

NATIONAL RICE AND CORN CORPORATION, PETITIONER, VS. NARIC WORKERS UNION AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-18058. August 30, 1962

Ponente: BARRERA, J.

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BARRERA, J.:

This is a petition to review on certiorari the decision of the CIR dated September 14, 1960, which decision was affirmed by CIR resolution en banc of November 18, 1960, in CIR Case No. 1875-ULP.

The facts of the case, which are undisputed, are briefly stated in the decision of the CIR, to wit:

"Complainant Naric Workers Union is a legitimate organization within the meaning of the Act. Its members are employees of respondent, among them are the laborers and capataces hired on daily basis to do handling work, such as the loading and unloading of rice in the warehouses. The capataces are the organizers, leaders, and officers of the union. Consequently, the problems of the laborers and the activities of the union are attended to by them. In the early part of their employment, the laborers and capataces were paid at the end of every working day, but later on, the system of payment was changed to weekly. In other words, payment is made, even now, every Friday. Both the capataces and laborers are made to sign payrolls. Each capataz receives the full sum for the group and, accordingly, signs a certification to the effect that he has delivered the amount due to every laborer under him. This system of payment continues to be followed up to the present.

"As the corporation could not employ all the union members to work at the same time, considering their big number, the union submitted a master list of all its members to the corporation, and it was agreed that the corporation shall hire, on rotation basis, the members appearing therein, to work in the warehouses. This arrangement has been observed ever since.

"On June 22, 1957, the legislature passed Republic Act No. 1880, otherwise known as the Forty-Hour-Week-Law. The Act amends the second paragraph of Sections 562 and 564 of the Revised Administrative Code. The pertinent portion of the Act involved in this case is quoted hereunder:

'SECTION 1. Section five hundred and sixty-two, second paragraph, of the Revised Administrative Code is hereby amended to read as follows:

'SEC. 562. Legal Hours of Labor—minimum requirement.—

Such hours, except for schools, courts, hospitals, and health clinics or where the exigencies of service so require, shall be as prescribed in the Civil Service Rules and otherwise from time to time disposed in temporary executive orders in the discretion of the President of the Philippines but shall be eight (8) hours a day for five (5) days a week or a total of forty (40) hours a week exclusive of time for lunch; Provided, That any employee or laborer now in the employment of the government who shall suffer a reduction of his weekly or daily wage or compensation because of a reduction of the number of days or hours of labor in a week, as provided by this section, subject to the minimum daily or hourly wage or compensation or pay per piece already fixed under Republic Act Numbered Six Hundred and two, shall be given an automatic increase in his

daily or hourly wage or compensation or in the rate per piece, whose amount in a week or a day or per piece shall be equal to the diminution which is daily or hourly or per piece wage or compensation at the time this Act went into effect shall suffer on account of the reduction of days of labor to five days a week; And provided, further, That the salaries of employees received on monthly basis shall not suffer any diminution on account of the reduction of the number of days of labor a week.

* * * * *

'SEC. 3. The provisions of the existing law to the contrary notwithstanding, this Act shall also be applicable to all laborers employed in government-owned and controlled corporations.

'SEC. 4. This Act shall take effect upon its approval'."

"Pursuant to the above-quoted provisions of law, respondent, on July 1, 1957, adjusted the daily wages of its employees and laborers working in the main office and in the warehouses who were not members of the union from P4.00 to P4.80 a day. Later, sometime in the month of December, 1958, or January, 1959, the company again adjusted the wages of the security guards who were paid P4.00 daily to P4.80, effective July 1, 1957. Accordingly, the said security guards were given differential pay from July 1, 1957, to the date their wages were adjusted.

