

ASIA BED FACTORY, PETITIONER AND APPELLEE, VS. NATIONAL BED AND KAPOK INDUSTRIES WORKERS' UNION, ET AL., RESPONDENTS AND APPELLANTS.

G. R. No. L-9126. January 31, 1957

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REYES, A., J:

On June 2, 1953, the petitioner Asia Bed Factory and respondent labor union entered into a collective bargaining agreement which contained, among other things, the following clause: "XL Payments from Monthly to Daily.

"Employees now paid on the monthly basis shall be paid under this agreement on the daily basis at rates based on their present compensation plus the additional increase of (P0.30) thirty cents per day, with the understanding that these employees shall be provided with work on Sundays at time and one-half; and that in the event that no work on Sundays is available through no fault of the employee or employees, they shall be entitled to payment of the equivalent of their wages as if they had performed referred for that day. The rates of payment of the employees above referred to shall be computed in the attached document marked as annex "a" and made an integral part of this agreement."In the event that an employee shall absent himself for no excusable reasons, the Company shall be entitled to reduce the corresponding wage or wages."

The petitioner faithfully complied with the terms of the above clause until it was forced to suspend its business on Sundays in obedience to the provisions of Republic Act No. 946, known as the Blue Sunday Law, which took effect on September 8, 1953, prohibiting the opening of any commercial, industrial or agricultural enterprise on Sundays. As some of petitioner's employees claimed that under the terms of their bargaining agreement they were entitled to their Sunday wages even if they did not work on those days, petitioner filed a petition in the Court of First Instance of Manila for a declaratory judgment that it ceased to be bound by the above-quoted clause of the collective bargaining agreement when the Blue Sunday Law went into effect.

Without disputing the facts alleged in the petition, the respondent labor union, by way of answer, filed a motion for a summary judgment declaring that petitioner's employees were entitled to Sunday wages notwithstanding the passage of the Blue Sunday Law.

On the basis of the pleadings thus filed, the lower court rendered judgment holding that, in view of the provision of the Blue Sunday Law prohibiting the opening of commercial and industrial establishments on Sundays, the petitioner was relieved from compliance with its agreement "to provide its employees with work on Sundays and to pay them for Sundays." Reconsideration of the judgment having been denied, the respondents appealed directly to this Court on a pure question of law.

The question for determination is whether the approval of the Blue Sunday Law relieved petitioner from complying with its agreement to pay its laborers Sunday wages since they can not be given work on Sundays because of the closure of petitioner's business on those days as required by said law. The lower court answers the question in the affirmative on the ground that the clause in question provided for mutual, prestations between the contracting parties - the petitioner to provide its employees with work on Sundays and pay them for such work

and the employees to do the work given them on those days - and that these prestations became impossible of performance when the Blue Sunday Law prohibited the opening of commercial and industrial establishments on Sundays.

To this view we are inclined to agree. The bargaining agreement puts the employees on a daily basis at rates of compensation therein provided, with the express stipulation that work shall be provided on Sundays and at a higher compensation. As the trial court says, payment for Sundays is in return for work done. It is true the agreement provides for the payment of wages on Sundays if no work is made available on those days through no fault of the employees. But the fact is that the agreement does give the employer the right to provide work on Sundays. And it would seem the height of injustice to deprive the employer of this right without, at the same time, relieving him of the obligation to pay the employees.

Section 6 of the Blue Sunday Law which says that "it shall be unlawful for any employer to reduce the compensation of any of his employees or laborers by reason of the provisions of this Act" does not militate against this view. There is here no attempt on the part of the employer to reduce the compensation of his employees. It is the law itself which in effect reduces that compensation by depriving the employees of work on Sundays, thus preventing them from earning the wages stipulated in the bargaining agreement.

There is nothing to the contention that to apply the Blue Sunday Law to the present agreement would infringe the constitutional prohibition against the impairment of the obligations of contract. The Blue Sunday Law is intended for the health, well-being and happiness of the working class and is a legitimate exercise of the police power.

In view of the foregoing, the judgment appealed from is affirmed, without pronouncement as to costs.

Paras, C. J., Bengzon, Padilla, Montemayor, Bautista Angelo, Labrador, Concepcion, Reyes, J B. L., Endencia, and Felix, JJ., concur.

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