

**AUTOMOTIVE PARTS & EQUIPMENT COMPANY,
INCORPORATED, PETITIONER-APPELLANT, VS. JOSE B. LINGAD,
SECRETARY OF LABOR AND RUBEN F. SANTOS, DIRECTOR, BUREAU
OF LABOR STANDARDS, RESPON...**

G.R. No. L-26406. October 31, 1969

Ponente: FERNANDO, J.

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FERNANDO, J.:

What the Constitution ordains in its avowed principle of the promotion of social justice[1] and the explicit mandate of protection to labor[2] was once again given concrete expression in a statute of recent date increasing the minimum wage.[3] Thus, for industrial establishments, a six pesos (P6.00) daily wage is now the law, a two-peso (P2.00) increase.[4] In view of its explicit language, it would be difficult for a business firm so minded to escape its operation directly, whether its employees are paid on a daily or a monthly basis. Likewise, an attempt to do so has been forestalled by a provision found in the original Minimum Wage Law which prohibits an employer from "reducing the wage now paid to any of his employees in excess of the minimum wage established under [the Act] or in reducing supplements furnished on the date of enactment." [5] In this action for declaratory relief, petitioner-appellant Automotive Parts & Equipment Company, Incorporated, would seek to construe the above section to enable it to reduce its liability for its monthly paid employees from P180.00 to P152.00, by paying them at the rate of six days a week from Monday to Saturday computed at the rate of the minimum daily wage.

The lower court was not sympathetic to such a plea. Hence, this appeal from its decision. It ought to have known better. No court could indulge in such an unworthy objective especially when sought to be attained by advancing arguments of the flimsiest and most insubstantial character. We affirm.

In the petition for declaratory relief, the then Secretary of Labor, Jose B. Lingad and the then Director of the Bureau of Labor Standards, Ruben F. Santos being named as respondents, appellant Automotive Parts & Equipment Company, Incorporated alleged that it was duly incorporated on January 5, 1961 and that from the start of its operation, its employees were paid on a daily and monthly basis.[6] It there noted that on April 21, 1965 the aforesaid amendatory act took effect and that respondents Secretary a Labor and the Director of the Bureau of Labor Standards construed its provision "in such a way as to require the petitioner to increase the salaries of all the monthly paid employees of the petitioner to a minimum of P180.00 (not P152.00) which according to them is the applicable minimum wage rate for the monthly paid employees of petitioner." [7]

After an allegation that it had already increased the salaries of its monthly paid employees to a minimum of P152.00 a month, in accordance with its own interpretation of the act, it sought to justify its refusal to abide by the interpretative bulletin of respondents requiring the increase to a minimum of P180.00 a month for employees paid on a monthly basis in this wise: "That the petitioner believes that Section 19 of Republic Act No. 602 particularly that portion prohibiting the reduction of wages paid to employees in excess of the minimum wage

established in the Act or supplements theretofore granted to employees only refers and applies to employers in business prior to and at the time of enactment of said Republic Act No. 602 and that the prohibition thereof against reduction of supplements as envisioned in Section 19 of Republic Act No. 602 should not be applied prospectively to employers coming into existence subsequent to the effective date of said Republic Act No. 602. This belief has not been altered despite the passage of the Amendatory Act namely Republic Act No. 4180 particularly so because the latter act only amended one section, i.e., Section 3 of Republic Act No. 602 and it did not in any way repeal in its entirety said Republic Act No. 602. Furthermore, Section 19 of Republic Act No. 602 has not been reenacted in the Amendatory Act No. 4180 and for the Bureau of Labor now to construe the Amendatory Act in such away as to require petitioner to increase, by compulsion, the salaries of its monthly paid employees to a minimum of P180.00 due to a customary practice of the petitioner in considering unworked Sundays and legal holidays as a paid day, would be beyond the clear and express provisions of the law and constitutes legislation by the Bureau of Labor."^[8]

