

**BACOLOD-MURCIA MILLING CO., INC./JOSE A. SANCHEZ,
PETITIONER, VS. VICENTE R. LEOGARDO, JR. IN HIS CAPACITY AS
DEPUTY MINISTER, MINISTRY OF LABOR & EMPLOYMENT
(MOLE), MOLE REGION...**

G.R. No. 64807. September 27, 1991

Ponente: CRUZ, J.

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CRUZ, J.:

On November 12, 1979, the private respondents filed a complaint for non-implementation of PD 1389 with the Bacolod District Office of the Ministry of Labor and Employment against petitioners Bacolod-Murcia Milling Co., Inc. and Jose Sanchez. On November 15, 1979, they amended their complaint and alleged that in spite of the effectivity of the said decree, the petitioners had failed to comply therewith and were still paying their laborers P11.00 per day.

Section 1 of PD 1389 provides:

Sec. 1. Presidential Decree 928 is hereby amended by increasing all existing statutory minimum wages in the country by THREE PESOS (P3.00) spread equally over a period of three years, as follows: 1) ONE PESO (P1.00) starting July 1, 1978; 2) ONE PESO (P1.00 starting May 1, 1979; and 3) ONE PESO (P1.00) starting May 1, 1980.

On December 28, 1979, the Bacolod District Office of the MOLE ordered the petitioners to pay the additional P1.00 increase, effective, July 1, 1978. On motion for reconsideration, however, Deputy Labor Minister Vicente Leogardo, Jr. reversed the said order and dismissed the case on June 11, 1981.

On November 10, 1982, Leogardo reconsidered his order and directed the petitioners to pay (without prejudice to the provisions of PD 1751) the individual complainants and the other employees of the company the following minimum daily wages:

P12.00 — effective 1 July 1978;

P13.00 — effective 1 May 1979;

P14.00 — effective the period when petitioner company was paid a composite price of P110.00 per picul of its sugar produce, and

P15.00 — effective 18 August 1980, pursuant to PD 1713;

The petitioners filed a motion for reconsideration, which was denied for lack of merit on May 30, 1983, prompting this petition for certiorari. On August 24, 1983, the Court issued a temporary restraining order against the enforcement of the orders of November 10, 1982, and May 30, 1983.

The issue in this case is whether or not PD 1389 is applicable to the workers in the sugar industry, particularly the non-agricultural workers in the sugar mills.

PD 1389, which was issued on May 29, 1978, amended PD 928 by providing for a P3.00 increase spread equally over a 3-year period on all existing statutory minimum wages in the country.

PD 928, issued on May 1, 1976, provided that the minimum wage rate for non-agricultural workers in areas outside Metropolitan Manila area shall be P9.00.

Pursuant to the Wage Order promulgated on August 18, 1972, by the Wage Commission in WAGECOM CASE No. 3, the minimum daily wage of workers in the industrial or non-agricultural branch of the sugar industry was fixed at P11.00 for each legal working day in any part of the country. LOI No. 8, issued on September 24, 1972, directed the Secretary of Labor to immediately implement the wage levels established by the Wage Commission for sugar workers.

Section 7 of the Rules and Regulation Implementing PD 928 provided that:

The minimum wage rate applicable to workers covered by existing Wage Commission Order shall be those provided in the decree or those in the applicable Wage Commission Orders, whichever is higher. (*Italics supplied*)

Thus, long before the issuance of PD 928, the workers in the industrial sector of the sugar industry were already enjoying a minimum wage of P11.00 per day.

Since the prevailing minimum wage rate in the sugar industry was prescribed by the said Wage Order and not under PD 928, PD 1389, which expressly amended PD 928, could not have covered industrial workers in the sugar industry.

Section 4 of the Rules Implementing PD 1389 specifically fixed the minimum wage rates prescribed by the said decree as follows:

SECTION 4. Minimum Wage Rates. — Every covered employer shall pay to each of his employees the following minimum wage rates:

(a) x x x (for non-agricultural workers employed in Metropolitan Manila.)

(b) P10.00 a day starting July 1, 1978; P11.00 a day starting May 1, 1979; and P12.00 a day starting May 1, 1980 for non-agricultural workers employed in areas outside Metropolitan Manila.

(c) P8.00 a day starting July 1, 1978; P9.00 a day starting May 1, 1979, and P10.00 a day starting May 1, 1980 for agricultural workers employed in any plantation or agricultural enterprise other than sugar with an aggregate area of more than 50 hectares or which employs more than 30 workers. (*Italics supplied*)

These rules are an indication that PD 1389 was issued for the purpose of increasing the statutory minimum wages provided under PD 928. These wages were P10.00 for non-agricultural workers in the Metropolitan Manila Area, P9.00 for non-agricultural workers outside the Metro Manila Area, and P7.00 for agricultural workers in plantations or organized agriculture.

