

CENTRAL AZUCARERA DE TARLAC, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND PHILIPPINE LABOR UNION, RESPONDENTS.

G.R. No. 46843, December 15, 1939

Ponente: VILLA-REAL, J.

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VILLA-REAL, J.:

On May 28, 1938, the Secretary of Labor certified to the Court of Industrial Relations the existence of an agricultural dispute between the petitioner, Central Azucarera de Tarlac, and some 350 of its laborers, affiliated with the respondent association, the Philippine Labor Union, which represents them in the present case.

Eleven demands were submitted to the Court of Industrial Relations for its decision, eight of which were amicably settled, three being left for the determination of said court, namely:

"1. That the management of the aforementioned Central has decided to deduct, since the 1st of the present month, 25 per cent from the salaries of its laborers and employees, to be in force before the date above-indicated. That said laborers pray that 25 per cent be not deducted from their salaries, that the rates thereof previous to the present month of April of this year be restored, and that they be given a 20 per cent increase on their salaries for March of this same year.

"2. That the salaries of the foremen and other workmen classified as 'skilled laborers' be restored to the same rates before the minimum salary of P1 was put into effect. To make it appear that it complies with the requirement of the law, the Central granted the minimum salary of P1 to the common laborers, inconsiderately reducing, however, the salaries of the foremen and other laborers, so that this policy gave rise to the reduction of salaries at P3 each day to P1.70, and the salaries at P2 to P1 and P1.20.

"3. That the Central sign a collective contract with the Philippine Labor Union with which said laborers and employees are affiliated and that it take charge of deducting from the payroll thereof on every pay day 5 per cent of their salaries as their quota to the association, the treasurer of the Philippine Labor Union signing the corresponding official receipt therefor in favor of the Central."

After hearing the parties and receiving their evidence, the Court of Industrial Relations rendered, on March 14, 1939, a decision which was amended by order of April 27, 1939 and clarified by order of May 25, of the same year, in the following manner:

"1. Respondent is ordered to restore the 25 per cent reduction made in the salaries and wages of employees and laborers of the central who are employed during off-season.

"2. The respondent is ordered to restore the salaries and wages of the foremen (capataces and skilled laborers to the former scales or rates they were receiving previous to the establishment of the daily minimum wage of P1 for common laborers, provided, however, that those employees or laborers who are earning more than P1 a day and received increases in pay after the establishment of the said minimum wage shall continue to receive such increased rates.

"3. That the authority granted to the respondent in the order of this Court dated February 24, 1939, to reduce the working days of the laborers to 4 days a week shall include only daily laborers and shall not be applicable to employees or laborers paid on the monthly basis.

"4. The respondent is authorized to pay to its foremen (capataces) who are retained to work during the off-season but employed in other capacities with less rank, the salaries they were paid during the last off-season, restoring, however, the 25 per cent reduction made therefrom, in accordance with the decision rendered in this case."

On August 7, 1939, the aforesaid petitioner, Central Azucarera de Tarlac, took an appeal from the decision of the Court of Industrial Relations dated March 14, 1939, from the amendatory order of April 27, 1939, and from the explanatory order of May 25, 1939, to this Supreme Court through the petition for certiorari now before us, alleging the following ground for the granting of the writ:

"That the Court of Industrial Relations, in issuing the orders of March 14, 1939 (Exh. A), May 25 (Exh. C), July 10 and 31, 1939 (Exhs. F and I), arbitrarily compelling the herein petitioner to employ during the off-season a large number of laborers in excess of what it really needs and unjustly compelling and requiring it to pay its foremen whom said court erroneously classified as 'skilled laborers' their entire salary, without the deduction to which they were subject since the year 1934, despite the fact that during the same period they do not work more than four days a week at most, or 16 days a month, has exceeded its jurisdiction and abused its discretion, said orders being contrary to law, to equity and justice, and highly injurious to the rights of this petitioner."

The sole question, therefore, to be determined in the present petition is whether or not the Court of Industrial Relations has exceeded its jurisdiction or abused its discretion (a) in compelling the petitioner, Central Azucarera de Tarlac, to employ during the off-season a large number of laborers in excess of what it really needs, and (b) in compelling and requiring said petitioner to pay its foremen their whole salary, without the deduction to which they were subject since the year 1934, despite the fact that during the off-season they do not work more than four days a week at most, or sixteen days a month.

As to the first ground of the petition, the Court of Industrial Relations lays down, in its original decision of March 14, 1939, the following conclusion of fact:

"The court finds that by retaining the same number of workers that it used to employ during the off-season without laying off half of them, restoring the 25 per cent slash on their wages and making them work 16 days a month during off-season, the Central will incur an additional expense for wages in the amount of P16,000 a year, more or less, which is a little over 8 per cent of P1,928,000 its net profit for the crop year 1937-1938. This will not adversely affect the reasonable and fair return on its investment."

