

SANTIAGO RICE MILL, ET AL., PETITIONERS, VS. SANTIAGO LABOR UNION ALIAS MAGAT LABOR UNION, RESPONDENT.

G.R. No. L-18040. August 31, 1962

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

Santiago Rice Mill is a business enterprise engaged in the buying and milling of palay. This mill is owned and operated by King Hong Co., Inc., a corporation organized under our laws, with principal office in Manila, and a branch office at Santiago, Isabela, where the mill and warehouse were situated.

On June 21, 1952, the Santiago labor union, composed of workers of said rice mill, filed before the Court of Industrial Relations a petition for overtime pay, differential pay, vacation and sick leave pay, and other privileges for the benefit of the workers, which was later amended on September 2, 1952. In the amended petition, the union prayed for payment of P100,816.36 representing overtime services allegedly rendered to the company; P19,350.00 representing differential pay for services rendered during the nights, Sundays and legal holidays; P3,360.00 representing differential pay under the Minimum Wage Law, plus attorney's fees and costs.

On October 27, 1952, the company filed its answer to the amended complaint alleging, among others, that the court had no jurisdiction to arbitrate and pass upon petitioners' demand as the workers Involved had been fully paid for their services, that the provisions of the Minimum Wage Law had been complied with; and that vacation and sick leave with pay are being paid to permanent employees. And on November 3, 1952, the union filed a motion praying for reinstatement of workers that had been laid off, as well as for the punishment of the officials of the company for contempt.

On September 19, 1958, after a protracted hearing during which scores of witnesses and voluminous exhibits were presented, the court, thru Judge Emiliano C. Tabigne, rendered decision dismissing the petition of the union for lack of merit and want of jurisdiction; but, upon a motion for reconsideration, the Court of Industrial Relations en banc, by a split decision of 3-2 vote, issued a resolution reversing the decision of the trial judge. The dispositive part of said resolution reads:

"WHEREFORE, the respondents are hereby ordered to pay the overtime claim of both male and female claimants herein computed at their basis pay for each period in question; the legal premium for night, Sunday and holiday work or services rendered by the male claimants herein computed also on the proven basic wage or salary at the time in question; to pay the overtime claim of their drivers computed on their respective monthly salaries; to pay the differentials due each of the women claimants on their wages from August 4, 1951 at the rate of P2.00 daily and P3.00 daily from August 4, 1952; and to reinstate the claimants both male and female, who have testified and proved their having been illegally laid-off, with the right of respondents to deduct from the back wages due each claimant any amount earned during the period of the illegal dismissal."

The company interposed the present petition for review.

Petitioner poses in this appeal the following issues: (1) the Court of Industrial Relations erred in ruling that it has

jurisdiction to act on the claims herein despite the failure of the union to allege that the existing labor dispute between the parties "is causing or likely to cause a strike or lockout or a possibility thereof is imminent or expected"; (2) the Court of Industrial Relations erred in granting the claims of the union despite the overwhelming, clear and convincing evidence presented by the company in said court and the unreliability of the evidence presented by the union; and (3) the Court of Industrial Relations erred in not finding that the claimants who had testified were employed on the "pakiao" basis and therefore are not entitled to overtime compensation or differential pay under the Minimum Wage Law.

Anent the first issue, petitioner contends that in *H. E. Heacock Company vs. National Labor Union*,^[1] this Court ruled, that for the Court of Industrial Relations to have jurisdiction of any labor dispute under Section 4, Commonwealth Act No. 103, as amended, arising from difference concerning wages, compensation, dismissals, lay-offs, suspension of laborers, hours of labor, or conditions of employment, between the employers and employees, besides other jurisdictional requirements that the law prescribes, there must be an allegation by the complaining party that the labor dispute is causing or likely to cause a strike or lockout or a possibility thereof is imminent or expected from the violation or failure of the party charged to comply with the provisions of the law involved. Since there is no such allegation in the petition filed herein by respondent union, the same lacks an essential ingredient that may give the industrial court its jurisdiction to take cognizance of the petition. Yet, said court, despite the absence of such allegation, declared itself with jurisdiction to act on the present case.

