

MINDANAO BUS COMPANY, PETITIONERS, VS. MINDANAO BUS COMPANY EMPLOYEES ASSOCIATION, REPENDENT.*G.R. Nos. 47544 and 47611. December 19, 1940*

Ponente: LAUREL, J.

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The above-entitled cases are petitions for certiorari, the first, to review the "decision complementaria" dated May 4, 1940, and the resolution in bane of July 11, 1940, of the Court of Industrial Relations; the second, to review the "decision adicional" dated May 31, 1940, and the resolution in bane of June 19, 1940. or the same court, entered in case No. 150, entitled "Mindanao Bus Company Employees Association vs. Mindanao Bus Company".

On January 19, 1940, the respondent association served upon Mr. Felix Acero, branch manager of the petitioner in Cagayan, Oriental Misamis, certain demands, Exhibit A) with the admonition that "if no satisfactory answer could be made on due and reasonable time as given, we regret so much that we are constrained to give up our work temporarily until satisfactory settlement of these demands are made." A copy of this petition was hurriedly mailed to the president of the petitioner company, C. WOgan, who was then in Cebu. The following day, the provincial governor, in an effort to avert the impending strike, intervened and called the parties to a conference which, however, proved fruitless. The general strike was formally declared on January 22, 1940, followed by the suspension of company inspectors Macario Sison, Patricio Salcedo, and Ignacio Mariano for alleged disloyalty to the company management.

On January 30, 1940, the Secretary of Labor certified to the Court of Industrial Relations that an industrial dispute existed between the petitioner and certain of its employees, and that the same was proper to be dealt with by the court in the public interest. Docketed as case No. 150, the controversy, as submitted, involved the determination of the following matters: (1) Reinstatement of dismissed strike leaders Ignacio Mariano, Macario Sison and Patricio Salcedo; (2) Payment of overtime work; (3) Strict compliance with the Eight Hour Labor Law; (4) Suspension shall be made only after the causes thereof are specified and duly investigated; (5) Free hospitalization with 60 per cent pay; (6) Reconsideration of the other dismissed employees; (7) Reconsideration of the right of collective bargaining; and (8) Transfer of the branch manager, Felix Acero.

On February 9, 1940, the Court of Industrial Relations authorized its special agent, Mariano Padilla, to proceed to Cagayan, Oriental Misamis, for the purpose of conducting an investigation and receiving the evidence of the parties. Padilla submitted his report on April 25, 1940.

On February 27, 1940, the court, in its "decision parcial," approved the settlement reached by the parties as to demands Nos. 4, 5 and 8. In its "decision complementaria" of May 4, 1940, the court ordered the reinstatement of inspectors Macario Sison and Patricio Salcedo and of driver Pangan, the abolition of the "kilometraje" system, and the payment of minimum wages to the operation employees on the basis of P1.20 for conductors, P1.30 for drivers, and P1.25 for inspectors. A motion for reconsideration was filed but was denied by the court in bane in its resolution of July 11, 1940. From this judgment, petitioner has appealed and prays for a writ of certiorari in G. R.

No. 47544. On May 31, 1940, the court rendered its "decision adicional" requiring the petitioner to readmit inspector Ignacio V. Mariano. Again, petitioner moved for the reconsideration of the decision, which was denied by the court in its resolution in banc dated June 19, 1940. Hence, the petition for certiorari in G. R. No. 47611.

Petitioner makes the following assignments of errors:

"1. The Court of Industrial Relations erred in taking cognizance of the 'kilometraje' system of the petitioner company, and in determining minimum wages for conductors, drivers and inspectors of petitioner company when the questions involved were not certified to it by the Secretary of Labor as proper to be dealt with for the sake of public interest.

"2. The Court of Industrial Relations erred in taking cognizance of the dismissal of the inspectors, Mariano, Salcedo and Sison, and of the driver Pangan.

"3. The Court of Industrial Relations erred in determining minimum wages for petitioner company in connection with its case No. 150 under the provisions of section 4 of Commonwealth Act No. 103.

"4. The Court of Industrial Relations erred in finding that the petitioner company did not have sufficient cause for dismissing the driver Pangan.

"5. The Court of Industrial Relations erred in finding that petitioner company did not have sufficient cause for dismissing the inspectors Mariano, Salcedo and Sison.

"6. The Court of Industrial Relations erred in abolishing the 'kilometraje' system of the petitioner company.

"7. The Court of Industrial Relations erred in fixing minimum wages for conductors, drivers, and inspectors when there was no evidence at all in the record to substantiate its finding."

The initial question to be determined in these proceedings is whether or not the Court of Industrial Relations, under section 4 of Commonwealth Act No. 103, is invested with legal authority to abolish the "kilometraje" system employed by the petitioner in computing the wages of its operation employees.