"As the corporation made no efforts to adjust the wages of the capataces and laborers, on December 3, 1957, complainant presented a set of union demands to the corporation. Among these demands, was the adjustment of the daily wages of its members (laborers and capataces) performing handling work in the warehouses. As a consequence thereof, conferences were held by the management and the representatives of the complainant union. In the month of March, 1958, through a resolution approved by the Board of Directors of the corporation, the management finally raised the wages of the laborers performing the loading and unloading of rice and other handling work in the warehouses from P4.00 to P4.80, but only effective February 1, 1958 with differential pay of one month. No adjustment was made on the wages of the capataces. Because the laborers were granted raise in wages effective only as of February 1, 1958, while the other employees and laborers who were not members of the union received the same benefit as early as of July 1, 1957, and that no raise or adjustment of wages were at all given to the capataces, the union members felt that they were being discriminated against by respondents and, for this reason, they stage a strike in the month of May, 1958. Finally, on November 4, 1958, a charge of unfair labor practice was lodged against respondent. After due investigation by the Prosecution Division, the present complaint was filed.

"The only issue here is: were the capataces and laborers involved herein discriminated against by respondent in the implementation of Republic Act No. 1880, because of union activities and/or membership?

"Respondent claims that it could not be guilty of discrimination because in the first place, the capataces and laborers performing handling work in the warehouses are not employees of the corporation, for the reason that they were never extended appointments, and their names do not appear in the list of membership submitted by the president of the union to the management; in the second place, assuming that there is an employer-employee relationship between them, Republic Act No. 1880 applies only to employees in the government service who, before July 1, 1957, were working no less than six (6) days in a week, and not to the employees like the laborers and capataces doing handling work in the warehouses who were only hired for two to three or four aays in a week; and, in the third place, the corporation adjusted the wages of the employees regardless of union membership in accordance with law."

On the basis of these facts, the CIR found petitioner NARIC guilty of unfair labor practice as charged, and ordered it "to desist from further committing the unfair labor practice act complained of, and to give adjustment of wages to the capataces and laborers, with back differential pay, from July 1, 1957 to the present, in the same way the wages of the other employees of the corporation were adjusted under the provisions of the

Forty-Hour-Week-Law." The CIR also directed its Chief Examiner or any of his authorized representatives "to proceed immediately to the main office of the NARIC, for the purpose of computing the amounts due the said capataces and laborers, as a result of the adjustment of their wages, from the payrolls and other records of the corporation and, upon completion thereof, to render a report of his findings for further disposition" of the CIR.

Petitioner NARIC thereafter filed a motion for reconsideration of said decision, but the same was denied by the CIR en banc on November 18, 1960. Hence, this petition for review.

Petitioner NARIC now here contends that the trial court, erred in failing to hold that laborers hired on a day to day (daily) basis do not come under the provisions of Republic Act No. 1880. This is not so, because the pertinent proviso introduced in Section 1 of Republic Act No. 1880 expressly states:

"* * * Provided, That any employee or laborer now in the employment of the government who shall suffer a reduction of his weekly or daily wage or compensation because of a reduction of the number of days or hours of labor in a week, as provided by this section, subject to the minimum daily or hourly wage or compensation or pay per piece already fixed under Republic Act Numbered Six Hundred and two, shall be given an automatic increase in his daily or hourly wage or compensation or in the rate per piece, whose amount in a week or a day or per piece shall be equal to the diminution which his daily or hourly or per piece wage or compensation at the time this Act went into effect shall suffer on account of the reduction of days of labor to five days a week; * * *."

The above underscored portions of the law clearly indicate that daily wage workers are included in the purview of the statute, provided however, that they work continuously the whole week. Note that the object of the law in providing for automatic increase in wage of workers or employees is to compensate him for diminution in wage, as a result of the reduction of his days of labor to five (5) days a week.

