SUPREME COURT
EN BANC

PHILIPPINE ASSOCIATION OF FREE LABOR UNIONS (PAFLU), SOCIAL SECURITY SYSTEM EMPLOYEES ASSOCIATION-PAFLU, ALFREDO FAJARDO AND ALL THE OTHER MEMBERS AND OFFICERS OF THE SOCIAL SECURITY EMPLOYEES ASSOCIATION-PAFLU,
***Petitioners*,**

-versus-

G.R. No. L-22228
February 27, 1969

THE SECRETARY OF LABOR, THE DIRECTOR OF LABOR RELATIONS, AND THE REGISTRAR OF LABOR ORGANIZATIONS,
***Respondents*.**
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D E C I S I O N

CONCEPCION, *J.*:

Petitioners Pray for Writs of *Certiorari* and Prohibition to Restrain respondents, the Secretary of Labor, the Director of Labor Relations and the Registrar of Labor Organizations, from enforcing an order of cancellation of the registration certificate of the Social Security System Employees Association — hereinafter referred to as the SSSEA — which is affiliated to the Philippine Association of Free Labor Unions — hereinafter referred to as PAFLU — as well as to annul all proceedings in connection with said cancellation and to prohibit respondents from enforcing Section 23 of Republic Act No. 875. Petitioners, likewise, pray for a writ of preliminary injunction pending the final determination of this case. In their answer, respondents traversed some allegations of fact and the legal conclusions made in the petition. No writ of preliminary injunction pendente lite has been issued.

It appears that on September 25, 1963, the Registrar of Labor Organizations — hereinafter referred to as the Registrar — issued a notice of hearing, on October 17, 1963, of the matter of cancellation of the registration of the SSSEA, because of:

> "1. Failure to furnish the Bureau of Labor Relations with copies of the reports on the finances of that union duly verified by affidavits which its treasurer or treasurers rendered to said union and its members covering the periods from September 24, 1960 to September 23, 1961 and September 24, 1961 to September 23, 1962, inclusive, within sixty days of the 2 respective latter dates, which are the end of its fiscal year; and
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> "2. Failure to submit to this office the names, postal addresses and non-subversive affidavits of the officers of that union within sixty days of their election in October (1st Sunday), 1961 and 1963, in conformity with Article IV(1) of its constitution and by-laws."

In violation of Section 23 of Republic Act No. 875. Counsel for the SSSEA moved to postpone the hearing to October 21, 1963, and to submit then a memorandum, as well as the documents specified in

the notice. The motion was granted, but nobody appeared for the SSSEA on the date mentioned. The next day, October 22, 1963, Manuel Villagracia, Assistant Secretary of SSSEA, filed, with the Office of the Registrar, a letter dated October 21, 1963, enclosing the following:

1. Joint non-subversive affidavit of the officers of the SSS Employees' Association — PAFLU;

2. List of newly elected officers of the Association in its general elections held on April 29, 1963; and

3. Copy of the amended constitution and by-laws of the Association.

Holding

"1. That the joint non-subversive affidavit and the list of officers mentioned in the letter of Mr. Manuel Villagracia were not the documents referred to in the notice of hearing and made the subject matter of the present proceeding; and

"2. That there is no iota of evidence on records to show and/or warrant the dismissal of the present proceeding."

On October 23, 1963, the Registrar rendered a decision cancelling the SSSEA's Registration Certificate No. 1-IP-169, issued on September 30, 1960. Soon later, or on October 28, 1963, Alfredo Fajardo, president of the SSSEA moved for a reconsideration of said decision and prayed for time, up to November 15, within which to submit the requisite papers and data. An opposition thereto having been filed by one Paulino Escueta, a member of the SSSEA, upon the ground that the latter had never submitted any financial statement to its members, said motion was heard on November 27, 1963. Subsequently, or on December 4, 1963, the Registrar issued an order declaring that the SSSEA had "failed to submit the following requirements to wit:

"1. Non subversive affidavits of Messrs. Teodoro Sison, Alfonso Atienza, Rodolfo Zalameda, Raymundo Sabino and

Napoleon Pefianco who were elected along with others on January 30, 1962.

