

# [ Commonwealth Act No. 358, August 22, 1938 ]

## **AN ACT TO AUTHORIZE IN CERTAIN CASES THE TAKING OVER AND OPERATION BY THE GOVERNMENT OF PUBLIC UTILITIES OR BUSINESSES COUPLED WITH A PUBLIC INTEREST; TO APPROPRIATE FUNDS FOR SUCH PURPOSE; AND TO PRESCRIBE PENALTIES FOR INTERFERING WITH THE EXERCISE BY THE GOVERNMENT OF ITS AUTHORITY UNDER THE ACT.**

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. When a strike or lockout impends or actually; exists in a public utility or in a business coupled with a public interest, of such proportions that it results or will likely result in a material impairment of the public service affected, the President of the Philippines is authorized to immediately take over the possession and control of such public utility or business, together with its equipment, properties, and records, and shall operate the same, for and on account of the Government, for such period as the necessity therefor shall exist and through such agency or agencies as he may create or through such existing office or instrumentality of the Government as he may designate. The owner of such public utility or business shall be paid. just compensation for the property and/or rights so expropriated, such compensation to be fixed by the competent courts in an action brought for the purpose at the instance of the Government through the exercise of the right of eminent domain. The pendency of such action shall not prejudice the right of the Government to assume immediate control of the public utility or business. Neither shall it prolong such control beyond the necessities of the public interest or the public welfare as may be determined by the President.

In the event that the Government assumes control of the affairs of a public utility or of a business coupled with a public interest as herein authorized, the dispute between the employer and the employees or laborers, if the same had not been submitted to the Court of Industrial Relations in accordance with the provisions of Commonwealth Act Numbered One hundred and three, shall be forthwith submitted by the Secretary of Labor to such court, and the Government, during the whole period of its control of such public utility or business, shall pay and/or give to the laborers and employees such wages and/or treatment as the Court of Industrial Relations in such case shall find to be justly due them in accordance with the procedure outlined in the aforesaid Commonwealth Act Numbered One hundred and three.

Employment in such public services or businesses while under the control of the Government shall be deemed to be public employment only for the purposes of this Act and it shall be unlawful for any person or group of persons to strike or to refuse to discharge the duties of such employment when called upon to do so by the President of the Philippines.

SEC. 2. Any employer, possessing a franchise or a certificate of public convenience from the State, who shall refuse or delay the delivery of his or its business to the Government in the case and under the circumstances above stated shall be deemed guilty of misuser of his or of its franchise or of violation of his or its certificate and shall be ousted of his or its rights thereunder; in the first case, by action of quo