

LEYTE LAND TRANSPORTATION COMPANY, INC., PETITIONERS, VS. LEYTE FARMERS & LABORERS UNION, RESPONDENTS.*G.R. No. L-1377. May 12, 1948*

Ponente: PARAS, J.

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This is an appeal by certiorari from a decision of the Court of Industrial Relations in which the Petitioner (appellant), Leyte Land Transportation Company, Inc., was ordered, — among other directives not here assailed, — (1) to grant its various employees, drivers, conductors, and laborers increase in salaries and wages at average rates of five and ten pesos, representing an annual total of some P14,940; (2) to grant, under certain conditions, per diems at P2 per day to its drivers, conductors, mechanics and other workers; (3) to grant, under certain conditions, its employees and laborers 15 days vacation with pay and 15 days sick leave with pay.

The petitioner contends that the Court of Industrial Relations made a mistake in conceding salary or wage increases, after being "convinced that the basic salary of P100 for drivers and P80 for conductors is just taking into consideration the financial condition of the corporation just now," and merely because such increases will enable the workers "to meet the high cost of living now in Tacloban in order to help them buy the necessities for a decent livelihood." It is intimated in this connection that the total amount of the increases, "if added to the crippling losses will throw the Company into bankruptcy."

There can be no doubt about the propriety of the action of the Court of Industrial Relations in taking into account the "high cost of living" as a factor for determining the reasonableness of any salary or wage raise, since said court is impliedly empowered to do so under section 20 of Commonwealth Act No. 103 which provides that "in the hearing, investigation and determination of any question or controversy and in exercising any duties and power under this Act, the Court shall act according to justice and equity and substantial merits of the case, without regard to technicalities or legal forms," not to mention section 5 which provides, in connection with minimum wages for a given industry or in a given locality, that the court shall fix the same at a rate that "would give the workingmen a just compensation for their labor and an adequate income to meet the essential necessities of civilized life, and at the same time allow the capital a fair return on its investment." It cannot be supposed that the Court of Industrial Relations is powerless to adopt the latter criterion, simply because it is called upon to fix a minimum wage to be paid by a specific employer, and not by all employers engaged in the transportation business.

Whether or not the ruling of the Court of Industrial Relations will allow the petitioner a fair return on its investments or result in its bankruptcy is a factual inquiry which we are not authorized to make, (Commonwealth Act No. 103, section 15, as amended by Commonwealth Act No. 559, section 2; Rules of Court 44; National Labor Union vs. Philippine Match Co., 40 Off. Gaz., 8th Supp., p. 134; Bardwell Brothers vs. Philippine Labor Union, 39 Off. Gaz., p. 1032; Pasumil Workers' Union vs. Court of Industrial Relations, 40 Off. Gaz., 6th Supp.,

p. 71; *Kaisahan Ng Mga Manggagawa Sa Kahoy sa Pilipinas vs. Gotamco Saw Mill*, G. R. No. L-1573, March 29, 1948.) Even so, it is not amiss to point out, by way of preserving petitioner's peace of mind, that the increases in question are, under the express terms of the appealed decision, merely temporary, with the result that the petitioner may reopen the question at any proper time.

This Court has already upheld the constitutionality of the power of the Court of Industrial Relations to determine and fix minimum wages for workers (*Antamok Goldfields Mining Company vs. Court of Industrial Relations* 40 Off. Gaz., 8th Supp., p. 173; *The International Hardwood and Veneer Company vs. The Pañgil Federation of Labor*, 40 Off. Gaz., 9th Supp., p. 118; *The Central Azucarsra de Tarlac vs. The Court of Industrial Relations*, 40 Off. Gaz., 9th Supp., p. 146), thereby making it unnecessary for us to discuss at length the arguments of the petitioner on the point. Indeed, the power in question was said to have been granted to the Court of Industrial Relations in virtue of the constitutional mandates that "the promotion of social justice to insure the well-being and economic security of all the people should be the concern of the State" (Constitution, Article II, Section 5); "the State shall afford protection to labor, especially to working women and minors, and shall regulate the relations between landowner and tenant, and between labor and capital in industry and in agriculture" (Id., Article XIV, section 6); "the State may provide for compulsory arbitration." (Id.).

