

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

ANTONIO S. ARANETA, JR.
and GEMMA CRUZ ARANETA,
Petitioners,

versus

JUAN PONCE ENRILE as
Acting Commissioner of
Customs,
Respondent.

Nov. 24, 1968
CTA CASE NO. 1917

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D E C I S I O N

This is an appeal from the decision of respondent affirming that of the Collector of Customs which decreed the forfeiture of five (5) reels of documentary motion picture films in favor of the Republic of the Philippines.

At the outset it must be stated that the parties submitted the case for decision on the pleadings and records.

On April 3, 1966, Mr. and Mrs. Antonio S. Araneta, Jr. arrived from Hongkong on board a Cathay Pacific Airways (CPA) plane bringing with them five (5) reels of motion picture films under Tag No. 728721. Three (3) of the five (5) reels are labeled, made in USSR, Moscow Television Service-Movestl Press Agency and the other two (2) reels bear no identifying marks to show the country of origin thereof. Said films were seized

and stored in the Interline bodega under the custody of Warehousekeeper Santos Villaflores, pending the outcome of the seizure proceedings (pp. 5-6, Customs rec.). In the decision in Seizure Identification No. 706 of July 1, 1966, the Collector of Customs of Manila ordered the forfeiture of the five reels of motion picture films in question pursuant to Section 4(d) of Republic Act No. 4109 in relation to Section 2530(f) of the Tariff and Customs Code. From this decision, petitioners appealed to respondent who sustained the decision of the Collector of Customs of Manila. Hence this appeal.

The pertinent provisions of Section 4(d) of Republic Act No. 4109 in relation to Section 2530(f) of the Tariff and Customs Code, upon which the forfeiture of the films was based, provide:

SEC. 4. Subject to the general supervision and control of the Secretary of Commerce and Industry, the Director of Standards shall possess the general powers conferred by law upon Bureau Chiefs, and the following specific powers and duties which he may perform personally or through his duly authorized representatives:

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(d) Before any commodity imported into the Philippines is discharged and/or released by the Bureau of Customs, to inspect such commodity in order to sample and determine the country of origin where

the articles are the growth, raw materials, manufacture, process or produce, and to certify that, the whole shipment satisfies local buyer's or importer's requirements as to kind, class, grade, quality or standard which may be indicated on the corresponding customs or shipping papers or commercial documents: Provided, however, That imports which are not shown to be covered by, or do not conform to, buyer's or importer's requirements shall be labelled or stamped conspicuously with the caption "do not conform to buyer's or importer's specifications": Provided, further That imports of any article which are the growth, raw materials, manufacture, process or produce of countries wherein the Philippines has no trade agreement shall be confiscated and/or seized at the disposal of the government. (61 O.G. 1651; underscoring supplied.)

There is no dispute as to the facts of the case. It is not controverted that the Philippines has no trade agreement with Russia and Communist China. It is admitted by petitioners that the films in question were among the goods which they received from various associations in Russia and Communist China; that the films from Russia treat of space exploits of the Russians, the City of Leningrad, and the summer resorts along the Black Sea; and that the Chinese film features the industrial development of Communist China. It is, however, claimed that the said films are intended to be donated to the Boys' Town for educational or cultural purpose and not for trade or commercial purpose and hence are not subject to confiscation. We find this contention without merit.

(It would seem that under Section 4(d) of Republic Act 4109, imports of any article which are growth, raw materials, manufacture, process or produce of countries wherein the Philippines has no trade agreement is subject to confiscation and/or seizure irrespective of the purpose for which they are brought to the Philippines. The law makes no distinction between articles intended for trade or commerce and those not so intended. Ubi lex non distinguit nec nos distinguere debemus. The law speaks only of "any article" without reference to the reason for its importation.)

Petitioners assail the validity of sections 3 and 4(d) of Republic Act No. 4109 on the ground that they violate the Constitution providing that no bill which may be enacted into law shall embrace more than one subject which shall be expressed in the title of the bill.

