

JUAN B. ALEGRE, PETITIONER AND APPELLEE, VS. THE INSULAR COLLECTOR OF CUSTOMS, RESPONDENT AND APPELLANT.

G.R. No. 30783. August 27, 1929

Ponente: JOHNS, J.

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JOHNS, J.:

Act No. 2380 is entitled "An Act providing for the inspection, grading, and baling of abaca (Manila hemp), maguey (cantala), sisal, and other fibers," and was enacted by the Philippine Legislature, February 28, 1914.

Section 1 specifically defines the meaning of the words "fiber," "abaca," "maguey," "sisal," "strand," "string," "tow," "waste," "grading station," and "grading establishment,"

Section 2 is as follows:

"(a) The Director of Agriculture is hereby enjoined and directed to establish, define, and designate standards for the commercial grades of abaca, maguey, and sisal, which shall become the official standards of classification throughout the Philippine Islands, calling to his assistance the agencies of his Bureau, those of any other Bureau or branch of this Government, or such other agencies as he may deem necessary.

"(b) The Director of Agriculture shall prepare in suitable form the official standard of each grade of the fibers covered by this Act and furnish the same upon request to all authorized grading establishments, provincial governments, chambers of commerce, planters' associations, and other institutions directly interested in the trade, the actual cost of such specimens to be paid in advance by the party requesting the same.

"(c) The designation and mark of each grade of the official standard, together with the basis upon which each grade is determined, shall be defined and published by the Director of Agriculture in a Bureau of Agriculture General Order not less than six months prior to the date when this Act goes into effect; the Director of Agriculture shall furnish a sufficient number of copies of this order and of any other or others hereafter issued on this subject to the foreign markets, municipal presidents, provincial governors, and to such other persons and corporations as he may deem advisable, for general information and guidance.

"(d) To preserve the official standards as originally prepared, the Director of Agriculture shall stipulate the manner in which they shall be kept and shall define the period at the expiration of which they shall be renewed.

"(e) Any grading establishment shall have the right to prepare or renew the set of official standards of grades for its use, providing that such a set shall be an exact copy of the official set of standards and that it shall have been approved and certified to by the Director of Agriculture or his authorized agent.

"(f) The Director of Agriculture shall establish one or several standards for abaca which may have been partially cleaned or prepared in the form of tow, waste, or strings, at the request of a party concerned, if such standards are required by the market. He shall also likewise establish a standard or standards for the fiber of any species of *Musa* other than abaca for which there shall be a demand in the market. Such standards, if established, shall be designated and defined in the general order referred to in section two (c) of this Act."

Subsection (b), of section 3, provides:

"No person, association, or corporation shall engage in grading abaca, maguey, or sisal, unless a permit shall have previously been obtained, which shall be signed by the Director of Agriculture, such permits to be known as 'grading permits.'"

Subsection (e) says:

"In grading fiber for export, each grade prepared shall correspond to one of the official standards, and it shall also bear the same designation and mark as the latter. The set of official standards shall be placed in a prominent position in the grading shed for reference."

Section 5 provides:

"(a) All fibers included in this Act which are intended for export shall be pressed in bales approximately of the following dimensions and weight: Length, one meter; width, fifty centimeters; height, fifty-five centimeters; and weight, one hundred and twenty-five kilos, net. In any grade of abaca in which the quality of the fiber may be injured by excessive pressure, the approximate dimensions and weight of each bale of such fiber shall be determined in a general order by the Director of Agriculture.

"(b) The limit of size of diameter of each hank contained in the bale of abaca, the manner in which these hanks shall be arranged in the bale, and the manner of labeling and tying of each entire bale shall be designated by the Director of Agriculture not later than six months prior to the date on which this Act goes into effect.

"(c) Each and all hanks of fiber contained in a bale shall be uniform in quality, and each hank shall also be securely tied by a strand to hold the hank together, and which shall be identical with the fiber which constitutes the bale.

"(d) Every bale of fiber shall be free from strings, waste, tow, damaged fiber, fiber not identical with that which constitutes the bale, or any extraneous matter, and the fiber shall be thoroughly dry."

Subsection (g), of section 6, provides:

"All fiber of which the official standard shall have been established as provided in section two hereof shall be graded, baled, inspected and approved as provided in this Act."

