

GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), PETITIONER VS. GOVERNMENT SERVICE INSURANCE SYSTEM SUPERVISORS' UNION (GSISSU), GOVERNMENT SERVICE INSURANCE SYSTEM EMPLOYEES ASSOCIA...

G.R. No. L-29493. December 29, 1975

Ponente: ESGUERRA, J.

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ESGUERRA, J.:

There are petitions to review by certiorari the orders of respondent Court of Industrial Relations (CIR) in C.I.R. Case No. 1 591-MC, entitled "In Re Petition for Direct Certification of the Government Service Insurance System Supervisors' Union (GSISSU) in the Government Service Insurance System, Government Service Insurance System Supervisors' Union (GSISSU), petitioner"; in C.I.R. Case No. 1591-MC(1), entitled the same as aforementioned; in C.I.R. Case No. 87-IPA and C.I.R. Case No. 87-IPA (10), entitled "G.S.I.S. Supervisors' Union vs. Government Service Insurance System." They raise before Us related issues arising from the Court of Industrial Relations' order, dated August 4, 1967, in C.I.R. Case No. 1591-MC, dispositive part of which reads:

"Wherefore, pursuant to the provisions of Section 12, Republic Act No. 875, the Government Service Insurance System Supervisors' Union (GSISSU) is hereby certified to the management of the Government Service Insurance System (GSIS) as the sole and exclusive bargaining representative of all employees of the System holding positions from Pay Classes 7 to 13 of the Salary and Position Pay Plan of the GSIS, for collective bargaining purposes with the aforesaid employer as regards salaries, hours of work, rates of pay and of such other terms and conditions of employment allowed them by law. So ordered." (Italics supplied)

On February 23, 1968, respondent GSIS Supervisors' Union (GSISSU) filed a petition with respondent CIR alleging among others, that on February 22, 1968, the GSIS, through its General Manager, issued Office Order No. 34, dated February 20, 1968 and Office Order No. 35, dated February 21, 1968, partially implementing its plan of reassignment of personnel affecting supervisors who belong to pay classes 7 to 13; that before the issuance of said office orders Nos. 34 and 35, respondent GSISSU made repeated demands that it be consulted and its suggestions considered in connection with the re-shuffling of supervisory personnel who belong to pay classes 7 to 13; that the GSIS failed and refused to heed respondent GSISSU's just, valid and legal demands; that the re-shuffling of employees was conceived in the guise, publicly proclaimed by the GSIS, of eliminating alleged graft and corruption in the system so that implementation of the re-assignment orders would have the effect of convicting those to be re-assigned without the benefit of prior notice and hearing and, therefore, prayed that respondent CIR issue an injunction ordering the GSIS, its Board of Trustees, General Manager, and all its officers and deputies to forthwith desist from effecting the re-assignment of personnel occupying positions in the supervisory unit (pay classes 7 to 13).

On February 24, 1968, respondent CIR issued an order in CIR Case No. 1591 -MC(1), commanding the parties (GSISSU and GSIS) to observe the "status quo" until the question of jurisdiction is resolved by the CIR, considering that "the GSIS is questioning the jurisdiction" of the CIR to entertain the petition for injunction, and

"considering further that if the GSIS is allowed to implement on February 26, 1968, its Office Orders reshuffling the employees covered by pay classes 7 to 13, the above entitled petition (Petition for Direct Certification of the GSIS with the GSIS in Case No. 1591 (MC-1) would be rendered moot and academic." GSIS's motion for reconsideration of CIR's order dated February 24, 1968, was denied; hence the petition for review by writ of certiorari in G.R. No. L-29186, petitioner GSIS contending that respondent CIR had no jurisdiction on the subject matter and nature of the action in the injunction case and the respondent CIR committed grave abuse of discretion amounting to lack of jurisdiction when it issued its order of February 24, 1968, in CIR Case No. 1591-MC(1).

