

THE "MAGNA CHARTA" OF LABOR

The Industrial Peace Act became law in the Philippines on June 17, 1953.

The purpose of this law is to provide a setting in which employers and employees can solve their mutual problems TOGETHER on a VOLUNTARY basis. The Act does NOT give any automatic benefits to labor or management. Instead it makes it possible for them to work together to get improvements. Government help is offered when it is needed, but decisions are made by labor and management themselves.

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[REPUBLIC ACT No. 875]

AN ACT TO PROMOTE INDUSTRIAL PEACE AND FOR OTHER PURPOSES

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE PHILIPPINES IN CONGRESS ASSEMBLED:

SEC. 3. *Employees' Right to Self-Organization.*—Employees shall have the right to self-organization and to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. Individuals employed as

supervisors shall not be eligible for membership in a labor organization of employees under their supervision but may form separate organizations of their own.

SEC. 4. *Unfair Labor Practices.*—

(a) It shall be unfair labor practice for an employer:

(1) To interfere with, restrain or coerce employees in the exercise of their rights guaranteed in section three;

(2) To require as a condition of employment that a person or an employee shall not join a labor organization or shall withdraw from one to which he belongs;

(3) To initiate, dominate, assist in or interfere with the formation or administration of any labor organization or to contribute financial or other support to it;

(4) To discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this Act or in any other Act or statute of the Republic of the Philippines shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section twelve;

(5) To dismiss, discharge, or otherwise prejudice or discriminate against an employee for having filed charges or for having given or being about to give testimony under this Act;

(6) To refuse to bargain collectively with the representatives of his employees subject to the provisions of sections thirteen and fourteen.

(b) It shall be unfair labor practice for a labor organization or its agents:

(1) To restrain or coerce employees in the exercise of their rights under section three, provided that this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein;

(2) To cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a) (4) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than the

usual terms and conditions under which membership or continuation of membership is made available to other members.

(3) To refuse to bargain collectively with the employees, provided it is the representative of the employees subject to the provisions of sections thirteen and fourteen.

(4) To cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed.

SEC. 5. *Unfair Labor Practice Cases.*—

(a) The Court shall have jurisdiction over the prevention of unfair labor practices and is empowered to prevent any person from engaging in any unfair labor practice. This power shall be exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by an agreement, code, law or otherwise.

(b) The Court shall observe the following procedure without resort to mediation and conciliation as provided in section four of Commonwealth Act Numbered One hundred and three, as amended, or to any pre-trial procedure. Whenever it is charged by an offended party or his representative that any person has engaged or is engaging in any such unfair labor practice, the Court or any agency or agent designated by the Court must investigate such charge and shall have the power to issue and cause to be served upon such person a complaint stating the charges in that respect and containing a notice of hearing before the Court or a member thereof, or before a designated Hearing Examiner at the time and place fixed therein not less than five nor more than ten days after serving the said complaint. The person complained of shall have the right to file an answer to the complaint and to appear in person or otherwise (but if the Court shall so request, the appearance shall be personal) and give testimony at the place and time fixed in the complaint. In the discretion of the Court, a member thereof or a Hearing Examiner, any other person may be allowed to intervene in the said proceeding and to present testimony. In any such proceeding, the rules of evidence prevailing in courts of law or equity shall not be controlling and it is the spirit and intention of this Act that the Court and its members and Hearing Examiners shall use every and all reasonable means to ascertain the

facts in each case speedily and objectively and without regard to technicalities of law or procedure. In rendering its decisions, the Court shall not be bound solely by the evidence presented during the hearing but may avail itself of all other means such as (but not limited to) ocular inspections and questioning of well-informed persons which results must be made a part of the record. In the proceeding before the Court or a Hearing Examiner thereof, the parties shall not be required to be represented by legal counsel and it shall be the duty and obligation of the Court or Hearing Examiner to examine and cross-examine witnesses on behalf of the parties and to assist in the orderly presentation of the evidence.

