

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**DANAO
CORPORATION,**

DEVELOPMENT

Petitioner,

-versus-

**G.R. No. L-40706 & L-40707
February 16, 1978**

**NATIONAL LABOR RELATIONS
COMMISSION, JOSUE DE JOSE, in his
capacity as Provincial Sheriff of Negros
Occidental, Negros Occidental Free
Laborers Association (NOFLA-ALU),
FELIZARDO AGRAVANTE; SIMEON
AGRAVANTE; MONICO ALBINA;
ALEJANDRO ALSADO; ANECITO
ALSADO; ANTONIO ALSADO; heirs,
successors, and/or assigns of
SIMPLICIO ALSADO; JESUS ALURAN;
SIMPLICIO ALURAN; ANDRES
AMORA; MANUEL AMORA; SERGIO
AMORA; LEOVIGILDO ANACLETO;
CESAR ARANDA; DOMINADOR
ARANDA; BENJAMIN ARTAJA; CIRILO
ARTAJA; ROMAN ARTAJA; SAMUEL
ARTAJA; RODRIGO DE ASIS; ROMEO
RARICUATRO; JORGE PATICAS;
MANUEL BAYNOSA; PACIFICO
BENIGNOS; heirs, successors, and/or
assigns of NARCISO BERNACER;
TEOFILO BERNANCILLO; MARIANO**

BIA-IS; ROBERTO BI-AY; VICENTE BI-AY; heirs, successors, and/or assigns of NICOLAS BORONG; FRANCISCO CABAHUG; FELIPE CABERTE; SERAFIN CAJUCSON; ANATALIO CAJUELAN; ARTEMIO CARVELLEDA; MORETO CARVELLEDA; ALFREDO CASTILLON; EDUARDO CENTINA; SERAFIN CHIVA; DOMINGO CUSTODIO; CATALINO DALOGDOG; BARTOLOME DENSON; LIBERADO DETECIO; IGMEDIO DIAMA; FELIZARDO DIAMANTE; HILARION DOGOMEO; heirs, successors and/or assigns of VICTORINO DOGOMEO; ROMEO ESCAMOS; LORENZO FORTUNA; RUFILLO GARCIA; DOMINGO GEMINO; FLORENCIO GEMINO; DOMINADOR GEMPESALA; heirs, successors and/or assigns of ROGELIO GLARAGA; DOMINADOR GRACIA; BENEDICTO HILAY; RUFINO INTES; DIOSCORO JAPITAN; SERGIO JAPITAN; JOSE JUGADORA; LORENZO JUGADORA; RUPERTO LACARES; JOSE LADENES; PEDRO LEDESMA, JR.; JUANITO LEYTE; VICTORINO LEYTE; DIOSCORO LIBONGCOGON; FELOMINO LI-UGAN; ELENO LONGAKIT; PANFILO LUMAPAY; JOSE MABILOG; HERMINIGILDO MACAPAS; MACARIO MACAPAS; MOISES MACAPAS; VICTOR MAGLASANG; FORTUNATO MAHILUM; JESUS MALAGSIC; GALO MALUPAY; ROMAN MALUPAY; heirs, successors, and/or assigns of REYNALDO MARCELLA; CARLOS PABUAYA; BENITO PALMA; IGNACIO PALMA; heirs, successors, and/or

assigns of CAYETANO PANLA-AN; heirs, successors, and/or assigns of FULGENCIO PANLA-AN; HERMOGENES PATINO; SALUSTIANO DE LA PEÑA; SERGIO DE LA PEÑA; heirs, successors, and or assigns of FELIMON PERFECTO; BALBINO PESANON; CASIANO PESANON; FEDERICO PESANON; RICARDO PESANON; NEMESIO RACHO; PACIANO RACHO; ANGELINO SAGA; FRUCTUOSO SAGA, JR.; CATALINO SATO; NICANOR SATO; heirs, successors and/or assigns of EVANGELISTA SELDORA; EMILIO SILVA; LEONARDO SISON; heirs, successors and/or assigns of JOSE TALEON; MANUEL TALEON; ALBERTO TANIACAO; JOSE TARDAGUELA; RAMON TARDAGUELA; ESMERALDO TERANTE; ZOSIMO TIJAMO; MELITON TOMBAGA; IGNACIO TUEREZ; JOSE TUVILLA; PEDRO VALDIVIA; heirs, successors and or assigns of ALBINO VILLAGORDA; heirs, successors and/or assigns of EDILBERTO VILLAGORDA; heirs, successors and or assigns of ANDRES VILLAR; PLACIDO VISITACION; and JOSE ZAMORA,

Respondents.