In the meantime that the questioned orders of respondent CIR in Case No. 1591-MC (certifying respondent GSIS to the management of petitioner GSIS as sole bargaining representative of all GSIS employees holding positions in pay classes 7 to 13) and in Case No. 1591-MC(1), (maintaining the status quo among the parties in the projected reshuffling of GSIS employees covered by pay classes 7 to 13) were pending before Us for review in G.R. No. L-29493 and L-29186, respondent GSIS filed a petition in CIR Case No. 87-IPA, asking the CIR to order petitioner GSIS to confer and negotiate with the GSIS on the terms and conditions of employment of all supervisors and employees in pay classes 7 to 13 who pertain to the certified supervisory bargaining unit in CIR Case No. 1591-MC; to declare petitioner GSIS guilty of unfair labor practice acts on eleven counts; to order petitioner GSIS to pay the respondent GSIS "the sum of P7,000.00 daily from February 27 to March 5, 1969, as actual damages; the strike duration pay of GSIS members and P-20,000.00 as attorneys fees." The basis of respondent GSIS's petition is the allegation that notwithstanding issuance by the CIR of its order of August 4, 1967 in CIR Case No. 1591 -MC (G.R. No. L-29493) certifying the GSIS to the GSIS as the sole and exclusive bargaining representative of all supervisors and employees in pay classes 7 to 13 of the GSIS salary and position pay plan, the petitioner GSIS consistently refused to bargain with the GSIS; that the said order of the CIR may be implemented although CIR

Case No. 1591-MC is pending before Us for review in G.R. No. L-29493, because although the GSIS asked for preliminary injunction, it was not able to obtain the same, and that the union busting activities of the GSIS and other alleged unfair labor practices resulted in a strike. Respondent CIR in its order of June 4, 1969, declared the agreement Exhibit "I" (agreement between GSIS and GSIS), null void, because it contained conditions discriminatoty against GSIS memeber in regards to a conditioned of employment intenede to discourage membership in the GSIS; ordered the management of the GSIS to confer in good faith with GSIS representatives for negotiating or executing an agreement with respect to wages, hours and other terms and conditions of employment, subject to the outcome of G.R No. L-29493 pending before this Court; found the GSIS guilty of discrimination amounting to unfair labor practices as defined by and under SEC. 49(a), sub. par. 4 R.A. 875, and ordered the GSIS to cease and desist from committing the same or similar acts. GSIS's motion for reconsideration of the aforesaid order wsa denied, hence its allegation before US that the respondent CIR erred in holding that GSIS-GSIS agreement of September 28, 1968, is null and void; that respondent CIR committed a grave abuse of discretion amounting to lack of jurisdiction for ordering the GSIS to bargain with the GSIS in spite of the agreement of September 27, 1968, and pending appeal in G.R. No. L-29493; ant that respondent CIR committed grave abused of discretion in holding GSIS guilty of unfair labor practices. All of these allegations are embodied in the petition in G.R. No. L-31311.

Respondent GSIS in its petition in CIR Case No. 87-IPA (10) (G>R. No. L-32735), again asked for injunction from the respondnet CIR to retrain the Government Corporate Counsel, the then Commissioner of Civil Service and the GSIS from implementing the Memorandum Circular dated June 3, 1970, of the Government Corporate Counsel, on the subject, "termination of memebership in labor unions of all lawyers in the legal department and/or divisions," invoking the decision of this Court in G.R. No. L-22723 (Confederation of Unions in Government Corporations and Offices et al. vs. Abelardo Subido, et al.) on the principal ground that if the said memorandum

circular will be enforced it would be a clear violation of the right to self organization of the members of the GSISSU because the composition of the bargaining unit found appropriate by the CIR in Case No. 1591-MC (G.R. No. L-29493) is still under litigation; implementation of the said memorandum circular will emasculate the GSISSU; and will render nugatory and ineffectual the orders of respondent CIR in Case 1591-MC.

Respondent CIR in its order dated July 17, 1970, ordered "that enforcement of the Memorandum Circular of the Government Corporate Counsel (Exhibit B) is hereby held in abeyance" pending resolution by Us of the appeal in G.R. No. L-29493. The motion for reconsideration of the foregoing order having been denied by respondent CIR, petitioner GSIS now brings to Us its allegation (G.R. No. L-32735) that respondent CIR committed grave abuse of discretion in holding in abeyance the implementation of the Memorandum Circular of the Government Corporate Counsel since that act would be tantamount to holding in abeyance the effectivity of Our decision in G.R. No. L-22723, "Confederation of Unions in Government Corporations and Offices, et al. vs. Abelardo Subido et al."

To Our mind, the solution to the three cases (G.R. Nos. L-29186, 31311 and 32735) hinges on the final say in the review of respondent CIR's order of August 4, 1967, in CIR Case No. 1591-MC (G.R. No. L-29493).