In the instant case, petitioner NARIC insists that the laborers and capataces involved cannot claim adjustment of their wages, as they worked only from 2 to 4 days in a week. But the factual finding of the CIR, which is substantially supported by the evidence on record, is to the effect that said laborers and capataces performed work in the NARIC warehouses continuously for the whole week before and after the passage of Republic Act No. 1880. Consequently, they come within the purview of said Act and can claim the benefits thereof. We quote from the decision of the CIR:

"The claim of respondent that the capataces and laborers were only hired from two to three or four days in a week to do handling work in the warehouses remains an allegation. No evidence were presented to support the same. The payrolls of the corporation which could be the best proof to show that the capataces and laborers were in reality hired and paid only for two to three or four days' work in a week were never produced in Court. On the contrary, Eriberto Perez, the Chief Warehouseman, declared on the witness stand that during the years 1957 to 1958, importation of rice was plenty and that they hired continuously the capataces and laborers to perform handling work in the warehouses; that before July 1, 1957, work in the warehouses was from Monday to Saturday, but after the said date rotation of workers became more frequent because the working days were reduced from Monday to Friday; and that the list of workers submitted for rotation were all members of the union. If the work of the capataces and laborers were continuous for the whole week before and after the effectivity of the Forty-Hour-Week-Law, then there could not be any truth in the claim of respondent that the capataces and laborers doing handling Work were only hired to work from two to three or four days in a week." (Italics supplied.)

Petitioner NARIC next contends that the trial court erred in finding it guilty of unfair labor practice under Section 4-A (4) of Republic Act No. 875, due to its failure to adjust the wages of the laborers and capataces in question who were hired on a day to day (daily) basis. Said section reads:

"SEC. 4. Unfair Labor Practices.—(a) It shall be unfair labor practice for an employer:

* * * * *

"(4) To discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: * * *".

It is urged that mere discrimination by an employer in regard to hire or tenure of employment or any term or condition of employment, is not unfair labor practice, in the absence of a showing that it was done to encourage or discourage membership in any labor organization. But, precisely, the CIR did find that the capataces and laborers in question performing handling work in the warehouses of petitioner NARIC were discriminated against for being members of respondent Union. According to the CIR:

"* * *. the evidence on record shows that all the daily wage workers in the main office, delivery and sales department who are not members of the union received adjustment of wages from P4.00 to P4.80 on July 1, 1957. The watchmen of the corporation were also given wage adjustment sometime in December of 1957, with differential pay effective July 1, 1957. As no adjustment of wages was given to the capataces and laborers doing handling work in the warehouses, on December 3, 1957, through their union, they demanded from the corporation an adjustment of their wages in the same way that the wages of the other employees and laborers were adjusted. After several conferences held between the corporation and the union, the wages of the laborers doing handling work were finally raised from P4.00 to P4.80 a day, effective only as of February 1, 1958, but the corporation refused to consider the adjustment of wages of the capataces. From these facts, there is, therefore, no truth in the allegation of respondent that adjustment of wages were given to all the employees, regardless of union membership. As it appears, one thing is definite, the wages of the capataces, who are the organizers and leaders of the union, were never adjusted; and further, although the wages of the laborers doing handling work in the warehouses who are also members of the same union were raised from P4.00 to P4.80, such raise took effect only on February 1, 1958, while the other daily wage workers who were not members of the union, received the same benefit as early as of July 1, 1957. Under the circumstances, the inevitable implication is that, the capataces and laborers performing handling work in the warehouses were discriminated against by the corporation for being members of the union. This actuation of the corporation is an unfair labor practice within the meaning of Section 4(a) (4) of Republic Act No. 875." (Italics supplied.)

Lastly, petitioner NARIC claims that the trial court committed a grave abuse of discretion in ordering it to adjust the wages of the laborers and capataces in question who were hired on a day to day (daily) basis, in spite of the fact that they did not suffer any diminution of their weekly wage or compensation, as a result of the reduction of the number of working days in a week to five days. But the CIR has made the factual finding as heretofore pointed out, that said laborers and capataces performed work continuously for the whole week in the NARIC warehouses. In view thereof, it follows that they suffered diminution in wages, due to the reduction of their working days in a week to five days. In the circumstances, the trial Court committed no abuse, much less grave abuse, of discretion in ordering petitioner NARIC to adjust the wages of said laborers and capataces.

Wherefore, finding no error in the judgment appealed from, the same is hereby affirmed, with costs against the petitioner-appellant. So ordered.

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

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