

**B. STA. RITA AND CO., INC. AND TIDE SHIPPING CO., LTD.,
PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION,
PEPITO C. YUNSON AND ERNESTO E. ESCATRON, RESPONDENTS.**

G.R. No. 119617. August 14, 1995

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

This is a special civil action for certiorari under Rule 65 of the Rules of Court assailing the decision of the National Labor Relations Commission dated December 29, 1994 and its subsequent resolution denying petitioner's Motion for Reconsideration of said decision.

The facts are undisputed:[1]

Complainant Yuson was engaged by respondents as Master Mariner and was deployed on March 17, 1989. He boarded M/V Dang Amelina but the latter was arrested in Singapore and sold at public auction. The vessel was bought by respondent Tide Shipping Co. Ltd. (tide) which renamed the latter M/V Leela and retained respondent Ben Sta. Rita and Co., Inc. (BSR) as its manning agent Yunson's salary was increased by the representative of Tide to US\$2,000/mo., US\$600.00 overtime and leave pay of 10% of the basic salary.

Complainant Escatron, on the other hand, was employed by respondents as Chief Officer with a basic monthly salary of US\$840.00 plus 30% overtime and leave pay of 10% of the basic salary. His contract was for one (1) year effective May 22, 1989.

Sometime on August 10, 1989, while in Port Quinhon, Vietnam, loading logs for Japan, M/V Leela sunk causing minimal sea water pollution. Two (2) weeks after the incident a representative of Tide arrived in Vietnam and advised complainants to stay behind and watch M/V Leela and to sign documents for insurance purposes. The said representative of Tide promised to be back 15 days after, to pay their salaries and benefits and to repatriate them. This promise was however fulfilled only in December 1989 and complainants were only given cash advances.

Complainants averred that BSR unjustly withheld their shipboard pay and allotments despite receipt from Tide the money intended for the purpose. It was only through the intervention of the Department of Foreign Affairs that a BSR remitted their salaries in August 1990. Complainants were finally repatriated on September 28, 1991, after being held hostage in Vietnam for 2 years, 1 month and 17 days. Despite repeated demands, respondents failed to pay complainant's withheld salaries. Thus, on November 8, 1991, Yunson for himself and in behalf of Escatron, went with Mr. Sta. Rita to Hongkong to collect from Tide their unpaid claims. Tide refused their demands and only offered to pay their 2 months salaries. On November 12, 1991, Yunson was abandoned by BSR and paid their hotel bills only up to said date. On November 14, 1991, because he has no more money to pay his hotel bills, Yunson was constrained to receive the amount offered by Tide and to sign a receipt and discharge for himself and in behalf of Escatron. Complainants received US\$7,500.00 from Tide.

Yunson claims payment of his unpaid salaries for the period June 1990 to September 28, 1991 in the amount of US\$44,800.00, moral damages at P500,000.00 and exemplary damages of P200,000.00. Escatron on the other hand claims payment of US\$18,790.00 for his unpaid salaries for the period June 1990 to September 28, 1991, actual and compensatory damages amounting to P100,000.00 and P500,000.00 as moral and exemplary damages.

The Philippine Overseas Employment Administration on January 26, 1993, dismissed the case for lack of merit[2] citing Section "O" of the Standard Employment Contract Governing The Employment of All Filipino Seamen on Board Ocean-Going Vessels. The aforecited Section States:[3]

SECTION O. TERMINATION PAY DUE TO SHIPWRECK

Where the vessel was wrecked necessitating the termination of employment before the date contemplated in the Contract, the seaman, in addition to entitlements mentioned elsewhere in this Contract shall be entitled to the following benefits:

- a. 100% of his basic salary per day up to the date of arrival at a foreign port or Manila.

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The POEA concluded Section O inapplicable to the circumstances surrounding petitioners' two-year detention in Vietnam and added that:

Being responsible officers of the vessel, complainants are duty bound to be left in Vietnam. Their presence is necessary in the investigations being conducted by the Vietnamese authorities.[4]

The NLRC reversed the POEA's ruling ordering herein petitioners to jointly and solidarily pay the private respondents their back salaries as well as damages and attorney's fees.[5] Taking exception from the assailed decision of respondent commission, petitioners are before this Court on the main issue of whether or not private respondents were entitled to back salaries during the entire two-year period of their detention in Vietnam. They contend that private respondents "were duty-bound to be left in Vietnam"[6] on involuntary detention by Vietnamese authorities while the Vietnamese claims against the owners and operators of the ship were being settled.

The absurdity of petitioners' contentions should normally not be worthy of this court's further consideration. However, the appalling insensitivity displayed by petitioners and the POEA in this case merits an attention which deserves more than an off-hand dismissal of the instant petition through a minute resolution. What is involved here once again are the "anguished cries" of our poor overseas workers against the "anti-poor" interpretation by some of our government agencies of laws designed precisely to protect the poor.[7] Thus, the instant petition must fail.

