

## THE INTERNATIONAL HARDWOOD AND VENEER COMPANY, PETITIONER, VS. THE PAÑGIL FEDERATION OF LABOR, RESPONDENT.

*G.R. No. 47178. November 25, 1940*

Ponente: LAUREL, J.

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### LAUREL, J.:

This is a petition for a writ of certiorari to review the resolution, dated December 23, 1939, of the Court of Industrial Relations entered in its Case No. 103, entitled "Pañgil Federation of Labor vs. International Hardwood and Veneer Company."

On June 2, 1939, the Secretary of Labor certified to the Court of Industrial Relations that an industrial dispute existed between the petitioner and certain of its employees who are members of respondent union, and that the controversy was a proper one to be dealt with by said Court in the public interest under section 4 of Commonwealth Act No. 103. The matter was thereupon docketed as Case No. 103 of the Court of Industrial Relations.

The industrial dispute mentioned above referred to certain demands made by the respondent on the petitioner, among which were the following:

"2. Set the minimum daily wages of common laborers at one peso.

"3. Devise a proper schedule of rate of wages for all laborers.

"4. The rate of wages for the mountain camps should be higher by 20 per cent over those given in the town."

On June 2, 1939, and for some years prior thereto, the minimum wage paid by the petitioner to its employees was P0.70 a day regardless of whether the laborer was employed in the poblaciones of the towns of Pangil and Famy, or in the mountain camps.

In deciding demands Nos. 2 and 4 made by the respondent on the petitioner as above set forth, the Honorable Leopoldo Rovira, one of the judges of the Court of Industrial Relations, rendered the following adjudication in his decision adicional of September 19, 1939:

"En su virtud, el Tribunal declara justificadas en parte las demandas bajo los numeros 2 y 4 que afectan el tipo de jornal, y en su consecuencia ordena a la com-pania recurrida a pagar a sus obreros como salario justo y razonable una cantidad que no baje de P1 diario para los que trabajen en las montafias, y para los que realicen sus trabajos en los llanos una suma que no baje de P0.90 diarios, a base de ocho (8) horas diarios, con exclusion del "overtime," no menos del veinticinco (25) por ciento sobre el jornal como queda fijado \* \* \*."

On October 17, 1939, the petitioner filed a motion with the Court of Industrial Relations in bane praying for the reconsideration of the decisi6n adicional of the Honorable Leopoldo Rovira. While this motion for reconsideration was pending resolution by the Court, the petitioner, on November 28, 1939, filed a motion

praying that said Court hold itself without jurisdiction to decide the question relating to demands Nos. 2 and 4, alleging (1) that the Court of Industrial Relations has no authority to determine minimum wages for an individual employer in connection with a particular and specific industrial dispute under the provisions of section 4 of Commonwealth Act No. 103; (2) that such authority would constitute an undue delegation of legislative power to the Court of Industrial Relations and would deny the petitioner the equal protection of the laws, thus rendering said section unconstitutional and void.

On December 23, 1939, the Court of Industrial Relations, by resolution in bane, denied the motion for reconsideration as well as the motion of November 28, 1939. Hence, this petition for certiorari.

The only issue which the petitioner presents for determination in the present proceedings is that raised in its motion of November 28, 1939, in which it assails the jurisdiction of the Court of Industrial Relations to decide the question relating to demands Nos. 2 and 4 as set forth above. The main question to be resolved, therefore, is whether or not the Court of Industrial Relations has the power to determine minimum wages for an individual employer in connection with an industrial dispute which said court might take cognizance of under the provisions of section 4 of Commonwealth Act No. 103, and if it has, whether or not such grant of power is unconstitutional and void.

