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Enrique vs. Commissioner of Customs

Constitutional

By Digest Team (Dec 2024) • Dec 1, 2024

Summary:

Congressman Enrique T. Garcia filed a petition against several government officials challenging the constitutionality and legality of Executive Orders No. 475 and 478 issued by the President. These executive orders imposed additional duties on imported articles, particularly crude oil and oil products. The petitioner argued that these orders violated the Constitution by usurping Congress' power to enact revenue bills and contravened the Tariff and Customs Code. The Supreme Court dismissed the petition, ruling that the President had the authority to issue such orders under the Constitution and the Tariff and Customs Code.

Doctrine:

“There is thus explicit constitutional permission to Congress to authorize the President ‘subject to such limitations and restrictions as [Congress] may impose’ to fix ‘within specific limits’ tariff rates x x x and other duties or imposts x x x.”

“Customs duties like internal revenue taxes are rarely, if ever, designed to achieve one policy objective only. Most commonly, customs duties, which constitute taxes in the sense of exactions the proceeds of which become public funds — have either or both the generation of revenue and the regulation of economic or social activity as their moving purposes and frequently, it is very difficult to say which, in a particular instance, is the dominant or principal objective.”

“We believe and so hold that Executive Orders Nos. 475 and 478 which may be conceded to be substantially moved by the desire to generate additional public revenues, are not, for that reason alone, either constitutionally flawed, or legally infirm under Section 401 of the Tariff and Customs Code.”

Facts:

- On November 27, 1990, the President issued Executive Order No. 438 imposing an additional 5% ad valorem duty on all imported articles.
 - This additional duty was increased to 9% ad valorem by Executive Order No. 443 on January 3, 1991.
 - On August 15, 1991, Executive Order No. 475 was issued, reducing the additional duty to 5% for most articles, but maintaining 9% for crude oil and oil products.
 - On August 23, 1991, Executive Order No. 478 was issued, levying an additional special duty on imported crude oil and oil products.
 - Congressman Enrique T. Garcia filed a petition challenging the constitutionality and legality of Executive Orders No. 475 and 478.
 - The petitioner argued that these orders violated Section 24, Article VI of the 1987 Constitution and Section 401 of the Tariff and Customs Code.
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Petitioner's / Plaintiff's Arguments:

- Executive Orders Nos. 475 and 478 violate Section 24, Article VI of the 1987 Constitution, which vests the authority to enact revenue bills exclusively in Congress.
 - These Executive Orders contravene Section 401 of the Tariff and Customs Code, which only authorizes the President to adjust tariffs to protect local industries, not to raise revenue.
 - The Executive Orders have nothing to do with protecting local industries and are solely aimed at raising government finances.
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Respondent's / Defendant's Arguments:

- The respondents' arguments are not explicitly stated in the court decision. However, based on the Court's ruling, it can be inferred that they likely argued:
 - The President has the authority to issue these Executive Orders under the Constitution and the Tariff and Customs Code.
 - The Tariff and Customs Code does not limit the President's authority to only protecting local industries.
 - The Executive Orders serve both protective and revenue-generating purposes, which is consistent with the nature of customs duties.
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Issues and Ruling:

Whether or not Executive Orders Nos. 475 and 478 violate Section 24, Article VI of the 1987 Constitution

NO. The Supreme Court ruled that these Executive Orders do not violate the Constitution. The Court cited Section 28(2) of Article VI, which explicitly allows Congress to authorize the President to fix tariff rates and other duties within specified limits. The Tariff and Customs

Code, particularly Sections 104 and 401, provides this authorization to the President. The Court held that the President acted within the delegated authority granted by Congress through these provisions.

Whether or not Executive Orders Nos. 475 and 478 contravene Section 401 of the Tariff and Customs Code

NO. The Court rejected the petitioner’s argument that the President’s authority under Section 401 is limited to protecting local industries. The Court found no such narrow limitation in the language of Sections 104 and 401. It held that the phrase “in the interest of national economy, general welfare and/or national security” in Section 401 allows for broader considerations, including revenue generation. The Court emphasized that customs duties often serve both protective and revenue-generating purposes, and it is difficult to separate these objectives.

Dispositive:

WHEREFORE, premises considered, the Petition for Certiorari, Prohibition and Mandamus is hereby **DISMISSED** for lack of merit. Costs against petitioner.

Other Notes:

n/a

If you want, I can also **summarize this into a case digest, make a bar-review–style outline, or simplify it into plain English** for quick studying.