

FREE TELEPHONE WORKERS UNION, PETITIONER, VS. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, RESPONDENT.

G.R. No. L-24593. July 31, 1970

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

This is an appeal by certiorari to review the partial decision of the Court of Industrial Relations dated November 9, 1964 as well as its resolution en banc dated June 1, 1965.

The Free Telephone Workers Union (hereinafter referred to as the union) was the duly certified bargaining representative of the rank and file employees of the Philippine Long Distance Telephone Company - some 1,345 of them at the inception of this case. Sometime prior to October 31, 1964, the expiry date of the then existing collective bargaining agreement between them, the union sent demands for a new contract. One of the demands was for "an increase of salaries by P1.00 per hour per employee after which a conversion to monthly basis." The demand was later reduced to P0.90 per hour, staggered over a period of two years at P0.45 every year. The PLDT in turn counter-offered an increase of P0.30 per hour, staggered over a period of three years at P0.10 every year.

When the negotiations arrived at an impasse the union filed a strike notice with the Department of Labor. The PLDT then proposed an interim arrangement, namely, an increase of P0.15 per hour per employee during the period of November 1 through December 31, 1964, on condition that the strike notice be withdrawn and that if no agreement was reached on or before December 31, 1964, the wages would be reverted to the rates in effect prior to November 1, 1964.

The Union rejected the proposal and when no agreement was reached declared a strike on November 1, 1964. Forthwith, on November 3, 1964, the dispute was certified by the President to the Court of Industrial Relations as falling under Section 10 of Republic Act 875. The case was docketed as CIR Case No. 51-IPA.

On November 9, 1964, the Court of Industrial Relations, through Judge Emiliano C. Tabigne, rendered a partial decision settling the demand for wage increase in this wise:

"A. The Philippine Long Distance Telephone Company is hereby ordered to pay each of its rank and file employees, numbering 1,345 persons, the amount of Sixteen Centavos (P0.16) wage increase per hour from November 9, 1964, the date of this decision, and to run for a period of one year thereafter;"

The wage increase for the second and third years was left pending for subsequent adjudication.

The union moved for reconsideration; and on November 17, 1964 the Court en banc affirmed the partial decision of Judge Tabigne, with Judge Amando C. Bugayong concurring in the result but dissenting on the matter of some fifty or more employees of the PLDT who "are not receiving the minimum salaries established in the prevailing pay scale of the company." "These employees should not be overlooked," he said, as he saw "no reason why they should not enjoy at least the minimum pay established in the company."

Then on November 26, 1965, while the present appeal was pending, the Court of Industrial Relations rendered

what it captioned "Third Partial Decision," giving the rank and file employees a wage increase of P0.16 per hour per employee for the second year (1965-66) and P0.18 per hour for the third year (1966-67), effective on November 9, 1965 and November 9, 1966, respectively.

The first issue raised by the petitioner-appellant in this appeal has to do with the alleged failure of the court below to consider the evidence as well as the law regarding the payment of minimum wages to the fifty or more employees referred to in Judge Bugayong's concurring and dissenting opinion. The reference in said opinion, it should be noted, is not to the statutory minimum wage but to the "minimum salaries established in the prevailing pay scale of the company." But as correctly pointed out by the respondent-appellee the issue was not one of those before the respondent court; it is raised for the first time in this appeal, obviously inspired by the dissent aforesaid. No findings of fact thereon have been made in the decision appealed from, as indeed there was no reason to make them. The matter is therefore not a proper subject for review but should be taken up, if at all, in a separate proceeding below.

The next issue concerns the conversion of the salaries of the rank and file employees from hourly to monthly basis. Again the respondent court en banc did not rule on this question, and the union did not raise it either in its motion for reconsideration or in its memorandum in support thereof. There being no ruling and no findings of fact on this point in the decision appealed from, this Court is in no position to resolve the issue intelligently. The only ground upon which the union now wants to rest its demand for conversion is the fact that the respondent company's supervisors are paid on the monthly basis. The ground relied upon is not sufficient. The supervisors belong to a different bargaining unit and are covered by a separate bargaining agreement. The kind of work they perform, their rates of pay and conditions of employment, as well as other factors may not necessarily be the same as those which obtain in the case of rank and file employees. It would be best therefore to leave this question to be properly ventilated in and decided by the trial court.

The last issue to be considered is whether the order of the Court of Industrial Relations granting a wage increase of P0.16 per hour per employee, effective for a period of one year, is supported by substantial evidence.

The meaning of substantial evidence is long settled in this jurisdiction. It does not refer only to the quantum of the facts presented to support a conclusion but also, and more importantly, to the quality of those facts. Substantial evidence means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.^[1] A reading of the resolution of the Court of Industrial Relations en banc, affirming the decision penned by Judge Tabigne, shows that it easily meets the test of substantial evidence, having taken pertinent factors into consideration. Thus the said resolution states:

