is certainly in accordance with the teachings of Pope Leo XIII:

> We have said that the State must not absorb the individual or the family; both should be allowed free and untrammelled action as far as is consistent with the common good and the interests of others. Nevertheless, rulers should anxiously safeguard the community and all its parts; because the conservation of the community is so emphatically the business of the supreme power, that the safety of the commonwealth is not only the first law, but is a whole Government's reason of existence . . .[7]

Pope Pius XI similarly indicates the proper role the government should play in a well-ordered and well-balanced social-economic system:

> The supreme authority of the State ought, therefore, to let subordinate groups handle matters and concerns of lesser importance, which would otherwise dissipate its efforts greatly. Thereby the State will more freely, more powerfully, and effectively do all those things that belong to it alone because it alone can do them: directing, watching, urging, restraining, as occasion requires and necessity demands. Therefore, those in power should be sure that the more perfectly a graduated order is kept among the associations, in observance of the principle of 'subsidiary function,' the stronger social authority and effectiveness will be and the happier and more prosperous the condition of the State.[8]

Republic Act 875 made four important changes all looking towards the freedom and equality of capital and labor in their respective relations:

(1) The "company union," which is nothing but an instrument of management, has been outlawed as an unjust encroachment on the freedom of labor to associate and bargain collectively.

(2) The power to dissolve labor unions arbitrarily

has been removed from the Secretary of Labor and the prosecution of subversive and dishonest labor leaders has been more properly left to civil and criminal sections of the law.

(3) The power to enjoin against strikes is taken away from the Courts except in the case of a national emergency that concerns the public interest certified so by the President.

(4) The setting of wages and other conditions of employment has been left to the free determination of the two interested parties, capital and labor, so as to grant the maximum of freedom and equality to both parties.

There are however a few sections in the law which appear undesirable, since they, as one Senator of the Philippines put it, merely offer the workers a "tolerated freedom."

The section which governs union registration, for instance, leaves much to be desired. Under this section a union has to fulfill several requirements before it can secure a permit, and it is again the Department of Labor which decides, within thirty days upon receipt of the union's documents, whether the union is to get a permit or not.

Although a vast improvement over the old law, this section deserves serious consideration with a view of having it amended. Serious thought must be given the question whether any labor relations law should contain such a restriction on registration, particularly in the embryo stages of a labor movement when, presumably, the object is to promote the development of a strong, free trade union movement and of free collective bargaining.

There is in this provision still an element of arbitrary and antecedent restriction of the right to associate which is excessive and open to abuse on the part of government officials. In it the *onus probandi* is

thrown upon the men wishing to exercise this right, whereas in democratic concepts the *onus probandi* is upon those agencies which seek to curtail it.

We find support in Pope Pius XII who, in his 1943 address, told the Italian workers:

> ... not to aim at making the lives of individuals depend entirely on the whims of the State, but to procure rather that the State, whose duty it is to promote the common good, may through social institutions such as insurance and social-security societies, supply, support and complete all that helps to strengthen workers' associations, and especially fathers and mothers of families who are earning a livelihood for themselves and their dependents through work.[9]

Moreover the Department of Labor still holds the power to suspend or cancel a union's permit. It is true that a hearing is required, and that the union can appeal its case to the Court of Appeals or the Supreme Court if the Department still denies it a permit after a hearing. But the fact remains that the workers' right to organize is being dealt with in a special, one may say a discriminatory manner, and functions are being transferred to a government department which in the case of other citizens and other groups are left to the courts.

The section in the law regulating the internal affairs of unions further demonstrates the over-reaching activities of the State.

Although the several provisions in this section are not particularly oppressive e.g. prohibition of excessive initiation fees, nevertheless the cumulative effect of the provisions dealing with the financial activities of unions is to provide minute examination of each and every financial transaction by a Government agency, i.e. the Department of Labor. This seems to be against the principles of sound labor-management relations and democratic principles, to thrust government regulations into what are essentially the internal affairs of voluntary associations.

The intent of these regulations was unquestionably good. Experience had shown that the labor unions easily became fields of self-aggrandizement for racketeers of all kinds. But experience also showed that the measures taken to prevent this simply introduced to the union new racketeers and new abuses, no less harmful than the objects of the law's provisions. Hence the best course seems to be to aid the unions to work out their own problems and clean house themselves. In his explanatory note to Senate Bill No. 307 Senator Tañada refers to this dilemma.

