

## **THE MANILA RAILROAD COMPANY, PLAINTIFF AND APPELLEE, VS. THE INSULAR COLLECTOR OF CUSTOMS, DEFENDANT AND APPELLANT.**

*G.R. No. 10214. November 04, 1915*

Ponente: JOHNSON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-10214/>

---

### **JOHNSON, J.:**

It appears from the record that on or about the 17th of October, 1913, the plaintiff imported into the Philippine Islands ten locomotive engines, to be used upon its railroad. It appears from the record that some of the parts of said engines had been manufactured in England, some of which had been sent to the United States and there attached to said locomotives; that some of the parts had been sent direct to Manila, to be attached to the locomotives in the Philippine Islands; that said locomotives, together with said parts, were admitted into the Philippine Islands free of duty. The locomotives, except the parts which had been manufactured in England, were admitted free of duty, under section 12 of the Philippine Tariff Law of 1909. Those parts of said locomotives which had been manufactured in England were admitted free of duty by virtue of the provisions of section 10 of Act No. 1510.

Later the Collector of Customs canceled said free entry of said parts which had been manufactured in England and admitted the same free of duty under section 12 of the Philippine Tariff Law of 1909, instead of section 10 of Act No. 1510.

Against the order of cancellation the plaintiff protested, which protest was overruled by the Collector of Customs on the 23d of December, 1913. From that decision of the Collector of Customs the plaintiff appealed to the Court of First Instance. The cause was duly submitted to the Court of First Instance. After hearing the evidence adduced, the Honorable James A. Ostrand, judge, made the following finding of facts and rendered the following judgment:

"This case is before the court for trial upon a protest by the Manila Railroad Company, plaintiff, as importer, against the action of the Collector of Customs for the port of Manila, in the cancellation of railroad construction entry No. 524 and the reliquidation of entries Nos. 4992 and 9108, in order to include in said entries the value of certain brake material covered by railroad construction entry No. 524.

"Mr. E. A. Perkins appeared for the plaintiff; Mr. C. J. Gerkin for the defendant.

"From the evidence presented on the trial the court finds:

"1. That the Manila Railroad Company contracted in the United States with the American Locomotive Company for ten locomotives (for use on its southern lines), to be built according to plans and specifications which were furnished.

"2. That the plans and specifications so furnished called for a certain kind of vacuum brake equipment, which is in general use in England and there manufactured.

"3. That therefore the said brake equipment complete for the ten locomotives was purchased in England.

"4. That of the said brake equipment so purchased, the complete parts for four locomotives were imported into the Philippine Islands by direct shipment from England, and passed here free of duty on a railroad construction entry under section 10 of Act No. 1510.

"5. That the brake equipment for the remaining six locomotives was first shipped from England to the United States, where duty was imposed upon it, and from there reshipped to the Philippine Islands, by direct shipment, accompanying the said locomotives; that nothing was done to said brake equipment while in the United States except that perhaps one or more were fitted to the engines for which intended, for trial.

"6. That the ten locomotives (less the brake equipment) were entered here free of duty.

"7. That the six brake equipments which came with the ten locomotives, when received here were, in accordance with section 10, Act No. 1510, entered under railroad free entry No. 524, which is in the record as Exhibit E, and which was afterwards cancelled by the Acting Insular Deputy Collector of Customs as appears from the endorsement thereon.

"8. That after the cancellation of said entry the importation in question was liquidated under section 12 of the Tariff Act of 1909, and that such action on behalf of the customs authorities was duly protested by the railroad company, claiming that the same should be allowed free entry under section 10 of Act No. 1510.

"Act No. 1510, the charter of the railway company, in its section 10 provides for the admission free of duty of all materials necessary for the construction and equipment of the railroad lines covered by the charter. Section 12 of the Tariff Act of 1909 provides for the free entry of all articles, except rice, the growth, product, or manufacture of the United States or its possessions to which the customs in force in the United States is applied and upon which no drawback has been allowed.

"The defendant urges that the provisions of Act No. 1510 for free entry of railroad materials were repealed by the Tariff Act of 1909, but in view of the fact that this latter Act, in its section 27, expressly provides that it shall not affect 'any act done or any right accruing or accrued,' but little weight can be placed on this argument. We do not think it can be successfully disputed that as Act No. 1510 is in the nature of a contract between the Government and the railroad company the rights acquired under it by the latter were not impaired by the subsequent Tariff Act. The defendant also maintains that as the articles in question were allowed free entry under section 12 of the Tariff Act the rights of the railroad company under section 10 of its charter were in no wise violated. We cannot take this view of the matter. The railroad company had a perfect right to stand upon its charter and to demand that the entry of materials for construction and equipment should be allowed thereunder; the Collector of Customs had no authority, over the railroad company's protest, to compel the entry under another law. From this point of view the existence of the certificate on the invoices to the effect that the articles imported were the growth, product, or manufacture of the United States or its possessions and that no drawback of import duties had been or would be claimed thereon is, as we can see, wholly immaterial. The decision rests on the broad general principles that the plaintiff corporation has certain rights under section 10, Act No. 1510; that there has been no waiver of such rights, and that the record shows nothing which stops the plaintiff from asserting its rights in a court of general jurisdiction.

"Wherefore, let judgment be entered in favor of the plaintiff and against the defendant reversing the decision of the Insular Collector of Customs, and directing that he allow the liquidation of the six locomotive brake equipments, the subject matter of this protest, under railway free entry pursuant to section 10 of Act No. 1510. No costs will be allowed. So ordered."

From that judgment the defendant appealed to this court.

Without discussing the particular assignments of error made by the appellant, it seems difficult to understand why

it was necessary for the Collector of Customs to have cancelled the first entry of the merchandise in question. According to his contention, the merchandise in question was admitted free of duty under both of the laws. Section 10 of Act No. 1510 provides for admission into the Philippine Islands, by the plaintiff, of supplies and equipment for its railroad during a certain period. It is not denied that the material in question was brought into the Philippine Islands as equipment for the railroad of the plaintiff. It is also admitted that the material in question was manufactured in England. The Collector of Customs, in his amended order, admitted the same under section 12 of the Tariff Law of 1909. Said section of said law provides for the free entry of all articles, except rice, the growth, product, or manufacture of the United States, or its possessions, to which the customs in force in the United States is applied and upon which no drawback has been allowed. Clearly, therefore, the material in question could not have been admitted under Section 12 of the Philippine Tariff Law of 1909. The Collector of Customs properly admitted said material, which had been admittedly manufactured in England, under section 10 of Act No. 1510. He committed an error when he cancelled said entry and admitted said articles under section 12 of Tariff Act of 1909.

The judgment of the Court of First Instance should be and is therefore hereby affirmed, with costs. So ordered.

Arellano, C. J., Torres, Carson, and Araullo, JJ., concur.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.