

**UNITED RCPI COMMUNICATIONS LABOR ASSOCIATION (URCPICLA)
– FUR, PETITIONER, VS. HONORABLE AMADO GAT INCIONG,
IN HIS CAPACITY AS DEPUTY MINISTER OF LABOR, RADIO
COMMUNICATIONS OF ...**

G.R. No. L-49959. June 19, 1984

Ponente: FERNANDO, C.J.

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FERNANDO, C.J.:

This proceeding for certiorari, prohibition, and mandamus arose from the assumption of jurisdiction by the Deputy Minister of Labor, respondent Inciong,[1] and his failure to order the immediate execution of a decision of the Voluntary Arbitrator, then Dean of the University of the Philippines College of Law, now Commissioner of Elections, Froilan Bacungan. It was his ruling that "the respondent company is under legal obligation to implement the general wage increase that it failed to implement effective January 1973 but that equity demands that such implementation should take into account the financial conditions of the Company." [2]

It is undisputed that in the collective bargaining Agreement for the years 1972 to December 31, 1974, private respondent agreed to give salary increases to the employees covered by the agreement during its duration.[3] It did not do so. When negotiations between it and petitioner union failed to break the impasse, both parties chose a voluntary arbitrator, the then Dean Bacungan.[4] It was further agreed that his decision "shall be final, binding, immediately executory and non-appealable." [5] As such, he directed the parties to submit their position papers, after which a hearing would be held.[6] Private respondent, in its position paper, admitted the non-implementation, but pleaded in justification the occurrence of circumstances and events arising after the 1972-1974 collective contract was concluded, rendering it unable to comply with its obligation.[7] After petitioner-union submitted its memo-randum,[8] the parties were heard, resulting in the above decision.[9] While the petitioner-union, referring to its final, binding, executory and non-appealable character asked for its immediate implementation,[10] private respondent countered by filing a motion for its reconsideration, alleging lack of capacity to pay.[11] It was denied.[12] The entire case was then referred to the Chairman of the National Labor Relations Commission through the Executive Arbiter, public respondent Guillermo C. Medina, who, after determining the amount of such monetary award, issued a writ of execution against private respondent.[13]

As to why there was such an assumption of jurisdiction by respondent Inciong, is explained in the Comment for respondent public officials submitted by the Office of the Solicitor General. It stated that conformably to such writ of execution, the Office of the Sheriff served garnishment notices to all depository banks of private respondent. The consequence was that it issued a memorandum to all its employees, informing them of its inability to pay their salaries and wages for August 15 and 31, 1978. That was when private respondent, in a letter dated August 11, 1978, sought the intervention of the Minister of Labor.[14] By virtue of such request, the Minister of Labor referred the matter to respondent Inciong, who in turn invited the parties to a conference on August 14, 1978.[15] Such a conference was held, with private respondent being represented by its President, two Vice-Presidents and its counsel. Respondent Union was represented by counsel.[16] The aforesaid decision was the result, according

to such Comment, endorsed favorably by the representatives of the parties attending as well as the then National Labor Relations Commission Vice-Chairman. That is the background of this petition, filed after petitioner-Union apparently had lost its patience for the failure to receive the salary increases due its members.

The assailed order of respondent Inciong, issued on August 14, 1978, reads as follows: "In order to normalize the operations of the RCPI pending final settlement of the payment of the obligations of the company under the Order of Dean Froilan Bacungan dated February 22, 1978, the following is hereby ordered for immediate compliance by the parties: 1. Management shall pay immediately to all covered workers its obligations under the Bacungan Order for June, July and August 1978. 2. Starting September 1, 1978, management shall start paying regularly every payday its current obligations under the Bacungan order. 3. The Minister of Labor shall assume jurisdiction under PD 823 as amended over the determination of the formula for the payment of the backpay under the Bacungan Order; decision is within 20 working days from first hearing. 4. Management shall pay its employees their salaries from August 16-31, 1978, and thereafter. 5. The orders of garnishment issued by Executive Labor Arbiter Guillermo Medina are hereby lifted effective immediately. 6. Management shall file a bond not later than August 18, 1978 to cover its obligations from June 1973 to May 1978. [So ordered]."[17]