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DECISION

BARREDO, J.:

Petition for *Certiorari* and prohibition impugning the writ of execution and the garnishment made under it in Cases Nos. 134-ULP-ILO of the National Labor Relations Commission entitled Negros Occidental Free Laborers Association (NOFLA-ALU) et al. vs. Danao Development Corporation, petitioner contending that the decision being attempted to be executed is not yet final.

On February 20 ,1974, the defunct Court of Industrial Relations rendered a resolution en banc in above-mentioned Cases Nos. 134-ULP-ILO with the following dispositive portion:

“We, therefore, vote for the setting aside of the Decision of the Trial Court, dated April 11, 1972, in the above entitled cases, and, consequently, to find the respondents guilty of the unfair labor practice acts complained of, with the affirmative relief of reinstatement of complainants to their former or substantially equivalent positions, with back wages from the date of dismissal up to the date when this case was submitted for decision before the Trial Court, and the grant of their specific reliefs prayed for.”

Said resolution was appealed to the Supreme Court in G R Nos. L-38407 and L-38408, where it was affirmed on June 7, 1974.

On October 16, 1974, the Court of Industrial Relations issued the corresponding writ of execution for the reinstatement thus ordered of the 119 complainants. Later, an alias writ was issued and according to the return of the sheriff dated February 21, 1975, he was unable to effect any reinstatement. Incidentally, in that report, the sheriff stated that of the 119 supposed complainants, only seventy (70) were available at the time of service and that fifteen (15) of the 119 were already dead. The names of the seventy who were available were listed as follows:

- | | |
|----------------------|---------------------------|
| “1. Valdevia, Pedro | 24. Intes, Rufino |
| 2. Saga, Fructuoso | 25. Artajo, Benjamin |
| 3. Silva, Emilio | 26. Libongcogon, Dioscoro |
| 4. Leyte, Victorino | 27. Chiva, Serafin |
| 5. Tijamo, Simplicio | 28. Cavertet, Felipe |

- | | |
|--------------------------|---------------------------|
| 6. Custodio, Domingo | 29. Sison, Leonardo |
| 7. Malagsic, Jesus | 30. Sato, Catalino |
| 8. Alsado, Aniceto | 31. Mahilum, Fortunato |
| 9. Mabilog, Jose | 32. Terante, Esmeraldo |
| 10. Pesanon, Casiano | 33. Patiño, Hermogenes |
| 11. Cabahug, Francisco | 34. Carvellida, Artemio |
| 12. Cajucson, Serafin | 35. Macapas, Moises |
| 13. Tardaguela, Joge | 36. Aranda, Dominador |
| 14. Tardaguela, Ramon | 37. Visitacion, Placido |
| 15. Lumapay, Panfilo | 38. Batigas, Jeorge |
| 16. Japitan, Dioscoro | 39. Peña, Salustiano dela |
| 17. Artajo, Cirilo | 40. Aluran, Jesus |
| 18. Fortuna, Lorenzo | 41. Macapas, Herminigildo |
| 19. Malupay, Galo | 42. Gempesala, Dominador |
| 20. Peña, Sergio dela | 43. Diamante, Felizardo |
| 21. Castillo, Alfredo | 44. Centina, Eduardo |
| 22. Pesanon, Ricaredo | 45. Jugadora, Jose |
| 23. Laceres, Ruperto | 46. Palma, Ignacio |
| 47. Artajo, Roman | 59. Japitan, Sergio |
| 48. Gracia, Dominador | 60. Baynosa, Manuel |
| 49. Maglasang, Victor | 61. Racho, Nemesio |
| 50. Bia-is, Mariano | 62. Pesanon, Balbino |
| 51. Dalogdog, Catalino | 63. Cemino, Domingo |
| 52. Malupay, Roman | 64. Dogomeo, Hilarion |
| 53. Benignos, Pacifico | 65. Liugan, Felomino |
| 54. Bernancillo, Teofilo | 66. Sato, Nicanor |
| 55. Aranda, Cesar | 67. Alsado, Alejandro |
| 56. Leyte, Juanito | 68. Artajo, Samuel |
| 57. Diama, Igmedio | 69. Bi-ay, Roberto |
| 58. Aluran, Simplicio | 70. Amora, Andres” |
- (page 102, Record.)