Section 4 of Commonwealth Act No. 103 provides:

"Sec. 4. Strikes and lockouts.—The court shall take cognizance for purposes of prevention, arbitration, decision and settlement, of any industrial or agricultural dispute causing or likely to cause a strike or lockout, arising from differences as regards wages, shares or compensation, hours of labor or conditions of tenancy or employment, between employers and employees or laborers and between landlords and tenants or farm-laborers, provided that the number of employees, laborers or tenants or farm-laborers involved exceeds thirty, and such industrial or agricultural dispute is submitted to the court by the Secretary of Labor, or by any or both of the parties to the controversy and certified by the Secretary of Labor as existing and proper to be dealt with by the court for the sake of public interest. In all such cases, the Secretary of Labor or the party or parties submitting the disputes, shall clearly and specifically state in writing the questions to be decided. Upon the submission of such a controversy or question by the Secretary of Labor, his intervention therein as authorized by law, shall cease."

Petitioner's challenge is predicated on the language of section 4 that "the Secretary of Labor or the party or parties submitting the dispute shall clearly and specifically state in writing the questions to be decided," and it is insisted that as the "kilometraje" system was not certified by the Secretary of Labor, the Court of Industrial Relations did not acquire jurisdiction to rule upon it. This argument of the petitioner is best answered in the resolution of the Court of Industrial Relations of July 11, 1940, the pertinent portion of which is here quoted:

"Respondent further claims that the abolition of the system was never at issue between the parties. There is absolutely no merit in the contention. The discontinuance of the system was expressly demanded by the

employees in their petition, Exhibit G. The respondent knew all the time that this was one of the issues upon which the case was tried. Several employees who testified at the hearing in behalf of the petitioner strongly insisted on the abolition of the system and on the demand for the strict observance of the Eight Hour Labor Law. In his testimony, the manager of the company explained in detail and defended the advantages of the practice."

On the other hand, the Court of Industrial Relations is not "narrowly constrained by technical rules of procedure, and the Act requires it to 'act according to justice and equity and the substantial merits of the case, without regard to technicalities or legal forms and shall not be bound by any technical rules of legal evidence but may inform its mind in such manner as it may deem just and equitable (Section 20, Commonwealth Act No. 103). It shall not be restricted to the specific relief claimed or demands made by the parties to the industrial or agricultural dispute, but may include in the award, order or decision any matter or determination which may be deemed necessary or expedient for the purpose of settling the dispute or of preventing further industrial or agricultural disputes'" (Section 13, *ibid.*) (*Goseco vs. Court of Industrial Relations*, G. R. No. 46673, promulgated September 13, 1939; *Ang Tibay vs. Court of Industrial Relations*, G. R. No. 46496, promulgated February 27, 1940; *Manila Trading & Supply Co. vs. Philippine Labor Union*, G. R. No. 47233.)

The question with reference to the power of the court to determine minimum wages in connection with an industrial dispute which it may take cognizance of under the provisions of section 4 of Commonwealth Act No. 103, is no longer one of first impression, having been raised and set at rest in *International Hardwood and Veneer Company vs. Pangil Federation of Labor*, G. R. No. 47178. In that case we said:

"Under the view suggested by the petitioner, if an industrial dispute between an employer and its employees causing or likely to cause a strike or lockout arises from differences as regards a minimum wage, the Court of Industrial Relations would be without authority to take cognizance of the dispute for arbitration and settlement unless the President of the Philippines, under section 5 of Commonwealth Act No. 103, directs it to investigate and study all pertinent facts related to the industry concerned, with a view to determining the necessity and fairness of fixing a minimum wage which shall apply generally to all the employers engaged in such industry. To adopt such a narrow construction would be to set at naught the plenary powers conferred upon the court to enable it to 'settle all questions, matters, controversies, or disputes arising between and/or affecting employers and employees' and to frustrate the very objective of the law, namely, to create an instrumentality through which the intervention of the Government could be made effective in order to prevent non-pacific methods in the determination of industrial or agricultural disputes. It is fundamental that the intention and policy of the National Assembly, as expressed in the enactment, should be effectuated, and the Act should receive a construction that will lead to this result.

"The petitioner claims that if section 4 of Commonwealth Act No. 103 is held to empower the Court of Industrial Relations to determine minimum wages in connection with an industrial dispute, the section is unconstitutional as constituting an undue delegation of legislative power to the court and depriving the petitioner of the equal protection of the laws. In support of this claim, petitioner argues that the determination of minimum wages is a legislative function, and that section 4 of Commonwealth Act No. 103, 'does not indicate in what manner, by what standards, or in accordance with what rules, the Court of Industrial Relations shall determine minimum wages under said section' (pp. 12-13 of the petition). Section 20 of Commonwealth Act No. 103 prescribes that in the hearing, investigation and determination of any question or controversy and in exercising any duties and powers under this Act, the court shall act according to justice and equity and the substantial merits of the case, without regard to technicalities or legal forms. The National Assembly has by this section furnished a sufficient standard by which the court will be guided in exercising its discretion in the determination of any question or controversy before it, and we have already ruled that the discretionary power thus conferred is judicial in character and does not infringe upon the principle of separation of powers, the prohibition against the delegation of legislative function, and the equal protection clause of the Constitution."

(Antamok Gold Fields Mining Company vs. Court of Industrial Relations, G. R. No. 46892, promulgated June 28, 1940.)

