

**NATIONAL WATERWORKS AND SEWERAGE AUTHORITY,
PETITIONER, VS. NATIONAL WATERWORKS AND SEWERAGE
AUTHORITY SUPERVISORS ASSOCIATION AND COURT OF
INDUSTRIAL RELATIONS, RESPONDENTS.**

G.R. No. 30051. July 31, 1981

Ponente: BARREDO, J.

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BARREDO, J.:

Acting on the Motion for Clarification and/or for Execution filed by Antonio Menor, Victor L. Recio, Emilio Agregado, Oscar Ilustre, Lauro Pacis, Carlos Pangilinan, Ernesto Tongson, Jose Sanchez and Cesar Cabrera (deceased), represented by wife Sofia Cruz Cabrera, the Court notes that the record shows that the decision of the Court of Industrial Relations in Case No. 71-IPA dated November 22, 1968 reads in part as follows:

"1) That the salary increases granted to the eight (8) top officials of the NWSA in November, 1965, should be extended to all the supervisors of the Authority. The water crises of 1966 and 1967 are not sufficient justification for not extending the salary increase to the supervisors. The Court grants 35% general increase staggered for three years."

The appeal from said decision having been filed out of time, this Court declared the same final and executory. And entry of final judgment of this Court's decision was made on August 19, 1974.

Before rendering Our decision, We required the NWSA to submit the list of those who would be benefited by the increase granted by the Industrial Court. (Resolution of March 9, 1972, p. 222, Record.) The NWSA submitted a list of 566 employees including the nine above-named movants (Annex "B", pp. 234-242, Record), and it was in the light of said information that We rendered Our decision.

Now, according to the instant motion, in execution of Our judgment, the Industrial Court pertinently ordered on October 23, 1974 thus:

"The main question to be resolved by the Court is Who are those employees entitled to the benefits of the 35% increase granted under the decision? The decision stated: All supervisors, all members of the NWSA Supervisors Association and/or all the positions listed in the Collective Bargaining Agreement. Petitioner union claims they are those named in the lists submitted by management and the union, Annexes 'A' and 'B' of their motion, numbering 566 and 922, respectively. Management, on the other hand, now maintains that they include only those supervisors whose positions are listed in the CBA, those section chiefs and above numbering 200 employees. (See Motion and/or Manifestation filed by the Government Corporate Counsel dated October 4, 1974)

"In this regard, the court takes judicial notice of the Supreme Court Resolution in this case (G.R. No. L-30051) issued on March 9, 1972, requiring the respondent NWSA and the NWSA Supervisors Association to submit within five (5) days a stipulation on the number and average compensation of the members of respondent union who would be benefited by the decision of the Industrial Court, should the same be affirmed in this

appeal x x x (underscoring supplied). Pursuant to this resolution, both parties submitted their respective list. Management list showed 566 members, while that of the union was 922.

"The contention of management now, that only 200 employees are entitled to the increase cannot be sustained. Its submission of the list to the Supreme Court which contains 566 employees as prospective beneficiaries of the decision in case of affirmance thereof by said court, certainly constitutes an admission of a party in contemplation of Section 22, Rule 130 of the Rules.

"Management is now barred or stopped from claiming otherwise, specially considering that this was a judicial admission made before the Supreme Court. It cannot now assert that the figure of 566 which it gave the Supreme Court is erroneous, and that the correct number is only 200 as it now claims.

"Likewise, the figure being claimed by the union that 922 supervisors/members of the Association are entitled to the benefits of the decision cannot be sustained. A verification by this Court reveals that the list submitted by the Association to the Supreme Court includes names of employees whose membership came only after the decision. Representatives of the Association admit that at the time of the decision, actual membership of the union was only 566 more or less as reflected in both the union and management records. Understandably, the membership of the Association swelled to almost double the original number after the decision, because of the expectancy of a possible inclusion in the 35% increase of wage granted to petitioner.

"The court therefore, holds that only 566 as contained in the list submitted by management are entitled to the increase." (Underscoring Ours)

Due to the abolition of the Industrial Court, for reasons not appearing in the record, on March 18, 1975 the National Labor Relations Commission reiterated in toto the above order of CIR.

However, on August 25, 1975, the Secretary of Labor modified the NLRC decision in the following manner:

"With respect to the third assigned error in the Appeal, there is merit to the contention of respondent NWSA that the eight (8)(should be 9) top officials who were already granted salary increases (6-Area Manager-42%; 1-Asst. Chief Engineer-49%; 1-Corporate Treasurer-49%) should no longer be entitled to the 35% staggered wage increases. It is clear from the CIR Decision that these eight (8)(should be 9) top officials who had already been given their salary increases are excluded from the benefits. (Last paragraph, page 6, Resolution)."