When the Court of Industrial Relations was abolished, the implementation of the portion of that decision referring to backwages was transferred to the National Labor Relations Commission, herein public respondent. On January 23, 1975, Mr. Aurelio Cruz, formerly of the Examining Division of the defunct Court of Industrial Relations was directed by the Commission to proceed to the premises of petitioner Danao Development Corporation at Toboso, Negros Occidental, to make the necessary computation of the backwages

ordered to be paid to the complainants. On March 14, 1975, Mr. Cruz submitted a partial report, the significant details of which are:

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- “3. The amounts appearing opposite the individual names of the complainants represent the backwages for the period during milling season only. The backwages corresponding to the off-milling season for the period of the backwages are not included in this partial report of examiner.
- “4. Also, not included in this partial report of examiner are the earnings elsewhere, if there are any, of the individual complainants for the period from the date of dismissal up to March 20, 1972, and the money value of the rights, benefits and privileges enjoyed.
- “5. The records of the respondent corporation show that the complainant Macario Macapas was not dismissed from the service. He continued rendering his services until he stopped working on December 1, 1970.
- “6. In the operation of the sugar central, the monthly employees work during milling season and also during the off-milling season. However, there are daily workers who render their services during the milling and off-milling season. There are daily workers who render their services during milling season but on rotation basis (15/15) during off-milling season. There are also daily workers who do not work during off-milling season.

Shown below are the crop years (Milling Season) of the respondent corporation for the years 1963 to 1973.

CROP YEAR START OF MILLING END OF MILLING

1962-63	Dec. 5, 1962	June 24, 1963
1963-64	Jan. 8, 1964	Sept. 21, 1964
1964-65	Jan. 8, 1965	Aug. 10, 1965
1965-66	Dec. 8, 1965	June 2, 1966

1966-67	Dec. 7, 1966	June 24, 1967
1967-68	Jan. 3, 1968	July 14, 1968
1968-69	Jan. 6, 1969	July 7, 1969
1969-70	Dec. 3, 1969	Sept. 7, 1970
1970-71	Dec. 2, 1970	Nov. 15, 1971
1971-72	Jan. 5, 1972	June 30, 1972
1972-73	Dec. 6, 1972	June 30, 1973

“7. In the determination and computation of the back wages of the individual complainants for the period, the increases given to the employees and daily workers by the respondent sugar central were taken into consideration. Indicated hereunder are the increases given by respondent to all the employees and daily workers during the period covered by the backwages:

DAILY RATES DATES MONTHLY RATES

P 4.00	1963	P —
4.30	Jan. 1964	250.00
5.50	Mar. 16, 1964	255.00
6.00	Apr. 21, 1965	272.50
6.20	Jan. 3, 1968	300.00
8.00	June 17, 1970	395.00
11.00	Sept. 24, 1972	—
12.10	Sept. 1, 1974	—

“8. There were complainants who died during the period covered by the backwages from the dab of dismissal up to March 20, 1972. Attached herewith are copies of the death certificates of the dead complainants. Shown below are the names of the dead complainants:

1. Alsado, Simplicio— Died Nov. 2, 1986 — 40 yrs.
2. Marcella, Reynaldo— Feb. 22, 1966 — 29 yrs.
3. Taleon, Jose — April 20, 1966 — 74 yrs.
4. Burong, Nicolas— April 29, 1966 — 53 yrs.
5. Seldura, Evangelista— Oct. 16, 1966 — 48 yrs.
6. Villar, Andres— March 29, 1967 — 67 yrs.
7. Dogomeo, Victoriano— Sept. 27, 1989 — 61 yrs.