I

Respondent CIR's order of August 4, 1967, in CIR Case No. 1591-MC (G.R. No. L-29493), which certified respondent GSISSU to the management of the GSIS as the sole and exclusive bargaining representative of all employees of the GSIS holding positions from pay classes 7 to 13 of the salary and position pay plan of the GSIS, for collective bargaining purposes with the GSIS as regards salaries, hours of work, rates of pay and other terms and conditions of employment allowed by law, contains the following facts and basis for conclusions reached:

- Petition filed by respondent GSISSU, a labor union, seeks direct certification, alleging that the GSISSU has a collective bargaining agreement with the GSIS, and the said bargaining agreement recognizes the GSISSU as the sole and exclusive bargaining representative for chiefs of sections to managers of departments and those holding positions of equivalent ranks (pay classes 7 to 13 of the salary and position plan of the GSIS);
- That the intervenor Government Service Insurance System Employees Association (GSISEA) was allowed to intervene "only on the question of who among the employees covered by pay classes 7 to 13 belong to the rank and file employees (not supervisors)";
- That after almost one year of continuous hearings, the GSISSU and the GSISEA agreed to hold an election and whichever union garnered a legal majority shall act as interim bargaining representative for personnel in pay classes 7 to 13 pending resolution of this case on the merits, but the result of the election was inconclusive;
- That the GSISSU is a labor organization duly registered with the Department of Labor (Exh. "A", p. 32 t.s.n. January 7, 1966), and from 1961 to 1965, GSISSU and intervenor GSISEA were the bargaining representatives of all employees of the GSIS;
- That the GSISSU had a total membership of 438 employees of the GSIS, occupying positions of section chiefs and upwards to managers of departments and those of equivalent ranks or personnel holding positions from pay classes 7 to 13 of the salary and position pay plan of the GSIS;
- That in Case No. 674-MC of the respondent CIR, the GSISSU was certified as a bargaining representative of supervisors (section chiefs to department managers and those of equivalent ranks) in the GSIS;
- That in Office Order No. 575, dated August 27, 1956 of the GSIS General Manager, it was adopted as an official policy that all section chiefs and upwards or those holding positions from pay classes 7 to 13 are supervisors entitled as such to the rights and privileges thereof;

- That the GSIS management issued the aforestated office order relying upon Opinion No. 56, series of 1956 of the then Government Corporate Counsel;
 - That the management of the GSIS prescribed different standards and forms in grading the efficiency of subordinate personnel (pay classes 1 to 6) and those occupying positions from pay classes 7 to 13, equivalent of supervisors;
 - That personnel in pay classes 7 to 13 perform function similar in nature to those of an employer, because they supervise, or at least, perform a technical review of the accomplishment of subordinate employees, they effectively recommend modes of procedures to be followed in the operation of their respective units, sections, divisions and departments, they recommend temporary measures against erring subordinate employees under their supervision;
 - That the organization chart of the GSIS for the fiscal year 1964-1965, showed that positions in pay classes 7 to 13 have subordinate positions under them;
 - Respondent CIR received and evaluated evidence to determine the duties of personnel in pay classes 7 to 13, and concluded that the four representative exhibits (Exhs. "J", "GGG", "EEEE", and "UUUU") were fairly indicative of the nature, function, and duties of personnel claimed by GSISU as constituting a single bargaining unit;
13. That the respondent CIR is satisfied with the data in Exhibits "J" to "Z", "AA" to "ZZ", "AAA" to "ZZZ", "AAAA" to "ZZZZ", and "AAAAA" to "UUUU" and were duly accomplished job description statements of all the positions carried in the official list of personnel occupying positions in pay classes 7 to 13;
- That after an evaluation of the evidence presented by both the GSISU and the GSISEA, respondent CIR came to the conclusion that "the following are supervisors: section chiefs, those not so designated but who are actually section chiefs, assistant chiefs of divisions, division chiefs, personnel in pay class 10 who are not designated as division chiefs but who actually heads divisions like the corporate paymaster and the chief attorney, chiefs of units, those not designated as chiefs of units but who actually supervise groups of personnel of lower categories, personnel in pay classes 11 and 12 who assist the managers of departments, and the department managers themselves";
 - That respondent CIR recognizes that not all personnel in pay classes 7 to 13 are supervisors, for from these classes there are those who hold managerial, confidential, or technical positions and those occupying technical and confidential positions are disqualified to join a union of rank and file employees like the intervenor GSISEA, although they may join a supervisory union like the GSISU;
 - That from the history of collective bargaining relations, personnel in pay classes 7 to 13 has always been considered a single bargaining unit, that the GSISU has been previously recognized as a bargaining unit and that even the management of the GSIS recognizes that section chiefs and those of equivalent ranks (pay class 7 and upwards) are supervisors;
 - Respondent CIR concluded that the group of personnel within the coverage of pay classes 7 to 13 constitute an appropriate collective bargaining unit separate and distinct from the rank and file of GSIS employees.

