

LA UNION LABOR UNION, PETITIONER AND APPELLEE, VS. PHILIPPINE TOBACCO FLUE-CURING & REDRYING CORPORATION, RESPONDENT AND APPELLANT.

G.R. No. 14087. June 30, 1960

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

The Philippine Tobacco Flue-Curing and Redrying Corporation, later referred to as the Tobacco Corporation, is appealing the decision of the Court of First Instance of La Union in Civil Case No. 1203, dated May 27, 1958, the dispositive part of which reads as follows:

"WHEREFORE judgment is hereby rendered ordering the issuance of the writ of mandatory injunction prayed for, directing and commanding the respondent Philippine Tobacco Flue-Curing and Redrying Corporation to submit to the proper authorities of the Department of Labor concerned, within a period of ten (10) days from its receipt of a copy of this decision, its payrolls for the years 1954, 1955 and 1956 seasonal work, as called for in the decision dated July 18, 1956, of Regional Labor Attorney Fructuoso F. Alban in Case No. 180. Respondent shall likewise pay as attorney's fees five per cent of whatever amount that may be recovered by the plaintiff in accordance with this decision after the computation made in the payrolls for 1954, 1955 and 1956 and the costs of this suit."

On May 12, 1953, the La Union Labor Union, hereafter referred to as the Union, filed an action in the Court of Industrial Relations (Case No. 867-V), against the respondent-appellant Tobacco Corporation, involving demands affecting the improvement of the working conditions and wages of its members employed by the corporation. On July 7, 1954, both parties entered into an agreement which in a way settled the labor dispute between them, but with a proviso that:

"All other points not covered by this agreement such as the question as to whether or not the workers of the respondent are agricultural or industrial, wage or salary differentials and claims for overtime subsequent to the filing of the petition will be presented to the Wage Administration Service for adjudication."

This agreement was approved by the Industrial Court on July 10, 1954, thereby terminating the case. On February 26, 1955, pursuant to the provisions of the agreement aforementioned, particularly the proviso above-reproduced, the Union in representation of its members filed a claim for wage differentials with the Wage Administration Service (WAS). These claims were reiterated by counsel in his letter of March 14, 1956 to Secretary of Labor, through the WAS.

On April 14, 1956, the Chief of the WAS indorsed the matter for immediate appropriate action to the Regional Labor Administrator, Regional Office No. 2, Dagupan, Pangasinan, and on May 25, 1956, the latter instructed Regional Labor Attorney Fructuoso Alban of San Fernando, La Union, to proceed with the investigation of the case and decide it according to his findings. Atty. Alban made his investigation and on July 16, 1956, rendered a so-called decision in Case No. 180, approved by the Regional Labor Administrator, the dispositive part of which

reads:

"IN VIEW OF THE FOREGOING, the claims of the daily wage worker for the minimum wage of P4.00 a day is hereby granted and that they are entitled to a wage differential of P1.50 a day. Since it has been agreed by both parties that the wage differentials of each claimant and other claimants who may submit their claims after this decision will be based upon the payrolls signed by them, the determination of the amount each will be paid will be verified from the payrolls for the years 1954, 1955 and 1956 seasonal work, and the respondent is hereby ordered to submit to this Office within ten (10) days from the receipt of a copy of this decision all payrolls, pertaining to period covered by the said claims."

On August 3, 1957, the Union instituted the present action against the respondent Tobacco Corporation in the Court of First Instance of La Union, praying among others that said court (1) issue a writ of mandatory injunction directing the respondent to submit its payrolls for the years 1954, 1955 and 1956 (seasonal work) to the office of the Regional Labor Attorney, and (2) issue a writ of execution of the award of the claims made in the decision in said Case No. 180 after the Regional Labor Attorney had made the computation of the claims of petitioners, and that the total amount involved be deposited in court.

On August 30, 1957, the Tobacco Corporation filed its answer, asking that the complaint be dismissed on the ground that the so-called decision rendered by Atty. Alban was null and void for lack of authority to render the same.

On May 27, 1958, the Court of First Instance of La Union rendered the decision now on appeal. For the reason that we have already decided several cases on the same point raised in this appeal, to the effect that the Wage Administration Service and its agents have no power or authority to decide cases involving claims for wages under the Minimum Wage Law, where the parties, employer and employee, have not submitted their cases for arbitration by the WAS, we find it unnecessary to enter into an extensive and detailed discussion of this case. In quite a number of cases, we have held that the Wage Administration Service is not empowered to render a decision binding on the parties in cases involving claims for wages, underpayment, etc., unless the parties enter into a written agreement to submit their dispute or differences to the WAS for arbitration, pursuant to Section 9, Article 7(c), Chapter 3 of the Code of Rules and Procedure promulgated on January 20, 1953 by the Secretary of Labor, to implement the provisions of the Minimum Wage Law; that the ordinary function of the Wage Administration Service is to hear complaints or claims for wages; and conciliate the parties if possible, and if they are willing to submit the case for arbitration, to have said parties enter into a written agreement that they submit the case for arbitration and decision, and that they would abide by the result of said arbitration, otherwise, all that the WAS could do if it found the claim for wages meritorious, is to file the corresponding complaint in a competent court. (Cebrero vs. Talaman, 103 Phil., 687; Winch vs. P. J. Kiener Co. Ltd., 104 Phil., 735; 55 Off. Gaz. [35] 7337; Potente vs. Saulog Transit, Inc., 105 Phil., 525; Ortega vs. Saulog Transit, Inc., 105 Phil., 907, 57 Off. Gaz. [46] 8299; Figueroa vs. Saulog, 105 Phil., 1012; 57 Off. Gaz. [8] 1395; Garcia vs. Garcia, 106 Phil., 413; 57 Off. Gaz. [3] 460; and Ponce vs. Co King Lian, 107 Phil., 263; 57 Off. Gaz. [26] 4762.)

The trial court, however, believed that the agreement of the parties before the Industrial Court in the aforementioned Case No. 867-V, particularly, the stipulation above-reproduced, that all other points of controversy not covered by the agreement would be submitted to the WAS for adjudication, fully authorized the WAS thru its agent to render a decision. We consider that stipulation to be insufficient to confer power and jurisdiction on the WAS to decide the case. The law and the Code of Rules and Procedure issued by the Secretary of Labor require a written agreement signed by the parties to submit to arbitration and to abide by the result of the decision flowing from said arbitration; and as well observed by counsel for the appellant, during the investigation made by Atty. Alban of Case No. 180 when referred to him by the Regional Labor Administrator of Dagupan, he

was merely conducting an investigation and that he was in a hurry to file a report to his immediate chief because the Department of Labor was waiting for it. Possibly because of this understanding, the Tobacco Corporation did not find it necessary to present evidence and later to appeal from this so-called decision of the Labor Attorney.

In view of the foregoing, the appealed decision is hereby reversed, with costs against appellee.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, and Gutierrez David, JJ., concur.

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