In its order dated April 27, 1939, the same court arrived at the following conclusions of fact:

"The court finds that, given the circumstances of the case and the evidence produced during the investigation. before the Commissioner of this Court, the motion filed by said respondent to suspend 121 laborers, is unjustified. The superintendent of the central himself, Mr. Zitkowski, in open court during the hearing of this incident, admitted to the court that in the event there should arise a need to suspend some laborers for lack of work and keep others, he would give preference only to those who do not belong to the petitioning union and who have neither signed nor joined in the demands which said laborers formulated before the court * * *.

"(c) Authorizes the respondent Central to give only four (4) days for work a week to its laborers during the off-season, or 16 days a month."

And in its resolution dated June 19, 1939, the same court makes the following conclusions of fact:

"There must furthermore be taken into consideration, according to the evidence in this case, the fact that the Central has at all times had in its service, during the off-season since (1934-1935) the limitation on sugar production has been in force, about 500 laborers whom the Central used to retain during the off-season, at the time it attempted to suspend or dismiss 97 of them, including among those suspended, 28 of the 32 or 33 officers and directors whom the Philippine Labor Union has in the Central, allowing only 4 or 5 directors of said union to remain. Among those dismissed, as it appears from the order of April 27, 1939, are included the highest officers of said petitioner, namely, the local President of the Philippine Labor Union, the Vice-President, the Auditor, the First and Second Treasurers, the First and Second Advisers, and the first and Second Secretaries, all of which shows clearly that the true cause of the dismissal or suspension applied for by the respondent is not the lack of work, nor of its ability to provide them therewith, as in previous years, but the reprisal and intimidation with which it threatens the laborers for being members of the Philippine Labor Union, and furthermore for refusing to break away from said union and affiliate themselves with an association which the Central has been organizing to supplant the Philippine Labor Union, for which purpose Mr. Adrian Got, head of the Compania General de Tabacos de Filipinas, owner of the respondent Central, has even offered to contribute P10,000 to said association to give it greater force and economic stability, as it likewise appears from the evidence in this case."

Considering the facts found by the Court of Industrial Relations to have been proven, which we are not at liberty to alter and must have to accept, unless in arriving at them it has committed a grave abuse of discretion; and considering the principle of commutative justice that the salary must answer in an adequate manner to the work performed and be sufficient in order that a family in ordinary circumstances may be able to subsist, we find that the respondent Court has not committed a grave abuse of discretion in refusing to authorize the reduction of the number of laborers of the petitioner to one-half, with a minimum wage of P1, and in compelling it to retain the same number of laborers whom it usually employs during the off-seasons.

As to the second ground of the petition, that is, that the Court of Industrial Relations has abused its discretion in compelling the aforesaid petitioner to pay its foremen their entire salaries, without the deduction to which they were subject since the year 1934, despite the fact that during the same period they do not work more than four days a week at most, or sixteen days a month, said court, in its decision of March 14, 1939 aforesaid, says:

"The auditors of the court, according to their report, dated January 18, 1939, found that a reduction of 25 per cent is made from the daily wages of the skilled and unskilled laborers who are retained in the service during the off-season; that this policy has been adopted since the crop year 1934-1935; that the laborers drawing P1 a day during the off-season do not suffer such reduction; that the off-season laborers work only 16 days a month instead of 30 days as in the milling season; that the reduction actually amounts to 70 per cent of their monthly earnings during the milling season; and that during the milling season are retained."

* * * * *

"If the central employs capataces and skilled laborers, because it needs their skill and training, it must be willing to pay for their services. Otherwise, it would be discouraging if not killing individual initiative and ambition for self-improvement in a chosen trade or profession.

"Under these circumstances, the court, has no alternative but to order that the former salary or wage of the capataces and skilled laborers be restored."

We can neither alter these considerations and conclusions of fact which we find reasonable, since according to the same court in its resolution of denial dated July 30, 1939, "from the crop-year 1934 until the claim of the laborers was filed on May 28, 1939, the respondent (Central Azucarera de Tarlac) has never made its employees into daily wage-earners"; and no valid reason exists why the monthly salaries of the foremen have to be changed into daily wages and reduced during off-seasons, when under similar circumstances in previous years no change or

reduction whatever had been made.

The Court of Industrial Relations, therefore, did not likewise commit the abuse of discretion ascribed to it in the second ground of the petition.

Wherefore, the petition for a writ of certiorari filed by the Central Azucarera de Tarlac is denied and the judgment sought to be annulled thereby is affirmed, with costs against the petitioner. So ordered.

Avanceña, C. J., Imperial, Diaz, Laurel, and Concepcion, JJ., concur.

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