The foregoing CIR order dated August 4, 1967, was affirmed by the respondent CIR, en banc, in its Resolution dated October 16, 1967.

The main thrust of petitioner GSIS's argument is that respondent CIR has no jurisdiction to impose upon the GSIS the obligation to bargain collectively with the GSISU, because while Sec. 3 of Republic Act No. 875 recognizes the right of supervisors to form a separate organization of their own and shall not be eligible for membership in a labor organization of employees under their supervision, petitioner GSIS contends that there is no provision under

the same Republic Act 875 granting the supervisors' union the right to bargain collectively with the employer.

Petitioner GSIS's argument is weak and entirely devoid of merit. If Republic Act 875, in its Sec. 3, recognizes the right of supervisors to form a separate organization of their own and cannot be members of a labor organization of employees under their supervision, by fair implication that authority of supervisors to form a separate labor union carries with it the right to bargain collectively with the employer in the same way that the labor union of the rank and file employees may do so. To rule differently would obviously defeat the very purpose and objective of Republic Act 875, for there would be no sense in allowing a separate labor union for supervisors if said union cannot possess the right to collectively bargain with the employer for the benefit of the supervisors to promote harmonious labor-management relations in the interest of sound and stable industrial peace. If supervisors union are denied the right to collective bargaining with the employer, that would be tantamount to depriving supervisors of their right to deal in any way collectively with the employer since under Sec. 3 of Republic Act 875, they cannot be members of a union composed of the rank and file employees.

We have thoroughly examined the questioned CIR order of August 4, 1967, and cannot find any reason for altering its findings of fact based on an exhaustive evaluation of the evidence. Neither could any signs of abuse of discretion be detected, for on the contrary the discussion of the issues and the statement of the reasons for the conclusions reached by respondent CIR manifest a well studied consideration of the controversy.

There is but little doubt that supervisors are entitled to engage in union activities and any discrimination against them by reason thereof constitutes unfair labor practice (*Atlantic Gulf and Pacific Co. of Manila, Inc. vs. Court of Industrial Relations, et al.*, G.R. No. L-16992, December 22, 1961). We cannot fully subscribe to petitioner's theory that supervisors form part of the management and that management cannot bargain with itself, for a deeper insight into the matter shows that those who perform acts of management are still entitled to collective bargaining with the employer for the mutual benefit of both employer and employees, the employer being a corporation, and hence an artificial being, while the employees, which must include supervisors, are natural persons struggling for their individual and collective welfare.

II

After the respondent GSISU obtained a favorable ruling from the respondent CIR in Case No. 1591-MC, wherein it was certified as supervisors' union to the GSIS, the management of the GSIS, on February 22, 1968, through its General Manager, issued Office Order No. 34, dated February 20, 1968, and Office Order No. 35 dated February 21, 1968, partially implementing its plan of re-assignment of personnel affecting supervisors who belong to pay classes 7 to 13 of the salary and position plan of the GSIS. The GSISU filed its petition for preliminary injunction with the respondent CIR (Case No. 1591-MC(13) G.R. No. L-29186) asking that the management of the GSIS be restrained from effecting the re-assignments of personnel occupying positions in the supervisory unit (pay classes 7 to 13) on the grounds that: the GSIS management refused to consult with the GSISU on the impending reshuffle of the supervisory personnel; that this reshuffle of personnel was ostensibly for eliminating alleged graft and corruption, thus possibly resulting in such reshuffle being tainted with the stigma of dishonesty without due process; that the reshuffling of supervisory personnel would result in the destruction of the morale of its members; and that the reshuffling of supervisory personnel will affect the right of GSISU to bargain with the GSIS in the filling up of positions within the supervisory unit.

