

MANILA RAILROAD COMPANY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND UNION DE MAQUINISTAS, FOGONEROS, AYUDANTES Y MOTORMEN, RESPONDENTS.

G.R. No. L-4329. August 21, 1952

Ponente: LABRADOR, J.

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LABRADOR, J.:

On October 14, 1949, the Manila Railroad Company filed a petition with the Court of Industrial Relations alleging that it had received a demand from the Union de Maquinistas, Fogoneros, Ayudantes y Motormen for increase of wages or salaries consonant with general increases granted to its employees, and praying that the members of the said union be restrained from declaring a strike. The threatened strike could not be averted but the Court of Industrial Relations was able to settle the controversy amicably, embodying the settlement in its order dated October 15, 1949, the most important features of which were (1) that monthly basic kilometrage allowance of P30 be granted in a permanent character to each and every member of the union, in addition to the kilometrage allowance earned by each, beginning July 1, 1949; (2) that the railroad company was to pay the allowance corresponding to the three months of July, August, and September, 1949, on October 17 and 22, November 1, and November 30, 1949, respectively; and (3) that the manner of payment of future allowances and the conditions that the Board of Directors of the railroad company might impose in regard thereto would be ruled upon by the Court of Industrial Relations after the presentation of proper evidence. (Annex B.) The allowance for the month of October, 1949, was ordered to be paid in an order of the respondent court dated December 23, 1949.

On June 8, 1950, the respondent union presented a petition praying that the monthly allowance for June, 1950, be paid at the end of that month, and that the allowances beginning July 1, 1950, be included in the regular monthly payroll effective July, 1950. (Annex C.) Hearings on this petition were held on June 22 and 27, 1950. On motion of the petitioner dated July 28, 1950, it was given further opportunity to present additional evidence on the petition. On August 3, 1950, the respondent court issued an order to the effect (1) that the monthly allowances that have accrued during 1949 and during the first six months of 1950, which had not yet been paid, be not paid in the meantime; (2) that beginning with the fiscal year 1950-1951, or July 1, 1950, said kilometrage allowance of P30 a monthly granted in a permanent character in the order of respondent court dated October 15, 1949, be included in the payroll of the petitioner beginning July 1, 1950. Against this order the petitioner has presented to this Court a petition: for review by way of certiorari, alleging that the respondent court has committed a grave abuse of discretion (1) in issuing the order without allowing the petitioner to present evidence regarding the manner of payment of kilometrage allowances in the future and the conditions which the Board of Directors may impose in relation thereto, in violation of the provisions of Section 17 of Commonwealth Act No. 103; and (2) in failing to consider the fact that petitioner was not making profits and was having difficulties in raising funds with which to meet its financial obligations. Both the Court of Industrial Relations and the Union de Maquinistas, Fogoneros, Ayudantes y Motormen filed their respective answers. They allege therein that the issues raised in the petition are issues of fact over which this Court has no jurisdiction; that Section 17 of Commonwealth Act No. 1403 has no

application; and that the order in question is not only in consonance with sound discretion, but that it is just and equitable, made in pursuance of the agreement between the petitioner and the respondent union and embodied in the order of the respondent court dated October 15, 1949.

The first defense interposed against the petition is that the issue involved is one of fact and not one of law. The facts involved in this proceeding for review are not disputed, and the only issue is whether the respondent court abused its discretion in issuing the order appealed from. This is an issue of law; hence the defense must be overruled.

With respect to the first ground upon which the petition is based, i.e., that the order sought to be vacated was issued without hearing and without opportunity for the petitioner to adduce evidence, we find that the record discloses the contrary. The petition of respondent union dated June 8, 1950, was heard on June 22 and 27, 1950, and again on July 28, 1950. Neither do we find that the order sought to be reviewed violates the provisions of Section 17 of Commonwealth Act No. 103. The order in question does not alter, modify, or set aside the order of October 15, 1949; it implements the said order. In the order of October 15, 1949, it was specifically agreed "that the manner of payments in the future and the conditions imposed by the Board with regard to the payment be submitted to the Court by presentation of proper evidence, after which the Court will rule on the matter." The petitioner had not made payments of the allowances for the months of December, 1949, January, February, March, April, May, and June, 1950, when the petition, for which the order sought to be vacated was issued, was filed on June 8, 1950. The petition of the respondent union dated June 8, 1950, upon which the order is based, seeks a decision of the Court of Industrial Relations on the manner in which the allowances for future months shall be paid, and the said court, after due hearing, expressly decided that allowances already accrued but not yet paid be not paid in the meantime; that the allowances for June, 1950, be paid at the end of that month; and that beginning July 1, 1950, the allowances should be paid monthly, the same to be included in the payroll for the members of the union. Clearly, the order of the respondent court was issued under the express terms of the agreement embodied in the order of October 15, 1949, which may not now be questioned or impugned by either of the parties thereto. The first and second grounds of the petition must, therefore, be dismissed as unfounded.