Obviously, these rates were not intended to apply to the non-agricultural or industrial workers of the sugar industry, because the P11.00 rate under the Wage Commission Order was clearly higher.

The private respondents insist that mill workers should receive the daily minimum wage of P12.00 starting July 1, 1978; P13.00 starting May 1, 1979, and P14.00 starting May 1, 1980. Since LOI 1016, which took effect on

March 16, 1980, provided for the daily minimum wage rate at P13.00, and PD 1713, which took effect on August 18, 1980, provided for the minimum wage rate of workers of sugar mills at the rate of P14.00, the petitioners are still obliged to pay the private respondents an additional P1.00 from July 1, 1978, and another additional of P1.00 per day from May 1, 1979, until the minimum wage reached P13.00 per day on March 16, 1980, when LOI 1016 took effect. On top of these, they should be paid the amount of P1.00 from May 1, 1980, to August 18, 1980, under PD 1713.[1]

The private respondents are in error. Their theory would run counter to the express rates mentioned in Section 4 of the Implementing Rules of PD 1389. It would also be inconsistent with PD 1614, issued on March 14, 1979, and its Implementing Rules and LOI 829. This decree provides that all workers covered by PD 1389, whether agricultural or non-agricultural, shall receive, effective April 1, 1979, an increase of P2.00 in minimum wages representing acceleration of the remaining increases under PD 1389. Consequently, all non-agricultural workers outside Metro Manila shall receive a minimum wage of P12.00.

The Implementing Rules of PD 1614 provide:

Sec. 3. Minimum Wage Rates — Every covered employer shall pay each of his employees the following minimum wage rates effective April 1, 1979 unless indicated otherwise:

(a)

For Non-Agricultural Workers:

(1)

P13.00 a day for non-agricultural workers employed in Metropolitan Manila; and

(2)

P12.00 a day for non-agricultural workers employed outside Metropolitan Manila.

x x x x x x x x

(f)

For Sugar Industry Workers.

(1)

P11.00 a day for non-agricultural workers; and

(2)

P8.00 a day for agricultural workers in the municipalities of Enrique Magalona, Talisay and Silay City in Occidental Negros and P7.00 in all other areas; Provided that on May 1, 1979, they shall be entitled to P1.00 increase and another P1.00 on May 1, 1980 pursuant to PD 1389; provided further that when the composite price of sugar reaches \$0.13 per pound, the workers shall be entitled to the wage rates fixed by PD 1614.

LOI 829, which contains the instructions to be observed in the implementation of PD 1614 in temporarily distressed, labor-intensive and export-oriented industries provides:

x x x x x x x x

2. Sugar Industry

The sugar industry, agricultural and industrial sectors shall be exempted from PD 1614 until the effective composite price of sugar to producers reaches thirteen US cents per pound of its Philippine Peso equivalent.

Under the Implementing Rules of PD 1614 and LOI 829, the minimum wage rate for non-agricultural workers in the sugar industry on April 1, 1979, remained at P11.00. Yet the private respondents, invoking PD 1389, claim a minimum wage rate of P12.00, starting July 1, 1978, and P13.00 starting May 1, 1979.

It would appear that PD 1389 was applicable to the mill workers in the sugar industry only on May 1, 1980, when the minimum wage rate was fixed at P12.00, since this is higher than the P11.00 wage rate provided in the Wage Order. Such application would be in consonance with Section 7 of the Rules and Regulations implementing PD 928.

On May 1, 1980, however, LOI 1016 was issued providing that sugar mills should pay a daily minimum wage of P13.00, effective only on March 16, 1980, and P14.00 when the composite price paid to the producers reached P110.00 per picul. On August 18, 1980, PD 1713 was issued increasing the minimum daily wage rates by P1.00. Obviously, the submission of the private respondents that PD 1389 should be applied to them and that their minimum wage rate should be P13.00 starting May 1, 1979, and P14.00 starting May 1, 1980, would be inconsistent with LOI 1016 and PD 1713.

The petitioners presented a table in their petition and memorandum indicating that they have paid differentials to the private respondents and consequently have no liability under PD 928, PD 1389 and PD 1614.[2] The alleged payments were supported by vouchers attached to the petition and were not disputed by the private respondents. The payments would also indicate that the petitioners have complied with LOI 1016 and PD 1713.

PREMISES CONSIDERED, the petition is GRANTED. The Orders dated November 10, 1982 and May 30, 1983, of respondent Deputy Minister Leogardo are hereby ANNULLED and SET ASIDE, and his order of June 11, 1981 is REINSTATED. The temporary restraining order dated August 24, 1983, is made permanent.

SO ORDERED.

Narvasa, (Chairman), Griño-Aquino, and Medialdea, JJ., concur.

[1] Memorandum for Private Respondents, p. 7; Rollo, p. 104.

[2] Rollo, pp. 15, 125.

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