

BENGUET CONSOLIDATED, INC., PETITIONER, VS. CECILIO MONTEMAYOR IN HIS CAPACITY AS DIRECTOR OF THE COOPERATIVE ADMINISTRATION OFFICE, AND ACUPAN MINERS COOPERATIVE CREDIT UNION, ...

G.R. No. L-19780. June 30, 1965

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

Appeal by certiorari, taken by the Benguet Consolidated, Inc., hereinafter referred to as the Consolidated, from a decision of the Court of Appeals, affirming that of the Court of First Instance of Baguio City.

The facts are set forth in said decision of the Court of Appeals as follows.

"This is a petition to compel the respondents to deduct from the salaries of its employees who are members of the Acupan Miners Cooperative Credit Union, Inc., the weekly installments of P8.00 to be applied to the deposit of P100.00 required of each member of said union. The petition is filed pursuant to the provision of Sec. 62 of Republic Act No. 2033 known as the Philippine Non-Agricultural Cooperative Act, under which section the employer is obliged to deduct from the wages of its employees such sums as the cooperative of which they are members may request to be applied to the payment of their obligations to the cooperative.

"The Acupan Miners Cooperative Credit Union is composed of the laborers and employees of the respondent, Benguet Consolidated, Inc. The said union has been organized and is now functioning under Republic Act No. 2033. After the approval of its Articles of Incorporation and the adoption of its By-laws, the said union was issued a certificate of registration by the Cooperative Administration Office. Under the By-Laws of the Acupan Miners Cooperative Credit Union a laborer or employee of the Acupan Mines, owned and operated by the Benguet Consolidated, Inc., may become a member of the credit union by filing an application for membership which contains a pledge to deposit P100.00 payable in weekly installments of P8.00 each. The said application contains a stipulation that the treasurer of the credit union is authorized to collect from the paymaster or cashier of the Benguet Consolidated, Inc. out of the salaries of said employees the sums above mentioned, together with the membership fee.

"The notice of deduction of the sums above mentioned was sent to the respondent by Atty. Alexander H. Brillantes who is the lawyer and consultant of the Acupan Miners Cooperative Credit Union, through his letter, dated August 21, 1958. The appointment of Mr. Brillantes in said capacity was ratified in a meeting of a Board of Directors of the said union held on October 9, 1958-Upon receipt of Atty. Brillantes' letter, respondent replied that it could not agree to make the requested deductions from the salaries of its employees who are members of the union on the ground that it would entail additional clerical expenses to the company, besides being contrary to the Minimum Wage Law.

"In view of the refusal of the respondent to make the requested deductions from the salaries of its employees to cover their fixed deposit and membership fee in the Acupan Miners Cooperative Credit Union, this petition was filed for a writ of Mandamus to compel the respondent to do so."

After appropriate proceedings, the Court of First Instance rendered a decision the dispositive part of which reads:

"Judgment is, therefore, rendered, ordering Respondent to make the deductions demanded by Petitioner Cooperative and deliver the same to the Treasurer of Petitioner Cooperative.

"The preliminary mandatory injunction issued by this Court is made permanent. Respondent shall pay the costs."

which, on appeal taken by the Consolidated, was affirmed by the Court of Appeals. Hence this appeal by certiorari.

As stated in the decision of the Court of Appeals, the main issue is whether or not the Consolidated has a legal duty to deduct, from the salary or wages earned by its aforementioned employees and laborers, the aggregate sum of P100 they had agreed to deposit with the Acupan Miners Cooperative Credit Union, Inc.—hereinafter referred to as the Co-operative—payable in weekly installments of P8.00 each, plus the corresponding membership fee of P1.00, and to turn over the amounts so deducted to the treasurer of the Co-operative pursuant to Section 62 of Republic Act No. 2023, which provides:

"Agreements with members for deductions from salary to meet claims of co-operative permitted:

(1) A member of a co-operative may execute an agreement in favor of the co-operative authorizing his employer to deduct from the salary or wages payable to him by the employer such amount as may be specified in the agreement and to pay the amount so deducted to the co-operative in satisfaction of any debt or other demand owing from the member of the co-operative.

(2) Upon the execution of such agreement, the employer shall, if so required by the co-operative by a request in writing and so long as such debt or other demand or any part of it remains unpaid, make the deductions in accordance with the agreement and remit forthwith the amount so deducted to the co-operative."

The Consolidated maintains that the answer should be in the negative, and that the Court of Appeals erred in deciding otherwise, because: (1) said Section 62 refers to debts of members of the Co-operative, whereas the persons for whose benefit the deductions in question are sought will not, it is claimed, become members of the Co-operative until after the first installment of said deposit of P100 and the P1.00 membership fee have been paid; (2) the debts referred to in said Section 62 do not include fees or other obligations for admission to membership; (3) the request for deductions under said Republic Act No. 2023, must be made by the Co-operative itself, not by its counsel or consultant, as in the case at bar; and (4) the present action was filed by the Director of the Co-operative Administration Office, not by the Co-operative itself.

It is true that under Section 3 of the By-Laws of the Co-operative:

"A person admitted to membership by the board of directors shall not become a member or be entitled to any of the rights and privileges of a member until he has qualified by paying the entrance fee of P1.00 and his fixed deposits or the first installment thereon."

