

GOTAMCO LUMBER COMPANY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND NATIONAL LABOR UNION, RESPONDENTS.

G.R. No. L-2569. January 13, 1950

Ponente: BENGZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/1c509cece282/>

BENGZON, J.:

The petitioner, a corporation organized and existing under our laws, complains of a decision, dated July 9, 1946, of the respondent Court of Industrial Relations. It alleges:

- (1) that the decision is contrary to law because such Court has no power to grant increases of wages which are above the minimum fixed by it;
- (2) that Marino Carillo was not dismissed for his union activities, but for negligence and misconduct;
- (3) that the recovery of overtime pay for services rendered without any permit from the Secretary of Labor is contrary to law; and
- (4) that the ruling of this Court in *Montera, vs. Court of Industrial Relations*,^[1] G. R. No. L-1340, has been violated.

At the outset we may dismiss the second ground, because it involves a question of fact, and we have time and again announced the proposition that we will not ordinarily revise the factual findings of the respondent court.

Regarding the first point, it appears that on October 15, 1947, the National Labor Union submitted eight demands to the management of the Gotamco Lumber Company. On October 20, the same Union filed with the Court of Industrial Relations the same eight demands, and asserted that the failure of the Gotamco Lumber Company to reply to their petition gave rise to an industrial dispute between said company and its laborers, which was likely to cause a strike or lockout requiring the prompt intervention of the industrial court. The pertinent demands were:

- "1. That the company shall pay a minimum wage of 77.00 daily to its laborers and a general increase of 20% in the salaries and wages of those at present receiving more than this minimum wage;
- "2. That all overtime work and all work done on Sundays and legal holidays be paid an additional 50% and those who have heretofore rendered overtime work be immediately paid;
- "3. That all laborers and employees be given an annual vacation leave of 15 days with pay;
- "4. That in case of accident or illness the employees and laborers concerned be given free hospitalization and paid their full salaries and wages during the period that they would be unable to work; * * * "

After hearing the parties and their evidence, the Honorable Arsenio Roldan, Presiding Judge, in a carefully prepared decision, citing facts and circumstances, reached the conclusion that the Gotamco Lumber Company should be ordered, as it was ordered, to grant to all of its laborers and employees the following increases, effective

October 21, 1947:

"P5.50 a day as minimum wage for apprentice, extra, new, casual, unskilled or common laborer. In other words, those receiving less than P5.00 each a day shall have their wages adjusted to P5.50 each a day.

"Apprentices should not exceed 20 per cent of the total number of laborers employed. (Secs. 5, 6, Commonwealth Act No. 103, as amended)

"15 per cent increase for those who are receiving from 5.00 to P7.00 each a day.

"10 per cent increase for those who are receiving above P7.00 each a day.

"For the monthly salaried employees:

"P143.00 a month, as minimum salary. (Equivalent to P5.50 a day times 26 working days.

"15 per cent increase for those who are receiving more than P143.00 to P182.00 each a month. (P182.00 equivalent to P7.00 a day times 26 working days

"10 per cent increase for those who are receiving above P182.00 each a month."

Explaining its first ground of complaint, the petitioner alleges that the respondent court fixed a minimum wage, and ordered "a blanket increase of all salaries and wages which are far above the minimum fixed by it". Petitioner wherefore contends that the respondent court has no power to order the increase of wages which are above the minimum already prescribed by it. As applied to the decision, petitioner argues, in effect, that after fixing P5.50 as minimum, the respondent court could not further decree an increase of fifteen per cent to those receiving from P5.00 to P7.00 per day, and an increase of ten per cent to those receiving more than seven pesos a day.

It must be noted that the P5.50 minimum wage is given to apprentices, new, unskilled laborers, etc. whereas the additional 15 per cent and 10 per cent is awarded to other kinds of laborers (obviously the skilled ones). In effect the court was fixing another minimum wage for those receiving more than a day (the skilled workers). So that granting, for the sake of argument that the respondent court may not go beyond fixing a minimum wage, what it performed in this instance was nothing more than fixing minimum wages for different kinds of laborers. Anyway we have already held in *Caltex (Philippines), Inc. vs. National Labor Union*, G.R. No. L-1412, 81 Phil., 331, that in case there is a dispute as to salaries or wages between an industrial or commercial establishment and its laborers, the Court of Industrial Relations has, by law, the power to fix just and reasonable wages, in order to peacefully solve the dispute and avoid the calamitous effects of a strike. (*The Shell Company of the Philippines, Limited vs. National Labor Union*, G.R. No. L-1309, 81 Phil., 315) (See also *Leyte Land Transportation vs. Leyte Farmers' & Laborers' Union*, G.R. No. L-1377, 80 Phil., 840).

As a matter of fact in the last case, we upheld an order of the respondent court directing the transportation company to grant its several employees, drivers, conductors and laborers an increase in wages at various rates. We said, "there can be no doubt about the propriety (of the raises) since said court is impliedly empowered to do so under section 20 of Commonwealth Act No. 103".

The decision now under review grants to all the workers and employees of the company "50 per cent additional compensation for work performed in excess of eight hours a day including Sundays and legal holidays effective October 21, 1947". The petitioner maintains that as the overtime work had been performed without a permit from the Department of Labor, no extra compensation should be authorized. Several decisions of this Court are invoked. But those decisions were based on the reasoning that "as both the laborer and employer are duty bound" to secure the permit from the Department of Labor, both were in *pari delicto*. However, the present law in effect imposes that duty upon the employer (Commonwealth Act No. 444). Such employer may not therefore be heard

to plead his own neglect as exemption or defense. The employee, in rendering extra service at the request of his employer has a right to assume that the latter has complied with the requirements of the law, and therefore has obtained the required permission from the Department of Labor.

The fourth ground invoked by the petitioner is based on the alleged pendency before the Court of Industrial Relations of another case No. 31-V between the Gotamco Lumber Company and the C.L.O. concerning the demands of the same laborers involved in this expediente. It appearing that said case No. 31-V had been stopped or withdrawn as of June 11, 1948, and that the decision of this case was rendered on July 9, 1948, we fail to see any prejudicial error.

Wherefore, the appealed decision is affirmed, with costs. So ordered.

Moran, C. J., Ozaeta, Paras, Pablo, Bengzon, Padilla, Tuason, Reyes, and Torres, JJ., concur.
Montemayor, J., no part.

[1]79 Phil., 345.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.