

**THE PHILIPPINE AMERICAN MANAGEMENT COMPANY, INC. AND
PHILIPPINE AMERICAN LIFE INSURANCE COMPANY, PETITIONERS,
VS. THE PHILIPPINE AMERICAN MANAGEMENT EMPLOYEES
ASSOCIATION (PAMEA...**

G.R. No. L-35254. May 25, 1973

Ponente: FERNANDO, J.

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FERNANDO, J.:

In our decision promulgated last January,[1] we ruled that where a labor dispute concerning a minimum wage question results in a strike, the Secretary of Labor in the event his effort at conciliation fails, may endorse the matter to the Court of Industrial Relations, which under its arbitral power could issue a return-to-work order pending the final outcome of the controversy before it. Petitioners would pursue the matter further in a motion for reconsideration filed with us on March 1, 1973, supplemented by a rejoinder filed on April 18, 1973 to the comments previously submitted by respondent Labor Union on their motion for reconsideration. Even a cursory glance at such pleadings yields the impression, not that it is unexpected, that they have less than full sympathy for Laski's observation that in the interpretation of an enactment providing for a statutory minimum as to wages, the judiciary is called upon to display solicitude for the plight of those afflicted with the tragedies of existence consequent upon the meager pittance that is their share, not infrequently hardly enough to keep body and soul together, haunting them with the perpetual fear that the morrow may bring. Nor is this the reason why their plea is not to be heeded. As will be subsequently shown, their continued reliance on what for them is the basic foundation of the Industrial Peace Act,[2] which is to leave the parties to settle as between themselves conditions of labor and their attempt to erode the doctrine of an act of a department head being attributed to the President, do not help their cause at all. Our decision stands.

1. There is, to be sure, no inherent objection to parties exhibiting the trait of persistence. It was not surprising then that in both motion for reconsideration and the rejoinder, there was reference anew to the view that to allow respondent Court to issue a return-to-work order would be at war with the basic philosophy of the Industrial Peace Act, with its retreat from the institution of compulsory arbitration and its adoption of a regime of free bargaining. This is how such an argument was disposed of in our decision: "Neither does it avail petitioners to argue that the basic question as to the jurisdiction of respondent Court to issue a return-to-work order is to be answered in the negative, in view of the alleged repugnancy between the basic philosophy underlying the Industrial Peace Act, in the main hostile to the concept of compulsory arbitration, and the Court of Industrial Relations Act. Such a contention, while possessing a semblance of plausibility, cannot prevail against a strict analysis. There is no need to repeat that the Industrial Peace Act explicitly continues the jurisdiction of respondent Court with reference to a minimum wage controversy endorsed to it by the Secretary of Labor. The power to be exercised is necessarily one of compulsory arbitration. Should it be emasculated just because there is no explicit conferment of the authority which it did possess under the act of its creation, still in full force and effect at the time of the enactment of the Minimum Wage Law? For petitioners to take that stand is in effect to advance the view that there is an implied

repeal. A recent decision, *Villegas vs. Subido*, cautions against such an approach. x x x Moreover, there is a failure on the part of petitioners to accord the most careful appraisal of what is implicit in a regime of collective bargaining, the basic postulate of the present Industrial Peace Act. It thus enshrines industrial democracy in the sense that the parties, through the collective contract, could determine the rules that regulate labor-management relations. Even then, there is an area placed beyond the sphere of bargaining between the parties. Included therein is the question of minimum wages. It is understandable why it should be so. For legislation of that character proceeds on the premise that there is a floor below which the amount paid labor should not fall. That is to assure decent living conditions. Such an enactment is compulsory in nature; not even the consent of the employees themselves suffices to defeat its operation. More plainly put, the question of minimum wage is not negotiable. What the law decrees must be obeyed. It is as simple as that. That is why it is obvious that petitioners cannot successfully invoke the principles associated with the institution of collective bargaining. Nor is this all. The approach followed by petitioners ignores a relevant provision of the Industrial Peace Act. x x x With such an express recognition of the continuance of the role of respondent Court insofar as minimum wage is concerned, the argument that the crucial issue in this case, namely whether it is within the jurisdiction of respondent Court to issue a return-to-work order, deserves an answer in the negative, falls flat." [3]