"2. Names, postal addresses and non-subversive affidavits of all the officers who were supposedly elected on October (1st Sunday), of its constitution and by-laws."

And granting the SSSEA 15 days from notice to comply with said requirements, as well as meanwhile holding in abeyance the resolution of its motion for reconsideration.

Pending such resolution, or on December 16, the PAFLU, the SSSEA, Alfredo Fajardo "and all the officers and members" of the SSSEA commenced the present action, for the purpose stated at the beginning of this decision, upon the ground that Section 23 of Republic Act No. 875 violates their freedom of assembly and association, and is inconsistent with the Universal Declaration of Human Rights; that it unduly delegates judicial power to an administrative agency; that said Section 23 should be deemed repealed by ILO-Convention No. 87; that respondents have acted without or in excess of jurisdiction and with grave abuse of discretion in promulgating, on November 19, 1963, its decision dated October 22, 1963, beyond the 30-day period provided in Section 23(c) of Republic Act No. 875; that "there is no appeal on any other plain, speedy and adequate remedy in the ordinary course of law"; that the decision complained of had not been approved by the Secretary of Labor; and that the cancellation of the SSSEA's certificate of registration would cause irreparable injury.

The theory to the effect that Section 23 of Republic Act No. 875 unduly curtails the freedom of assembly and association guaranteed in the Bill of Rights is devoid of factual basis. The registration prescribed in paragraph (b) of said Section[1] is not a limitation to the right of assembly or association, which may be exercised with or without said registration.[2] The latter is merely a condition sine qua non for the acquisition of legal personality by labor organizations, associations or unions and the possession of the "rights and privileges granted by law to legitimate labor organizations. " The Constitution does not guarantee these rights and privileges, much less said personality, which are mere statutory creations, for the possession

and exercise of which registration is required to protect both labor and the public against abuses, fraud, or impostors who pose as organizers, although not truly accredited agents of the union they purport to represent. Such requirement is a valid exercise of the police power, because the activities in which labor organizations, associations and union of workers are engaged affect public interest, which should be protected.[3] Furthermore, the obligation to submit financial statements, as a condition for the non-cancellation of a certificate of registration, is a reasonable regulation for the benefit of the members of the organization, considering that the same generally solicits funds or membership, as well as oftentimes collects, on behalf of its members, huge amounts of money due to them or to the organization.[4]

For the same reasons, said Section 23 does not impinge upon the right of organization guaranteed in the Declaration of Human Rights, or run counter to Articles 2, 4, 7 and Section 2 of Article 8 of the ILO-Convention No. 87, which provide that "workers and employers,. shall have the right to establish and join organizations of their own choosing, without previous authorization;" that "workers and employers organizations shall not be liable to be dissolved or suspended by administrative authority;" that "the acquisition of legal personality by workers' and employers' organizations, shall not be made subject to conditions of such a character as to restrict the application of the provisions" above mentioned; and that "the guarantees provided for in" said Convention shall not be impaired by the law of the land.

In B.S.P. vs. Araos,[5] we held that there is no incompatibility between Republic Act No. 875 and the Universal Declaration of Human Rights. Upon the other hand, the cancellation of the SSSEA's registration certificate would not entail a dissolution of said association or its suspension. The existence of the SSSEA would not be affected by said cancellation, although its juridical personality and its statutory rights and privileges — as distinguished from those conferred by the Constitution — would be suspended thereby.