The petitioner contends that "the National Assembly, in granting the Court of Industrial Relations general power to decide any industrial dispute under section 4 of Commonwealth Act No. 103, could not have granted, within such general power, authority to decide a matter which has been made determinable in another specific manner," and asserts that "the determination of minimum wages for each and every employer in a given locality or given industry has been specifically provided for in section 5 of Commonwealth Act No. 103" (p. 9 of the petition). Section 5 of Commonwealth Act No. 103 provides as follows:

"Sec. 5. Minimum wage and maximum 'canon' or rental.—Whenever conditions in a given industry or in a given locality so warrant, and in the interest of public welfare and for the promotion of industrial peace and progress, the President of the Philippines shall direct the Court of Industrial Relations to investigate and study all pertinent facts related to the industry concerned or to the industries established in a designated locality, with a view to determining the necessity and fairness of fixing and adopting for such industry or locality a minimum wage or share of laborers or tenants, or a maximum 'canon' or rental to be paid by the 'inquilinos' or tenants or lessees to landowners.

"In order to determine the necessity and fairness of adopting such measures, and in order to arrive at a proper, just, and reasonable minimum wage or share or maximum 'canon' or rental, the court shall make a careful examination of the amount of capital invested in the industry or industries concerned, the number of laborers employed, the costs of production, insurance and transportation, market prices, benefits or gains derived or losses suffered or expected, wages and shares as well as other income of laborers and tenants, minimum cost of living and labor conditions in general, and such other factors and circumstances as may, in its opinion, be necessary to fairly and adequately accomplish the purpose of the investigation.

"After such an examination, and after the Court is satisfied of the necessity and fairness of fixing and adopting a minimum wage or share or maximum 'canon' or rental, for such locality or industry, it shall tentatively fix such minimum wage or share or maximum 'canon' or rental as would give the workingmen a just compensation for their labor and an adequate income to meet the essential necessities of civilized life, and at the same time allow the capital a fair return on its investment.

"When determining a minimum wage or share for laborers and tenants engaged in a given industry, the Court may, in its discretion, taking into account the conditions prevailing in the different localities where such industry is carried on, fix different minimum wages or shares, according to localities or fix different minimum wages or shares according to the industries existing in that locality.

"A minimum wage or share shall be determined and fixed for laborers working by the hours, day or month, or by piece work, and for tenants sharing in the crop or paid by measurement unit. Unless otherwise expressly provided in the order fixing a minimum wage, a minimum wage in industrial or manufacturing enterprises shall be understood to be fixed on the basis of eight hour daily labor, and employees and laborers working in excess of such number of hours shall be entitled to a proportionate increase in their wages.

"The Court may, by so specifically providing in its order fixing a minimum wage, exclude apprentices from the provisions thereof, but the number of such apprentices in an industrial firm, or labor establishment shall not exceed twenty per centum of the total number of laborers employed therein.

"Insofar as possible, and when deemed necessary to better carry out the provisions of this Act, the Court may classify or group the laborers according to the kind and importance of the work and the amount or degree of skill, training, experience and knowledge required and shall fix for each class or group a minimum wage or compensation. In like manner, it may classify or group the tenants or lessees according to the kind of work they perform, the terms of the contract with the landowners and the productivity of the lands they occupy, and shall fix their minimum share in the crop or the maximum "canon" or rental to be paid to the landowners.

"After such minimum wage or share or maximum 'canon' or rental has been tentatively fixed by the court, the court shall order the publication of such tentative decision in three successive issues of two newspapers of general circulation in the locality or localities affected, one published in English and another in Spanish. All parties not agreeing to such tentative decision may, within forty-five days after the first publication submit to the court their written objections. With due consideration to such objections, and after the expiration of the period given to question such tentative decision, the Court shall adopt a final minimum wage or share or maximum 'canon' or rental, which shall, with the approval of the President of the Philippines, be binding upon everyone concerned and shall have the force and effect of law thirty days after the approval by the President duly promulgated in an executive proclamation."