In the light of the above facts, the Court is of the opinion and so holds that the decision of the Voluntary Arbitrator, on whose behalf the suit is brought by petitioner-union, should be immediately implemented. At the time of the order of respondent Inciong, there was justification for the gradual implementation so as "to take into account the financial conditions of the company." So it was required in the decision of Dean Bacungan. That was in 1978. Private respondent was satisfied. It did not appeal. It knew it was required to pay "immediately to all covered employees its obligations under the Bacungan order for June, July and August, 1978." [18] Then, starting September 1, 1978, it had to pay "regularly every pay-day its current obligations under the Bacungan order." [19] Nothing could be clearer, therefore, than that under the order now assailed by petitioner-union, private respondent had no choice except to comply with the decision of the Voluntary Arbitrator as early as September 1, 1978. Nor is this all. There is also this provision in the Order of respondent Inciong: "Management shall pay its employees their salaries from August 16-31, 1978, and thereafter." [20] There would be no unfairness involved therefore if in accordance with its terms, the obligation to make such payments which had long since accrued being honored. The law is thus clearly on the side of petitioner-union.

Even from the standpoint of the economics involved, the case for petitioner-union is particularly strong. The increases provided in such collective contract are rather minimal. For employees in the Greater Manila Area, the increase is P30.00 a month, plus longevity pay of P1.00 for every year of service for 1972, P20.00 a month for 1973 and P20.00 a month for 1974; for employees in Class A and B Stations, P25.00 a month plus longevity pay of P1.00 for every year of service for 1972, P20.00 a month for 1973 and P20.00 a month for 1974; for employees in Class C and D Stations, P20.00 a month plus longevity pay of P1.00 for every year of service for 1972, P15.00 a month for 1973 and P15.00 a month for 1974. [21] The assailed order on its face shows how far respondent Inciong had been sympathetic to what respondent Company considered the difficulty inherent in its financial condition. The objections it had persistently raised renders it liable to the suspicion that there is lacking that modicum of good faith expected of every party to a contract. To demonstrate that such a misgiving is not well-founded, private respondent can do no less than abide by its explicit terms. What is more, to accept the posture of private respondent is to ignore what has been so long and so often stressed by this Court on the respect to be accorded the social justice mandate [22] and protection to labor guarantee [23] of the Constitution. No further delay in the implementation of such order can thus be tolerated. In this connection, it may not be amiss to state that as held in *Free Telephone Workers Union v. Minister of Labor and Employment*, [24] even when the power of compulsory arbitration "allowable under the Constitution and quite understandable in labor disputes affected with a national interest" [25] is invoked, "to be free from the taint of unconstitutionality, [it] must be

exercised in accordance with the constitutional mandate of protection to labor." [26] It follows, therefore, that equally so, where the resort by the parties to settle a dispute is through voluntary arbitration, it becomes equally indubitable that there be fidelity to the fundamental principles that labor be protected and social justice be promoted.

WHEREFORE, the immediate implementation of the decision of Voluntary Arbitrator Froilan Bacungan is hereby ordered. This decision is immediately executory. Costs against private respondent.

Makasiar, Aquino, Concepcion, Jr., Guerrero, Abad Santos, Escolin, and Cuevas, JJ., concur.

[1] The other respondents are the Radio Communications of the Philippines, Inc. (RCPI) and Guillermo C. Medina of the National Labor Relations Commission.

[2] Petition, par. 9

[3] Ibid, par. 2.

[4] Ibid, par. 3-4.

[5] Ibid, par. 4.

[6] Ibid, par. 6.

[7] Ibid, par. 7.

[8] Ibid, par. 8.

[9] Ibid, par. 9.

[10] Ibid, par. 10.

[11] Ibid, pars. 11 and 14.

[12] Ibid, par. 15.

[13] Ibid, pars. 15, 16, and 17.

[14] Comment, 7.

[15] Ibid.

[16] Ibid.

[17] Annex O to Petition.

[18] Ibid.

[19] Ibid.

[20] Ibid.

[21] Annex A to Petition.

[22] According to Article II, Section 6 of the Constitution: "The State shall promote social justice to ensure the dignity, welfare, and security of all the people. Towards this end, the State shall regulate the acquisition, ownership, use, enjoyment, and disposition of private property, and equitably diffuse property ownership and profits."

[23] According to Article II, Section 9 of the Constitution: "The State shall afford protection to labor, promote full employment and equality in employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration."

[24] No. 58184, October 30, 1981, 108 SCRA 757.

[25] Ibid, 773.

[26] Ibid.

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