The Vietnamese authorities refused to repatriate private respondents Escatron and Yuson until the issue of financial compensation for the damage caused by the oil spill caused by the petitioners' ship had been resolved by the latter. They were detained against their will, albeit in a hotel, for a period lasting over two years without any form of compensation, and away from their loved-ones, who had likewise suffered from the uncertainty of the whole situation. In the meantime, private respondents were deprived of any means of livelihood as a consequence of their being kept in Vietnam as virtual hostages until petitioners settled the issue of compensating the damage caused the shrimp growing and fishing area affected by the oil spill. In spite of private respondents' misfortune, petitioners and the POEA expected them to heroically bear the brunt of the situation, remain on their posts, free of charge, except for a token amount grudgingly coughed out by the petitioners as a form of reimbursement for the private respondent's expenses in Vietnam, and only after petitioners had squeezed out a quitclaim. Commenting

on the POEA's incredible conclusion that as ship officers private respondents were duty bound to stay behind (for free and as it turned out for over two years) the NLRC in its questioned decision said:

Did they expect the two officers to perform their duties in respect of this matter free of charge?

What is more the situation was aggravated by the fact that the Vietnamese authorities refused to repatriate both Yuson and Escatron pending resolution of the financial compensation issue which had resulted because the damaged ship had already spilled two hundred tons of oil and fuel in the Vietnam shrimp growing and fishing area.

While it is true they were housed in a hotel where they had comfortable accommodations and were served meals, they could not be reasonably expected to shoulder their own expenses there, since this problem they were facing involved the shipping company they were representing.[8]

Moreover, the perceived inapplicability of Section O of the Standard Employment Contract cannot and should not lightly and conveniently discharge respondent companies from their responsibilities towards private respondents. A close reading of the cited provision reveals the "inapplicability" as more apparent than real. First, as respondent NLRC correctly concluded, "the said section does not make a distinction between the sinking of the vessel on the high seas or in port." [9] Second, while the responsibility to compensate for salaries under Section O ends with arrival at a "foreign port or in Manila," arrival at a foreign port is related to and contemplates a situation where the seaman could immediately be repatriated to his base, which is Manila. In the case at bench, a literal construction of the phrase "arrival at a foreign port" which petitioners would want this court to do- would lead clearly to a situation so grossly inequitable as to be unconscionable. It bogs one's sense of fairness that the POEA, a government agency committed to protect the rights of our overseas workers, should agree with petitioners callous and self-serving interpretation. Private respondents' detention would not have lasted as long as it did had petitioner's negotiated in good faith and settled with the Vietnamese authorities with dispatch. As respondent NLRC stated:

Ultimately, because the shipping lines refused to negotiate with Vietnam on a reasonable compensation for the damage... the two seamen were...left to fend for themselves, barely able to get by on the US \$7,000.00 obtained from Sta. Rita the said sum was sent only because of the efforts of the representative of the Department of Foreign Affairs, who also eventually saw to the repatriation of complainants after almost two years and two months of virtual captivity.

Under these factual circumstances, it would be a travesty of justice to be absolved of liability towards the two complainants.

Finally, the quitclaim signed by private respondents, was made in circumstances which raises questions about the voluntariness of the agreement. While not all waivers and quitclaims are invalid as against public policy,[10] one made under circumstances of dire need and with a gross disparity between the actual claim and the amount of the settlement cannot be countenanced by this court.

It is one thing to extol our overseas workers as the country's modern day heroes. If the agencies created to protect our overseas workers can only pay lip service to the cause of protecting their rights, these government agencies should at least avoid causing them greater anguish and misfortune by "straining the seams" to favor overseas employers and their local agencies in coldly and inflexibly interpreting contracts to the detriment of our workers. As we held in the recent case of Chavez vs Bonto-Perez:[11]

Our overseas workers constitute an exploited class. Most of them come from the poorest sector of our society. They are thoroughly disadvantaged. Their profile shows them living in suffocating slums, trapped in an

environment of crime. Hardly literate and in ill-health, their only hope lies in jobs they can hardly find in our country. Their unfortunate circumstance makes them easy prey to avaricious employers. They will climb mountains, cross the seas, endure slave treatment in foreign lands just to survive. Out of despondence, they will work under subhuman conditions and accept salaries below the minimum.

Borrowing from a medical maxim, if the POEA cannot be of assistance to our modern day heroes in situations similar to the case at bench, it should at least, do no harm. In view of the foregoing, the instant petition is DISMISSED, with costs against petitioner.

SO ORDERED.

Padilla, (Chairman), Davide, Jr., Bellosillo, and Hermosisima, Jr., JJ., concur.

[1] From the Decision of the NLRC reproducing the text of the Decision of the POEA, ROLLO, pp. 27-29.

[2] On the issue of whether or not respondents were liable for non-payment of salaries (during the entire period of petitioners' detention in Vietnam) and other benefits, actual, moral and exemplary damages. ROLLO, p. 189.

[3] ROLLO, p. 44.

[4] ROLLO, p. 190.

[5] ROLLO, pp. 37-38.

[6] Citing the POEA Decision. ROLLO p. 17.

[7] See Chavez v. Bonto Perez, et. al., G.R. No. 109808, March 1, 1995.

[8] Rollo, pp. 32-33.

[9] Rollo, p. 34.

[10] Periquet v NLRC, 186 SCRA 724 (1990).

[11] G. R. No. 109808, March 1, 1995.

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