As noted, the lower court rejected such a contention. Thus: "Section 2 of R.A. No. 4180 provides that 'Any provision of law previously enacted on the subject matter of this Act that is in-consistent with any provision of this Act is hereby repealed.' Section 19 of R.A. No. 602 not being inconsistent with R.A. No. 4180 has not been repealed; on the other hand, the provisions of Section 19 of R.A. No. 602 not being inconsistent with R.A. No. 4180 were deemed and impliedly reenacted. Furthermore, according to Article 1702 of the Civil Code, 'In case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living for the laborer.' This is in consonance with the intention of Congress to protect the minimum wage of laborers. Both Section 19 of R.A. No. 602 prohibiting the reduction of supplements granted to employees and the minimum wage of P6.00 a day and R.A. No. 4180 are for the purpose of securing a 'decent living for the laborer.'"^[9] In the dispositive portion of the decision, it was declared "that Section 19 of R. A. No. 602 is applicable to the petitioner in connection with the enforcement of the provisions of R.A. No. 4180."^[10]

From such a decision, this appeal was taken to us. It cannot prosper. The lower court decided the matter correctly. It cannot be reversed.

1. To state the construction sought to be fastened on the clear and explicit language of the statute is to reject it. It comes into collision with the constitutional command pursuant to the social justice principle that the government extend protection to labor. On the one hand, appellant would recognize that the increase in minimum wage was so legislatively decreed. On the other, it would impute to the same enactment, without any support in the statutory language, a means whereby to frustrate in part such commendable legislative objective. No such intent could rightfully be imputed to Congress. Moreover, to cast a suspicion that such a form of evasion was legislative willed may even raise serious constitutional doubts. For it is undeniable that every statute, much more so one arising from a legislative implementation of a constitutional mandate, must be so construed that no question as to its conformity with what the fundamental law requires need arise. Apparently, appellant is unaware of such a basic postulate, or, if aware; is not inclined to accord it deference. It cannot expect approbation from any court, much less from this Tribunal.

2. Even if the plain legislative purpose so evident on the face of the statute is not to vitalize and implement what the Constitution enjoins, still there is no escape from an equally authoritative principle of statutory construction that bars acceptance on what appellant would foist upon the judiciary as an acceptable interpretation. As noted in the recent case of *Sarcos v. Castillo*:^[11] "It is fundamental that once the policy or purpose of the law has been ascertained, effect should be given to it by the judiciary. From *Ty Sue v. Hord*, decided in 1909, it has been our constant holding that the choice between conflicting theories falls on that which best accords with the letter of the law and with its purpose. The next year, in an equally leading decision, *United States v. Toribio*, there was a

caveat against a construction that would tend to defeat the pur-pose and object of the legislator.' Then came the admonition in *Riera v. Palmaroli*, against an application so narrow 'as to defeat the manifest purpose of the legislator.' This was repeated in the latest case, *Commissioner of Customs v. Caltex*, in almost identical language."

If the interpretation offered by appellant would be considered acceptable, then there would be a negation of the above purpose of the amendatory act increasing the minimum wage law. That would be to defeat and frustrate rather than to foster its policy. It must be rejected.

3. The futility of the appeal is thus apparent. The first two assigned errors that the lower court should not have relied on Article 1702 of the Civil Code, which would require that in case of doubt all labor legislation should be construed in favor of the safety and decent living for the laborer and of the continuing of Section 19 prohibiting any interpretation of the Minimum Wage Law that would justify the reduction of the wage then paid to any of its employees, obviously lack merit.

Much less could it be alleged that the lower court erred in disregarding the clear context of the above Section 19, particularly the use of the word "now" and the phrase "furnish on the date of enactment." What does it provide? "Nothing in this Act shall deprive an employee of the right to seek fair wages, shorter working hours and better working conditions nor justify an employer in violating any other labor law applicable to his employees, in reducing the wage now paid to any of his employees in excess of the minimum wage established under this Act, or in reducing supplements furnished on the date of enactment." [12] Appellant thus would have this Court accept the view that as it began business after the Minimum Wage Law was enacted in 1951 the above safeguard in the act that would preclude any evasion thereof becomes nugatory because of the presence therein of the word "now", which, for appellant, would have the effect of limiting its application only to business establishments existing as of the date of its effectivity on April 6, 1951. Appellant apparently is in no mood to pay heed to the constitutional command of protection to labor or to assure that the legislative purpose be attained. It would defy common sense.