The authority of the Court of Industrial Relations to order the petitioner to grant its employees and laborers vacation and sick leaves with pay is clearly included or implied from its general jurisdictions to consider, investigate, decide and settle all questions, matters, controversies, or disputes arising between, and/or affecting employers and employees or laborers, and regulate the relations between them (Commonwealth Act No. 103, Section 1, as amended by Commonwealth Act No. 559), and to take cognizance of any industrial dispute causing or likely to cause a strike or lockout, arising from differences as regards, among others, wages or conditions of employment. It is needless to remind all employers that the concession of vacation and sick leaves in the long run redounds to their benefit, for as well remarked by Professors Watkins and Dood in "Labor Problems" (1940), pages 330-331, quoted in the memorandum of the respondent Court of Industrial Relations, "when there is an assurance of holidays and vacations, workers take up their tasks with greater efficiency and tend to sustain their productiveness for longer periods."

In answer to the contention of the petitioner that the doctrine laid down in the appealed decision in effect "has deprived the Company of its rights to enter into contract of employment as it and the employee may agree," it is sufficient to quote the following pronouncements of the United States Supreme Court: "The fact that both parties are of full age and competent to contract does not necessarily deprive the State of the power to interfere where the parties do not stand upon an equality, or where the public health demands that one party to the contract shall be protected against himself. The State still retains an interest in his welfare, however reckless he maybe. The whole is no greater than the sum of all the parts, and where the individual health, safety and welfare are sacrificed or neglected, the State must suffer." (*West Coast Hotel Company vs. Parrish*, 300 U. S. 379, 394, 81 Law ed. 703, 710, quoting *Holden vs. Hardy*, 169 U.S. 366, 42 Law ed. 780. The former, by the way, expressly overrules the case of *Adkins vs. Children's Hospital*, 261 U.S. 525, 67 Law ed. 785, cited by the petitioner.) With respect to the decision in *People vs. Pomar*, 46 Phil. 440, also invoked in petitioner's behalf, we merely recall what Mr. Justice Laurel stated in his concurring opinion in the case of *Ang Tibay vs. Court of Industrial Relations et al.*, G. R. No. 46496, quoted in *Antamok Goldfields Mining Company vs. Court of Industrial Relations*, 40 Off. Gaz., 8th Supp., pages 173, 193; "In the midst of changes that have taken place, it may likewise be doubted if the pronouncement made by this Court in the case of *People vs. Pomar* (46 Phil., 440) — also relied upon by the petitioner in its printed memorandum — still retains its virtuality as a living principle. The policy of *laissez faire* has to some extent given way to the assumption by the government of the right of intervention even in contractual relations affected with public interest."

Criticism is addressed to the extension of the increases and other benefits in question to employees and laborers who were not made parties hereto and who did not join the seventy-six drivers and conductors who had made corresponding demands upon and declared a strike against the petitioner. Aside from the fact that the Court of Industrial Relations is authorized to act according to justice and equity without regard to technicalities or legal forms (Commonwealth Act No. 103, section 20), the criticism is answered in the decision of this Court in *Parsons Hardware Co., Inc. vs. Court of Industrial Relations*, G.R. No. 48215, wherein it was held: "Even assuming that the eighteen laborers were not members of the union at the time its petition for a general increase in salaries was submitted, we are of the opinion and so hold that as they are laborers of the company, they are entitled to the increase, * * * It has to be so, because to accord such increase only to members of the union would constitute an unjust and unwarranted discrimination against non-members."

The petitioner alleges that the lower court erred in fixing a scale of salaries, wages and per diems higher than that adopted by the National Government and its subdivisions. The comparison is rather sad because, the Government, unlike the petitioner, is not established for profit and mainly derives its income from the taxes paid by the people. Moreover, we can take judicial notice of the fact that the Government, within the limits of its finances, has already strived and is still striving to raise and standardize the salaries and wages of its employees and laborers, especially those in the lower brackets.

The decision appealed from is, therefore, hereby affirmed, with costs against the petitioner. So ordered.

Feria, Pablo, Perfecto, Bengzon, and Tuason, JJ., concur.

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