

TALISAY-SILAY MILLING CO., PETITIONER, VS. TALISAY EMPLOYEES AND LABORERS; UNION, RESPONDENT.

G. R. No. L-5406. May 29, 1953

Ponente: BENGZON, J.

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BENGZON, J.:

About February 5, 1950 the Talisay Employees and Laborers Union, a legitimate labor organization composed of employees of the sugar central Talisay-Silay Milling Co. Inc, (hereafter called the central), presented to the employer several demands involving wages, hours of labor and other conditions of employment. In due course the controversy reached the Court of Industrial Relations. At the hearing conducted by it in the City of Bacolod some demands were either withdrawn or settled, while others became the subject-matter of evidence. Thereafter on July 26, 1951, decision was rendered, the pertinent part of which reads as follows:

"Demanda No. 1

"The standardization of the wages and salaries of member employees and laborers, such to be based on rates or scale of wages and salaries paid by other centrals for the particular labor or employment under which such laborer or employee is employed.

"Esta demanda debe entenderse enmendada con la presentacion de la peticion suplementaria por la recurrente en la que se pide se fije en P4 el jornal minimo de los obreros ordinarios (common laborers) y se conceda un aumento de 25 por ciento a los demas.

"Las pruebas sometidas por las partes, en relacion con estas demandas, consisten en pruebas orales y documentales y en datos obtenidos durante la inspeccion ocular practicada por el Comisionado del Tribunal en los predios de la recurrida y de la 'Philippine Hawaiian Sugar Central', de Silay, y la 'Bacolod-Murcia Milling Co,' de Bacolod, Negros Occidental, que se dedican tambien, como la recurrida, a la fabricacion de azucar centrifugado,

"Las mencionadas pruebas demuestran que la recurrente es una union debidamente organizada de acuerdo con la Ley No. 213 del Commonwealth y cuenta con unos 300 6 400 miembros que trabajan en la central recurrida; que esta es una central azucarera incorporada de conformidad con la Ley de Corporaciones, esta dedicada a la fabricacion de azucar centrifugado y establecida en el municipio de Talisay, de la provincia de Negros Occidental; que dicha recurrida emplea a un total de 700 empleados y obreros, mas o menos, y paga a los mismos un jornal minimo de P2.50 el dia; que la siguiente escala de jornal es de P2.75 y el promedio de empleados y obreros que reciben estas dos escalas de jornal es de 25 porcientos y 75 porcientos, respectivamente; que dichos empleados y obreros reciben ademas racion de arroz a razon de P0.80 por ganta, dependiendo dicha racion del numero de dependientes que tiene cada empleado u obrero; que, con la mayoria de dichos empleados y obreros esta tambien provista de casas con luz, agua y leña sin pago; que, con todo esto, el promedio de gasto diario de cada empleado u obrero con 4 6 6 dependientes es de P3 a P3.50, motivo por el cual muchos de los obreros que reciben jornal bajo tienen que solicitar de la central preitamos en cantidades que oscilan de P20 a P50 para pagarlos de su sueldo cada dia de pago, o sea, cada quincena, hasta saldarlos.

* * * * *

"Que la 'Philippine Hawaiian Sugar Central', de Silay, un municipio contiguo a Talisay, paga a sus obreros un jornal minimo de P3 al dia * * * que la 'Bacolod-Murcia Sugar Central', de la Ciudad de Bacolod, una central-hermana de la recurrida, paga a sus obreros un jornal minimo de P2.50 mas P0.50 como 'living bonus' * * *.

"Por los hechos arriba expuestos se ve que la recurrida, on relacion con las centrales azucareras vecinas, paga a sus empleados y obreros un jornal minimo mas bajo, y, teniendo en cuenta el alto costo de los articulos de primera necesidad, dichos jornales de P2.50 y P2.75 no son suficientes para las necesidades mas perentorias de dichos empleados y obreros, como el alimento diario y las ropas o vestidos para si mismos y los miembros de su familia, asi como el gasto necesario para la educacion de sus hijos, y que para cubrir dichas necesidades tienen que recurrir a prestamos de la misma central.

"La pretension de la recurrida de que esta aun en estado. de rehabilitacion y que sus fondos no le permiten conceder aumento de salario a sus obreros no es razon para que no se deba conceder el aumento de jornal o salario pedido, sobre todo cuando el jornal minimo que dicha recurrida paga actualmente no es suficiente a la manutencion de obrero y de su familia o para vivir adecuadamente.

"Por tanto, se ordena a la recurrida conceda un aumento general de P0.50 diario a todos sus empleados y obreros, con efectividad desde el 8 de febrero de 1951, en que la causa ha sido finalmente sometida a decision, sin retirar por ello ningun privilegio hasta ahora concedido a los mismos."