(The constitutional requirement that a law shall not embrace more than one subject which shall be expressed in its title should receive a reasonable and not a technical construction. The object of the law can be very comprehensive without violating the constitutional prescription, in which case it is sufficient if the title be comprehensive enough, reasonably to include the general object which a statute seeks to effect. The title need

not be an abstract or index of the act. All that can be required is that the title shall not be made to cover legislation incongruous in itself and that the provisions are germane to the title.)
Thus, said our Supreme Court in the case of the Government of the Philippine Islands v. The Hongkong and Shanghai Banking Corporation, et al.:

Constitutional provisions relating to the subject matter and titles of statutes should not be so narrowly construed as to cripple or impede proper legislation. In *Detroit vs. Detroit Citizens' Street R. Co.* (184 U.S., 368, 392; 46 Law. ed. 592, 609), the Supreme Court of the United States quoted with approval the following language of Judge Coolidge: "We must give the constitutional provision a reasonable construction and effect. The Constitution requires no law to embrace more than one object, which shall be expressed in its title. Now, the object may be very comprehensive and still be without objection, and the one before us is of that character. But it is by no means essential that every end and means necessary or convenient for the accomplishment of the general object should be either referred to or necessarily indicated by the title. All that can reasonably be required is that the title shall not be made to cover legislation incongruous in itself, and which by no fair intendment can be considered as having a necessary or proper connection."

The requirement that the subject of an act shall be expressed in its title should receive a reasonable and not a technical construction. (*Carter County vs. Sinton*, 120 U.S., 517, 522; 30 Law. ed., 701, 702.) It is sufficient if the title be com-

prehensive enough reasonably to include the general object which a statute seeks to effect, without expressing each and every end and means necessary or convenient for the accomplishing of that object. Here details need not be set forth. (Knights Templars' & Masons' Life Indemnity Co. vs. Jarman, 187 U. S., 197; 47 Law. ed., 139.) The title need not be an abstract or index of the act. In Mahomet vs. Quackenbush; (117 U. S. 508; 29 Law. ed., 982), the General Assembly of the State of Illinois passed an Act entitled: "An Act to Amend the Articles of Association of the Danville, Urbana, Bloomington and Pekin Railroad Company, and to Extend the Powers of and Confer a Charter upon the Same." The body of the Act provided that incorporated towns or townships in counties along the railroad route may subscribe to its capital stock, and further provided the manner of holding elections in regard to the subscription. The Supreme Court of the United States held that the title of the act covered the provisions in its body within the purpose of section 23 of article 3 of the Illinois Constitution of 1848 which provided that: "And no private or local law which may be passed by the General Assembly shall embrace more than one object, and that shall be expressed in the title." In the course of its decision, the court said: "The point now made is that the statute, so far as it undertakes to authorize municipalities to subscribe to the capital stock of the corporation, is unconstitutional because it embraces two distinct subjects, one the incorporation of the railroad company, and the other an enlargement of the corporate powers of municipal corporations, the first of which alone is expressed in the title. This objection, it seems to us, is fully disposed of by the case of Supervisors of Schuyler Co. vs. Rock Island, etc. R. R. Co. (25 Ill., 182), decided by

the Supreme Court of Illinois in 1860. There the title was 'An Act to incorporate the Rock Island & Alton Railroad Company,' and the Act, besides incorporating the company, authorized counties to subscribe to the stock. As to this the court said, speaking through Chief Justice Caton: 'We think the title of this Act sufficient to embrace the whole of the law, and that it is a compliance with the constitutional requirement. All the provisions of the Act are appropriately designed to carry out the object of the corporation. If it was proper to authorize subscriptions to the stock, it was certainly proper to enable individuals or counties to subscribe and specify the terms and conditions on which they might subscribe, and the mode of making the subscription.'

"In States where constitutional provisions like that now under consideration have been decided to be mandatory, and not directory only, it has generally been held that the requirement is satisfied if the law has but one general object, and that is clearly expressed in the title. It is enough if the body of the Act is germane to the title."

