

WISE & COMPANY, INC., PLAINTIFF AND APPELLEE, VS. PRICE STABILIZATION CORPORATION (PRISCO) DEFENDANT AND APPELLANT.

G. R. No. L-4403. July 17, 1951

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

Plaintiff filed an action in the Court of First Instance of Manila against the Price Stabilization Corporation (Prisco) praying that the Manager of the defendant, or the person acting in his place, be ordered to immediately issue to plaintiff a monthly quota allocation and import license for 7,918 bags of wheat flour commencing the month of August, 1950, under the provisions of section 12 of Republic Act No. 426.

Plaintiff is an old importer duly licensed to do business in the Philippines. It has been importing Wheat flour into the Philippines since the year 1890, and was duly registered with the Philippine Relief and Trade Rehabilitation (Pratra), predecessor of the defendant Prisco, for quota allocation of wheat flour and for licensing.

Plaintiff contends that under the provisions of sections 12 and 14 of Republic Act No. 426, 70 per cent of the total import quota of wheat flour for the year 1950-51 shall be allocated to old importers and 30 per cent thereof shall be allocated to new importers; that as an old importer, it is entitled to a yearly quota allocation of 96,016 bags of wheat flour, or 7,918 bags per month, on the basis laid down by sections 12 and 14 of Republic Act No. 426; and that, when it requested the defendant to issue in its favor the corresponding quota allocation and import license for wheat flour as above mentioned, defendant refused to do so, whereupon it instituted the present action.

Defendant, on the other hand, contends that under section 15 of Republic Act No. 426, it has the exclusive power and authority to determine and regulate the allocation of wheat flour among importers; that it has been allocating wheat flour in accordance with the provisions of Executive Order No. 305 and the rules and regulations promulgated thereunder by the Wheat Flour Board; and that, in allocating wheat flour which our Government is entitled to purchase under the International Wheat Agreement, it is not subject to the restrictions imposed by sections 12 and 14 of Republic Act No. 426.

After due trial, the court rendered judgment for plaintiff holding in its dispositive part:

"1. That the provisions of Sections 12 and 14, of Republic Act 426 are applicable to the defendant and Price Stabilization Corporation, otherwise known as PRISCO;

"2. That under the provisions of Sections 12 and 14 of Republic Act No. 426, plaintiff is entitled to a yearly quota allocation of 96,016 bags of wheat flour, or 7,918 bags per month, and the defendant PRISCO is hereby ordered to give plaintiff such monthly quota allocation, commencing the month of August, 1950;

"3. That 'new importers', as defined in Section 1 of Republic Act No. 426, are not entitled to wheat flour quota allocation unless they come and qualify under the requirements of Section 14 of the Act; and

"4. The defendant PRISCO is hereby ordered to stop or discontinue the wheat flour quota allocations given by

its predecessors, PRATRA, to new importers who did not come or qualify under the provisions of Section 14 of Republic Act No. 426, and that the wheat flour allocated to the said unqualified importers be allocated to the 'old importers', as defined in Section 14 of the Act.

No costs are allowed."

From this judgment defendant appealed, assigning as lone error the following:

"The lower court erred in holding that the Pratra, and now its successor the defendant-appellant, in allocating the wheat flour in question among importers, is subject to the restrictions established by Sections 12 and 14 of Republic Act No. 426."

The only issue involved in this case is whether the Pratra, now Prisco, shall make the allocation of import quota on wheat flour in accordance with the provisions of Republic Act No. 426, as claimed by the appellee, or shall make such allocation in accordance with sections 1 and 2 of Executive Order No. 305, in conjunction with section 15 of Republic Act No. 426, as claimed by the appellant.

This is the same issue which this Court had occasion to consider and pass upon in *Chinese Flour Importers Association, Manila, Philippines, vs. Price Stabilization Board (Prisco) and Philippine Wheat Flour Board*, supra, p. 439.

In that case, we discussed at length the import of the provisions of section 15 of Republic Act No. 426, particularly the effect of the proviso included therein which, as contended by appellant, operates as an exception to exclude wheat flour from the provisions of the Act. We there held that said proviso has no other meaning than that the function of allocating wheat flour instead of being assigned to the Import Control Commissioner was assigned to the Pratra which heretofore has been charged with said duty by Executive Order No. 305, and that if the intention of Congress is to exempt wheat flour from the provisions of Republic Act No. 426, an exception to that effect would have been stated in section 22, which contains the repealing clause. We also said that the exclusion of wheat flour from appendix "C" of Republic Act No. 426 does not necessarily indicate an intention to remove it from the scope and operation of said Act, but was done merely to convey the idea that the amount of wheat flour which may be imported into the Philippines and its price are already fixed and determined in the International Wheat Agreement. We finally said that to interpret Republic Act No. 426 as excluding wheat flour from its operation would be tantamount to an undue delegation of powers to the Pratra which would render the Act unconstitutional and void, as it would vest in an administrative officer an arbitrary discretion to be exercised without any policy rule or standard by which it can be measured or controlled. We concluded that while the allocation of the import quota of wheat flour is given by section 15 of Republic Act No. 426, to the PRATRA, now PRISCO, such allocation has to be made in accordance with the pattern laid down in sections 12 and 14 of said Act. We held that these findings and conclusions fully apply and are decisive of the present case.

Wherefore, the decision appealed from is hereby affirmed, without pronouncement as to costs.

Paras, C. J., Feria, Pablo, Bengzon, Padilla, Tuason, Montemayor and Jugo, JJ., concur

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