> And even where workers have been oppressed by dishonest men who pose as their leaders, the solution is not to add restrictions as the enforcement of the present law [Commonwealth Act 213] has done, but to remove restrictions and leave the workers themselves free to expel these false leaders.

A warning of Leo XIII seems pertinent in this connection. He said:

> Let the State watch over these societies of citizens united together in the exercise of their right; but let it not thrust itself into their peculiar concerns and their organizations, for things move and live by the soul within them, and they may be killed by the grasp of a hand from without.[10]

Pope Pius XI also called for "just freedom of action" and underscored once more the role of the State:

> Just freedom of action must, of course, be left both to individual citizens and to families, yet only on condition that the common good be preserved and wrong to any individual abolished. The function of the rulers of the State, moreover, is to watch over the community and its parts; but in protecting private individuals in their rights, chief consideration ought to be given to the weak and the poor.[11]

Yet, in spite of these defects, the passage of the "Magna Charta of Labor" constitutes a great achieve-

ment specially in contrast with the old labor laws which contained a seemingly endless chain of government restrictions.

It has, for one thing, given a big boost to the free trade union movement, young as it is, in the Philippines. By outlawing "company unions" and giving protection to self-organization it has given free labor the desperately needed opportunity to grow.

The "Magna Charta of Labor" is no manna from heaven but it sets a new atmosphere in which labor and capital are to settle their differences in, it is hoped, mutual trust and confidence. And as long as labor and capital sit down and talk things over in good faith there is more likely to be industrial peace, which after all, is achieved by working together and not by their working against each other.

That the "Magna Charta" needs a few but serious amendments is a fact which cannot be overlooked. Free labor does not intend to overlook this fact when the next congress convenes this year. It will press hard for the necessary amendments.

Those who have been promoting the cause of free unions may be expected to pursue two lines of effort. First of all they will not do anything to jeopardize the gains already won in the "Magna Charta." There are powerful interests with sympathizers in the Senate and House who will not miss an opportunity to revise the existing act in the direction of less liberty for the unions, if given the chance.

On the other hand the free union group will wish to eliminate as far as possible the deficiencies of the "Magna Charta." The direction their efforts will take may in part be foreseen from Senator Tañada's unsuccessful S. No. 307 introduced last Congress before the "Magna Charta" was proposed and passed.

The main points will be to place the labor union on an equal footing with any other corporation before the law. No special tests or probation will be required for a labor union to come into existence beyond appli-

cation and submission of descriptive documents. Similarly nothing will be able to terminate its existence which could not equally terminate the legal existence of any other corporate group.

Finally, on the same principle, the internal affairs of the labor unions will be subject to no greater supervision and auditing than are the internal affairs of any other corporation.

In general the amendments free labor will work for will be based on the principle of giving an opportunity to labor and capital to secure what is just to both. We can never have industrial peace where gross inequality and injustice exist.

"Peace," Pope Pius XII tells us, "is the work of justice."

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[1] *Quadragesimo Anno,* 83. References are to *Five Great Encyclicals* (Paulist Press, N. Y.) 1949.

[2] *Ibid.,* 87.

[3] In the case for instance of Manila Terminal Relief and Trade Association *vs.* Manila Terminal, two years elapsed before the *jurisdiction* of the Court of Industrial Relations was finally upheld by the Supreme Court. In the case of the Luzon Marine Department Union *vs.* Luzon Stevedoring, it took the Supreme Court 2 years merely to decide the *legality* of the strike. The CIR began to hear the merits of the case only after those 2 years. The cases seemed to be the rule rather than the exception in the CIR.

[4] P. 161. Central Bank Dept. of Econ. Research. *Central Bank News Digest,* Vol. 3, Nos. 3 and 4, Manila, 1951.

[5] The Industrial Council Plan has been defined as "a proposed system of social and economic organization which would be functional, democratic, legally recognized but not government controlled, and balanced to achieve the recognition of both individual rights and the general welfare." It is not a specific plan but the Popes have supplied the norms or principles which underlie any effective reform in the direction of economic co-operation.

[6] *Quadragesimo Anno,* 87.

[7] *Rerum Novarum,* 28. *Five Great Encyclicals.*

[8] *Quadragesimo Anno,* 80.

[9] *Address to Italian Workers,* 1943. In *Industrialism and the Popes* by Mary Lois Eberdt, C.H.M., Ph.D. and Gerald J. Schnepp, S.M., Ph.D.

[10] *Rerum Novarum,* 41.

[11] *Rerum Novarum,* 25.