Appealed to the Office of the President, that Office rendered a decision on November 11, 1980, the dispositive part reads:

"In view of the foregoing, OP Decision No. 1815 dated February 2, 1976, is hereby modified in the sense that respondent's employees who were its supervisors (excluding the aforementioned top officials) on November 22, 1968, and who then held appointments as such, are entitled to the salary increase granted under the decision of the Court of Industrial Relations dated November 22, 1968. For this purpose, the proper MWSS authorities and its auditor should require the claimant-beneficiaries to present their appointments as supervisors issued on or before November 22, 1968, before paying their respective claims. In all other respects, said OP Decision No. 1815 stands.

"SO ORDERED." (Pp. 351-352, Record)

But it should be borne in mind that the decision of the Office of the President is nothing more than a construction of the judgment of this Court as to how it should be executed. And what is important, in this connection, is that many circumstances have taken place since We rendered Our decision that have altered the situation of the parties. As pointed out in the comment of movants dated February 28, 1981:

"5. In thus ruling against the nine (9) movants, the Office of the President opined that the above-quoted portion of the subject decision as a means of equalizing the scale of increases granted to all supervisors of the NWSA

with those of the former. It is respectfully submitted that the Office of the President in denying the Motion for Reconsideration of said nine (9) Movants, acted without precedents, nay, overlooked, if not disregarded, some basic and/or traditional statutory construction of labor statutes regulating labor management relations, the most salient of which may be mentioned as follows:

- a) The principle of merit underlying the Civil Service law, rules and regulations covering civil servants in the service of the government.
- "b) The rule laid down by this Honorable Supreme Court in *NAMARCO vs. Frisco Workers Union, et al.*, G.R. No. L-19945, promulgated December 22, 1966, under which the benefits of a decision of the then Industrial Court may be extended to employees similarly situated as the beneficiaries thereof.
- "c) The rule in *Mactan Workers Union, et al., vs. Aboitiz, etc., et al.*, G.R. No. L-30241 promulgated on June 30, 1972, in which the benefits of a collective bargaining agreement extended to all the employees in the collective bargaining unit, including those who do not belong to the chosen bargaining labor organization.
- "d) The rule on liberal construction of labor statutes in favor of the working man; more specifically, in that doubts should always be resolved in his favor.

DISCUSSION

"Increases granted to the then NAWASA top officials, herein movants ANTONIO MENOR, et al., in November, 1965, were in the nature of promotional or meritorious increases for exemplary and efficient performance ordained and mandated by Civil Service law, rules and regulations.

"There is no question that the increases granted to herein movants ANTONIO MENOR, et al., in 1965, as mentioned in the aforequoted portion of the decision were by virtue of merit and efficiency in the public service as mandated by Civil Service law, rules and regulations; merit and efficiency being the cornerstone of an efficient public service. To deny then movants ANTONIO MENOR, et al., the subject 35% general salary increase would render at naught the merit and efficiency rule in the public service and would undermine the foundation of an efficient public service at the then NWSA, now MWSS. It may be recalled that in the past there had been a continuing public gripe against NWSA's inefficiency and a public clamor for a more efficient water service which prompted the adaption of an upgraded NWSA pay plan implemented on September 1, 1974. (Please see penultimate paragraph, p. 8, Motion for Clarification).

"But even earlier, or in July, 1967, 1968 and 1969 general increases were extended to the supervisors and all employees of the NWSA. (Please see 2nd par., p. 8, Motion for Clarification). And because of the promotional increases granted to herein movants ANTONIO MENOR, et al., in 1965, they were EXCLUDED from the general increases in July, 1967, 1968 and 1969, as well as in the upgrading of the NWSA pay plan in September, 1974, so much so that by September, 1974, some of the Movants received lower salaries than their immediate subordinates. If this is not iniquitous, it is an open disregard of the merit and efficiency rule ordained by Civil Service law, rules and regulations.

"By denying now the 35% general salary increase to the herein movants ANTONIO MENOR, et al., the Office of the President not only sanctioned the iniquitous situation it hoped to remedy by such denial, but also overlooked, if not disregarded, the right of said Movants to claim the 35% general salary increase in consonance with the rulings of this Honorable Court in the aforecited cases of *NAMARCO vs. FRISCO Workers Union, et al.*, and *Mactan Workers Union, et al., vs. Aboitiz, etc., et al.*

"The Office of the President, in denying Movants' Motion for Reconsideration, further opined that to grant the 35% general salary increase to said movants ANTONIO MENOR, et al., would not remedy the iniquitous situation, which the subject decision allegedly sought to cure by equalizing the scale of increases granted to the supervisors of the NWSA.