The third ground on which the petition is based is the supposed poor financial condition of the petitioner. The petitioner in presenting its case makes this statement:

The truth is that the MRR is on the brink of financial collapse. It is bankrupt in the sense that it cannot meet its obligations. Its credit line is nil. Indeed, if no financial aid to the MRR is forthcoming from the national government or some other source, it can do nothing else but close shop. And yet, in spite of all these, the CIR would, by virtue of its order of August 3, 1950, increase the obligations and operating expenses of the MRR by commanding the inclusion of the P30.00 kilometrage allowance of the members of the Union in the payroll of the Company, beginning the fiscal period 1950-1951 when the same could, by the clear terms of the CIR order of October 15, 1949, be deferred to some suspicious later time. We respectfully submit that in thus acting, the CIR committed a grave abuse of its discretion. (Memorandum for the Petitioner, p. 9.)

It is to be noted that the right of the members of the respondent union to the P30 flat basic kilometrage allowance was recognized by the Board of Directors of the Manila Railroad Company, as this appears in the original order of respondent Court of Industrial Relations dated October 15, 1949. It is also a fact found by the respondent court that the petitioner has made payments of this allowance to motormen and machinists. Respondent court found that:

x x x, the Manila Railroad Company is not making profits and is finding difficulties to raise funds to meet its pressing obligations. But it is undeniable that in spite of that critical financial situation, the company, through the manager, agreed in open Court on October 15, 1949 to grant the maquinistas an increase in the form of

kilometrage allowance. x x x, yet the increase from July to December was paid fully to the motormen while the increase to the maquinistas has been paid only until October 1949; these increases given to the motormen has been included in the payroll beginning January 1950 and paid to the motormen every month, while the increase to the maquinistas has not been included in the payroll, not only in the payroll of January but even in the payroll of the beginning of the fiscal year, that is July, 1950.

x x x. (Annex D.)

If the petitioner really had no funds to pay for the allowances, why is it that the motormen were paid their allowances every month beginning January, 1950? Assuming, *arguendo*, that petitioner had no funds to pay the allowances for all the different classes of workmen, the respondent court only aims in its order to prevent discrimination in favor of one group (motormen) against another (maquinistas). The right or duty to determine the manner in which the allowances were to be paid was expressly lodged in the court by agreement between the petitioner company and the respondent union. (order of October 15, 1949.) The petitioner arrogated unto itself this power when it paid motormen, and with unjust and unfair partiality when at the same time it denied payment to the maquinistas. If it had no sufficient funds for all, it should have given the same treatment to all the different groups, or sought the respondent court's help in fixing the time and manner of payments. It certainly should not, under the excuse of insufficiency of funds or even of "financial ruin," give one group what it denies to another.

The financial difficulties confronting the petitioner are admitted in the respondent court's order. Respondent union must be aware thereof. This Court can take judicial notice of the fact that dearth of funds has rendered it difficult or impossible for the petitioner company to get out of the red in its business. In this we express a feeling of deep sympathy for the petitioner. But it is not possible, or even probable, that the lack of support, moral or financial, either from the public or from the Government, to the petitioner, may be attributable in no small degree or measure to mistakes of the company itself, one of which is its shortsighted policy of discrimination in favor of one group against another so apparent in the case at bar? Efficiency among employees can only be expected if all of them, without distinction, receive a fair, just, and equal treatment at the hands of the management. The order sought to be reviewed, viewed in the light of the above circumstances, can not, therefore, be considered as unduly oppressive of petitioner company; we consider it as a legitimate attempt to compel compliance with petitioner's lawful commitments. It also encourages or enjoins a fair, just, and equal treatment to all groups of laborers or employees of the petitioner, without favor or discrimination, calculated to produce that feeling of satisfaction among them so essential to their efficiency and the rendition by them of their full cooperation with the management in the performance of a public service.

FOR THE FOREGOING CONSIDERATIONS, we dismiss the petition, with costs against the petitioner.

Paras, Pablo, Bengzon, Padilla, Tuason, Montemayor, and Bautista Angelo, JJ., concur.

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