Respondent CIR in its order dated February 24, 1968, directed the GSIS and the GSISU to observe the status quo, considering that the GSIS questioned the jurisdiction of respondent CIR, and if the GSIS were allowed to implement the reshuffle of employees covered by pay classes 7 to 13, the petition for direct certification of the GSISU in Case No. 1591-MC would be rendered moot and academic.

Petitioner GSIS's contention that respondent CIR has no jurisdiction over the subject matter and nature of the petition filed by respondent GSISU is off-tangent since the GSISU's move is clearly intended to prevent the order dated August 4, 1967, in CIR Case No. 1591-MC, which certified the GSISU as supervisors union to the GSIS, from becoming moot and academic. There seems to be no question that petitioner GSIS admitted the jurisdiction of the CIR in Case No. 1591-MC. The GSIS cannot now question the jurisdiction of the same CIR in an incident brought before the latter arising from the main case (Case No. 1591-MC). Respondent GSISU's principal argument is that if the petitioner GSIS will be allowed to reshuffle the supervisory employees pending the final determination of the issues in Case No. 1591-MC (issue of certification of GSISU to the GSIS) then the membership of the GSISU will be depleted to such an extent that the CIR's finding in its order of August 4, 1967 in CIR Case No. 1501-MC that the GSISU commands a majority in the unit of supervisors will be rendered nugatory. In other words, the GSISU contends that the GSIS's move to reshuffle supervisory employees is a plot conceived in bad faith to destroy the membership in the GSISU, thereby defeating the effect of the CIR's order in Case No. 1591-MC certifying GSISU to the GSIS as the supervisors' union.

The foregoing arguments, added to GSISU's contention that the transfer and re-assignment of employees is a condition of employment embraced within the area of collective bargaining and hence the projected re-assignment would be arbitrary for it will demote the affected employees and practically convict them of a wrong without due process, more than convince Us that the respondent CIR possesses jurisdiction to issue the provisional remedy in question since it has jurisdiction over the principal case (CIR Case No. 1591-MC). This case is merely an incident of the latter and the CIR did not err in exercising said jurisdiction when it issued the contested order of February 24, 1968, to maintain the status quo and in order to prevent its order of August 4, 1967, from becoming moot and academic. We likewise find merit in GSISU's contention that the order and resolution appealed from are interlocutory and not appealable as they are intended to place the litigants in status quo pending the final resolution of the CIR order dated August 4, 1967, in Case No. 1591-MC (G.R. No. L-29493).

III

On March 7, 1969, respondent GSISU filed another petition with the respondent CIR (CIR Case No. 87-IPA, G.R. No. L-31311) asking for relief on the alleged persistent refusal of petitioner GSIS to bargain with the GSISU, notwithstanding respondent CIR's order dated August 4, 1967, in Case No. 1591-MC. Although the validity of said order was still pending in this Court, the CIR had not been restrained by injunction in its implementation and execution. The petition is also based on the alleged union busting activities of the GSIS and its continuing commission of unfair labor practices on eleven counts. Respondent CIR in its order dated June 4, 1969, held that the agreement of September 27, 1968, between the GSIS and the GSISU, that the GSISU "will not press on its demand for collective bargaining until after the prayer for preliminary injunction contained in GSIS's petition for review in G.R. No. L-29493 shall have been resolved" is null and void because it was imposed as a condition for the payment of salary differentials to GSISU members. It ordered the GSIS management to confer in good faith with GSISU representatives for the purpose of negotiating and/or executing an agreement with respect to wages, hours and other terms and conditions of employment, subject to the outcome of Our decision in G.R. No. L-29493; found the GSIS guilty of discrimination amounting to unfair labor practice as defined by Sec. 4(a), sub-par. 4, R.A. 875; and ordered the GSIS to cease and desist from committing the same or similar acts.

