

NORBERTO SORIANO, PETITIONER, VS. OFFSHORE SHIPPING AND MANNING CORPORATION, KNUT KNUITSEN O.A.S., AND NATIONAL LABOR RELATIONS COMMISSION (SECOND DIVISION), RESPONDENTS.

G.R. No. 78409. September 14, 1989

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

This is a petition for certiorari seeking to annul and set aside the decision of public respondent National Labor Relations Commission affirming the decision of the Philippine Overseas Employment Administration in POEA Case No. (M)85-12-0953 entitled "Norberto Soriano v. Offshore Shipping and Manning Corporation and Knut Knutsen O.A.S.", which denied petitioner's claim for salary differential and overtime pay and limited the reimbursement of his cash bond to P15,000.00 instead of P20,000.00.

In search for better opportunities and higher income, petitioner Norberto Soriano, a licensed Second Marine Engineer, sought employment and was hired by private respondent Knut Knutsen O.A.S. through its authorized shipping agent in the Philippines, Offshore Shipping and Manning Corporation. As evidenced by the Crew Agreement, petitioner was hired to work as Third Marine Engineer on board "Knut Provider" with a salary of US\$800.00 a month on a conduction basis for a period of fifteen (15) days. He admitted that the term of the contract was extended to six (6) months by mutual agreement on the promise of the employer to the petitioner that he will be promoted to Second Engineer. Thus, while it appears that petitioner joined the aforesaid vessel on July 23, 1985 he signed off on November 27, 1985 due to the alleged failure of private respondent-employer to fulfill its promise to promote petitioner to the position of Second Engineer and for the unilateral decision to reduce petitioner's basic salary from US\$800.00 to US\$560.00. Petitioner was made to shoulder his return airfare to Manila.

In the Philippines, petitioner filed with the Philippine Overseas Employment Administration (POEA for short), a complaint against private respondent for payment of salary differential, overtime pay, unpaid salary for November, 1985 and refund of his return airfare and cash bond allegedly in the amount of P20,000.00 contending therein that private respondent unilaterally altered the employment contract by reducing his salary of US\$800.00 per month to US\$560.00, causing him to request for his repatriation to the Philippines. Although repatriated, he claims that he failed to receive payment for the following:

- "1. Salary for November which is equivalent to US\$800.00;
- "2. Leave pay equivalent to his salary for 16.5 days in the sum of US\$440.00;
- "3. Salary differentials which is equivalent to US\$240.00 a month for four (4) months and one (1) week in the total sum of US\$1,020.00;
- "4. Fixed overtime pay equivalent to US\$240.00 a month for four (4) months and one (1) week in the sum of

US\$1,020.00;

“5. Overtime pay for 14 Sundays equivalent to US\$484.99;

“6. Repatriation cost of US\$945.45;

“7. Petitioner's cash bond of P20,000.00.”[1]

In resolving aforesaid case, the Officer-in-Charge of the Philippine Overseas Employment Administration or POEA found that petitioner-complainant's total monthly emolument is US\$800.00 inclusive of fixed overtime as shown and proved in the Wage Scale submitted to the Accreditation Department of its Office which would therefore not entitle petitioner to any salary differential; that the version of complainant that there was in effect contract substitution has no grain of truth because although the Employment Contract seems to have corrections on it, said corrections or alterations are in conformity with the Wage Scale duly approved by the POEA; that the withholding of a certain amount due petitioner was justified to answer for his repatriation expenses which repatriation was found to have been requested by petitioner himself as shown in the entry in his Seaman's Book; and that petitioner deposited a total amount of P15,000.00 only instead of P20,000.00 cash bond.[2]

Accordingly, respondent POEA ruled as follows:

"VIEWED IN THE LIGHT OF THE FOREGOING, respondents are hereby ordered to pay complainant, jointly and severally within ten (10) days from receipt hereof the amount of P15,000.00 representing the reimbursement of the cash bond deposited by complainant less US\$285.83 (to be converted to its peso equivalent at the time of actual payment).