8. Sison, Manuel— Jan. 7, 1970 — 68 yrs.
 9. Panla-an, Fulgencio— Aug. 10, 1970 — 61 yrs.
 10. Claraga, Rogelio— Nov. 22, 1970 — 30 yrs.
 11. Perfecio, Felimon— Feb. 16, 1971 — 69 yrs.
 12. Bernacer, Narciso— March 12, 1971 — 61 yrs.
 13. Villagorda, Edilberto— Sept. 4, 1971
 14. Villagorda, Albino— Jan. 28, 1973
 15. Panla-an, Cayetano— May 16, 1973 — 74 yrs.
- “9. The management of the respondent sugar central furnished the undersigned a partial list of names of the complainants who reached the age of sixty (60) during the period covered by the backwages. According to them, the employee is retired from the service upon reaching the age of sixty (60). Shown below are the names of the complainants who reach the age of 60. This particular matter was not taken into consideration in the competition and is not included in this partial report of examiner.

<u>NAMES</u>	<u>DATE OF BIRTH</u>
1. Alsado, Aniceto	July 7, 1907
2. Alsado, Alejandro	May 14, 1907
3. Cabahug, Francisco	April 2, 1912
4. Dogomeo, Hilario	April 15, 1913
5. Gempesala, Dominador	Sept. 18, 1912
6. Jugadora, Jose	March 19, 1903
7. Liugan, Filomeno	Nov. 11, 1906
8. Leyte, Juanito	Feb. 14, 1912
9. Maglasang, Victor	April 15, 1912
10. Pesanon, Casiano	Aug. 10, 1905
11. Peña, Salustiano dela	June 5, 1904
12. Sato, Nicanor	Jan. 17, 1901
13. Tardaguella, Ramon	March 5, 1906
14. Tejano, Zosimo	June 5, 1905
15. Visitacion, Placido	Oct. 5, 1905

- “10. In the determination and computation of the money value of the backwages of the individual complainants for the period covered, the procedure used are as follows:

- a. The rates and its increases were determined from the records of respondent;
- b. The number of days of the milling season corresponding to the given rate was determined from the calendar for years 1963-1972;
- c. To arrive at the amount of the backwages, the rates is multiplied by the number of days during the milling season for the period.

“Shown below is an illustration of the determination and computation of the money value of the backwages:

1. <u>Agravante, Felizardo</u>	<u>Rate</u>	<u>Days</u>	<u>Amount Due</u>
June 24/63-Mar. 15/64	P4.60	68	P 312.80
Mar. 18/64-Apr. 20/65	5.50	293	1,611.50
Apr. 21/65-Jan. 2/68	6.00	494	2,964.00
Jan. 3/68-June 16/70	6.20	568	3,521.60
June 17/70-Mar. 20/72	8.00	508	<u>4,064.00</u>
Total Amount			P12,473.90 =====

“11. The total amount of the money value of the backwages of the 118 individual complainants for the period from the date of dismissal up to March 20, 1972, the date the case was submitted for decision by the Trial Court, will amount to P1,449,742.90. This amount represents the total backwages due during the milling season only.” (pp. 34-37, Rec.)

Reacting to this report, petitioner filed a motion on March 19, 1975 asking the respondent Commission to order Mr. Cruz to proceed to Toboso again to complete big report. This motion was seemingly granted, and so Mr. Cruz, after going back to Toboso and making further inquiries, submitted another report on April 29, 1975 as follows:

“In compliance with the Order of this Commission, dated March 21, 1975, directing the undersigned to proceed to the Office of the respondent Danao Development Corporation at Bacolod City, in order to determine and compute the money value of the backwages of the claimants, this report is hereby most respectfully submitted:

- “1. The undersigned has submitted to this Commission on March 14, 1975, a partial report in the amount of P1.449,742.90 representing the backwages of the 119 claimants during the milling season only. Said report also states, that the backwages of the claimants during the off-milling season, the earnings elsewhere, if there are any, and the money value of the rights, benefits and privileges were not included therein.
- “2. The computation of the money value of the back wages during off-milling season of the claimants cannot be submitted in this report of examiner, because the records for the years 1963 and 1964 were not available for examination. Management reasoned out that the payrolls for the years 1963 and 1964 were brought to Cebu City when there were hearings conducted in said place. Some of the payrolls were presented as exhibits in the instant case and the rest were kept in the bodega of C.I.T. That the location of the records cannot be pinpointed at the time of the examination by the undersigned.
- “3. Likewise, the earnings elsewhere of the claimants cannot be submitted and is not included in this report. According to the management, there were claimants who have worked elsewhere, and that the gathering of the data have not been completed by them.

“4. The employees and workers of the respondent are given mid-year and end-year bonus and they have been enjoying their vacation and sick leaves. The daily workers are given 13 days mid-year bonus and 13 days end-year bonus. while the monthly employees were given one half month mid-year bonus and one-half month end-year bonus. Shown below is a representative illustration of the determination and computation of the money value of the bonus of the claimants:

Name: — Agravante, Felizardo

Period: —

June 24, 1963	—	P4.60
March 16, 1964	—	5.50
April 21, 1965	—	6.00
January 3, 1968	—	6.20
June 17, 1970	—	8.00

Computation:

1963 — 4.60 x 26 =	P119.60
1964 — 5.50 x 26 =	143.00
1965 — 6.00 x 26 =	156.00
1966 — 6.00 x 26 =	156.00
1967 — 6.00 x 26 =	156.00
1968 — 6.20 x 26 =	161.20
1969 — 6.20 x 26 =	161.20
1970 — 8.00 x 26 =	208.00
1971 — 8.00 x 26 =	<u>208.00</u>
Total amount	P1,469.00
	=====

“5. The money value of the mid-year (June) and end-year (December) bonus of the claimants for the period from the date of dismissal of the individual claimants up to March 20, 1972, the

date the case was submitted for decision before the Trial Court, will amount to P161,347.55. For details, please refer to Appendix '1' attached in this report." (Pp. 43-45, Record.)

In the meanwhile, on March 20, 1975, complainants filed with respondent Commission a motion for issuance of writ of execution, which was granted, hence a partial writ of execution dated April 1, 1976 was issued.

Before said partial writ of execution was issued, on April 14, 1975, a purported compromise agreement was entered into as follows:

"BASIC AGREEMENTS ENTERED BETWEEN DANA O DEVELOPMENT CORPORATION REPRESENTED BY ATTYS. FRANCISCO RELLORAZA, JR. AND REGELIO MENDIOLA AND NEGROS OCCIDENTAL FREE LABORERS ASSOCIATION (NOFLA-ALU), REPRESENTED BY ATTYS. DEMOCRITO T. MENDOZA AND ZOILO V. DE LA CRUZ, JR.

"KNOW ALL MEN BY THESE PRESENTS:

"This agreement, made this 14th day of April, 1975, at the City of Manila, Philippines, by and between the DANA O DEVELOPMENT CORPORATION, represented by Attys. Francisco Relloraza, Jr. and Rogelio Mendiola and the NEGROS OCCIDENTAL FREE LABORERS ASSOCIATION (NOFLA-ALU)," represented by Attys. Democrito T. Mendoza and Zoilo V. de la Cruz Jr., witnesseth:

"That pursuant to the Decision of the National Labor Relations Commission in Cases Nos. 184-ULP-ILO and 144-ULP-Iloilo, the parties have agreed as follows:

I. — REINSTATEMENT

It has been agreed that the following shall be the procedure for the reinstatement of the workers involved in Cases Nos. 134-ULP Iloilo and 144-ULP-Iloilo:

1. Immediate reinstatement of employees involved except (a) those who are physically disabled who will be given benefits which shall be subject to further negotiations, (b) those who have reached the age of 65 years or over who shall be given benefits which shall be subject to further negotiation, and (c) those who have died in the meantime.