It appears, however, that the second amended petition filed by the union contains paragraphs 14 and 15 which we hereunder copy for ready reference:

"14. That to enable them to continue and prolong their illegal and wrongful exploitation of their workers, respondents have unlawfully interfered with the union activities of their workers to be investigated by the local constabulary and securing false affidavits or sworn statements from them which were filed with this Court, but even to that of maliciously prosecuting their leaders and dismissing without just cause the workers who persist in their union activities of demanding immediate amelioration of the working and living conditions of the workers;

"15. That to promote a more harmonious relations between respondents and their workers, petitioner as the sole collective bargaining agent or representative of the workers in respondent rice mill demands that close shop agreement be executed by and between petitioner and respondents under the supervision of this Court containing among others the following: Non-employment in respondent rice mill of non-union workers and/or employees; free medical and dental services for all workers; vacation and sick leave with pay for all workers; compulsory group insurance; correct and prompt payment of compensation to injured workers; payment of wages and salaries on time and discontinuance of practice of selling rice and other prime commodities on credit but at higher price as substitute for paying wages and salaries on time; 50% premium for overtime services; 100% premium for night, Sunday and legal holiday work; strict compliance with the 8 Hour, Minimum and other labor laws; check-up for union dues and fees; prohibition against dismissing workers and employees without previous hearing and without just cause; and creation of an arbitration board to settle differences between management and labor as well as pass upon propriety of dismissing any worker and employee;"

The paragraphs abovequoted, it is true, do not allege in so many words that the dispute or differences that had existed between the company and its workers is one that is likely to cause a strike or lockout or a possibility thereof is imminent, but it can be clearly inferred that such dispute or differences are so serious that the break between them or of their labor relationship is expected or imminent considering the attitude of the company in interfering with the union activities of its workers to the extent of securing false affidavits to serve as basis of certain malicious prosecution against their leaders aside from the tenacious refusal of the company to attend to

their demands for improvement of their working conditions as warranted by the 8-hour, minimum or other labor laws. As a matter of fact, as the record seems to reveal, many of the workers affiliated with the petitioning union were laid-off as a consequence of said union activities thereby giving rise to the present petition for indemnity and reinstatement. It is for this reason that the industrial court considered it to be merely a matter of form to aver in a specific manner that the existing labor dispute "is likely to cause a strike or lockout", or that one is imminent or expected, it being sufficient that from the factual allegations appearing in the petition such is clearly deducible. (Section 4, Commonwealth Act No. 103). And, as the industrial court has properly observed, "with the dismissal of the members of herein petitioner, after they had tiled the original petition in these cases and the service to respondent rice mill of the labor demands (Exhibits 'E' or 'G'), and which dismissal was made the subject of the complaint and the motion for reinstatement with pay, it became unnecessary for petitioner to still allege in the second amended petition that the labor dispute complained of 'is causing or is likely to cause' a strike or lockout or a possibility thereof was imminent or expected from the violation or failure of the respondents to comply with the provisions of the 8-Hour, Minimum and other labor laws, inasmuch as the workers had already been dismissed so that it was no longer within their power to call and stage a strike and neither was there any necessity for respondents to lockout any of them."

Finally, we have the circumstance that while this case was pending trial before the industrial court Republic Act No. 875, known as the Magna Carta of Labor, was enacted on June 17, 1953, and before this case came to a decision, several cases had been decided by this Court wherein it was laid down as a constant and decisive ruling that where the employer-employee relationship is still existing or is sought to be reestablished, as when there is a petition for reinstatement, the Court of Industrial Relations has jurisdiction over the claim if it arises out of, or is in connection with, the provisions of the Minimum the time has come for the court to Mew the case in line charge of unfair labor practice,[2] and so we may say that Wage Law, or the Eight-Hour Labor Law, or involves a with the spirit of the new law, since the transitory provision contained in the new Act does not require that the pending cases be decided in accordance with Commonwealth Act No. 103 (Section 27, Republic Act 875), even if it enjoins the judges to make every attempt to help the parties reach a just and speedy solution by mutual agreement, which is the main objective of the new Act. The industrial court, therefore, did not err in assuming jurisdiction over the present case.

With regard to the second and third issues, we note that they merely involve questions of fact which, under our law and jurisprudence, may not now be inquired into in this appeal, unless it is shown that they are not supported by substantial evidence. Here, it is true, there is an attempt to prove that such is the case, by pointing out that the industrial court considered favorably the claim of the union by relying merely on the evidence of the union and ignoring the so-called overwhelming and convincing evidence of the employer. But such attempt must fail, not only because of the careful and painstaking evaluation of the evidence made by the court itself but also because of the refutation and discussion made of such evidence by counsel for the union.