To be registered, pursuant to Section 23(b) of Republic Act No. 875, a labor organization, association or union of workers must file with the Department of Labor the following documents:

> "(1) A copy of the constitution and by-laws of the organization together with a list of all officers of the association, their addresses and the address of the principal office of the organization;
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> "(2) A sworn statement of all the officers of the said organization, association or union to the effect that they are not members of the Communist Party and that they are not members of any organization which teaches the overthrow of the Government by force or by any illegal or unconstitutional method; and
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> "(3) If the applicant organization has been in existence for one or more years, a copy of its last annual financial report."

Moreover, paragraph (d) of said Section ordains that:

> "The registration and permit of a legitimate labor organization shall be cancelled by the Department of Labor, if the Department has reason to believe that the labor organization no longer meets one or more of the requirements of paragraph (b) above; or fails to file with the Department of Labor either its financial report within the sixty days of the end of its fiscal year or the names of its new officers along with their non-subversive affidavits as outlined in paragraph (b) above within sixty days of their election; however, the Department of Labor shall not order the cancellation of the registration and permit without due notice and hearing, as provided under paragraph (c) above, and the affected labor organization shall have the same right of appeal to the courts as previously provided."[6]

The determination of the question whether the requirements of paragraph (b) have been met, or whether or not the requisite financial report or non-subversive affidavits have been filed within the period above stated, is not judicial power. Indeed, all officers of the government, including those in the executive department, are supposed to act on the basis of facts, as they see the same. This is specially true as regards administrative agencies given by law the power to investigate and render decisions concerning details related

to the execution of laws and enforcement of which is entrusted thereto. Hence, speaking for this Court, Mr. Justice Reyes (J.B.L.) had occasion to say:

> "The objections of the appellees to the constitutionality of Republic Act No. 2056, not only as an undue delegation of judicial power to the Secretary of Public Works but also for being unreasonable and arbitrary, are not tenable. It will be noted that the Act (R.A. 2056) merely empowers the Secretary to remove unauthorized obstructions or encroachments upon public streams, constructions that no private person was anyway entitled to make, because the bed of navigable streams is public property, and ownership thereof is not acquirable by adverse possession (Palanca vs. Commonwealth, 69 Phil. 449).
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> "It is true that the exercise of the Secretary's power under the Act necessarily involves the determination of some questions of fact, such as the existence of the stream and its previous navigable character; but these functions, whether judicial or quasi-judicial, are merely incidental to the exercise of the power granted by law to clear navigable streams of unauthorized obstructions or encroachments, and authorities are clear that they are validly conferable upon executive officials provided the party affected is given opportunity to be heard, as is expressly required by Republic Act No. 2056, Section 2."[7]

It should be noted, also, that, admittedly, the SSSEA had not filed the non-subversive affidavits of some of its officers — "Messrs. Sison, Tolentino, Atienza, Zalameda, Sabino and Pefianca" — although said organization avers that these persons "were either resigned or out on leave as directors or officers of the union," without specifying who had resigned and who were on leave. This averment is, moreover, controverted by respondents herein.

Again, the 30-day invoked by the petitioners is inapplicable to the decision complained of. Said period is prescribed in paragraph (c)[8] of Section 23, which refers to the proceedings for the "registration" of labor organizations, associations or unions, not to the "cancellation" of said registration, which is governed by the above-quoted paragraph (d) of the same Section.

Independently of the foregoing, we have repeatedly held that legal provisions prescribing the period within which a decision should be rendered are directory, not mandatory in nature — in the sense that, a judgment promulgated after the expiration of said period is not null and void, although the officer who failed to comply with law may be dealt with administratively, in consequence of his delay[9] — unless the intention to the contrary is manifest. Such, however, is not the import of said paragraph (c). In the language of Black:

> "When a statute specifies the time at or within which an act is to be done by a public officer or body, it is generally held to be directory only as to the time, and not mandatory, unless time is of the essence of the thing to be done, or the language of the statute contains negative words, or shows that the designation of the time was intended as a limitation of power, authority or right."[10]

