

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. HON. MODESTO CASTILLO, ET AL., RESPONDENTS.

G.R. No. L-7175. April 27, 1956

Ponente: PARAS, C.J.

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PARAS, C.J.:

This is a petition by the Government Service Insurance System for a writ of prohibition with preliminary injunction, to enjoin Honorable Modesto Castillo, as associate judge of the Court of Industrial Relations, from hearing and further proceeding with CIR case No. 895-V, for lack of jurisdiction over the subject matter in controversy.

On February 17, 1953, the respondent Association submitted to the Board of Trustees of the petitioner fourteen demands which included, among other things, the adoption of a scale of salaries with a minimum of P200 a month, the continuation of the grant of family allowance, free hospitalization and medicine in case of sickness, extension of regular appointments to temporary and emergency employees, additional compensation at 50 per cent of basic pay for overtime work during Sundays and holidays and 25 per cent during regular days, and the creation of the positions of general manager and general actuary. As the board resolved to withhold action on the matter, the respondent association decided to declare a strike. Whereupon the Secretary of Labor called the parties to a conciliation conference wherein four of the demands were granted. Still dissatisfied, the members of the respondent association declared a strike on June 17, 1953, when the Secretary of Labor certified the dispute to the Court of Industrial Relations, becoming CIR case No. 895-V. On July 10, 1953, the petitioner filed a motion to dismiss, alleging that the members of the respondent association are civil service employees whose demands, being covered by the Civil Service Law, are outside of the jurisdiction of the Court of Industrial Relations. The court denied the motion and set the case for hearing,

The petitioner now contends that it is engaged in the performance of a governmental function of the State, and invokes the case of National Airports Corporation vs. Honorable Jose Teodoro, Sr., et al. * G. R. No. L-5122, decided on April 30, 1952. Far from supporting petitioner's case, this citation rather serves to define its status as a private concern (though of course government-owned or controlled), because it was therein ruled:

"The Civil Aeronautics Administration comes under the category of a private entity. Although not a body corporate it was created, like the National Airports Corporation, not to maintain a necessary function of government but to run what is essentially a business, even if revenues be not its prime objective but rather the promotion of travel and the convenience of the travelling public. It is engaged in an enterprise which, far from being the exclusive prerogative of the state, may, more than the construction of public roads, be undertaken by private concerns."

As a matter of fact, the petitioner (Government Service Insurance System) was created by virtue of Commonwealth Act No. 186, as amended by Republic Act No. 660, as a non-stock corporation, managed by a Board of Trustees exercising the "usual corporate powers." As a non-stock corporation, it is governed by Executive Order No. 399, otherwise known as Uniform Charter for Government Corporation, section 4 of which

grants the following general powers:

"(a) To do all such other things and to transact all such business directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the corporation; and

"(b) Generally, to exercise all the powers of a corporation under ' the Corporation, Law in so far as they are not inconsistent with the provisions of this Order."

And in *Abad Santos vs. Auditor General*, 79 Phil., 190, the petitioner was spqken of as "** * * uri verdadero negocio, una empreaa giganteca. en que estan vitalmente interesados mile's de clientes * * **", We need only add, to show, that the petitioner is in error, that its business of insurance is not inherently or exclusively a governmental function, it is on the contrary, in essence and practice, of a private nature and interest.

Petitioner's contention that the Court of Industrial Relations has no jurisdiction because the employees involved are governed by. the Civil Service Law, is likewise untenable. Our decision in *Manila Hotel Employees Association vs. Manila Hotel Company, et al.*, 73 Phil., 374, is already decisive in favor of the jurisdiction of the Court, of Industrial Relations over labor disputes affecting government-owned or controlled corporations. Commonwealth Act No. 103 (creating the Court of . Industrial Relations) does not exclude from its jurisdiction civil service employees.

It is interesting to note that in section 11 of Republic Act No.' 875 it is provided that "the terms and conditions of employment in the Government, including any political subdivision or instrumentality thereof, are governed by law and it is declared to be the policy of this Act that employees therein shall not strike for the purpose of securing changes or modification in their terms and conditions of employment"; and yet it is also provided that said section "shall apply only to employees employed in governmental functions and not to those employed in proprietary functions of the Government including but not limited to governmental corporations." This indirectly upholds the jurisdiction of the Court of Industrial Relations over the labor dispute between the petitioner and the, respondent association which gave rise to: the strike declared on June 17, 1953, considering that strikes are common coercive measures falling under and subject to said jurisdiction.

Wherefore, the petition is hereby, dismissed without pronouncement as to costs.: So ordered.

Bengzon, Monternayor, Reyes, A., Jugo, Bautista Angelo, Concepcion, Reyes, J. B. L.,, and Endencia, JJ., concur.

* 91 Phil., 203.

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