It will be seen that under the above quoted provisions of section 5, minimum wages are determinate in reference to a given industry or given locality, which should be of general application and have the force and effect of law, after approval by the President of the Philippines. This section, however, does not contemplate the arbitration and settlement of industrial or agricultural disputes causing or likely to cause a strike or lockout, and is designed merely to provide for a workable device whereby a scheme of minimum wage or share for laborers or tenants in a given industry or locality may be evolved, whenever conditions therein warrant. Commonwealth Act No. 103 as originally drafted (Bill No. 700 of the National Assembly) did not contain what is now known as section 5 of the Act. This section was originally embodied in a separate bill (Bill No. 722) the explanatory statement of which is as follows:

"This proposed bill provides for a workable device by which a minimum wage for laborers and a minimum share for tenants may be fixed and accepted in a given industry or factory, whenever conditions therein warrant." On the other hand, section 4 of Commonwealth Act No. 103, together with the other sections complementing it, is designed to provide for compulsory arbitration in order to prevent non-pacific methods in the determination of industrial and agricultural disputes. "El presente proyecto de ley," thus begins the explanatory statement of Bill No. 700, "crea una Junta de Relaciones Industriales \* \* \* y provee el arbitraje obligatorio \* \* \* de acuerdo con el artículo 6, Título XIII de la Constitución, el cual provee que 'El estado podrá establecer el arbitraje obligatorio'." Incorporating the conclusion reached by a committee appointed a year or so before, it was observed that "bajo la legislación actual"—evidently referring to Act No. 4055—"no existe instrumento adecuado para evitar las huelgas. El Departamento del Trabajo desempeña meramente el papel de pacificador entre las partes en controversia y sus decisiones no son obligatorias ni para los patronos ni para los obreros. El pueblo ha llegado a un grado de desarrollo industrial, que hace imperiosa el que la intervención del gobierno en estos conflictos sea mas efectiva \* \* \* (Ang Tibay et al. vs. Court of Industrial Relations et al., G. R. No. 46496.) And in order that this declaration of policy may not just be an empty

gesture, Commonwealth Act No. 103, in various sections thereof, has provided the means towards its realization. Thus in section 4, the Court of Industrial Relations is empowered to "take cognizance for purposes of prevention, arbitration, decision, and settlement, of any industrial or agricultural dispute causing or likely to cause a strike or lockout, arising from differences as regard wages, shares or compensation, dismissals, lay-offs, or suspensions of employees or laborers, tenants or farm-laborers, hours of labor, or conditions of tenancy or employment, between employers and employees or laborers and between landlords and tenants or farmlaborers." Under section 1, the court has "jurisdiction over the entire Philippines, to consider, investigate, decide, and settle all questions, matters, controversies, or disputes arising between, and/or affecting employers and employees or laborers, and landlords and tenants or farm-laborers, and regulate the relations between them, subject to the provisions of this Act" (as amended by Commonwealth Act No. 254); and by section 13, it is provided that "in making an award, order or decision, under the provisions of section four of this Act, the court shall not be restricted to the specific relief claimed or demands made by the parties to the industrial or agricultural dispute, but may include in the award, order or decision any matter or determination which may be deemed necessary or expedient for the purpose of settling the dispute or of preventing further industrial or agricultural dispute."

Under the view suggested by the petitioner, if an industrial dispute between an employer and its employees causing or likely to cause a strike or lockout arises from differences as regards a minimum wage, the Court of Industrial Relations would be without authority to take cognizance of the dispute for arbitration and settlement unless the President of the Philippines, under section 5 of Commonwealth Act No. 103, directs it to investigate and study all pertinent facts related to the industry concerned, with a view to determining the necessity and fairness of fixing a minimum wage which shall apply generally to all the employers engaged in such industry. To adopt such a narrow construction would be to set at naught the plenary powers conferred upon the Court to enable it to "settle all question, matters, controversies, or disputes arising between, and/or affecting employers and employees" and to frustrate the very objective of the law, namely, to create an instrumentality through which the intervention of the Government could be made effective in order to prevent non-pacific methods in the determination of industrial or agricultural disputes. It is fundamental that the intention and policy of the National Assembly, as expressed in the enactment, should be effectuated, and the Act should receive a construction that will lead to this result.

