

[Commonwealth Act No. 103, October 29, 1936]

AN ACT TO AFFORD PROTECTION OF LABOR BY CREATING A COURT OF INDUSTRIAL RELATIONS EMPOWERED TO FIX MINIMUM WAGES FOR LABORERS AND MAXIMUM RENTALS TO BE PAID BY TENANTS, AND TO ENFORCE COMPULSORY ARBITRATION BETWEEN EMPLOYERS OR LANDLORDS, AND EMPLOYEES OR TENANTS, RESPECTIVELY; AND BY PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS ORDERS.

Be it enacted by the National Assembly of the Philippines:

Chapter I.—Organization of the Court

SECTION 1. *The Judge: his appointment, qualifications, compensation, tenure.*—There is hereby created a Court of Industrial Relations, which shall have jurisdiction over the entire Philippines, to consider, investigate, decide, and settle any question, matter, controversy or dispute 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, and in accordance with, the provisions of this Act. The Court shall keep a record of; all its proceedings and shall be presided over by a Judge to be appointed by the President of the Philippines with the consent of the Commission on Appointments of the National Assembly. The Judge of the Court shall hold office during good behavior until he reaches the age of seventy years/or becomes incapacitated to discharge the duties of his office. His qualifications shall be the same as those provided, in the Constitution for members of the Supreme Court and he shall receive an annual compensation of ten thousand pesos and shall be entitled to traveling expenses and per diems when performing official duties outside of the City of Manila. The Department of Justice shall have executive supervision over the Court.

SEC. 2. *The oath of the judge.*—Before entering upon the discharge of the duties of his office, the Judge of the Court shall take and subscribe an oath of office before an official authorized by law to administer oaths, wherein he shall declare, in addition to the matters prescribed in section 23 of the Administrative Code and in the Constitution of the Philippines, that he shall faithfully and impartially perform the duties of his office, and that, except in the discharge of his duties, he will not disclose to any person any evidence or other matter brought before the Court.

SEC. 3. *The Clerk of the Court; other personnel.*—The Judge of the Court shall appoint and fix the compensation of the Clerk of the Court, and of such other officers, employees, and technical staff as may be necessary, subject to service Laws, and subject to the approval of the Secretary of Justice: Provided, however, That the maximum yearly salary of the Clerk of the Court shall be five thousand pesos.

CHAPTER II.—Powers and Duties of the Court

SEC. 4. *Strikes and lockouts.*—The Court shall 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

regards wages, shares or compensation, hours of labor or conditions of tenancy or employment, between employers and employees or laborers and between landlords and tenants or farm-laborers, provided that the number of employees, laborers or tenants or farm-laborers involved exceeds thirty, and such industrial or agricultural dispute is submitted to the Court by the Secretary of Labor, or by any or both of the parties to the controversy and certified by the Secretary of Labor as existing and proper to be dealt with by the Court for the sake of public interest.

In all such cases, the Secretary of Labor or the party or parties submitting the disputes, shall clearly and specifically state in writing the questions to be decided. Upon the submission of such a controversy or question by the Secretary of Labor, his intervention therein as authorized by law shall cease.

The Court shall, before hearing the dispute and in the course of such hearing, endeavor to reconcile the parties and induce them to settle the dispute by amicable agreement. If any agreement as to the whole or any part of the dispute is arrived at by the parties, a memorandum of its terms shall be made in writing, signed and acknowledged by the parties thereto before the Judge of the Court or any official acting in his behalf and authorized to administer oaths or acknowledgments, or, before a notary public. The memorandum shall be filed in the office of the Clerk of the Court, and, unless otherwise ordered by the Court, shall, as between the parties to the agreement, have the same effect as, and be deemed to be, a decision or award.

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 cost 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 be 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.

CHAPTER III.—*Incidental Powers of the Court and Manner of Conducting Investigations*

SEC. 6. *The power to issue subpoena, etc.*—The Judge of the Court shall have the power to administer oaths in matters connected with the business of the Court; summon the parties to a controversy before the Court, issue subpoena require the attendance and testimony of witnesses and the production of such books, papers, contracts, records, statements of accounts, agreements and statements as may be

material to a just determination of the matter under investigation, take testimony in any investigation or hearing conducted in pursuance of the provisions of this Act, and delegate all such powers to any board or person who shall act in behalf of the Court. Any contempt of the orders of the Court in this regard shall be punished as in other cases of contempt of Courts of First Instance.

SEC. 7. *Where hearings may be held; and how.*—The Court shall have power to conduct hearing in any place for the determination of a question, matter or controversy within its jurisdiction, proceed to hear and determine the dispute in the absence of any party thereto who has been summoned or served with notice to appear, conduct its proceedings or any part thereof in public or in private; adjourn its hearings to any time and place, refer any technical matter or matters of account to an expert and to accept his report as evidence, direct parties to be joined or stricken out from the proceedings, correct, amend or waive any error, defect or irregularity, whether in substance or in form; extend any prescribed time; give all such directions as it may deem necessary or expedient in the determination of the dispute before it; and determining the dispute or part thereof, where it is trivial or where further proceedings by the Court are not necessary or desirable.

SEC. 8. *Assessors.*—Employers and employees or laborers and landlords and tenants or farm-laborers directly concerned with any matter under or to be submitted to the consideration of the Court may petition for the appointment of assessors, and the Court, when satisfied of the interest of the petitioners in the controversy, may appoint at any stage of the proceedings assessors not exceeding three for the employers or landlords, and an. equal number of assessors for the employees, laborers or tenants, from the lists of candidates to be submitted by the parties concerned. The assessors will serve without compensation or allowance whatsoever.

SEC. 9. *Boards of inquiry.*—Whenever necessary in his opinion, the President of the Philippines may appoint boards of inquiry in different localities to assist the Court in the performance of its duties under the provisions of section five hereof. A local board of inquiry shall be composed of the following members: not more than six from among a list of nominees to be submitted by employers or landlords, an equal number from a list submitted by the employees, laborers, tenants or farm-laborers, and not more than three experts in sociology, welfare work, labor problems or industrial and agricultural economics and administration: *Provided*, That if within fifteen days after requesting them to do so, the parties concerned fail to submit the list of nominees above mentioned, the President may appoint in their stead such persons as in his judgment may represent the parties failing to submit such nominees. The chairman of the board shall be designated by the President from among the experts. The majority of the board shall constitute a *quorum* to do business, and the affirmative vote of the majority of all the members present shall be necessary to the approval of any proposition. The members of the board shall receive no compensation but they shall be paid their traveling expenses. The boards of inquiry shall be charged with the duty of investigating and determining the facts in any given case, and their report and decision shall be deemed as only advisory.

SEC. 10. *Reference to public officials:*—For the sake of expediency and depending on the nature and extent of the facts and questions involved, the Court may refer any industrial or agricultural dispute, or any matter under consideration or advisement by the Court under the provisions of section four hereof to a local board of inquiry, a provincial fiscal, a justice of the peace or any public official in any part