Then, again, there is no law requiring the approval, by the Secretary of Labor, of the decision of the Registrar decreeing the cancellation of a registration certificate. In fact, the language of paragraph (d) of Section 23 suggests that, once the conditions therein specified are present, the office concerned "shall" have no choice but to issue the order of cancellation. Moreover, in the case at bar, there is nothing, as yet, for the Secretary of Labor to approve or disapprove, since petitioners' motion for reconsideration of the Registrar's decision of October 23, 1963, is still pending resolution. In fact, this circumstance shows, not only that the present action is premature,[11] but, also, that petitioners have failed to exhaust the administrative remedies available to them.[12] Indeed, they could ask the Secretary of Labor to disapprove the Registrar's decision or object to its execution or enforcement, in the absence of approval of the former, if the same were necessary, on which we need not and do not express any opinion.

IN VIEW OF THE FOREGOING, the petition herein should be, as it is hereby dismissed, and the writs prayed for denied, with costs against the petitioners. It is so ordered.

Reyes, Dizon, Makalintal, Zaldivar, Sanchez, Ruiz Castro, Fernando, Capistrano, Teehankee and Barredo, *JJ.*, concur.

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[1] "Any labor organization, association or union of workers duly organized for the material, intellectual and moral well-being of its members shall acquire legal personality and be entitled to all the rights and privileges granted by law to legitimate labor organizations within thirty days of filing with the office of the Secretary of Labor notice of its due organization and existence and the following documents, together with the amount of five pesos as registration fee, except as provided in paragraph 'd' of this Section."

[2] Ex parte R.J. Thomas, 174 S.W. 2d, 958-960.

[3] 167 A.L.R. 700-701.

[4] 160 A.L.R. 894-895.

[5] L-10091, January 29, 1958.

[6] Emphasis supplied.

[7] Lovina vs. Moreno, L-17821, Nov. 29, 1963. Emphasis supplied.

[8] "If in the opinion of the Department of Labor the applicant organization does not appear to meet the requirement of this Act for registration, the Department shall, after ten (10) days of notice to the applicant organization, association or union, and within thirty (30) days of receipt of the above-mentioned documents, hold a public hearing in the province in which the principal office of the applicant is located at which the applicant organization shall have the right to be represented by attorney and to cross-examine witnesses; and such hearing shall be concluded and a decision announced by the Department within thirty days after the announcement of said hearing; and if after due hearing the Department rules against registration of the applicant, it shall be required that the Department of Labor state specifically what data the applicant has failed to submit as a prerequisite of registration. If the applicant is still denied, it thereafter shall have the right within sixty days of formal denial of registration to appeal to the Court of Appeals, which shall render a decision within thirty days, or to the Supreme Court."

[9] Tanseco vs. Arteche, 57 Phil. 227; Querubin vs. Court of Appeals, 82 Phil. 226; Gutierrez vs. Aquino, L-14252, Feb. 28, 1959; Estrella vs. Edaño, L-18883, May 18, 1962.

[10] Black on the Construction and Interpretation of Laws, p. 545. Emphasis supplied.

[11] Herrera vs. Barreto, 25 Phil. 245; Uy Chu vs. Imperial, 44 Phil. 27; Manila Post Publishing Co. vs. Sanchez, 81 Phil. 614; Alvarez vs. Ibañez, 83 Phil. 104; Ricafort vs. Hon. Wenceslao Fernan, 101 Phil. 575; Cueto vs. Ortiz, L-11555, May 31, 1960; Pagkakaisa Samahang Manggagawa ng San Miguel Brewery at mga Kasangay vs. Enriquez, L-12999, July 26, 1960.

[12] Montes vs. Civil Service Board of Appeals, 101 Phil. 490; Ang Tuan Kai vs. Import Control Comm., 91 Phil. 143; Coloso vs. Board 92 Phil. 938; Miguel vs. Reyes, 93 Phil. 542; Calo vs. Fuertes, L-16537, June 29, 1962.