There is to be sure no thought of deviating from the basic concept that the area of free play of bargaining between management and labor is not to be constricted. What cannot be denied, however, is that neither party in this particular case is at liberty to agree to an amount lower than that the law requires as to the wages to be paid. To that extent, there is no room for offer and counter offer. The employer has an obligation to meet. His duty is plain. He must pay what he has to. Petitioners, with an obduracy worthy of a better cause, would argue that the Industrial Peace Act which manifests adherence to the principle of contracts freely arrived at, stands in the way of the respondent Court having the power to issue a return-to-work order. Such is not the case. What do they hope to accomplish? Has not the amount as to the bottom scale of payment been legislatively determined? What good then is their reiteration of fealty to the regime of collective bargaining? Nor is this to set at naught what is implied in industrial democracy. A more intense effort at a serious inquiry into the background and doctrines of American federal labor law, to which the ancestry of the Industrial Peace Act could be traced, could have resulted in the realization that even in the United States, there is room for direct state action, excluding participation by management and labor without giving rise to any question that thereby the integrity of the collective bargaining process has been impaired. [4]

2. The second principal ground of the motion for reconsideration, as noted, is premised on an attempted distinction between the act of the Secretary of Labor resulting from a statute and the exercise of authority as a subordinate of the President. It is much too late in the day to dislodge from the structure of the law a doctrine so firmly embedded as that attributing to the Executive the authorship of what is done officially by a cabinet member. In our decision, it was noted that an allegation in their very petition did show that on January 6, 1972, the Secretary of Labor, pursuant to the Minimum Wage Law, endorsed the controversy to respondent Court. Then came this portion: "What was done by him, as a department head, in the regular course of business and conformably to a statutory provision is, according to settled jurisprudence that dates back to an authoritative pronouncement by Justice Laurel in 1939, in *Villena vs. Secretary of Interior*, presumptively the act of the President, who is the only dignitary who could, paraphrasing the language of the decisions, disapprove or reprobate it." [5] With such a premise, the legal consequence was that respondent Court as an arbitral agency could make full use of its powers under the law of its creation [6] whenever a case has been sent to it by the Executive. This is not to deny that even at the time of the enunciation of such a principle, it did not elicit approval from certain elements. Justice Laurel anticipated in his epochal opinion such a reaction. Thus: "Fear is expressed x x x that the acceptance of the principle of qualified political agency in this and similar cases would result in the

assumption of responsibility by the President of the Philippines for acts of any member of his cabinet, however illegal, irregular or improper may be these acts. x x x Fear, however, is no valid argument against the system once adopted, established and operated. Familiarity with the essential background of the type of government established under our Constitution, in the light of certain well-known principles and practices that go with the system, should offer the necessary explanation." [7] Not content with the above, this distinguished jurist emphasized: "With reference to the Executive Department of the government, there is one purpose which is crystal-clear and is readily visible without the projection of judicial searchlight, and that is, the establishment of a single, not plural, Executive. The first section of Article VII of the Constitution, dealing with the Executive Department, begins with the enunciation of the principle that 'The executive power shall be vested in a President of the Philippines.' This means that the President of the Philippines is the Executive of the Government of the Philippines, and no other. The heads of the executive departments occupy political positions and hold office in an advisory capacity, and, in the language of Thomas Jefferson, 'should be of the President's bosom confidence' x x x and, in the language of Attorney-General Cushing x x x 'are subject to the direction of the President.' Without minimizing the importance of the heads of the various departments, their personality is in reality but the projection of that of the President. Stated otherwise, and as forcibly characterized by Chief Justice Taft of the Supreme Court of the United States, 'each head of a department is, and must be, the President's alter ego in the matters of that department where the President is required by law to exercise authority.' x x x Secretaries of departments, of course, exercise certain powers under the law but the law cannot impair or in any way affect the constitutional power of control and direction of the President. As a matter of executive policy, they may be granted departmental autonomy as to certain matters but this is by mere concession of the executive, in the absence of valid legislation in the particular field. If the President, then, is the authority in the Executive Department, he assumes the corresponding responsibility. The head of a department is a man of his confidence; he controls and directs his acts; he appoints him and can remove him at pleasure; he is the executive, not any of his secretaries. It is therefore logical that he, the President, should be answerable for the acts of administration of the entire Executive Department before his own conscience no less than before that undefined power of public opinion which, in the language of Daniel Webster, is the last repository of popular government. These are the necessary corollaries of the American presidential type of government, and if there is any defect, it is attributable to the system itself. We cannot modify the system unless we modify the Constitution, and we cannot modify the Constitution by any subtle process of judicial interpretation or construction." [8]

