

PASUMIL WORKERS UNION, PETITIONER, VS. THE COURT OF INDUSTRIAL RELATIONS AND NATIONAL LABOR UNION, RESPONDENTS.

G.R. No. L-19628. April 30, 1964

Ponente: LABRADOR, J.

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LABRADOR, J.:

This is an appeal from an order of the Court of Industrial Relations finding petitioner Pasumil Workers' Union guilty of unfair labor practice and ordering that it be dis-established and stricken off from the list of legitimate labor organizations in the Department of Labor. The order appealed from was entered upon the complaint of the National Labor Union to the effect that the Pasumil Workers Union received on different dates the following amounts, as an assistance from the Pampanga Sugar Mills, in violation of Sec. 4(a), sub-par. 8 of Republic Act No. 875:

P 177.00

June 9, 1959

177.21

June 15, 1959

4,500.00

September 26, 1959

The National Labor Union submitted as the basis for charging petitioner with unfair labor practice "Memorandum of Agreement" (Exhibit A) between the Pampanga Sugar Mills and the Pasumil Workers Union dated September 26, 1959, which is as follows:

"In view of the fact that the Company cannot, as a matter of principle, go beyond 1956 in connection with permanent laborers on the monthly or daily basis, working only 6 days a week, and inasmuch as the Union has accepted the stipulation found in par. I of the Supplemental Agreement in settlement of its claim, the Company and the Union agreed that purely in the interest of harmonious relations the Company will make available to the Union a cash amount in the sum of P4,500.00 as an assistance of the Company to the Union for whatever worthy project the latter may undertake.

The respondent union in the court below claimed that the amount of P4,500.00 received on September 26, 1959 by virtue of the Memorandum Agreement, represents the three-day vacation leave pay for the years 1954 to 1955 granted to laborers belonging to said labor union, which is one-half of what they were actually entitled to receive under the decision of the Court of Industrial Relations. Herein petitioner union stated also in its answer that the said amount was actually distributed by the union among the employees entitled thereto.

The court below rejected the respondent's explanation and held that the amount of P4,500.00 stated in the

Memorandum was actually received as an assistance from the company to the union for whatever worthy project the latter may undertake, not in payment of vacation leave due the employees.

On this appeal petitioner Pasumil Workers Union insists that the amount represents one-half of the vacation leave due its employees for the years 1954 to 1955 and has submitted documentary evidence to support this claim.

The question presented to Us by this appeal is whether the amount of P4,500.00 was received actually as payment for services rendered, or whether it was merely an assistance from the company to the union "for whatever project the latter may undertake".

The evidence submitted in support of the petition for review shows that on January 14, 1949, the Secretary of Labor endorsed to the Court of Industrial Relations for settlement a strike by the Pasumil Workers Union against the Pampanga Sugar Mills. The court was presented with a set of 21 demands, among which was a demand that the union be granted an annual vacation leave of 15 days with full pay for its members, each season's work to be considered as a year's service. The company answered the above claim expressing its willingness to grant 15 days vacation leave to employees of not less than one year of continuous service. Said demand (No. 18) was settled in a conference and vacation leave of 15 days was granted for each year of continuous service. However, on the vacation leave of seasonal laborers, no agreement was reached, and the question was left for future resolution. All the above facts and agreements are contained in the decision of the Court of Industrial Relations on the strike and said decision bears the date of February 21, 1950.

On July 31, 1959, a supplemental agreement was entered into as follows: permanent laborers on the monthly or daily basis, working six days a week, shall be given 15 days vacation leave as of July 24, 1956, (Annex L of the Answer). So, from this agreement it can be seen that the vacation leave earned by the seasonal laborers of the union prior to July 24, 1956 was held in abeyance.

Then lastly, a bargaining agreement was entered into between the Pampanga Sugar Mills and the Pasumil Workers Union, and in order to finally settle the unsettled claims of seasonal laborers for vacation leave for the years 1954 and 1955, the sum of P4,500.00 was given to the union as per a memorandum, agreement already cited above.

The facts and circumstances indicated above satisfy Us that the sum of P4,500.00 was paid in settlement of leave of members" of the Pasumil Workers Union for the years 1954 to 1955. And We also find that this sum was actually divided among the members of the union as indicated in the union's answer contained in Annex E-1.

The court below, however, failed to consider the fact that the sum of P4,500.00 was actually paid in payment of a valid claim, a claim that originally started when the strike occurred in 1949 and remained unsettled in all its details until the year 1959. Inasmuch as the said amount was given in payment of an actual and valid claim for laborers' vacation, leave, the mere fact that the claim was not paid in full because of a compromise does not prove that the amount was merely a sort of a gift paid by the company to the union, as found by the court below. The last words contained in the agreement granting the said sum, that "P4,500.00 is an assistance of the company to the union for whatever worthy project the latter may undertake" should be considered as a mere superfluous statement perhaps inserted in the agreement as an excuse for giving in by the directors of the company to the claims or demands of the union. As the claim was a valid and actual claim, proved by the facts, the mere circumstance that only one-half of the claim was paid and that the company gave in by way of compromise, does not tender the amount an actual gift by the company to the union and therefore, a violation of the law to be considered unfair labor practice under Sec. 4(a), sub-par. 3, Rep. Act. No. 875.

The court below holds that the petitioner union should not have given in to the reduction in the pay of its laborers.

It is to be noted that the union made various demands, most of which were already given. The demands had been paid up to the year 1955 and 1956. Only the demands from the years 1954 to 1955 were reduced by reason of the compromise.

The compromise, instead of being rejected by the court below, should have been accepted in view of the direct provisions of the law, namely, Art. 2028 of the New Civil Code, and Rule 20, Sec. 1 of the Rules of Court which directs that parties and attorneys should also "consider the possibilities of an amicable settlement" and Sec. 3 of Rule 21 which direct the court at the pre-trial to persuade the litigants to agree upon some fair compromise.

Considering the facts and circumstances of the case, We hold that the payment of the aforesaid sum of P4,500.00 was a payment of an actual and valid demand or claim for vacation leave pay for the years 1954 and 1955, reduced because of a desire to compromise, and the statement in the agreement that payment was made in the interest of harmonious relations, as an assistance of the company, should be considered merely as a superfluity, inserted perhaps in the resolution to justify the action of the directors of the company in granting the said vacation pay.

For the foregoing considerations the decision appealed from should be, as it is hereby reversed and set aside. Without costs. So ordered.

Bengzon, C.J., Padilla, Bautista Angelo, Concepcion, Reyes, J.B.L., Barrera, Paredes, Dizon, and Makalintal, JJ., concur.

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