Nothing is better settled than that courts are not to give words a meaning which would lead to absurd or unreasonable consequence. [13] That is a principle that goes back to *In re Allen* [14] decided on October 29, 1903, where it was held that a literal interpretation is to be rejected if it would be unjust or lead to absurd results. That is a strong argument against its adoption. [15] The words of Justice Laurel are particularly apt. Thus: "The fact that the construction placed upon the statute by the appellants would lead to an absurdity is another argument for rejecting it * * *." [16]

It is of the essence of judicial duty to construe statutes so as to avoid such a deplorable result. That has long been a judicial function. [17] A literal reading of a legislative act which could be thus characterized is to be avoided if the language thereof can be given a reasonable application consistent with the legislative purpose. [18] In the apt language of Frankfurter: "A decent respect for the policy of Congress must save us from imputing to it a self-defeating, if not disingenuous purpose." [19] Certainly, we must reject a construction that at best amounts to a manifestation of verbal ingenuity but hardly satisfies the test of rationality on which law must be based.

4. It would not be easy to imagine an interpretation more clearly designed to circumvent the statute or more transparent. It did not require the lower court too much effort to see through the scheme. It decided as it ought to having respect for the clear statutory purpose. We cannot reverse it.

WHEREFORE, the decision of the lower court of March 30, 1966 is affirmed. With costs against appellant Automotive Parts & Equipment Company Incorporated.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Sanchez, Castro, Teehankee, and Barredo, JJ., concur.

Zaldivar, J., did not take part.

[1] Art. II, Sec. 5, Constitution.

[2] Art. XIV, Sec. 6, Ibid.

[3] Republic Act No. 4180, An Act Amending Republic Act No. 602, Otherwise Known as the Minimum Wage Law by Raising the Minimum Wage for Certain Workers. This Act took effect on April 21, 1965.

[4] Insofar as relevant, Sec. 1 of Republic Act No. 4180 provides: "Section three of Republic Act Numbered Six hundred two is hereby amended to read as follows: 'Sec. 3. Minimum Wage. - (a) Every employer shall pay to each of his employees who is employed by an enterprise other than in agriculture minimum wages of not less than six pesos a day: Provided, That this Act shall not apply to any retail or service enterprise that regularly employs not more than five employees; or mining enterprises; (b) Every employer who operates a farm enterprise shall pay to each of his employees, who is engaged in agriculture, minimum wages at the rate prescribed in Section forty-two of Republic Act Numbered Thirty-eight hundred forty-four; (c) Effective on the first of July, nineteen hundred and sixty-five the minimum wage rates for employees in the government service shall be as follows: for national government laborers and workers, six pesos a day; for provinces and cities, first and second class, six pesos a day; third and fourth class, five pesos a day; and for all other classes the minimum wage shall be fixed by the respective provinces and cities as their finances may permit, provided the same shall not be less than four pesos; for first and second class municipalities, six pesos a day; for third and fourth class municipalities, five pesos a day; and for all other class of municipalities the minimum wage shall be fixed by the respective municipalities as their finances may permit, provided that the same shall not be less than four pesos.'

[5] Sec. 19 of the Minimum Wage Law reads in full: "Relations to other labor laws and practices. - Nothing in this Act shall deprive an employee of the right to seek fair wages, shorter working hours and better working conditions nor justify an employer in violating any other labor law applicable to his employees, in reducing the wage now paid to any of his employees in excess of the minimum wage established under this Act, or in reducing supplements furnished on the date of enactment."

[6] Record on Appeal, Petition, pars. 3 & 4.

[7] Ibid, pars. 7 & 10.

[8] Ibid, par. 12.

[9] Decision, Record on Appeal, p. 44.

[10] Ibid, pp. 44-45.

[11] *Sarcos v. Castillo*, 26 SCRA 853, 859-860 (1969).

[12] Sec. 19, Republic Act No. 602 (1951).

[13] Cf. *Yrostorza v. Republic*, 83 Phil. 727 (1949).

[14] 2 Phil. 630. Cf. *Ledesma v. Pictain*, 79 Phil. 95 (1947) and *Pritchard v. Republic*, 81 Phil. 244 (1948).

[15] *Chartered Bank v. Imperial and National Bank*, 48 Phil. 931 (1921).

[16] *Director of Lands v. Abaja*, 63 Phil. 559, 565 (1936). Cf. *People v. De Guzman*, 90 Phil. 132 (1951).

[17] Cf. *Armstrong Paint and Varnish Works v. Nu-Enamel Corp.*, 305 US 315 (1938).

[18] Cf. *Haggar Co. v. Helvering*, 308 US 389 (1940).

[19] Cf. *Nardone v. United States*, 308 US 338, 341 (1939).

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