The title of Act No. 4007 is: "An Act to reorganize the departments, bureaus and offices of the Insular Government, and for other purposes." At the time of the passage of this Act, the Bureau of Banking was already in existence as one of the bureaus of the Insular Government. (Act No. 3519.) It seems clear therefore that the bureau is embraced in that title. On the other hand, the contents of section 11 are germane to and connected with the organization and maintenance of said bureau. (66 Phil. 487-489.)

Under its title, the law in question purports to convert the Division of Standards into a bureau, to provide for the standardization and/or

inspection of products and imports of the Philippines and for other purposes. It is obvious from its title that the law would deal with the jurisdiction, powers and prerogatives of the office; the standardization and/or inspection of the products and imports of the Philippines; and other purposes which are germane to or not incongruous in the legislation. The provision in section 3 thereof granting the bureau the power to prohibit the discharge and/or release of any article which are growth, raw materials, manufacture, process or produce of countries without trade relation with the Philippine Government, and the provision in section 4(d) thereof ordering the confiscation of said goods when they come from countries that had no trade agreement with the Philippines, would seem to be germane to the subject of the legislation, referring as they are to the powers of the bureau created and at the same time pertaining to the disposition of the articles subject to the inspection of the office.

(Petitioner also alleges that the Congressional record and the Act itself do not indicate any public good sought to be achieved or any evil designed to be avoided in the interest of general welfare by impounding imports from countries with which we have no trade agreement. Petitioner then

contends that since under the due process clause a person may not be deprived of his property except for public interest and welfare then the controverted provisions are unconstitutional. It is hardly necessary to say that legislative enactments are presumed to be constitutional (11 Am. Jur. 776); the element of public welfare is a part and parcel of this presumption and hence public purpose is presumed. On the other hand, he who assails the constitutionality of a law has the burden of proving the circumstances that make it unconstitutional and petitioner has not complied with this burden (11 Am. Jur. 796-797). It may also be said in this connection that the provision in question appears to be a statement of an economic policy of the state, a field which is properly within the province of the legislative department. If the same needs correction, the correction should come from Congress.)

§ 138. Generally.—One of the most firmly established groups of principles which has become cardinal and elementary in the field of constitutional law is that the propriety, wisdom, necessity, utility, and expediency of legislation are exclusively matters for legislative determination. The courts will not invalidate laws otherwise constitutional for any reasons such as these or declare statutes invalid because they may seem to the court to be detrimental to the best interests of the state.

The remedy for the correction of unwise legislation remains solely in the people who, by making the necessary changes in the legislative body, may have the improvident or pernicious legislation of one legislature corrected by its successors...(11 Am. Jur. 804.)

"So far as the requirement of due process is concerned and in the absence of other constitutional restriction a state is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adapted to its purpose. The courts are without authority either to declare such policy, or, when it is declared by the legislature, to override it. If the laws passed are seen to have a reasonable relation to a proper legislative purpose, and are neither arbitrary nor discriminatory, the requirements of due process are satisfied, and judicial determination to that effect renders a court functus officio. * * *"
(*Hebbia vs. New York*, 78 L. ed. 940, 950, 957.) (*Ichong etc., et al. vs. Hernandez, etc., and Sarmiento*, Vol. 101, Phil. 1182-1183.)

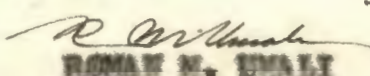
WHEREFORE, the decision appealed from is hereby affirmed, with costs against petitioners.

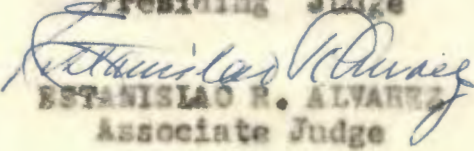
SO ORDERED.

Quezon City, November 29, 1968.


RAMON L. AVARCEDA
Associate Judge

WE CONCUR:


ROMAN M. UMALI
Presiding Judge


ESTANISLAO R. ALVAREZ
Associate Judge