Petitioner's contention that respondent CIR erred in holding that the agreement between the GSIS and GSISU of September 27, 1968, is null and void is hardly convincing in the light of the respondent CIR's finding that the condition that there shall be no bargaining negotiations with supervisors pending the appeal of the GSIS in CIR Case No. 1591-MC (G.R. No. L-29493) was imposed on members of the GSISU as a requisite for them to

receive their salary differentials, while other employees, not members of the GSIS, were paid their salary differentials without any condition. This finding of fact which We do not find any reason to alter, renders the agreement of September 27, 1968, null and void, because this unilateral imposition by the GSIS on the members of the GSISU compelling the latter to agree on a suspension of bargaining negotiations pending the resolution of the appeal in G.R. No. L-29493 as a condition precedent to their receiving salary differentials is not only discriminatory for not being imposed on other employees not members of the GSISU, but also could hardly be considered an agreement because the consent of the GSISU was obtained thru an imposition or threat directed to members of the GSISU that they will not receive their salary differentials unless they first consented to that agreement of September 27, 1968.

On the portion of the questioned order which required the GSIS management to confer in good faith with the GSISU for the purpose of negotiating an agreement with respect to wages, hours and other terms and conditions of employment, subject to Our final resolution of G.R. No. L-29493, We cannot see any abuse of discretion on the part of respondent CIR because no injunction was issued by this Court in G.R. No. L-29493 and the CIR order was only intended to keep the status quo in the harmonious relationship between labor and management in this case. Besides, the orders and resolutions of the CIR are executory pending appeal (Sec. 10, Rule 43, Rules of Court; Sec. 14, C.A. 103; Sec. 6, R.A. 875).

It is unnecessary to discuss the CIR's factual finding of unfair labor practice committed by the GSIS since anyway the contested order of June 4, 1969, merely ordered the GSIS to cease and desist from committing the same or similar acts.

IV

Respondent GSISU filed a petition on July 3, 1970, with the respondent CIR (Case No. 87-IPA(10), G.R. No. L-32735) alleging that whereas the CIR issued an order dated June 4, 1969, affirmed by its resolution en banc, dated August 1, 1969, ordering petitioner GSIS to bargain with respondent GSISU on the terms and conditions of employment of all employees in pay classes 7 to 13, the Government Corporate Counsel, in its Memorandum Circular dated June 3, 1970, invoking the decision of this Court in *Confederation of Unions in Government Corporations and Offices et al. vs. Abelardo Subido et al.*, G.R. No. L-22723, promulgated April 30, 1970, "directs that all lawyers in the different legal departments and/or divisions (including those who may be detailed to said division) sever immediately, but not later than fifteen days from notice thereof, their membership in the local unions"; that the GSIS threatens to enforce the aforementioned memorandum; that its enforcement will violate a legal right of the GSISU and its members to self-organization, considering that the composition of the bargaining unit in CIR Case No. 1591-MC is still pending in G.R. No. L-29493; that it will emasculate the GSISU and the bargaining unit which it represents; that it will render nugatory and ineffectual CIR orders in Case 1591-MC, dated June 4, 1969, and August 1, 1969; that implementation of the Memorandum Circular will aggravate the shaky industrial peace in GSIS; and asking for a restraining order to suspend its implementation.

Respondent CIR in its order of July 17, 1970, found that in order to remove the irritants, to industrial peace in the GSIS, it issued an order dated June 4, 1969, affirmed by its resolution en banc of August 1, 1969, requiring management of respondent GSIS to bargain with the GSISU without prejudice to the outcome of G.R. No. L-29493; that it would be most unjust to alter at that stage the composition of the bargaining unit (GSISU) pending the outcome of G.R. No. L-29493; that this case (Case No. 87-IPA(10)) was certified to the CIR by the President of the Philippines for compulsory arbitration; that the compulsory resignation of certain members of the GSISU will adversely affect its strength and bargaining power, and ordered that pending resolution by this Court of the appeal in G.R. No. L-29493, the enforcement of the Memorandum Circular of the Government Corporate Counsel be held in abeyance.

Inasmuch as the principal contention of the petitioner GSIS in this case (G.R. No. L-32735) is that respondent CIR committed a grave abuse of discretion amounting to lack of jurisdiction when it held in abeyance the enforcement of the questioned Memorandum Circular June 3, 1970, of the Government Corporate Counsel, because the CIR practically ordered that the effectivity of Our decision in G.R. No. L-22723 be held in abeyance, it is but timely and appropriate for Us to examine Our decision in "Confederation of Unions in Government Corporations and Offices et al. vs. Abelardo Subido et al."