"By such holding, the Office of the President, we submit, forgot to consider the fact that by EXCLUDING the herein nine (9) Movants from the general salary increases granted to all employees and supervisors of the NWSA in July, 1967, 1968 and 1969, and in the upgrading of the NWSA Pay Plan in September, 1974 as a consequence of which the salaries of some of them (Movants) became less than those of their immediate subordinates, said Movants were no longer the cause (as held by the Office of the President) but the victims of such iniquitous situation. To deny them (Movants) again the 35% general salary increase ordained by the defunct Industrial Court would be adding insult to injury.

"But on top of all this, a liberal construction in favor of movants ANTONIO MENOR, et al., is called for under the circumstances there being an apparent doubt as to the beneficiaries of the 35% general salary increase ordained by the defunct Industrial Court.

"That there is here some doubt as to the beneficiaries of the oft-mentioned 35% general salary increase to all supervisors of the NWSA is beyond question. This must be so because the aforequoted portion of the subject decision does not expressly deny NOR grant to Movants the 35% salary increase. There appears to be a void on this aspect of the Industrial Court's decision. This must have prompted the mind of this Honorable Supreme Court when it required petitioner and respondent association to submit to IT the list of those who should be benefited by the decision of the defunct Industrial Court should the same be affirmed in the appeal. Thus, the resolution of this Honorable Court issued on March 9, 1972 requiring the petitioner and respondent association, among others, to submit the list of supervisors who would be benefited by the decision of the Industrial Court. (Please see paragraph 2, page 2, Motion for Clarification)

"In compliance with said resolution, both parties submitted the required list; the list submitted by petitioner included all the herein nine (9) Movants, likewise respondent association included the nine (9) Movants in its list. In other words, insofar as both parties are concerned, there is a judicial admission on their part that the nine (9) Movants must also be made beneficiaries of the 35% general salary increase, thus prompting the National Labor Relations Commission, successor of the defunct Industrial Court, to rule that NWSA is now estopped from opposing the grant to the nine (9) Movants of the 35% general salary increase ordained by the subject decision. It should now be unquestionable, therefore, that the mutual lists (566 members in all) submitted by petitioner and respondent association to this Honorable Supreme Court pursuant to its resolution of March 9, 1972, must be deemed included as part and parcel of the subject decision when the same was held as final and executory by this Honorable Supreme Court.

"It is submitted that the foregoing legal stance in the light of the above discussion is in consonance with the spirit and substance in statutory and judicial interpretation to the effect that in case of doubt in labor-management relations, the doubt, as mandated by the Constitution, must always be resolved in favor of the workingman. That a doubt here exists, we contend, is sufficiently pointed out in the foregoing discussions. Thus, the relevance for a liberal construction of labor statutes in favor of the worker." (Pp. 358-362, Record.)

We cannot close Our eyes to the inequity to herein movants if the interpretative decision of the Office of the President is to be followed to the letter. Succinctly stated, the absurd situation that would result would be that just because the Court of Industrial Relations found it but proper to improve the situation of the other supervisors so that their salaries may approximate those of the nine movants, the said nine movants' salaries would in consequence be pegged to the increased amounts given them prior to the decision of the Industrial Court affirmed by Us no matter if subsequent promotions and upgradings are given to the other employees over and above the equalization process resulting from Our decision. Thus, in the general upgradings and promotions extended in July 1967, 1968 and 1969 to the other supervisors and employees of NWSA none of the movants were included, so much so that by 1969, those who were receiving salaries less than the movants in 1965, were promoted and received higher salaries than the movants. We did not and could not have contemplated such inequity and unfairness in Our decision. Accordingly, We hold that, there being no clear showing that the salary increase in 1965 were exactly equivalent to the 35% increase granted to the others, it is but fair that they be given the

difference if any; and, further, in that movants should not have been excluded in the 1967, 1968, 1969 and 1974 increases.

In view of all the foregoing, in the exercise of Our prerogative to make the execution and implementation of Our final and executory decision fair and just to all concerned, in the light of the circumstances that have intervened in the meanwhile, it is hereby ordered that the National Waterworks and Sewerage Authority adjust the salaries of the movants (their retirements, if they have already retired) in line with the foregoing opinion.

Concepcion, Jr., Fernandez, Abad Santos, and De Castro, JJ., concur.

Fernandez J. vice Aquino, J., no part.

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