On the question raised with reference to the reinstatement of inspectors Mariano Salcedo and Sison, and of driver Ciriaco Pangan, our observations in Manila Trading & Supply Co. vs. Zulueta, G. R. No. 46853; Manila Trading & Supply Co. vs. Philippine Labor Union, G. R. No. 47233; Manila Electric Co. vs. National Labor Union, Inc., G. R. No. 47279; and Jacinto vs. Standard-Vacuum Oil Co., G. R. No. 47325, are here reiterated:

"The right of an employer to freely select or discharge his employees is subject to regulation by the State basically in the exercise of its paramount police power (Commonwealth Acts Nos. 103 and 213) * * * and in cases where the suspension or dismissal of an employee is whimsical or unjustified or is otherwise illegal, the employee will be protected. (Manila Trading & Supply Co. vs. Zulueta, G. R. No. 46853; Manila Electric Company vs. National Labor Union, Inc., G. R. No. 47279.)

"But the right of the employees or laborers to be continued in the service is not without limitation, for as we have held in the case of Manila Trading & Supply Co. vs. Zulueta, G. R. No. 46853, 'an employer cannot legally be compelled to continue with the employment of a person who admittedly was guilty of misfeasance or malfeasance towards his employer, and whose continuance in the service of the latter is patently inimical to his interests. That is to say, a discharge for a justifiable cause is allowed, and since under section 19 of Commonwealth Act No. 103, the obligation of the employer to continue the employee, tenant, or laborer in the service is incidental to the pendency of an agricultural or industrial dispute, and is imposed, as we have stated, in the public interest and to aid the Court in the effective settlement of such dispute, the power of the said court to determine whether a justifiable cause exists is recognized. Similarly, section 19 has expressly empowered the Court of Industrial Relations to determine whether public interest requires that it order the laborer, tenant, or employee not to strike or walk out during the pendency of an agricultural or industrial dispute, and it is in this obvious spirit of the law that we should construe the provision under consideration.'" (Manila Trading & Supply Co. vs. Philippine Labor Union, G. R. No. 47233.)

"El Tribunal de Relaciones Industriales no ha obrado con arbitrariedad sino con justicia. Si al principio denego la peticion del recurrente, fue porque no hallo suficientes las pruebas y las razones que se le presentaron; pero, mas tarde, se le presentaron otras que han acabado de convencerle. Son los antecedentes del recurrente, la declaracion del testigo Johnson, la recomendacion del Dr. Waterous que es el medico de la recurrida, y la copia de la sentencia que se dio por el juzgado municipal contra el recurrente, declarandole culpable de maltrato de obra; y se le Uamo la atencion, sobre todo, a la desemejanza del caso del obrero Gualberto Santos que, segun se dijo en la orden de 14 de diciembre de 1939, no obstante haber sufrido tambien accidentes por su descuido, continua todavia en el servicio de la recurrida, del caso del recurrente, porque ademas de los accidentes a que habia estado dando lugar, fue falto, poco cumplido en sus deberes, y ha sido condenado ademas, por maltrato de obra. No es el proposito de la Ley No. 103 del Commonwealth, segun quedo enmendada por leyes posteriores, obligar al patrono a retener en su servicio a un obrero que lejos de rendirle el trabajo para que le paga, no lo rinde satisfactoriamente y de lugar ademas a accidentes de que al fin y a la postre se le ha de hacer responsable civilmente. Asi como el obrero tiene derecho a recibir de su patrono un justo jornal y un justo trato, asi tambien tiene el patrono derecho a esperar y recibir de su obrero, trabajo adecuado, diligencia y buen comportamiento." (Jacinto vs. Standard-Vacuum Oil Co., G. R. No. 47425.)

In the present case, it appears that inspectors Ignacio Mariano, Macario Sison and Patricio Salcedo were dismissed for their alleged disloyalty to the company management. On the other hand, Driver Ciriaco Pangan, was discharged for recklessness in connection with the damages suffered by his bus when he attempted to cross a swollen stream. In its resolution of July 11, 1940, the Court of Industrial Relations found that the accident met by driver Ciriaco Pangan was due to causes seemingly fortuitous and which cannot be ascribed to recklessness on his part, that the testimony of C. W. Ogan, president of the petitioner company, on the alleged disloyalty of Inspectors Mariano, Sison and Salcedo was totally uncorroborated, that these inspectors deny having been questioned by

Ogan about any discontent among the employees, that the duty to make report on this matter devolved more on the managers and his supervisory agents than on the inspectors, and that these inspectors were not discharged immediately but only after their refusal to accede to the demand of Ogan to convince the strikers to return to their work. The findings of the Court of Industrial Relations are conclusive and will not be disturbed in the absence of a showing that it has abused its discretion. , (Central Azucarera de Tarlac vs. Court of Industrial Relations, G R. No. 46843.)

The writs of certiorari prayed for are denied, with costs against the petitioner. So ordered.

Avanceña, C.J., Imperial, Diaz, and Horrilleno, JJ., concur.

Petition denied.

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