The petitioner claims that if section 4 of Commonwealth Act No. 103 is held to empower the Court of Industrial Relations to determine minimum wages in connection with an industrial dispute, the section is unconstitutional as constituting an undue delegation of legislative power to the court and depriving the petitioner of the equal protection of the laws. In support of this claim, petitioner argues that the determination of minimum wages is a legislative function, and that section 4 of Commonwealth Act No. 103 "does not indicate in what manner, by what standards, or in accordance with what rules, the Court of Industrial Relations shall determine minimum wages under said section" (pp. 12-13 of the petition). Section 20 of Commonwealth Act No. 103 prescribes that in the hearing, investigation and determination of any question or controversy and in exercising any duties and power under this Act, the court shall act according to justice and equity and substantial merits of the case, without regard to technicalities or legal forms. The National Assembly has by this section furnished a sufficient standard by which the court will be guided in exercising its discretion in the determination of any question or controversy before it, and we have already ruled that the discretionary power thus conferred is judicial in character and does not infringe upon the principle of separation of powers, the prohibition against the delegation of legislative function, and the equal protection clause of the Constitution. *Antamok Gold Fields Mining Company vs. Court of Industrial Relations et al.*, G.R. No. 46892, promulgated June 28, 1940.)

Furthermore, in the case of *Pangasinan Transportation Co. vs. The Public Service Commission*, G. R. No. 47065, promulgated June 26, 1940, we made the following observation:

"The theory of the separation of powers is designed by its originators to secure action and at the same time to forestall overaction which necessarily results from undue concentration of powers, and thereby obtain efficiency and prevent despotism. Thereby, the 'rule of law' was established which narrows the range of governmental action and makes it subject to control by certain legal devices. As a corollary, we find the rule prohibiting delegation of legislative authority, and from the earliest time American legal authorities have proceeded on the theory that legislative power must be exercised by the legislature alone. It is frankness, however, to confess that as one delves into the mass of judicial pronouncements, he finds a great deal of confusion. One thing, however, is apparent in the development of the principle of separation of powers and that is that the maxim of *delegatus non potest delegari* or *delegata potestas non potest delegari*, attributed to Bracton (*De Legibus et Consuetudinibus Angliae*, edited by G. E. Woodbine, Yale University Press., 1922, vol. 2, p. 167) but which is also recognized in principle in the Roman Law (D. 17.18.3), has been made to adapt itself to the complexities of modern governments, giving rise to the adoption, within certain limits, of the principle of 'subordinate legislation' not only in the United States and England but in practically all modern governments. (*People vs. Rosenthal and Osmefia*, G. R. Nos. 46076 and 46077, promulgated June 12, 1939). Accordingly, with the growing complexity of modern life, the multiplication of the subjects of governmental regulation, and the increased difficulty of administering the laws, there is a constantly growing tendency toward the delegation of greater powers by the legislature, and toward the approval of the practice by the courts. (*Dillon Catfish Drainage Dist v. Bank of Dillon*, 141 S. E. 274, 275, 143 S. Ct. 178; *State v. Knox County*, 54 S. W. 2d 973, 976, 165 Tenn. 319.) In harmony with such growing tendency, this Court, since the decision in the case of *Compania General de Tabacos de Filipinas vs. Board of Public Utility Commissioners*, 34 Phil., 136, relied upon by the petitioner, has, in instances, extended its seal of approval to the 'delegation of greater powers by the legislature.' (*Inchausti Steamship Co. vs. Public Utility Commissioner*, 44 Phil., 366; *Alegre vs. Collector of Customs*, 53 Phil., 394; *Cebu Autobus Co. vs. De Jesus*, 56 Phil., 446; *People vs. Fernandez & Trinidad*, G. R. No. 45655, promulgated June 15, 1938; *People vs. Rosenthal & Osmena*, G. R. Nos. 46076, 46077, promulgated June 12, 1939; and *Robb and Hilscher vs. People*, G. R. No. 45866, promulgated June 12, 1939.)"

The petition for certiorari is denied, with costs against the petitioner. So ordered.

Avanceña, C.J., Imperial, Diaz, and Horrilleno, JJ., concur.

Petition denied.

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