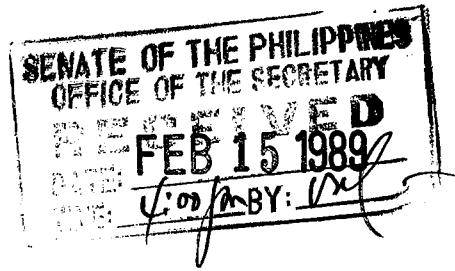


REPUBLIC OF THE PHILIPPINES  
CONGRESS OF THE PHILIPPINES  
S E N A T E  
M A N I L A



SECOND REGULAR SESSION

S. NO. 968

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Introduced by Senators Maceda and Mercado  
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**EXPLANATORY NOTE**

The Trade Union Congress of the Philippines (TUCP) has recently come out with a report that on a study made, a P22 increase in the daily minimum wage is needed to catch up with rising prices of basic goods and restore the value of real wages to 1984 levels.

The TUCP study said that the present minimum daily wage of P64 is "woefully inadequate for basic needs" in view of the 39 per cent increase in prices of goods from January 1984 to December 1988.

TUCP breaks down the P22 increase as follows:

1. P7 to account for the shortfall which came with the P10 legislated wage increase under RA 6640. TUCP said prices posted a 26.9 per cent increase from October 1984 to December 1987, requiring a corresponding P17 wage increase. The government ordered only a P10 wage increase early last year.
2. P7 to offset the 9.4 per cent increase in prices of goods from December 1987 to December 1988.
3. P8 for the projected 10 per cent price increase in 1989.

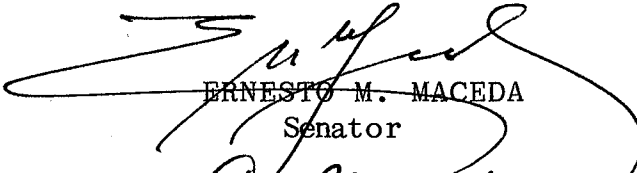
Even with a P22 increase, the study said the minimum wage would still fall short of the amount needed to feed a family of six in Metro Manila. According to the study, a family of six needs a daily allowance of P115 for meatless meals and P130 for meals with meat.


TUCP, however, admitted that an immediate wage adjustment to these levels would be disastrous. "What is advisable and realistic is to make gradual adjustments in wages in three to five years," TUCP said.

In coming up with the needed P22 increase, the study said present real wages are lower than those at any time during the previous administration. "This is compounded by the government's amazing lack of will to confront opportunists and other people who indiscriminately raise prices of goods," the study said.

We agree with the above study and justifications given by TUCP to warrant an immediate increase in the present minimum daily wage. However, we feel the increase should be limited to P20 instead of P22 as proposed. We think that the P8 (part of the breakdown of P22) allotted for the projected 10 per cent. price increase in 1989 is rather high and therefore should be cut to P6 only.

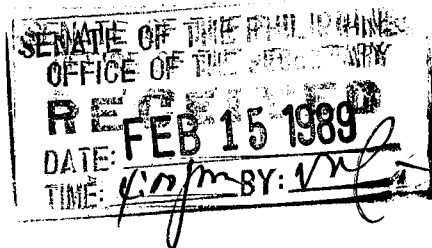
For the foregoing reasons, this bill, therefore, proposes to grant a P20 across the board increase to every employee in the private sector regardless of any category.

  
ERNESTO M. MACEDA  
Senator

  
ORLANDO MERCADO  
Senator

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AN ACT  
GRANTING TWENTY PESOS ACROSS THE BOARD INCREASE IN DAILY  
MINIMUM WAGE, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives  
of the Philippines in Congress assembled:

SECTION 1. Any provision of law to the contrary notwithstanding, an across the board increase of twenty pesos in the daily minimum wage is hereby granted to all private employees regardless of category.

SEC. 2. The Secretary of Labor shall issue the appropriate rules and regulations to implement the provisions in this Act.

SEC. 3. All laws, executive orders and other executive issuances, including any rule or regulation which are inconsistent with the provision of this Act are deemed repealed, amended or modified accordingly.

SEC. 4. This Act shall take effect immediately.

Approved,