II. COMPUTATION OF BACK WAGES

It has been agreed that for the computation of back wages and other benefits, the company shall appoint the company accountant, Mr. Lourcente Tigas, and the union will appoint its own accountant, Mr. Claudio Y. Tolo, who would work together in the computation of all benefits in accordance with the decision of the aforementioned cases, which shall be done at the earliest possible time. In case of disagreement between the two, then the issues involved shall be elevated to the company representative, Atty. Democrito T. Mendoza. In case the amount involved would be such as to place the company in precarious financial situation, it is agreed that the company and the union representative shall discuss the matter of payments by schedule.

“IN WITNESS WHEREOF, the parties herein have caused these agreement to be signed on the date and place first hereinabove written.

“DANA O DEVELOPMENT
CORPORATION

(SGD.)

FRANCISCO RELLORZA, JR.

(SGD.)

ROGELIO MENDIOLA.

NEGROS OCCIDENTAL FREE
LABORERS ASSOCIATION

By: (NOFLA-ALU)

By:

(SGD.)

DEMOCRITO T. MENDOZA

(SGD.)

ZOILO V. DELA CRUZ, JR.”

And because respondent sheriff, acting evidently in pursuance of the alias writ of execution of April 1, 1975, proceeded to garnish all the bank funds of petitioner, “paralyzing” allegedly, “its operations, disabling it from paying not only its officers but, most of all, its poor and needy employees, endangering the necessary operation of the central of the now instant petitioner, thereby sabotaging the sugar productivity program of President Ferdinand E. Marcos”, petitioner has come to this Court for the remedies earlier stated. As a matter of prudence and its appearing to the Court that prima facie the questioned execution is not exactly in accordance with existing applicable jurisprudence and approved practice, We issued a restraining order on May 30, 1975, even as respondents were required to comment on the petition. By resolution of July 14, 1975, the “Comments” of respondents were deemed as their respective answers and We set the case for hearing. At the hearing on September 8, 1975, the Court inquired if there was possibility of the parties arriving at an

expeditious procedure of effecting the payment of the claims of complainants pursuant to the decision of the Industrial Court of February 20, 1974. After an exchange of views, the Court issued the following resolution:

“When this case was called for hearing this morning, Atty. Manuel B. Tomacruz, assisted by Atty. Francisco Rilloraza, Jr., appeared and argued for the petitioner while Atty. Januario T. Seno appeared and argued for the respondents. Thereafter, the Court Resolved to require the parties to SUBMIT a joint manifestation within fifteen (15) days from today.”

However, nothing came out of the purported amicable settlement, since Atty. Januario T. Seno, counsel for respondent association, was able to secure authority to represent the individual complainants from no more than fifty-nine (59) of them as reported by him to the Court in his Manifestation of October 14, 1975.

Worse, the proceedings have been complicated by allegations of contempt by both parties. To get the best picture of the actual situation and to enable Us to evolve the most equitable and expeditious formula to effect the complete termination of the controversy between the parties which has been pending for almost a decade and a half, the Court reset the case for hearing on January 25, 1978 at which the parties appeared thru their respective counsels, Atty. Manuel B. Tomacruz, for the petitioner, Atty. Januario T. Seno, for the private respondent, and Solicitor Ramon A. Barcelona, for the public respondent. After getting further enlightenment from the facts and arguments advanced at said hearing, the Court declared the case and all incidental matters submitted for decision.

The main issue submitted for Our determination is whether or not under the circumstances obtaining as of April 1, 1975, it was legal and proper for respondent Commission to issue the impugned alias writ of execution. After mature deliberation, We are persuaded to resolve as We do resolve the said issue in the negative.

