

PRICE STABILIZATION CORPORATION, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, ISAAC CHAVEZ, JUAN B. PLOPENIO, GLICEBO F. ACOSTA, REMEGIO M. KALALANG, VICENTE BADILLO AND FORTU...

G. R. Nos. L-9797 and L-9834. November 29, 1957

Ponente: PADILLA, J.

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PADILLA, J.:

These are appeals by certiorari under Rule 44 to review an order of the Court of Industrial Relations dated 22 June 1955, and another dated 28 September 1955 denying the petitioner's motion for reconsideration (G. R. No. L-9797) ; a judgment dated 10 June 1955 and a resolution in banc dated 28 September 1955, denying the petitioner's motion for reconsideration (G. R. No. L-9834), all in PRISCO , Workers Union et al. vs. Price Stabilization Corporation, CIR Case No. 840-V.

G. R. No- L-9834

In a petition filed on 18 March 1953, as amended by another dated 13 August 1953, the PRISCO Workers Union pray that after hearing the Price Stabilization Corporation be ordered to grant to its employees the following concessions:

- 25% general Increase.
- Payment for work on Sundays and Legal Holidays since 1946 (in lieu of one day off in a week) and payment of 50% additional compensation for work rendered on Sundays and Legal Holidays, effective 1946.
- 50% additional compensation for overtime work, payment of back overtime, and payment of back additional compensation for such overtime previously rendered.
- 50% additional compensation for night work (6:00 a.m. to 6:00 p.m.) and payment for additional compensation for night work rendered.
- Check-off of Union dues.
- Job Security: That no worker shall be dismissed without just cause or by reason of union activities.
- 20 minutes allowance for meals.
- Creation of a Grievance Committee (3 from the union and 3 for the management to settle labor-management disputes).
- That all Security Guards who have rendered at least six months service be made regular, permanent and monthly salaried employees, entitled to all privileges of regular monthly security guards, and
- Standardization of salaries of all security guards according to grades with the minimum salary of P200,00 a month. (Annex A.)

The respondent answered (1) that it could not grant a general increase in salaries and wages of 25 to its employees because of its poor financial condition, although it already had been paying a much higher scale of salaries and wages to its employees than that paid by other corporations; (2) that it already had granted an additional compensation of 25% of the basic salary or wage for work performed on Sundays and legal holidays and that in accordance with Resolution No. 674 of its Board of Directors, back wages for work done on Sundays and legal holidays would be paid beginning 8 June 1951 when said resolution took effect; (3) that it already had granted an additional compensation, for overtime work at the rate of 25% of the basic salary or wage from 8 June 1951 when the said resolution was approved; (4) that it could not grant additional compensation for work done at night because of its poor financial condition; (5) that it could not grant check-off of union dues because it did not want to be involved in the affairs of the union;

(6) that it had always been fair with its employees; that no employee had been dismissed without cause much less by reason of union activities; and that it had always observed the provisions of law and regulations on the matter and will comply with whatever policy the Government may subsequently adopt in connection therewith;

(7) that the grant of 20 minutes allowance for meals is contrary to civil service rules and regulations; (8) that the functions of the grievance committee sought to be established were being performed by the council of personnel administration pursuant to section 16, 'Executive Order No. 94; (9) that in granting permanent and regular status to its employees, civil service rules and regulations must be observed because it is within the scope of the civil service law; and (10) that it could not grant a minimum monthly salary of P200 to its security guards because of its poor financial condition. As special defense, it claimed that being a government-owned corporation, its budget was subject to approval by the Office of Economic Coordination and proposals concerning salaries and wages must be submitted to the said Office for approval; and that being engaged in a governmental function, the salaries and working conditions of its employees were governed by the Revised Administrative Code and other laws and regulations applicable to employees of the government. It prayed that the petition be dismissed (Annexes E. and C).

On 25 August 1953 the Court rendered a partial decision on demands Nos. 2 and 3 and ordered the respondent to—

* * * pay all its employees and workers involved herein 25% additional compensation for unpaid overtime and Sundays and legal holidays work rendered beginning' June 8, 1951.

the rest to be the subject of hearings and separate decision. Demand No. 7 for 20 minutes allowance for meals was withdrawn by the petitioners.

