

PASUMIL WORKERS UNION, PETITIONER AND APPELLEE, VS. PAMPANGA SUGAR MILLS, RESPONDENT AND APPELLANT.

G.R. No. L-4318. July 31, 1952

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is an appeal by way of certiorari from a decision of the Court of Industrial Relations fixing the minimum daily wage, separation pay, and the medical services and hospitalization which should be given to the laborers affiliated to Pasumil Workers Union, a labor union composed of laborers working with respondent Pampanga Sugar Mills.

In a letter to the manager of Pampanga Sugar Mills dated December 10, 1948, the Pasumil Workers Union, petitioner herein, submitted twenty-one demands all aimed at improving the wages and conditions of employment of the laborers affiliated to said union. The Pampanga Sugar Mills, respondent herein, answered the demands in a letter dated January 8, 1949. As the parties could not reach an understanding on many of the demands, the matter was referred to the Department of Labor for conciliation. And this having failed, the case was certified to the Court of Industrial Relations by the Secretary of Labor in a letter dated January 14, 1949. The case stood in that court for sometime until February 21, 1950, when Associate Judge Juan L. Lanting rendered decision denying most of the demands on matters where the parties did not reach an agreement or compromise, with the exception of demands Nos. 12, 13 and 15.

As regards demand No. 15, the court decided to give a minimum wage of P4 to all laborers regardless of whether they are industrial or agricultural, which rate was reduced to P3 for agricultural laborers upon a motion for reconsideration.

The company disputes this award on the ground that it is unfair to give the same minimum rate to industrial as well as agricultural laborers without first conducting an investigation to ascertain pertinent facts and circumstances that would provide a proper legal basis for the fixing of a reasonable minimum wage as contemplated by law.

As regards demand No. 13, the court awarded a separation pay of two weeks to seasonal laborers and employees to be laid off after rftilling season, which pay, for the sake of convenience and to avoid any controversy as to the number of days a laborer actually worked in a week, was fixed on the basis of 13 days, by way of compromise. This is also disputed by the company on the ground that it is contrary to fairness and equity.

As regards demand No. 12, the court granted the demand of the union for sick leave, medical care and hospitalization, as agreed to by the company in its answer to the demand. When requested to make a clarification of this award in view of the omission of the company to mention the contribution which, under existing arrangement, the employees had agreed to give to help defray the expenses involved in the medical services and hospitalization, the court maintained its former award. The refusal to make such clarification is also disputed in this instance.

In contending that the Court of Industrial Relations has committed an error in fixing a minimum daily wage of P3 for all agricultural laborers without conducting an investigation to establish a proper legal basis for the fixing of the minimum wage contemplated by law, the company poses this question: "is it legal, proper and Just for the court to actually fix minimum wages, without conducting any investigation and obtaining evidence to establish facts that will provide an adequate legal basis for determining a reasonable minimum wage?" The company contends that this cannot be properly done under section 5, paragraph 2, of Commonwealth Act No. 103, as amended, which requires that "a careful examination of the amount of capital invested in the industry or industries concerned, the number of laborers or employees, the cost of production, insurance and transportation, market prices, benefits or gains derived or losses suffered or expected, wages and shares as well as other income of laborers and tenants, minimum cost of living and labor conditions in general, and such other factors and circumstances as may, in its opinion, be necessary to fairly and adequately accomplish the purpose of the investigation", be first made before a reasonable minimum wage could be awarded.

There can hardly be a dispute as to what the law provides on this matter. This is the procedure set by law in determining the reasonable minimum wage to be given to the laborers working in an industrial enterprise. But we disagree in the application of this procedure in this case. While this is the rule, it does not follow that it should be followed in all cases. Circumstances may arise which may justify a departure from the pattern prescribed by law such as when the parties facilitate the determination of the issue through compromise or conciliation. Such is the situation obtaining in this case where it appears that the company readily agreed to the demand of the union to pay to all its laborers without distinction a minimum wage of P4 a day. This appears in the answer of the company to demand No. 1. And it is for this reason that the court did not find it necessary to conduct further investigation on the matter. Nevertheless, in view of the plea of the company that agricultural laborers should not be placed on the same level as industrial laborers in so far as rates of pay are concerned, the court adopted a conciliatory attitude by awarding to the agricultural laborers a daily rate of P3. In our opinion, the court has made good use of its discretion in adopting this conciliatory attitude taking into account the circumstances of the case, and the fact that when the demand was made the minimum wage law has not yet been approved. We do not find error in this respect.

As regards demand No. 13, it appears that in December 1947, the parties agreed that "full two weeks" pay will be granted to seasonal laborers or employees laid off after the milling season". But then doubts arose as to its interpretation. On one hand, the company insists that it should pay only a separation pay of 12 days on the basis of 6 working days a week, excluding Sunday. The union, on the other, contends that those working 7 days a week should be given pay for 14 days and those working 6 days a week should be paid for 12 days. And when the case was submitted for ruling, the Court, to avoid any controversy as to how many days a week a laborer has actually worked at the time of the lay-off, decided to meet both parties half-way by taking the average of 13 days. The company now contends that this is unfair because there are more laborers who work 6 days a week than those who work 7 days a week, and to take an average of 13 days as basis of computation would be detrimental to the company.

We do not find error, or abuse of discretion, on the part of the court in fixing an average of 13 days as basis for determining the separation pay of seasonal workers or employees considering the circumstances obtaining in this case. For one thing, we find that the company has agreed to give to seasonal laborers or employees "full two weeks" separation pay. Full two weeks mean 14 days on the basis of 7 days a week. The agreement is not limited to 6 working days, the reason being undoubtedly that laborers work sometimes even on Sundays. On the other hand, we note that the court has judiciously adopted the middle-road solution to forestall any future controversy as to the number of days a laborer has worked during the week at the time of his lay-off. And we find this to be an appropriate step which can hardly be disputed in this instance.

As regards demand No. 12, regarding sick leave, medical care and hospitalization, the company made the following commitment:

"The Company agrees to grant fifteen (15) days sick leave with pay for each year of service, and to give free hospitalization, medical care and medicines to sick laborers and employees. With respect to their dependents, although the Company is not legally bound to do so, it intends to continue the practice of extending help and assistance in the form of hospitalization, medical assistance and medicine."

The court sanctioned this agreement and made the corresponding award. When the company asked for clarification invoking a previous arrangement whereby the union agreed to contribute 2 per cent from the salaries of its members to help defray the medical expenses of the laborers and their dependents which, according to the company, it failed to invoke through an oversight, this request for clarification was ignored. The company now reiterates its plea that it be considered in the award.

Counsel for the union does not dispute that there is an arrangement regarding such contribution, and merely contends that such arrangement is already covered by an existing agreement. This claim apparently is correct, for it is not disputed by the company. If there is an existing agreement on the matter, there is, therefore, no need to include it in the award. Hence, the court did not also err in this respect.

Wherefore, the petition is dismissed, with costs.

Paras, C. J., Pablo, Bengzon, Padilla, Tuason, Montemayor, and Labrador, JJ., concur.

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