Thus, in discussing the issues raised in connection with the evidence submitted by both parties, the industrial court made the following comment:

"A check and comparison with the corresponding transcript of the stenographic notes of the testimony of each of the witnesses referred to and relied on by the decision reveals, however, that what appeared as seemingly inconsistent or contradictory statements are due mainly to omissions of vital portions of the pertinent testimony as reproduced in the said memorandum to probably support counsel's contention. This is specially, but not solely manifest in its quotation of the alleged testimonies of witnesses Segundino S. Mailem during the hearing on March 13, 1953; Anastacio Manafigan during the hearing on March 18 and 23, 1953; and Alfredo Taguba during the hearing on January 16, 1957. While it is true, as usual and ordinary in any case, that inconsistencies and contradictions also occurred in the testimonies of the witnesses of the petitioner, it is also very evident that

those contradictions and inconsistencies are due only to lapse of memory specially since the facts they were testifying to occurred some years before they were called to testify and that most if not all said witnesses appeared from the manner they answered questions as not only having also low degree of intelligence but also of not having had the benefit of education. However, on the whole, their testimonies have substantially supported the stand of petitioner on the main issues involved in its different claims and inasmuch as the contradictions, which in most cases were also rectified either directly or indirectly, referred to minor and most often immaterial and collateral issues which could not and should not influence the decision in these cases, we find the evidence of petitioner not only more reliable and dependable than that of the respondents' but also of having sufficiently and substantially established and sustained its major claims. And if the failure and refusal of respondents' counsel to furnish petitioner's counsel with a copy of their aforesaid memorandum of September 2, 1957 and the fact of its having misguided the aforesaid decision are taken into consideration, indeed the said decision should be reversed by this Court en banc on the ground that its findings of facts are not totally supported by the evidence presented during the hearing of these cases."

Again, with regard to the union's claim that the company made its laborers work 24 hours daily, including Sundays and holidays, during the period in question, and not only for 8 hours daily, except Sundays and holidays, as claimed by the company, the industrial court made the following evaluation of the evidence:

"In the appreciation of the testimonies of said four witnesses, none of whom was shown to have any interest at stake in these cases, we find no reason to doubt their sincerity and truthfulness as none of them is party in these cases. On the other hand, aside from the fact that all the witnesses presented by respondents to support their claim that they operated their rice mill on strictly 8 hours operation daily and only during ordinary work days by observing operation hours of 8:00 a.m. to 12:00 noon and 1:00 p.m. to 5:00 p.m. are all permanent employees who are under the control of respondents yet irreconcilable contradictions in their respective testimonies on the important point of respondents' contention rendered their theory unreliable, unbelievable and untenable. These fatal contradictions appeared in the testimonies of Antonio Ricafrente (Hearing on June 20, 1955) and Tan Pieng (hearing on August 22, 1956) who both testified that the operation of the rice mill was from 8:00 to 12:00 in the morning and from 1:00 to 5:00 in the afternoon but were both contradicted by Gregorio Caringo (hearing on June 17, 1955) and Primitivo Crystal (hearing on July 6, 1955), both of whom testified on the other hand that the rice mill actually operated from 7:00 to 11:00 in the morning and from 1:00 to 5:00 in the afternoon. Another witness of respondents, Anastacia Cortez Paseua, contradicted the above four witnesses of respondents in their contention that the rice mill operated and remained open up to 5:00 p.m., for according to her (hearing on August 23, 1955) the rice mill operated up to 4:00 p.m. only and closed at said time.

"Such serious contradictions can only mean that respondents are not telling the truth, for clearly they cannot be mistaken on such important parts of their daily work. This is further strengthened by the testimony of Antonio Ricafrente, one of the respondents' machine tenders and aparatistas, who admitted (hearing on July 6, 1955) that they were three machine tenders and aparatistas (Gregorio Caringo, Cornelio Ramos and he) in said rice mill who each worked 8 hours daily one after the other so that no two of them worked at the same time or turn, thus unwittingly admitting that the rice mill actually operated during the period in question the whole 24 hours daily which is the sum total of the 8 hours each of them worked separately and at different periods."