It is true that in G.R. No. L-22723, promulgated April 30, 1970, this Court held "that the personnel of the auditing staff in the different government owned or controlled corporations are under the Office of the Auditor General, while those of the legal staff of said corporations are under the Office of the Government Corporate Counsel, and that all of them are embraced and covered by the civil service law, whether they belong to the classified or unclassified service," and We upheld the constitutionality of Civil Service Memorandum Circular No. 15, series of 1964, stating that "it is worth remembering that the right to form and join associations and unions is not absolute or unlimited. Thus, if a person accepts employment that falls under the civil service law and his employer performs governmental functions — such as the General Auditing Office and the Government Corporate Counsel's Office, he may not resort to and exercise the right to strike, because that is prohibited by law."

It is immediately noticeable, however, that We never declared in that case that members of the legal staffs of the different government owned or controlled corporations although under the Government Corporate Counsel and embraced within the Civil Service Law are absolutely prohibited from membership in labor unions. In fact, the questioned Memorandum Circular No. 15, series of 1964, by the Acting Commissioner of Civil Service, the constitutionality of which We upheld, allows all personnel of the General Auditing Office as well as of the legal staffs of all government owned or controlled corporations to be members of labor unions, thus — "The said personnel may belong to any labor organization which does not impose the obligation to strike or to join strikes. If any of these personnel have previously joined any labor union which imposes the obligation to strike or to join strikes, he should sever his membership within seventy two (72) hours from receipt of this Memorandum Circular by the corporation concerned." What is clearly prohibited under that Memorandum Circular No. 15 is for personnel of the General Auditing Office and the legal staffs of all government owned or controlled corporations to join labor organizations imposing the obligation to strike or to join strikes, for government employees in offices exercising governmental functions, being under the civil service law, cannot go on or join strikes.

It, therefore, logically follows that the questioned Memorandum Circular, dated June 3, 1970, of the Government Corporate Counsel directing all lawyers in the different legal departments and/or divisions of all government owned or controlled corporations to sever immediately their membership in local unions is inherently defective for being based on a misinterpretation of Our decision on G.R. No. L-22723. As a natural consequence of the foregoing it is also this Court's view that respondent CIR did not commit any error nor abuse of discretion when it ordered that the implementation of Memorandum Circular dated June 3, 1970, of the Government Corporate Counsel be held in abeyance until the resolution by this Court of G.R. No. L-29493.

V

In summation of Our stand on these four cases (G.R. Nos. L-29493, 29186, 31311, and 32735), We are of the firm conviction that respondent GSISU has been correctly and rightfully certified by respondent CIR to the GSIS as the sole and exclusive bargaining representative of all employees of the GSIS holding positions from pay classes 7 to 13 of the salary and position plan of the GSIS; that respondent CIR did not commit any error nor abuse of discretion when it issued its order of February 24, 1968, in CIR No. 1591 -MC(3) ordering the GSIS and the GSISU to maintain the status quo pending the resolution of Case No. 1591 MC (G.R. No. L-29493) and for the GSIS not to implement in the meantime the reshuffle of GSIS personnel occupying positions in pay classes 7 to

13; that respondent CIR did not err nor commit any abuse of discretion when it issued its order of June 4, 1969, ordering the GSIS management to negotiate with the GSISU, pending the outcome of G.R. No. L-29493, in CIR Case No. 87-IPA (G.R. No. L-31311), in the interest of industrial peace; and that, likewise, the respondent CIR did not err nor commit any abuse of discretion when it ordered GSIS to hold in abeyance, until the resolution by this Court of G.R. No. L-29493, the implementation of the Memorandum Circular dated June 3, 1970, of the Government Corporate Counsel directing all lawyers in the different legal departments and/or divisions of all-government owned or controlled corporations to sever their membership in local labor unions.

WHEREFORE, all the questioned orders and resolutions of respondent CIR in CIR Cases No. 1591-MC (G.R. No. L-29493); No. 1591-MC(1) (G.R. No. L-29186); No. 87-IPA (G.R. No. L-31311); and No. 87-IPA(10) (G.R. No. L-32735) are affirmed, and the temporary injunction granted in CIR Cases No. 1591-MC(l), and No. 87-IPAandNo. 87-IPA(10) is made permanent.

No costs.

SO ORDERED.

Makasiar, Muñoz Palma and Martin, JJ., concur.

Teehankee (Actg. Chairman), J., concurs in the result.

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