(c) The testimony taken by the Court or such member of the Court or the Hearing Examiner shall be reduced to writing and filed with the Court. If, after investigation, the Court shall be of the opinion that any person named in the complaint has engaged in or is engaging in any unfair labor practice, then the Court shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice and take such affirmative action as will effectuate the policies of this Act, including (but not limited to) reinstatement of employees with or without back-pay and including rights of the employees prior to dismissal including seniority. Such order may further require such person to post the Court's order and findings in a place available to all the employees and to make reports from time to time showing the extent to which the Court's order has been complied with. If after investigation the Court shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Court shall state its findings of fact and shall issue an order dismissing the said complaint. If the complaining party withdraws its complaint, the Court shall dismiss the case.

(d) The Court shall decide all incidental motions raised in any unfair labor practice cases within fifteen days from submission of the same. All other matters relative to such disputes including the main case shall be decided within thirty days after the submission of the case. The provision shall be considered as mandatory in character.

(e) The Court or any judge thereof shall have all the inherent power of a Court of Justice provided in Rule One hundred and twenty-four of the Rules of Court as well as the power to punish

direct and indirect contempts as provided in Rule sixty-four of the Rules of Court, under the same procedure and penalties provided therein. Any violation of any order or decision of the Court shall constitute contempt of court.

SEC. 6. *Unfair Labor Practice Cases—Appeals.*—Any person aggrieved by any order of the Court may appeal to the Supreme Court of the Philippines within ten days after the issuing of the Court's order but this appeal shall not stay the order of the Court and the person or persons named in the Court order shall meanwhile obey said order. The findings of the Court with respect to questions of fact if supported by substantial evidence on the record shall be conclusive. The appeal to the Supreme Court shall be limited to questions of law only.

SEC. 7. *Fixing Working Conditions by Court Order.*—In order to prevent undue restriction of free enterprise for capital and labor and to encourage the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining, no court of the Philippines shall have the power to set wages, rates of pay, hours of employment, or conditions of employment except as is in this Act otherwise provided and except as is provided in Republic Act Numbered Six hundred two and Commonwealth Act Numbered Four hundred forty-four as to hours of work.

SEC. 8. *Private Contracts Contravening Employee Rights.*—Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual firm, company, association or corporation and any employee or prospective employee of the same shall be null and void if thereby—

(a) Either party to such contract or agreement undertakes or promises not to join, become or remain a member of any labor organization or of any employer organization; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes or remains a member of any labor organization or of any employer organization.

(c) Either party undertakes or promises to permit the com-

mission of any of the unfair labor practices defined in section four hereof.

SEC. 9. *Injunctions in Labor Disputes.*—

(a) No Court, Commission or Board of the Philippines shall have jurisdiction except as provided in section ten of this Act to issue any restraining order, temporary or permanent injunction in any case involving or growing out of labor dispute to prohibit any person or persons participating or interested in such dispute from doing, whether singly or in concert, any of the following acts:

(1) Ceasing or refusing to perform any work or to remain in any relation of employment;

(2) Becoming or remaining a member of any labor organization or of any employee organization regardless of any undertaking or promise as is described in section eight of this Act;

(3) Paying or giving to, or withholding from any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or moneys, or things of value;

(4) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting any action or suit in any court of the Philippines;

(5) Giving publicity to the existence of, or the facts involved in any labor dispute, whether by advertising, speaking, patrolling, or by any method not involving fraud or violence;

(6) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(7) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(8) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(9) Advising, urging, or otherwise causing or inducing without fraud or violence, the acts heretofore specified, regardless of any such undertaking or promise as is described in section eight of this Act.

(b) No court of the Philippines shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the

ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in paragraph (a) above.

(c) No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute shall be held responsible or liable for the unlawful acts of individual officers, members, or agents, except upon proof of actual participation in, or actual authorization of such acts or of ratifying of such acts after actual knowledge thereof.

(d) No court of the Philippines shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after finding of fact by the Court, to the effect:

(1) That unlawful acts have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons, association, or organization making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;

(2) That substantial and irreparable injury to complainant's property will follow;

(3) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(4) That complainant has no adequate remedy at law; and

(5) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the Court shall direct, to all known persons against whom relief is sought, and also to the chief of those public officials of the province or city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property: *Provided, however,* That

if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security in an amount to be fixed by the Court sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee), and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the Court.

