

**AMERICAN WIRE & CABLE WORKERS UNION (TUPAS),
PETITIONER, VS. THE NATIONAL LABOR RELATIONS COMMISSION
AND AMERICAN WIRE & CABLE CO., INC., RESPONDENT.**

G.R. No. 53337. June 29, 1984

Ponente: GUERRERO, J.

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GUERRERO, J.:

Petition for certiorari praying that this Court set aside the Resolution of respondent Commission which sustained the Decision of Labor Arbiter Conrado O. Lasquite exempting private respondent American Wire & Cable Co., Inc. from the coverage of P.D. 1123 under paragraph (k), Section 1 of the Rules Implementing P.D. 1123.

The facts of this case are undisputed. It appears that a Collective Bargaining Agreement was entered into by and between petitioner Union and respondent Company on June 2, 1976. The CBA which was made to retroact to May 1, 1976, among other things, provided for a three stage wage increase for all rank and file employees. Specifically, Article IX thereof states:[1]

"Section 1. It is hereby agreed that the Company shall grant an across the board increase to all employees in the bargaining unit as follows:

For the first year . . . 20%

For the second year . . . 10%

For the third year . . . 10%."

Pursuant to such CBA, the first year increase of 20% in the salaries of the employees was implemented retroactive to May 1, 1976.

During the second year of the CBA, or on April 21, 1977, Presidential Decree 1123 was enacted to take effect on May 1, 1977, providing for an increase by P60.00 in the Emergency Allowance under Presidential Decree 525.

In the implementation of the said P.D., private respondent claims that it (private respondent) falls under the exemption provided for in paragraph (k), Section 1 of the Rules Implementing P.D. 1123 which recites:

"Section 1. Coverage. -- These rules shall apply to all employers except the following:

xxx xxx xxx xxx

(k) Those that have granted in addition to the allowance under P.D. 525, at least P60.00 monthly wage increase on or after January 1, 1977, provided that those who paid less than this amount shall pay the difference."

Hence, while giving the 10% increase for May 1, 1977 (increase for the second year) as provided in the CBA, respondent Company credited the same against the P60.00 additional Emergency Allowance as mandated by P.D. 1123 and offered to pay its employees only the difference thereof.

On August 3, 1977, petitioner Union, through its President Salustiano Robis, wrote the Secretary (Minister) of Labor for assistance in the implementation of the wage increase granted by Section 1, Article IX of the CBA. Both parties were required to submit their position papers. A "Summary Investigation" was conducted by Labor Relations Officer Rolando M. Rosales, who recommended that the case be certified for compulsory arbitration.

On April 14, 1978, Labor Arbiter Conrado O. Lasquite, dismissed the complaint of petitioner Union, finding respondent Company covered by the exemption under Section 1, par. (k) of the Rules Implementing P.D. 1123. Subsequently on appeal, the respondent Commission affirmed the decision of the Labor Arbiter, hence the present petition for certiorari.

Petitioner submits three (3) errors, thus:[2]

"I.

The NLRC as well as the Labor Arbiter Lasquite acted in excess of their jurisdiction and with grave abuse of discretion in denying the petitioner's claim for living allowance (granted by) PD 1123 by failing to consider the opinion of Deputy Minister of Labor (who) was acting for the Minister in a similar case.

II.

The decision of the NLRC is contrary to the evidence on record, and the conclusion reached thereat is contrary to law.

III.

The interpretation given by NLRC of the Implementing Rules of the Ministry of Labor contravenes the provisions of P.D. 1123."

In brief, petitioner asserts that it is entitled to the 10% across-the-board increase in salary in 1977 as provided for in the CBA plus the new Emergency Allowance in the sum of P60.00 granted by P.D. 1123.

We agree with petitioner.

In the case of Philippine Apparel Workers Union vs. National Labor Relations Commission,[3] We have ruled that paragraph (k) of Section 1 of the Rules Implementing P.D. 1123 is void as it is in excess and beyond the statutory authority granted to the Secretary (now Minister) of Labor to promulgate the same. In that case, We held:

"Moreover, it must be pointed out that the Secretary of Labor has exceeded his authority when he included paragraph (k) in Section 1 of the Rules Implementing P.D. 1123.

Section 1 of said decree spells out the scope of its benefits, as follows:

'Section 1. In the Private Sector. -- In the private sector, an across-the-board increase of sixty pesos (P60.00) in emergency allowance as provided in P.D. 525 shall be paid by all employers to their employees effective May 1, 1977. Accordingly, the monthly emergency allowance under P.D. 525 is hereby amended as follows:

- a) For workers being paid P50.00 - P110.00
- b) For workers being paid P30.00 - 90.00
- c) For workers being paid P15.00 - 75.00'

To implement the same, the then Secretary of Labor was authorized in Section 4 of the same decree to issue appropriate rules and regulations. Such authority is quoted hereunder:

'Sec. 4. The Secretary of Labor and the Commissioner of the Budget shall issue appropriate rules and regulations to implement this Decree for their respective sectors. Under such rules and regulations, distressed employers whether public or private may be exempted while in such condition in the interest of development and employment.'

By virtue of such rule-making authority, the Secretary of Labor issued on May 1, 1977 a set of rules which exempts not only distressed employers (see paragraph 1, Section 1 as well as Sections 6, 7, 8 and 9 of said rules) but also those who have granted in addition to the allowance under P.D. 525, at least P60.00 monthly wage increase on or after January 1, 1977, provided that those who paid less than this amount shall pay the difference (see paragraph (k) of said rules).

Clearly, the inclusion of paragraph (k) contravenes the statutory authority granted to the Secretary of Labor, and the same is therefore void, as ruled by this Court in a long line of cases. x x x"

Furthermore, well-settled is Our jurisprudence that all doubts in the implementation of the provisions of the Labor Code and its implementing regulations, shall be resolved in favor of labor. A contrary ruling would be a dilution and emasculation of the protection of labor clause of the Constitution.[4]

Paragraph (k) of the Rules Implementing P.D. 1123 being void, petitioner's claim must be granted as private respondent would no longer have any basis for exemption. Thus, We find that respondent Commission acted with grave abuse of discretion in dismissing petitioner's complaint and finding private respondent exempted from the coverage of P.D. 1123.

WHEREFORE, PREMISES CONSIDERED, the Decision of the respondent Commission is hereby SET ASIDE. Accordingly, the writ of certiorari is granted and private respondent is directed to pay all covered employees, in addition to the 10% across-the-board increase in salary as provided in the CBA, the mandatory Emergency Cost of Living Allowance provided by P.D. 1123. Costs against private respondent.

SO ORDERED.

Makasiar, (Chairman), Aquino, Concepcion, Jr., Abad Santos, Escolin, and Cuevas, JJ., concur.

[1] Labor Arbiter Decision, Rollo, p. 59.

[2] Rollo, p. 6.

[3] 106 SCRA 444.

[4] Article 4, The Labor Code of the Philippines (P.D. No. 442 as amended); MD Transit & Taxi Co., Inc. vs. Estrella, 113 SCRA 378, 396; Cristobal vs. Employees' Compensation Commission, 96 SCRA 275; De los Angeles vs. GSIS, 94 SCRA 308.

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