"Further, attorney's fees equivalent to 10% of the aforesaid award is assessed against respondents.

"All other claims are hereby dismissed for lack of merit.

"SO ORDERED.”[3]

Dissatisfied, both parties appealed the aforementioned decision of the POEA to the National Labor Relations Commission. Complainant-petitioner's appeal was dismissed for lack of merit while respondents' appeal was dismissed for having been filed out of time.

Petitioner's motion for reconsideration was likewise denied. Hence this recourse.

Petitioner submits that public respondent committed grave abuse of discretion and/or acted without or in excess of jurisdiction by disregarding the alteration of the employment contract made by private respondent. Petitioner claims that the alteration by private respondent of his salary and overtime rate which is evidenced by the Crew Agreement[4] and the exit pass[5] constitutes a violation of Article 34 of the Labor Code of the Philippines.[6]

On the other hand, public respondent through the Solicitor General, contends that, as explained by the POEA: "Although the employment contract seems to have corrections, it is in conformity with the Wage Scale submitted to said office.”[7]

Apparently, petitioner emphasizes the materiality of the alleged unilateral alteration of the employment contract as this is proscribed by the Labor Code while public respondent finds the same to be merely innocuous. We take a closer look at the effects of these alterations upon petitioner's right to demand for salary differential, overtime pay and refund of his return airfare to Manila.

A careful examination of the records shows that there is in fact no alteration made in the Crew Agreement[8] or in the Exit Pass.[9] As the original data appear, the figures US\$800.00 fall under the column salary, while the word

"inclusive" is indicated under the column overtime rate. With the supposed alterations, the figures US\$560.00 were handwritten above the figures US\$800.00 while the figures US\$240.00 were also written above the word "inclusive".

As clearly explained by respondent NLRC, the correction was made only to specify the salary and the overtime pay to which petitioner is entitled under the contract. It was a mere breakdown of the total amount into US\$560.00 as basic wage and US\$240.00 as overtime pay. Otherwise stated, with or without the amendments the total emolument that petitioner would receive under the agreement as approved by the POEA is US\$800.00 monthly with wage differentials or overtime pay included.[10]

Moreover, the presence of petitioner's signature after said items renders improbable the possibility that petitioner could have misunderstood the amount of compensation he will be receiving under the contract. Nor has petitioner advanced any explanation for statements contrary or inconsistent with what appears in the records. Thus, he claimed: [a] that private respondent extended the duration of the employment contract indefinitely,[11] but admitted in his Reply that his employment contract was extended for another six (6) months by agreement between private respondent and himself;[12] [b] that when petitioner demanded for his overtime pay, respondents repatriated him[13] which again was discarded in his reply stating that he himself requested for his voluntary repatriation because of the bad faith and insincerity of private respondent;[14] [c] that he was required to post a cash bond in the amount of P20,000.00 but it was found that he deposited only the total amount of P15,000.00; [d] that his salary for November 1985 was not paid when in truth and in fact it was petitioner who owes private respondent US\$285.83 for cash advances[15] and on November 27, 1985 the final pay slip was executed and signed;[16] and [e] that he finished his contract when on the contrary, despite proddings that he continue working until the renewed contract has expired, he adamantly insisted on his termination.

Verily, it is quite apparent that the whole conflict centers on the failure of respondent company to give the petitioner the desired promotion which appears to be improbable at the moment because the M/V Knut Provider continues to be laid off at Limassol for lack of charterers.[17]

It is axiomatic that laws should be given a reasonable interpretation, not one which defeats the very purpose for which they were passed. This Court has in many cases involving the construction of statutes always cautioned against narrowly interpreting a statute as to defeat the purpose of the legislator and stressed that it is of the essence of judicial duty to construe statutes so as to avoid such a deplorable result (of injustice or absurdity) and that therefore "a literal interpretation is to be rejected if it would be unjust or lead to absurd results".[18]

There is no dispute that an alteration of the employment contract without the approval of the Department of Labor is a serious violation of law.