It is readily evident from the very nature of the Industrial Court's judgment of February 20, 1974 that whereas, the portion thereof regarding reinstatement was capable of immediate execution after the

Supreme Court's decision affirming the same had become final, hence the writ of execution of the Industrial Court of October 16, 1974 was in accordance with law, it is equally obvious that the backwages aspect thereof could not be the object of execution until the respective amounts due to all the complainants has been duly ascertained in a manner wherein both parties have been duly heard. By its very nature, a judgment ordering payment of backwages does not necessarily contemplate a simple and straight computation of the corresponding wages of the prevailing claimants on the basis of the number of days or months from the date of unlawful dismissal to the date of reinstatement or the date fixed by the Court. There are other factors which must be indispensably looked into also, such as, for example, whether or not the workers ordered reinstated have worked elsewhere during the period of layoff, in order that the wages corresponding to the number of days they have so worked may be deducted from the award. Besides, some of them might have died already or have become retireable. We hold, therefore, that the usual concept of finality which makes a judgment executory does not attach to judgments of the nature herein concerned. In a sense, such a judgment is incomplete until after the definite amounts of backwages due the respective claimants have been finally settled, albeit, as a matter of social justice and expediency, such determination may be made individually if feasible, and the execution carried out as the computation for each worker is finished, assuming that there would be considerable delay in the computation of the respective amounts for the others.

In the case at bar, petitioner aptly points out that similar circumstances which would vary the amount of wages to be paid to respondent claimants are indicated in the very partial report itself of Mr. Aurelio Cruz which respondents insist should be the basis of execution. In said partial report, it is plainly stated that, among others, it does not include (1) "this earnings elsewhere, if there are any, of the individual complainants for the period" in issue and (2) the fact that about fifteen (15) of the complainants had reached their age of retirement during said period, even as We note that apparently it reflects corresponding adjustments of the amounts to be paid to some fifteen (15) complainants who have died in the meanwhile. On the other hand, also, Mr. Cruz' report emphasizes that "in the determination and computation of the backwages of the individual

complainants for the period, the increases given to the employees and daily workers by the respondent sugar central were taken into consideration.” This is quite a controversial point, inasmuch as the judgment being executed in this case is silent in that respect. Again, “the backwages corresponding to the off-milling season for the period of the backwages are not included in this partial report of examiner”, according to said report. All these relevant factors, as already stated, affect the possibility or not of execution.

Petitioner’s position is that until these matters are properly determined, any writ of execution would be premature. While such a pose is not totally correct, since there might be claimants whose cases were individually clear as not to require further inquiry, We are of the considered view that since in this particular case, respondents themselves seem to be more interested on an over-all settlement, the proper procedure to be observed here is to pass on all of the relevant issues raised by petitioner before execution should issue. But necessarily, these would involve quite a long and tedious process, what with the evidence that each party would have to present, even if the guidelines We set forth in *East Asiatic Company Ltd. v. Court of Industrial Relations*, 40 SCRA 521, of mutual openness by both laborers and management were to be observed.

At this juncture, it must be stated that according to petitioner, the procedure to be followed in determining the amount of backwages in this case has already been agreed upon by the parties in the compromise agreement quoted earlier in this decision. On the other hand, respondents contend that there is no proof whether on the face of that document or independent thereof of the authority of the signatories thereto to legally represent the parties herein, particularly, the individual complainant workers, who, because what are involved here are backwages due each of them separately, cannot be represented by their union or association. We are more inclined to accept respondents’ proposition. It is in consonance with the standing rulings of this Court.^[1] Indeed, the best way to protect laborers who have money claims is not to recognize any settlement or compromise affecting the same without their personal and individual consent, even when in the litigation they are represented by any union or association or counsel. Accordingly, without in any manner casting any doubt as to the intentions and capacity of union leaders, but

merely to accord to labor the maximum of protection which the Constitution ordains they should be given, We rule that the compromise agreement invoked by petitioner is not legally effective for the purposes of this case.