The sugar central moved for reconsideration arguing that the facts found by the court did not warrant a general increase of P0.50 a day to all employees and laborers, irrespective of their present wages. But the court in banc in a short resolution denied the motion to reconsider "for lack of merit."

Wherefore, this petition was instituted specifically to review the above portion of the decision, the petitioner contending it is absurd that "whenever a raise is given to a laborer or group of laborers for some just reason found by the court, the same increase must be given also to all other employees and laborers". The respondent union answers that the "corresponding increase of all the other wages" must be upheld "if the equilibrium in the wage scale obtaining prior to the dispute is to be maintained".

As we understand it, the central is not averse to paying a daily increase of P0.50 to those earning P2.50 and P2.75 per day; but it objects to a general boost in wages, inviting attention to the resulting additional compulsory outlay of P126,000 every year, inasmuch as its payroll includes around 700 persons.

The facts found by the court a quo are essentially these:

- (a) The lowest wage paid by the central to its laborers is P2.50 per day and the next higher wage is P2.75 per day.
- (b) This compensation is insufficient to cover the needs of a laborer, whose average daily expenses in the locality oscillates between P3 to P3.50.
- (c) Indeed the neighboring sugar centrals, the Philippine Hawaiian Sugar Central and the Bacolod Sugar Central, pay a minimum wage of P3 per diem.

These findings, of course, amply justify the increase in wages of those workers receiving less than P3 per day from the central. But do they show the necessity or justice of increasing the wages of those receiving more, for instance, P6 per day or 300 pesos a month?

It will be observed that the petitioning union demanded standardization of wages "based on rates * * * paid by other centrals for the particular labor or employment under which such laborer or employee is employed."

Normally, this issue would require a detailed investigation and comparison of the scales of salaries paid by different centrals for the assorted kinds of labor or service performed in the establishment, for instance, by

laborers, policemen, dispatchers, clerks, timekeepers, bookkeepers, assistants, mechanics, etc.

Yet the decision under review does not attempt to make any comparative statement. It contains no finding (probably there is no proof) that the Talisay-Silay is paying all its employees rates lower than those paid by the two other adjoining centrals to their employees of the same class or category. And the finding that one particular class of laborers or employees is not receiving adequate, decent or living wages does not logically infer that all the other classes, even those collecting higher salaries, are not receiving commensurate pay for services rendered.

Explaining its theory that the equilibrium in the wage scale should be maintained, the respondent union says:

"* * * Under the wage scale obtaining prior to the dispute, a laborer, by reason of the nature of his work, may deservingly be entitled to the higher rate of P3 a day, than one receiving a minimum of P2.50 a day. If the minimum were to be increased without a corresponding increase in the other levels of wages in the scale, the former would find himself in the same level of pay as the latter. Such an unjust and incongruous situation would only result into a dissatisfaction caused by the unfairness of the solution."

This argument is aptly answered by petitioner when it replies that the 3-peso laborer is not thereby unjustly treated, for a three-peso daily income enables such laborer adequately to meet his necessities.

It seems to us that the maintenance of the equilibrium is merely a matter of convenience within the judicious cognizance of the employer. It is not to be enforced by government decree, which in these controversies must rest upon the basis of necessity and justice-not benevolence nor generosity-the guiding principle of our labor legislation being to "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." (Section 5, Commonwealth Act No. 103 as amended.) This brings out another objectionable feature of the disputed award that, as stated, involves about P126,000 additional expenditure for the central: it exhibits no data on which to adjudge that that compulsory extra expenditure would still permit the central to earn "a fair return on its investment." Indeed the contrary seems to be the situation, the employer having alleged that it is "aun en estado de rehabilitacion y que sus fondos no le permiten conceder aumento de salario."

Returning to the "existing equilibrium" idea, there is reason to fear it might ultimately be detrimental to the best interests of labor. For if an employer may not ameliorate the conditions of the inadequately paid laborers without at the same time allowing increases to all his employees from the bottom up, many a plan to improve the living standards of such underpaid workingmen will not be carried into effect, because the well-meaning employer realizes that under the law (as advocated by herein respondent) a concession to one class ipso facto carries the same concession to all other employees or laborers. Again when times of stress supervene and reduction of salaries is started from the top, this "maintenance of equilibrium" would compel a corresponding reduction of salaries all the way down to the bottom. Inevitable consequence: the low-income brackets would be the worst sufferers.

From the foregoing discussion it follows that the central's exception to the general increase of wages ordered by the appealed decision should be, and it is hereby, sustained. The award is accordingly affirmed only in so far as it directs that the laborers of the central receiving wages of P2.50 and P2.75 per day shall receive, in addition, P0.50 per day. So ordered.

Paras, C. J., Feria, Pablo, Tuason, Montemayor, Reyes, Jugo, Bautista Angelo and Labrador, JJ., concur.

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