The company, it is true, made an effort to prove that its rice mill operated only 8 hours daily by presenting some books covering its purchases and sales and income showing the volume of work done during the period in question from which it draws the conclusion that having in mind such volume and the capacity of the mill it could not have been possible for the company to operate the mill for 24 hours daily, as claimed. But the industrial court refuted such claim in the following wise:

"* * * This finding also took into consideration respondents contention, as sought to be proved by the books of purchases and sales as well as incomes of the rice mill, that the rice mill did not need to operate 24 hours daily

because as its records show it did not have sufficient stock of palay, corn and peanuts to mill if it were to operate that long with its milling capacity that has been increased to 350-400 cavans of clean rice in 8 hours operation only. Precisely, respondents' own admission of having employed no less than 20 agents or buyers of these cereals and their big warehouse aside from the warehouses of their buyers wherein they stored said cereals which were all milled in said rice mill; the unusually big hauling capacity of their trucks that hauled said cereals that even went as far as some towns of Cagayan province; and the three high power machines used to provide motive power to the rice cono, corn mill and peanut sheller which have been mechanically installed so that the three can be pulled by only one of said machines or engines, these facts only prove that the books of the said rice mill did not really reflect the true and actual transactions of respondents and at the same time pointed out the fact that all the equipment and materials of respondent rice mill were all geared to a 24 hours operation daily. As correctly observed by the Supreme Court in the case of *Collector of Internal Revenue vs. Aurelio P. Reyes*, G. R. No. L-11534 & L-11558, promulgated November 25, 1958: 'Books of account do not prove per se that they are veracious; in fact they may be more consistent than truthful.' "

And anent the claim of the company that the women winnowers were employed not on the daily wage basis but on piece work, the same was likewise rejected by the industrial court because it considered the evidence submitted by the union overwhelming. The following is the observation of the industrial court:

"* * * On this point, the testimony of Mariano de la Cruz (hearing on January 17, 1957); Urbana Tapiador (hearing on February 13, 1957); Natividad Malgapo (hearing on April 18, 1955); Maria Pasion (hearing on April 18, 1955); Segundino S. Mailem (hearing on March 13, 1953 and on June 9, 1955); and of the women claimants presented to prove and establish this claim of petitioner have convincingly substantiated that these women were indeed employed on the daily wage basis and not on the piece work as found by the decision. The very contention of respondents that on the piece work basis each woman working 8 hours only could easily earn a minimum of P4.00 daily only gave credence to petitioner's claim that these women were paid on the daily wage since respondents failed to show why they would prefer to pay on the piece work and pay P4.00 for work that they could easily pay at P2.50 only, the rate they paid the daily wage male workers at the time. Another piece of evidence against respondents' contention is their admission that to both the male daily wage workers and said women winnowers, respondent rice mill issued a 'chapa' or badge which is a piece of metal to indicate the wage or pay of their labor whereas in the case of the piece work ('pakiao') male workers no such 'chapa' or badge was ever issued. This only shows again that the women winnowers were employed and paid under similar conditions and terms as the male daily wage workers."

Finally, with regard to the claim for reinstatement of the laborers who had been laid-off, the industrial court found that their lay-off was caused not because of the stoppage of work due to the installation of the company's corn mill but rather as a reprisal for their union activities in an effort to compel them to desist therefrom and be more cooperative with the company.

The foregoing findings of fact, we repeat, cannot now be looked into considering that they are supported by substantial evidence.

Wherefore, the resolution appealed from is affirmed, with costs against petitioners.

Padilla, Labrador, Concepcion, Barrera, Paredes, Dizon, Regala, and Makalintal, JJ., concur.

[1] 103 Phil., 600.

[2] *Price Stabilization Corporation vs. Court of Industrial Relations, et al.*, 108 Phil., 134; *Board of Liquidators, et al vs. CIR., et al.*, 108 Phil., 162; *NASCO vs. CIR., et al.*, 107 Phil., 1007; *Benguet Consolidated Mining Co. vs. Coto Labor Union*, 105 Phil., 915; *SMB Box Factory Workers' Union vs. Victoriano*, 102 Phil., 646; *Allied Worker's Union vs. Apostol*, 102 Phil., 292, *PAFLU vs. Tan*, 99 Phil., 854.

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