"On the question of the wage increase of P0.16 we believe that the Trial Court is justified in arriving at the increase therein awarded. The findings of fact made by the Trial Court, to our mind, sufficiently justifies the award granted. The award of P0.16 is higher by P0.06 than the offer of P0.10 made by the respondent firm for the first year. This award is twice as much as the original P0.08 per hour increase at the beginning of 1961-1964 collective bargaining contract then existing between the parties. It appears that the Trial Court based the said award on several factors. One of them is the increase of costs of living in the Manila Area. According to Exhibit "1", the consumers' price index of all items in the Manila Area for 1961 was 113.2; 1962, 119.8; 1963, 126.5; and 1964, 133.3 (See Exh. "P"). The wage rate of ordinary wage of a skilled laborer in the Manila Area for the same period are as follows: for 1961, 104.8; 1962, 106.1; 1963, 109.3; and 1964, 110.9 (See Exh. "1"). It is further indicated that the PLDT rank and file employees received already a rate of 1.04 in 1961; 1.12 in 1962; 1.21 in 1963; 1.21 in 1964. As the graph shows, the increase of consumers' price index in the Manila Area was slow and rose gradually, whereas the rate of wage increase is fast and abrupt during period covered from 1961 to March 1964 (See Exh. "1-A"). The P0.16 per hour increase award by the court is, percentage-wise, more substantial than that given to the supervisors in accordance with the collective

bargaining agreement which took effect in January 1964. The ratio appears to be 13.4% increase over the present rates of rank and file employees, while the increase of supervisors amount to only 7.9% over the average basic rates of said supervisors immediately before the effectivity of their increase beginning with the year 1964. The award granted by the Trial Court covers only the first year as indicated in the partial decision of November 9, 1964, and in point of percentage it is almost double the increase granted the supervisors under the agreement arrived at in the amicable collective bargaining agreement freely entered into by the company and the supervisors union free from any compulsory arbitration. The increase given in the award of the Trial Court indicated a substantial increase; and at a faster pace than the increase of cost of living and the rates of skilled personnel in Greater Manila Area. From the graph, it appears that from 1955 to 1964 the hourly rate of typical hourly rate (sic) of employees of respondent company increased from 65.8%, while the cost of living of the average household in Manila and suburbs increased by only 33.3%. Under this situation if we are to include the P0.16 per hourly increase award by the Trial Court, the increase in the wage rate of typical rank and file employees of the PLDT is almost three times as much as the increase of the cost of living in Manila and is almost nine times as much as in the increase of wage rates of the average skilled employees in the Greater Manila Area.

Another factor is the prevailing rate of wages for similar nature of work in the Manila Area. The rate of pay of the rank and file employees of the PLDT is one of the highest in the Manila Area if not the highest, and the increase of P0.16 per hour awarded by the Trial Court is to our mind more than justified and sufficient under the situation. Another factor is the interest of the investor. The investor's profit should be just and reasonable after considering the trend of business enterprise of the respondent firm. It is indicated that they are expanding from year to year by the reinvestment of surplus earnings. This was necessary in order to meet the exigency of the service not only in the Manila Area but in all the branches of the respondent firm for which it was allowed franchise to carry its business.

Let it be known that the Trial Court, before issuing any order on the subject matter of the conflict between the parties endeavored to conciliate their differences. Several formulas were offered but the parties stood pat on their respective positions without considering the offer of the court of a solution of the economic differences that gave rise to the present proceedings. Necessarily, the Court has to receive the evidence of the parties and endeavored to hear them in evidence at the shortest time possible under the circumstances. During the hearing, the parties agreed to the proposition that evidence would be submitted to give the Court the opportunity to arrive at an award for the first year of the economic demand on the increase of wages. And after weighing the evidence submitted by the parties, the Trial Court arrived at the award now involved in the present motion for reconsideration.

After hearing the parties in oral argument and after examining the evidence on record, we feel that the award of P0.16 by the Trial Court is supported by the evidence on record and we find no sufficient justification to alter or modify the same."

Not to be overlooked in viewing the union's demand in a balanced perspective is the fact that on November 26, 1965, after the instant petition for review was filed, the Court of Industrial Relations rendered a "Third Partial Decision," wherein the rank and file employees represented by the union were granted a wage increase of P0.16 per hour for the second year, effective November 9, 1965, and another increase of P0.18 per hour for the third year, effective November 9, 1966. With the previous increase of P0.16 for the first year, effective November 9, 1964, the total gained at the start of the third year as a result of the initial demands which gave rise to this case, was P0.50 per hour.

Although the third partial decision aforesaid is not the subject of review herein, we note nevertheless that the lower court has made therein a detailed analysis of the respondent company's financial situation and found that in 1964 it made a net return of 6.27% on its investment. The projection made by the same court, if a yearly increase of P0.16 per hour was granted for the next two years, was that the company would realize a net return of 7.55% in

1965, 4.9% in 1966, and 1.84% in 1967. In fact, however, the increase actually granted for the third year effective November 9, 1966, was two centavos per hour more than that which was made the basis of the projection.

These observations, of course, in no way constitute an affirmance of the lower court's third partial decision, which is not under review herein, but are made only to underscore the fact that the increase now challenged by the union as insufficient is supported by substantial evidence. Indeed, it has been pointed out in its brief by the respondent company, without any denial on the part of the petitioner-appellant, that the latter appears to consider the additional wage increases as reasonable and did not even move for their reconsideration.

WHEREFORE, the resolution appealed from is affirmed, without prejudice to any right on the part of the petitioner-appellant to present anew in the Court below a claim for conversion of the salaries of its members to a monthly basis. No pronouncement as to costs.

Concepcion, C.J., Reyes, J.B.L., Dizon, Zaldivar, Castro, Fernando, Teehankee, Barredo, and Villamor, JJ., concur.

[1] Ormoc Sugar Co. Inc. vs. OSCO Workers Fraternity Labor Union L-15826. January 23, 1961, 1 SCRA 21, 23-24 citing Ang Tibay vs. CIR 69 Phil. 635 Gonzales vs. Victory Labor Union, L-23256, October 31, 1969, 30 SCRA 47, 49, and cases cited.

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