After hearing, on 10 June 1955 the Court rendered judgment denying demands Nos. 1, 8, 10 and that part of demand No. 3 for payment of back overtime and back additional compensation for work rendered from August 1946 to 8 June 1951; granting demands Nos. 5, 6 and 9; granting 25% additional compensation, aside from their basic salaries or wages, for work rendered on Sundays and legal holidays, from August 1946 to 7 June 1951, as regards the unresolved part of demand No. 2; and granting 25% additional compensation to those performing night work effective August 1946, as regards demand No. 4 (Annex D).

The petitioner herein sought to reconsider the judgment of the Court concerning demands Nos. 2, 4, 5 and 9 (Annex E). On 28 September 1955 the Court in banc denied the motion for reconsideration (Annex F). Hence this appeal (Annex

G. R. No. L-9797

On 1 June 1934, Isaac Chaves, Juan B. Plopenio, Glicerio F. Acosta, Remigio M. Kilalang, Vicente Badillo and Fortunate Sevilla, Jr., employees of the Price Stabilization Corporation, filed in CIR Case No. 840-V, Prisco Workers Union et al. vs. Price Stabilization Corporation, a "petition for intervention and partial reopening,"

praying that the Court issue an order—

- (a) Allowing the intervenors to intervene in the above-entitled case with respect to demands Nos. 1, 2, 3, 4 and 6 of petitioners' Consolidated Petition of August 14, 1953;
- (b) Granting the reopening of demands Nos. 2 and 5 only insofar as herein intervenors are concerned;
- (c) Allowing the intervenors to present evidence in their behalf in connection with said demands Nos. 2 and 3, giving respondent and petitioners due notice and opportunity to be heard in connection therewith;
- (d) After due hearing, declaring that herein intervenors are entitled to the benefits of the award in the partial decision of August 14, 1953; and
- (e) That demands Nos. 1, 4 and 6 be granted to include herein intervenors. (Annex A.)

On 3 November 1954, the Court allowed the respondents herein to intervene and granted the prayer for partial reopening (Annex C), over the objection of the petitioner herein (Annex B). On 1 December 1954, the petitioner herein filed its answer alleging that the petition for intervention was filed too late, considering the stage at which it was filed; that the partial decision of the Court of 25 August 1953 embraces only individual petitioners, of the petition dated 17 March 1953, which was docketed as Case No. 840-V; and that under the facts and the law, the intervenors are not entitled to what they pray (Annex D).

On 22 June 1955 the Court rendered judgment ordering the petitioner—

* * * to pay to the intervenors Isaac Chavez, Juan B. Plopenio, Glicerio F. Acosta, Remigio M. Kalalang, Vicente Badillo and Fortunato Sevilla Jr. the corresponding compensation for overtime services rendered on ordinary days and during Sundays and legal holidays, in the same manner as provided for in the Partial Decision of August 25, 1958. In consideration thereto, however, the Chief Examiner of this Court or its duly authorized representative is hereby directed to make the necessary examination of the payrolls and time records (Exhibits "E" to "L-1") and computation of the meal allowances previously paid by respondent to intervenors and to deduct the same from the compensation which intervenors ought to receive and as soon as said computation is completed, to submit his report to the Court for further disposition thereof. (Annex E.)

The petitioner herein sought to reconsider the foregoing judgment (Annexes E and F). On 28 September 1955 the Court in banc denied the motion for reconsideration (Annex G). Hence this appeal (Annex H),

The petitioner points out that—

All officers and employees of the PRISCO shall be subject to the Civil Service Law, rules and regulations, except those "whose positions may, upon recommendation of the Board of Directors and the Secretary of Economic Coordination, be declared by the President of the Philippines policy-determining primarily confidential or technical in nature;[1]

that pursuant to section 562 of the Revised Administrative Code, as amended, the legal hours of labor for employees under the civil service law, except for schools and courts, "shall be as prescribed in the civil service rules;" that under section 566 of the same Code—

When the interests of the public service so require, the head of any department, bureau or office may extend the daily hours of labor, in what manner so ever fixed, for all or any of the employees under him, and may likewise require any or all of them to do overtime work not only on workdays but also on holidays.