Specifically, the law provides:

"Article 34 paragraph (i) of the Labor Code reads:

"Prohibited Practices - It shall be unlawful for any individual, entity, licensee, or holder of authority:

x x x x

"(i) To substitute or alter employment contracts approved and verified by the Department of Labor from the time of actual signing thereof by the parties up to and including the period of expiration of the same without the approval of the Department of Labor."

In the case at bar, both the Labor Arbiter and the National Labor Relations Commission correctly analyzed the questioned annotations as not constituting an alteration of the original employment contract but only a

clarification thereof which by no stretch of the imagination can be considered a violation of the above-quoted law. Under similar circumstances, this Court ruled that as a general proposition, exceptions from the coverage of a statute are strictly construed. But such construction nevertheless must be at all times reasonable, sensible and fair. Hence, to rule out from the exemption amendments set forth, although they did not materially change the terms and conditions of the original letter of credit, was held to be unreasonable and unjust, and not in accord with the declared purpose of the Margin Law.[19]

The purpose of Article 34, paragraph 1 of the Labor Code is clearly the protection of both parties. In the instant case, the alleged amendment served to clarify what was agreed upon by the parties and approved by the Department of Labor. To rule otherwise would go beyond the bounds of reason and justice.

As recently laid down by this Court, the rule that there should be concern, sympathy and solicitude for the rights and welfare of the working class, is meet and proper. That in controversies between a laborer and his master, doubts reasonably arising from the evidence or in the interpretation of agreements and writings should be resolved in the former's favor, is not an unreasonable or unfair rule.[20] But to disregard the employer's own rights and interests solely on the basis of that concern and solicitude for labor is unjust and unacceptable.

Finally, it is well-settled that factual findings of quasi-judicial agencies like the National Labor Relations Commission which have acquired expertise because their jurisdiction is confined to specific matters are generally accorded not only respect but at times even finality if such findings are supported by substantial evidence.[21]

In fact since *Madrigal v. Rafferty*[22] great weight has been accorded to the interpretation or construction of a statute by the government agency called upon to implement the same.[23]

WHEREFORE, the instant petition is DENIED. The assailed decision of the National Labor Relations Commission is AFFIRMED in toto.

SO ORDERED.

Gutierrez, Jr., Bidin, and Cortes, JJ., concur.
Feliciano, J., on leave.

[1] Rollo, p. 109.

[2] POEA Decision, Rollo, pp. 11-16.

[3] Rollo, p. 16.

[4] Rollo, p. 44

[5] Rollo, p. 45.

[6] Rollo, p. 6.

[7] Rollo, p. 15.

[8] Rollo, p. 44.

[9] Rollo, p. 45.

[10] Rollo, p. 9.

[11] Rollo, p. 12.

[12] Rollo, p. 95

[13] Rollo, p. 12.

[14] Rollo, p. 96.

[15] Rollo, p. 15.

[16] Rollo, p. 13.

[17] Rollo, p. 13.

[18] *Bello v. C.A.*, 56 SCRA 518 (1974).

[19] *Filipino Pipe and Foundry Corporation v. Central Bank*, 23 SCRA 1053-1054 (1968).

[20] *Stanford Microsystems, Inc. v. NLRC*, 157 SCRA 415 (1988).

[21] *Baby Bus v. Minister of Labor*, 158 SCRA 225 (1988); *Manila Mandarin Employees Union v. NLRC, et al.*, 154 SCRA 369 (1987).

[22] 38 Phil. 414 (1918).

[23] *Philippine Apparel Workers Union v. National Labor Relations Commission*, 106 SCRA 474 (1981), Melencio-Herrera, J. dissenting).

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