The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, upon a hearing to assess damages of which hearing complainant and surety shall have reasonable notice, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

(e) No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute by negotiation or with the aid of any available governmental machinery of mediation or by voluntary arbitration.

(f) No restraining order or temporary or permanent injunction shall be granted in a case involving or growing out of a labor dispute, except on the basis of findings of fact made and filed by the court in the record of the case prior to the issuance of such restraining order or injunction; and every restraining order or injunction granted in a case involving or growing out of a labor dispute shall include only a prohibition of such specific act or acts as may be expressly complained of in the bill of complaint or petition filed

in such case and as shall be expressly included in said findings of fact made and filed by the court as provided herein:

(1) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (i) between one or more employers or association of employers and one or more employees or association of employees; (ii) between one or more employers or association of employers and one or more employees or association of employers; or (iii) between one or more employees or association of employees and one or more employees or association of employees; or when the case involves any conflicting or competing interests in a "labor dispute" (as hereinbefore defined) of "persons participating or interested" therein (as hereinafter defined).

(2) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

SEC. 10. *Labor Disputes in Industries Indispensable to the National Interest.*—When in the opinion of the President of the Philippines there exists a labor dispute in an industry indispensable to the national interest and when such labor dispute is certified by the President to the Court of Industrial Relations, said Court may cause to be issued a restraining order forbidding the employees to strike or the employer to lockout the employees, pending an investigation by the Court, and if no other solution to the dispute is found, the Court may issue an order fixing the terms and conditions of employment.

SEC. 11. *Prohibition against Strikes in the Government.*—The terms and conditions of employment in the Government, including any political subdivision or instrumentality thereof, are governed by law and it is declared to be the policy of this Act that employees therein shall not strike for the purpose of securing changes or modi-

fication in their terms and conditions of employment. Such employees may belong to any labor organization which does not impose the obligation to strike or to join in strike: *Provided, however,* That this section shall apply only to employees employed in governmental functions and not to those employed in proprietary functions of the Government including but not limited to governmental corporations.

SEC. 12. *Exclusive Collective Bargaining Representation for Labor Organizations.*—

(a) The labor organization designated or selected for the purpose of collective bargaining by the majority of the employees in an appropriate collective bargaining unit shall be the exclusive representative of all the employees in such unit for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided,* That any individual employee or group of employees shall have the right at any time to present grievances to their employer.

(b) Whenever a question arises concerning the representation of employees, the Court may investigate such controversy and certify to the parties in writing the name of the labor organization that has been designated or selected for the appropriate bargaining unit. In any such investigation, the Court shall provide for a speedy and appropriate hearing upon due notice and if there is any reasonable doubt as to whom the employees have chosen as their representative for purposes of collective bargaining, the Court shall order a secret ballot election to be conducted by the Department of Labor, to ascertain who is the freely chosen representative of the employees, under such rules and regulations as the Court may prescribe, at which balloting representatives of the contending parties shall have the right to attend as inspectors. Such a balloting shall be known as a "certification election" and the Court shall not order certifications in the same unit more often than once in twelve months. The organizations receiving the majority of votes cast in such election shall be certified as the exclusive bargaining representative of such employees.

(c) In an instance where a petition is filed by at least ten per cent of the employees in the appropriate unit requesting an election, it shall be mandatory on the Court to order an election for the purpose of determining the representative of the employees for the appropriate bargaining unit.

(d) When requested to bargain collectively, an employer may petition the Court for an election if there has been no certification election held during the twelve months prior to the date of the request of the employees, and if the employer has reasonable doubt as to the bargaining representative of the employees in the appropriate unit.

(e) The Department of Labor shall conduct a certification election within 30 days of the date the Court makes the request and in accordance with the rules and regulations prescribed by the Court. The Department of Labor shall transmit the results of the election to the Court for its determination within seven days of the certification election.