Pursuant, however, to Section 3, paragraph 4, of Republic Act No. 2023:

" 'Member' includes both a person who subscribes to the articles of incorporation of a co-operative and a person, either natural or juridical, who agrees to join the co-operative and is admitted to membership after registration in accordance with the bylaws and the regulations promulgated under this Act."

This provision, not the by-laws of the Co-operative, is controlling on the import of the term "member", as it is used in said Section 62 of Republic Act No. 2023. According to section 3 thereof, one admitted to membership, is a member of the Co-operative, within the purview of said Section 62. In other words, payment of the membership

fee and the first installment of the aforementioned deposit of P1.00, as provided in the by-laws of the Cooperative, is not essential in order that one whose application for membership has been approved by the Co-operative could avail, vis-a-vis the employer, of the benefits of said Section 62, even if before the payment of said fee and deposit, the person thus admitted to membership, may not as yet exercise, vis-a-vis the Co-operative, the rights and prerogatives appurtenant to such membership. Thus, Section 26 of the Act explicitly declares that "an applicant for membership shall be deemed a member after approval of his membership by the board of directors", although he may not "exercise the rights of a member" until "after having made such payment to the Co-operative in respect of membership or acquired interest in the Co-operative as may be prescribed by the regulations and the by-laws".

The Consolidated would, likewise, limit the import of the phrase "any debt or other demand" in Section 62, to the obligations contracted for "seeds, fertilizers, labor, subsistence, irrigation facilities, purchase of cattle, agricultural implements, purchase of raw materials, purchase of consumers goods, loans from the co-operative, etc.", referred to in Section 61 of the same Act. However, we find in Section 62 nothing that would limit the meaning of said phrase to the obligations mentioned in Section 61. Indeed, had Congress intended to so limit the scope of said phrase in Section 62, it would have made express reference therein to the obligations adverted to in said Section 61. Yet, Congress did not do so. What is more, the pronoun "any" used to qualify the words "debt or other demand" in Section 62 indicate that the same has a broader coverage than Section 61.

Again, it is obvious from the entire context of Republic Act No. 2023, that the latter seeks to promote, encourage and facilitate the establishment of co-operative credit unions of laborers and employees; that one of the principal obstacles to the achievement of this goal is the usual lack of means on the part of the laborers and employees to make the outlays necessary to join such co-operatives; and that Section 62 seeks to surmount or minimize this obstacle by permitting the Co-operatives, with the authority of the laborers or employees concerned, to collect the necessary funds directly from the employer, through deductions to be made by the latter from the salaries or wages that the former may earn therefrom. In short, the theory of the Consolidated runs counter to the letter and spirit of the law.

As regards the sufficiency of the request made by the Co-operative, thru Atty. Brillantes and the right, personality or cause of action of the Director of the Cooperative Administration Office to commence and maintain the present action, we are fully in agreement with the view expressed by the Court of Appeals, in the following language:

"We are also of the opinion that the request of the Acupan Miners Cooperative Credit Union, thru Atty. Alexander H. Brillantes, in his capacity as legal consultant and accountant of the credit union, fairly satisfies the requirement of the law that the union must duly request in writing the employer to make the deductions. The relationship of Atty. A. H. Brillantes with the Acupan Miners Cooperative Credit Union is that of attorney and client and as such he can lawfully act on behalf of the union in a matter where the latter has a right or interest to be protected. Since Atty. Brillantes had been in effect lawfully authorized by the petitioner union to make the demand in writing for the deduction of the corresponding amounts from the salaries of the employees of the respondent, his letter of August 21, 1958, to that effect is equivalent to the written notice which the union itself should give to the employer.

"The respondent also objected to the right of the petitioner, Cecilio Montemayor, as Director of the Cooperative Administration Office, to sign the instant petition. Under Rep. Act No. 2023 the Cooperative Administrative Office is called upon to enforce that law. Any violation thereof is a matter in which the said director has the legal duty to act for the enforcement and protection of the right of a cooperative organized thereunder. He is, therefore, a proper party and can sign the petition for judicial relief on behalf of any non-agricultural cooperative under the supervision of his office. His participation herein may not be strictly in accordance with the Rules of Court but such obligation, being purely technical, should yield to the greater

interest of the members of the cooperative which is itself a petitioner in these proceedings. A technicality should not lie a hindrance to the attainment of justice, and when it so heroines; it deserves scant consideration from courts (Alonzo vs. Villainor, 10 Phil. 315; Go Tiainco vs. Diaz et al., 75 Phil. 672)."

It is, also, worthy of notice that, upon receipt, of the request of Atty. Brillantes for the aforementioned deductions, the Consolidated did not question his authority to make said request, and refused to accede thereto merely upon the ground that it would entail additional clerical expenses for the Consolidated and was contrary to the Minimum Wage Law.

WHEREFORE, the decision appealed from is hereby affirmed, with cost against the Benguet Consolidated, Inc. It is so ordered.

Bengzon, C.J., Reyes, J.B.L., Regala, Makalintal, Bengzon, J.P. and Zaldivar, JJ., concur.

Decision affirmed.

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