It is about time the decision in question were fully implemented. Fifteen years is a long time not only for labor but even for management. The hardships and privations suffered by complainants during all these years can hardly be imagined. On the other hand, industrial development and economic growth are impossible where extended litigations plague labor-management relations in any sector of the country. For Us to allow the parties here to continue protracting their differences can only weaken the faith of the working classes in Our judiciary's capacity to give them justice and equity when they most need it. Precisely to preserve that nature of controversies wherein variant factors in determining the rightful amount of backwages for each individual will entail another more or less lengthy and complicated procedure to be added to the years of litigation on the basic issues, which due to varied and not easily surmountable factors are often very long and complicated, the Court has evolved a policy in such cases to just grant a straight award for a reasonable period, say three years, regardless of the actual number of years of lay-off, thereby relieving the parties from the work, time and expenses needed to prove circumstances that would otherwise go into the exact determination of what is due, such as, who have died and under what circumstances, who would have been retired, who have worked elsewhere in the meantime and how much they earned, how many and what amount of increases would have been due them; how many days of work were actually possible, and a number of other details depending on the kind of business or industry the employer is engaged in. We enunciated this policy in 1974 and have adhered to it since then.^[2] We believe that it would be best for all concerned herein to apply the same policy in this case, with the qualification that instead of fixing the amount of the backwages to be paid by petitioner on the basis of the rate of wages in 1963, the year of dismissal, or at P4.00 a day, it must be at the rate of P8.00 a day, the prevailing legal rate on March 20, 1972, the date of submission of the case to the trial court as fixed in the subject judgment.

Before closing, We cannot help but admonish both parties and their respective counsel that unfortunate instances like this should be avoided. Awards in favor of laborers, specially those gained after extended litigation, must be attended with complete mutual openness and in the best of faith, to the end that the most accurate computation of the amount thereof may be terminated soonest. It is the inescapable duty of the management to immediately lay its books open for inspection by the executing officers and their assistants and to otherwise furnish them with all pertinent correct information needed for the purpose. Equally are the laborers under obligation to reveal without loss of time and in good faith the facts, of their own peculiar knowledge, which are relevant to the investigation, such as, inter alia, the circumstances of other employment during the lay-off period. Actually, in cases of this nature, the parties need not wait for formal writs of execution, whether of the order of reinstatement or the judgment on backwages. Obedience to and compliance with the orders of the appropriate authority once final under the law should be spontaneous and prompt. Only thus can there be real social justice.

Finally, it bears making it unmistakably clear here that the beneficiaries in this case are the individual claimants or complainants themselves. Nothing short of personal acknowledgments on their part may be deemed as legal satisfaction of this judgment. The union to which they belong and their counsel can only assist them; they cannot decide for them, even as they are entitled to their corresponding dues and fees in accordance with the by-laws and the corresponding contract for services.

WHEREFORE, the petition herein is granted and the alias writ of execution and garnishing in question, as above indicated, are hereby set aside.

By way of final execution of the aforementioned judgment of the Court of Industrial Relations in Cases Nos. 134-ULP-ILO and 144-ULP-ILO, petitioner is hereby ordered to pay individually the complainants above referred to backwages at the rate of P8.00 a day for the number of days each year, for three years, that in the normal course before they were dismissed they used to be paid during season and off-season, with the corresponding bonuses and other benefits they used to be entitled to.

With this judgment, We deem it unnecessary to pass on the contempt charges herein which can only give rise to more animosities and strained relations between the parties likely to generate further litigation.

No costs.

Fernando, J., (Chairman), Antonio, Aquino and Santos, JJ., concur.

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- [1] ESSO Phil., Inc. vs. Malayang Manggagawa sa ESSO, et al., L-36545, January 26, 1977, 76 SCRA 73; Bulakeña Restaurant & Caterer vs. CIR, L-26796, May 25, 1972, 45 SCRA 87; Kaisahan Ng Mga Manggagawa Sa La Campana vs. De Los Angeles, L-30798, Nov. 26, 1970, 36 SCRA 142; La Campana Food Products, Inc. vs. CIR. L-27907, May 22, 1969, 28 SCRA 314.
- [2] Mercury Drug Co. vs. CIR, April 30, 1974; NASSCO vs. CIR, June 28, 1974; Almira vs. Goodrich, July 25, 1974; Feati University Club vs. Feati University, Aug. 15, 1974; RCPI vs. Phil. Communications Electronics & Electricity Workers Federation (FCWF), 65 SCRA 82.