(f) A labor organization which has been a contending party in the election may appeal the results of the certification election to the Court if it alleges any of the rules and regulations established by the Court for the conduct of the election have been violated.

SEC. 13. *Duty to Bargain Collectively.*—In the absence of an agreement or other voluntary arrangement providing for a more expeditious manner of collective bargaining, it shall be the duty of an employer and the representative of his employees to bargain collectively in accordance with the provisions of this Act. Such duty to bargain collectively means the performance of the mutual obligation to meet and confer promptly and expeditiously and in good faith, for the purpose of negotiating an agreement with respect to wages, hours, and/or other terms and conditions of employment, and of executing a written contract incorporating such agreement if requested by either party, or for the purpose of adjusting any grievances or question arising under such agreement, but such duty does not compel any party to agree to a proposal or to make concession.

Where there is in effect a collective bargaining agreement, the duty to bargain collectively shall also mean that neither party shall terminate or modify such agreement, unless it has served a written notice upon the other party of the proposed termination or modification at least thirty days prior to the expiration date of the agreement, or in the absence of an express provision concerning the period of validity of such agreement prior to the time it is intended to have such termination or modification take effect. It shall be the duty of both parties, without resorting to a strike or lockout, to

continue in full force and effect all the terms and conditions of the existing agreement during the said period of thirty days.

SEC. 14. *Procedure of Collective Bargaining.*—

(a) Whenever a party desires to negotiate an agreement, it shall serve a written notice upon the other party, with a statement of its proposals. The other party shall make a reply thereto not later than ten days from receipt of such proposals.

(b) In case differences shall arise on the basis of such proposals and reply, either party may request a conference which shall begin not later than ten days from the making of such request. Both parties shall endeavor in such conference to settle the dispute amicably and expeditiously.

(c) If the dispute is not settled by conference and the Conciliation Service of the Department of Labor intervenes in the dispute, it shall be the duty of each party to participate fully and promptly in such meetings and conferences as the Service may undertake.

(d) Before an employer may lockout his employees or the employees may strike, either party as the case may be, must file with the Conciliation Service thirty days prior thereto a notice of their intention to strike or lockout the employees. Such notice shall be in a form to be prescribed by the Chief of the Conciliation Service.

SEC. 15. *Violation of Duty to Bargain Collectively.*—It shall be unlawful for any employer to refuse to bargain collectively with the representative of his employees, or to declare a lockout without having first bargained collectively with the representative of his employees, in accordance with the provisions of this Act. Any employee whose work has stopped as a consequence of such lockout shall be entitled to back-pay.

The refusal of a labor organization to bargain collectively with an employer or the declaration of a strike by such organization without having first bargained collectively with an employer pursuant to this Act shall be sufficient cause for the Court of Industrial Relations to deny to said union all rights and privileges under this Act. Any employee who participates in such strike shall lose his status as an employee for the purposes of this Act.

The declaration of a strike by a labor organization or a lockout by an employer where no previous notice of a desire to negotiate an agreement has been served upon the other party as provided in Section 14 shall be deemed *prima facie* evidence of a violation of the duty to bargain collectively.

SEC. 17. Rights and Conditions of Membership in Labor Organizations.—It is hereby declared to be the public policy of the Philippines to encourage the following internal labor organization procedures. A minimum of ten per cent of the members of a labor organization may report an alleged violation of these procedures in their labor organization to the Court. If the Court finds, upon investigation, evidence to substantiate the alleged violation and that efforts to correct the alleged violation through the procedures provided by the labor organization's constitution or by-laws have been exhausted, the Court shall dispose of the complaint as in "unfair labor practice" cases.

(a) Arbitrary or excessive initiation fees shall not be required of the members of a legitimate labor organization nor shall arbitrary, excessive or oppressive fines and forfeitures be imposed.

(b) The members shall be entitled to full and detailed reports from their officers and representatives of all financial transactions as provided in the constitution and by-laws of the organization.

(c) They shall also have the right to elect officers by secret ballot at intervals of not more than two years and to determine and vote upon the question of striking or not striking or upon any other question of major policy affecting the entire membership of the organization.