and section 2, Rule XV, of the Civil Service Rules and Regulations—

When the nature of the duties to be performed or the interests of the public service require it, the head of any department, bureau or office, may extend the daily hours of labor herein specified for any or all of the employees: under him * * *;

that pursuant to section 259 of the Revised Administrative Code and section 2, Rule XV of the Civil Service Rules and Regulations, no additional compensation shall be paid to the employees unless there is special provision of law authorizing such payment; and that although section 32, Commonwealth Act No. 246, provides for additional compensation for overtime service rendered by officers and employees of the National Government, "Such additional compensation shall not exceed, for any one month, the equivalent of the regular compensation, nor shall it exceed, for any one year, fifty per centum of such compensation." Section 10, Executive Order No. 350, series of 1950, and section 14, Executive Order No. 399, series of 1951, providing that officers and employees of the PRISCO are subject to the Civil Service Law, rules and regulations, except those whose positions are, upon recommendation of the Board of Directors and the Secretary of Economic Coordination, declared by the President policy-determining, primarily confidential or technical in nature, refer to the fixed tenure of office of its officers and employees who may be removed only for cause as provided by law.[1] And although a reading of the duties and functions, and the aims and purposes of the PRISCO, as provided for in section 2, Executive Order No. 350, series of 1950, and paragraph 13, Annex A, Executive Order No. 399, series of 1951, may lead to the conclusion that such duties and functions, and aims and purposes are governmental in character, yet they may be performed and attained by an agency of the government other than a corporation owned by it. What is more, in the operation of the corporation, which must be run and operated like any ordinary corporation, profits may be realized or losses incurred. Among- the duties and functions, and aims and purposes of the FRISCO are:

Generally to exercise all the powers of a corporation under the Corporation Law in so far as tin by are not inconsistent with the provisions of this Order.[2]

If the petitioner's contention, to wit: that as it is performing governmental functions, it is exempt from the provisions of the Eight Hour Labor Law, Commonwealth Act No. 444, is to be sustained, the inescapable conclusion is that the Court of Industrial Relations did not have jurisdiction to hear and determine the petition, filed in this case. But the petitioner is a government-owned corporation run and operated like any ordinary corporation which may realize profits and incur losses and the jurisdiction of the Court of Industrial Relations in labor disputes involving government-owned corporations is recognized.[3] Moreover, it is a well-established doctrine that when the Government engages in business, it abdicates part of Its sovereign prerogatives and descends to the level of a citizen,[4] and thereby subjects itself, to the laws and regulations governing' the relation of labor and management. Additional compensation for overtime, Sundays and legal holidays' work[5] and for night time work[6] have been granted to labor. The right of check-off of union dues is obligatory upon the employer when the employees concerned duly authorize such check-off in writing.[7]

The judgments and orders under review are affirmed, without pronouncement as to costs.

Paras, C. J., Bengzon, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

[1] Section 10, Executive Order No. 350, series of 1950, creating the Price Stabilization Corporation, 46 Off. Gaz. 4660, 4663. See also section 14, Executive Order No. 399, series of 1951, providing for a uniform charter for government corporations, 47 Off. Gaz. 7, 10.

[1]NARIC vs. NAHIC Workers Union,98 Phil., 563, 52 Off. Gaz.,. 6928; Tahora vs. Montelibano, 98 Phil., 800, fi2 Off. Gaz., 3058.

[2] Section 2(g), Executive Order No. 350, series of 1950, supra; Section 4(b), Executive Order No. 399, series of 1951," supra.

[3] Manila Hotel Employees Assn. vs. Manila Hotel Company, 73 Phil. 374; Land Settlement & Development

Corp. vs. Oalsdonia Pile Workers 90 Phil., 817; Government Service Insurance System vs. Castillo, 93 Phil., 876; 52 Off. Gaz., 4269.

[4] Manila Hotel Employees Assn. vs. Manila Hotel Company, *supra*; National Airports Corp. vs. Teodoro, St., 91 Phil., 203; Santos vs. Aquino, 48 Off. Gaz., 4815,

[5] Commonwealth Act No. 444; Elks Club i;s. Rovira, 80 Phil. 272; Gotamco Lumber Co. vs. Court of Industrial Relations, 85 Phil., 291; 47 Off. Gaz., 3421; Detective & Protective' Bureau, Inc. vs. Court of Industrial Relations, 90 Phil, 665; Manila Terminal Co., Inc. vs. Court of Industrial Relations, 91 Phi!., 625; 48 Off. Gaz., 2725; Pampanga Sugar Mill vs. PASUMIL Workers Union, 98 Phi!., 558; 52 Oft. Gaz., 6924; Luzon Stevedoring' Co., Inc. vs. Luzon Marine Department Union, 101 Phil., 257.

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