As late as the middle of July 1970, this Court had occasion to stress anew the continued primacy of what was held in Villena. Thus in Tecson vs. Salas, [9] it was stated: "Insofar, however, as the power of control over all executive departments, bureaus or offices is concerned, the Villena ruling applies with undiminished force. As a matter of fact, the present Chief Justice, in a decision rendered more than a year later after Hebron vs. Reyes, People vs. Jolliffe, quoted extensively from the Villena ruling to stress what Justice Laurel referred to as the 'qualified political agency' concept resulting in the 'assumption of responsibility by the President of the Philippines for acts of any member of his cabinet.' No doubt can be entertained then as to the continuing vitality of the Villena doctrine concerning the plenitude of authority lodged in the President implicit in the power of control expressly granted him by the Constitution." [10]

There is no denial, nor can it be denied, that if in legal contemplation, it was the Executive who did endorse the matter to respondent Court, then no valid objection could be interposed to it exercising to the full its arbitral powers. No one can question its issuance of a return-to-work order. That is why petitioners would have us depart from the Villena ruling. It is an insuperable obstacle to their plea. There is, as made plain, no reason for us to do so. There can be thus only one justifiable outcome to their motion for reconsideration.

3. The other points raised do not really reach the merits of the controversy. A junior counsel, who undoubtedly

aided the more senior members of the two distinguished law firms appearing for petitioners in preparing the relevant pleadings, is well-advised not to clutter up the record with random observations of a former occupant of a seat in respondent Court, uttered at the spur of the moment in a lecture, without the benefit of hearing arguments on a many-sided legal question. Moreover, since, to paraphrase Cardozo, the function of a court is "to give the rule or sentence," it is inappropriate to engage in intellectual jousts with members of the bar learned in the craft even if, doubtless, it could be mentally stimulating. Or, in the matter-of-fact language of Justice Malcolm, "a court cannot permit itself to enter into a joint debate with counsel for the losing side who is naturally supercritical," otherwise it could even result in allowing litigation "so stretch out to infinity." [11] That we should not allow to happen - especially so in a labor case with its gross disparity as to the staying power of the contending parties.

WHEREFORE, the motion for reconsideration filed by petitioners is denied.

Makalintal, Acting C.J., Zaldivar, Ruiz Castro, Teehankee, Barredo, Makasiar, Antonio, and Esguerra, JJ., concur.

[1] Philippine American Management Co., Inc. vs. Philippine American Employees Association, L-35254, January 29, 1973, 49 SCRA 194.

[2] Republic Act No. 875 (1953).

[3] 49 SCRA 194, 206-208.

[4] Cf. Soule, *An Economic Constitution for Democracy*, 28-64 (1939); Buford on *The Wagner Act*, 106-124 (1941); Gregory, *Labor and the Law*, 223-252 (1946); Slichter, *The Challenge of Industrial Relations*, 5-18 (1947); Rothenberg, *Labor Relations*, 53 (1949); Millis and Brown, *From the Wagner Act to Taft-Hartley Act*, 30-128 (1949); Riesenfeld and Maxwell, *Modern Social Legislation*, 585-679 (1950); Chamberlain, *Collective Bargaining*, 1-47 (1951); Falcone, *Labor Law*, 31-129 (1962); Summers and Wellington, *Labor Law*, 140-278 (1968); Cox and Bok, *Labor Law*, 946-976 (1969).

[5] 49 SCRA 194, 205. Villena is reported in 67 Phil. 451.

[6] Commonwealth Act No. 103 (1936).

[7] 67 Phil. 451, 464.

[8] *Ibid.*, 464-465.

[9] L-27524, July 31, 1970, 34 SCRA 275.

[10] *Ibid.*, 283-284.

[11] *United States vs. Aztigarraga*, 36 Phil. 886, 891 (1917).

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