(d) No labor organization shall knowingly admit as member or continue in membership therein any individual who belongs to any subversive organization or who is engaged directly or indirectly in any subversive activity or movement.

(e) No person who has been convicted of a crime involving moral turpitude shall be eligible for election to any office in a legitimate labor organization or for appointment to any position involving the collection, custody, management, control, or disbursement of its funds, and any such person shall be disqualified from continuing to hold any office or such position in the organization.

Within sixty days of the election of the officers of a legitimate labor organization, the secretary or other responsible officer thereof shall furnish the Secretary of Labor with a list of the newly-elected officers and the appointive officers or agents of the organization who are entrusted with the collection, custody, management, control or disbursement of its funds. Any change in such list shall be reported within this period.

(f) No officer, agent or member of a legitimate labor organization shall collect any fees, dues, or other contributions in behalf of the organization or make any disbursement of its money or funds unless he is provided with the necessary authority pursuant to its constitution or by-laws.

(g) Every payment of fees, dues, or other contributions by a member shall be evidenced by a receipt signed by the officer or agent making the collection and entered upon the record of the organization to be kept and maintained for that purpose.

(h) The funds of the organization shall not be applied for any purpose or object other than those expressly stated in its constitution or by-laws or those expressly authorized by a resolution of the majority of the members.

(i) Every expenditure of the funds of the organization shall be evidenced by a receipt from the person to whom the payment was made, which shall state the date, place and purpose of such payment. Such receipts shall form part of the financial records of the organization.

(j) The officers of a legitimate labor organization shall not be paid any other compensation, in addition to the salaries and expenses for their positions which shall be specifically provided for in its constitution or by-laws, except in pursuance of a resolution approved in a meeting by a majority vote.

(k) The treasurer of a legitimate labor organization and every officer thereof who is responsible for the accounts of such organization or for the collection, disbursement, custody or control of the funds, moneys and other properties of the organization, shall render to the organization and to its members at the times specified hereunder, a true and correct account of all moneys received and paid by him since he assumed office or since the last date on which he rendered such account and of the balance remaining in his hands at the time of rendering such account, and of all bonds, securities,

and other properties of the organization entrusted to his custody or under his control. The rendering of such account shall be made—

- (1) at least once a year within thirty days of the close of its fiscal year;
- (2) at such other times as may be required by a resolution of the majority of the members of the organization; and
- (3) upon vacating his office.

The account shall be verified by affidavit and copy thereof shall be furnished the Secretary of Labor. The organization shall cause such account to be audited by a qualified person.

(1) The books of accounts and other records of the financial activities of a legitimate labor organization shall be open to inspection by any officer or member hereof.

SEC. 23. *Registration of Labor Organizations.*—

(a) There shall be in the Department of Labor a Registrar of Labor Organizations (hereafter referred to as the Registrar).

It shall be the duty of the Registrar to act as the representative of the Secretary of Labor in any proceeding under this Act upon any question of the association or representation of employees, to keep and maintain a registry of legitimate labor organizations and of their branches or locals, and to perform such other functions as the Secretary of Labor may prescribe.

(b) Any labor organization, association or union of workers duly organized for the material, intellectual and moral well-being of its members shall acquire legal personality and be entitled to all the rights and privileges granted by law to legitimate labor organizations within thirty days of filing with the office of the Secretary of Labor notice of its due organization and existence and the following documents, together with the amount of five pesos as registration fee, except as provided in paragraph "d" of this section:

- (1) A copy of the constitution and by-laws of the organization together with a list of all officers of the association, their addresses and the address of the principal office of the organization;
- (2) A sworn statement of all the officers of the said organization, association or union to the effect that they are not members of the Communist Party and that they

are not members of any organization which teaches the overthrow of the Government by force or by any illegal or unconstitutional method; and

(3) If the applicant organization has been in existence for one or more years, a copy of its last annual financial report.

(c) If in the opinion of the Department of Labor the applicant organization does not appear to meet the requirements of this Act for registration, the Department shall, after ten days' notice to the applicant organization, association or union, and within thirty days of receipt of the above-mentioned documents, hold a public hearing in the province in which the principal office of the applicant is located at which the applicant organization shall have the right to be represented by attorney and to cross-examine witnesses; and such hearing shall be concluded and a decision announced by the Department within thirty days after the announcement of said hearing; and if after due hearing the Department rules against registration of the applicant, it shall be required that the Department of Labor state specifically what data the applicant has failed to submit as a prerequisite of registration. If the applicant is still denied, it thereafter shall have the right within sixty days of formal denial of registration to appeal to the Court of Appeals, which shall render a decision within thirty days; or to the Supreme Court.

(d) The registration and permit of a legitimate labor organization shall be cancelled by the Department of Labor, if the Department has reason to believe that the labor organization no longer meets one or more of the requirements of paragraph (b) above; or fails to file with the Department of Labor either its financial report within sixty days of the end of its fiscal year or the names of its new officers along with their non-subversive affidavits as outlined in paragraph (b) above within sixty days of their election; however, the Department of Labor shall not order the cancellation of the registration and permit without due notice and hearing, as provided under paragraph (c) above, and the affected labor organization shall have the same right of appeal to the courts as previously provided.

The Department of Labor shall automatically cancel or refuse registration and permit to the labor organization or the unit of a labor organization finally declared under sections five and six of this Act to be a company union as defined by this Act. The restoration or granting of registration and permit shall take place only

after the labor organization petitions the Court and the Court declares (1) that full remedial action has been taken and (2) sufficient time has elapsed to counteract the unfair labor practice which resulted in the company union status.

(e) Provisions of Commonwealth Act Numbered Two hundred and thirteen providing for registration, licensing, and cancellation of registration of organizations, associations or unions of labor, as qualified and expanded by the preceding paragraphs of this Act, are hereby amended.

SEC. 24. *Rights of Labor Organizations.*—A legitimate labor organization shall have the right—

(a) To act as the representative of its members for the purpose of collective bargaining, pursuant to section three of this Act;

(b) To be certified as the exclusive representative of the employees in a collective bargaining unit, as provided in section twelve (a);

(c) To own property, real or personal, for the use and benefit of such labor organization and of its members; and

(d) To bring and defend actions in its registered name relating to such property.

No suit, action or other proceeding shall be maintainable in any court against a labor organization or any officer or member thereof for any act done by or on behalf of such organization in furtherance of an industrial dispute to which it is a party, on the ground only that such act induces some other person to break a contract of employment or that it is in restraint of trade or interferes with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or labor.

SEC. 30. *Date of Effectivity.*—This Act shall take effect on its approval.

Approved, June 17, 1953.

AMENDMENT TO WORKMEN'S COMPENSATION ACT

The amendment to Section 54 of the Act seeks to make equitable the contribution to the administration fund by collecting not only from the insurance carriers but also from the uninsured employers. The section sought to be amended provides for contributions collectible only from insurance carriers. Since the expenses of administration should be borne by all management composed of the insured and uninsured employers as is in vogue in all civilized countries of the world, the former should contribute thru their insurance carriers, and the latter, directly. To allow this section to remain as it is is tantamount to discouraging the insurance of compensation liabilities because employers would prefer to be uninsured if only to avoid paying the contribution. This is disservice to labor which has to rely totally for payment of any compensation due him not only on the good faith of his employer but also on its success in the business.

The amendment to Section 55 of the law seeks to specify those sections in the law which provide amounts that should be turned over to the administrative fund of the Commission.

The reason for this is very obvious, for unless the section is amended, only those employers who paid their employees compensation for industrial accidents or illness shall be made to bear the extra payment for the deficiency of the fund of administering the Workmen's Compensation Act. It is bad enough that honest employers lose part of their gains by payment of compensation for accidents over which they have no control, and to further assess them by reason of such compensation payments is tantamount to forcing them out of business.

Section 57 is proposed in order to furnish the necessary deterrence against any willful violation of any of the provisions of the Act.

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