And the last paragraph of subsection (i) says:

"The object of such inspection shall be to determine whether or not the grade inspected conforms with the official standard for the same, whether or not the private mark (if any) used is correct, and whether the baling and labeling is in conformity with the provisions of this Act and the authorized instructions of the Director of Agriculture."

Subsection (k) provides:

"Every shipment of graded and baled abaca, maguey, or sisal, which has been inspected and approved, shall be accompanied by a certificate or certificates of inspection attached to the bill of lading and duly signed by the fiber inspector who made the inspection. All certificates of grading shall be prepared in quadruplicate, the original and one copy to be given the owner, one copy to be forwarded to the Director of Agriculture, and one copy to be filed in the inspector's office."

Section 7 says:

"(a) No person shall change, obliterate, or counterfeit, wholly or in part, or cause to be changed, obliterated, or counterfeited, the official or private mark or brand on any bale of fiber which has been inspected, graded, and stamped as provided in this Act, nor shall any person use any tag or mark which is not in accordance with the provisions of this Act or the authorized orders of the Director of Agriculture; nor shall any person tamper with or alter the quantity or quality of any bale of fiber which has been inspected, graded, and stamped as provided

in this Act.

"(b) Any person, association, or corporation violating any of the provisions of this Act shall, upon conviction thereof by a court of competent jurisdiction, be fined not more than two hundred and fifty pesos.

"(c) Upon conviction of any person, association, or corporation of a violation of any of the provisions of this Act, the Director of Agriculture may withdraw and cancel the grading permit theretofore issued to such person, association, or corporation."

It will thus be noted that the purpose and intent of the original law was to provide in detail for the inspection grading and baling of abaca, maguey, sisal and other fibers, and for a uniform scale for grading, and to issue official certificates as to the kind and quality of the hemp, so that an intending purchaser from an examination of the certificates might be assured and know the grade and quality of the hemp offered for sale.

The original law, as enacted, was later amended and carried into, and made a part of, the Administrative Code, section 1244 of which is as follows:

"A collector of customs shall not permit abaca, maguey, or sisal or other fibrous products for which standard grades have been established by the Director of Agriculture to be laden aboard a vessel clearing for a foreign port, unless the shipment conforms to the requirements of law relative to the shipment of such fibers."

Section 1783 of the Administrative Code, which corresponds to section 5 of the original act, now reads as follows :

"All fibers within the purview of this law which are intended for export shall be pressed in bales approximately of the following dimensions and weight: Length, one meter; width, fifty centimeters; height, fifty-five centimeters; and weight, one hundred and twenty-five kilos, net.

"Every bale of fiber shall be free from strings, waste, tow, damaged fiber, fiber not identical with that which constitutes the bale, or any extraneous matter, and the fiber shall be thoroughly dry.

"All hanks of fiber contained in a bale shall be uniform in quality, and each hank shall also, be securely tied by a strand to hold the hank together, and which shall be identical with the fiber which constitutes the bale.

"In any grade of abaca in which the quality of the fiber may be injured by excessive pressure, the approximate dimensions and weight of each bale of such fiber shall be determined in a general order by the Director of Agriculture. He shall in like manner determine the limit of the diameter of hanks contained in bales, the manner in which these hanks shall be arranged in the bale, and the manner of labeling and tying of each entire bale."

Section 2 of Act No. 3263, which was approved December 7, 1925, among other things, provides*.

"The following new sections are hereby inserted between sections seventeen hundred and seventy-one and seventeen hundred and seventy-two of the same Act:

" 'Sec. 1771-A. Philippines fiber inspection service.— There is hereby created an office which shall have charge of the classification, baling, and inspection of Philippine fibers and shall be designated and known as "Philippines Fiber Inspection Service" and be governed by a standardization board.

" 'Sec. 1771-B. Standardization Board.—There is hereby created a board which shall be designated and known as "Fiber Standardization Board" and shall be vested with the powers and duties hereinafter specified. Said Board shall consist of seven members, with the Director of Agriculture as its permanent chairman and executive officer, and the other members shall be appointed by the Governor-General, with the advice and consent of the Senate: Provided, That one member shall represent the local rope manufacturers; two members shall represent the fiber exporters; one member shall represent the dealers or middlemen; and two members

shall represent the fiber producers."

Section 1772 of the Administrative Code, as amended, reads as follows:

"The Fiber Standardization Board shall determine the official standards for the various commercial grades of Philippine fibers that are or may hereafter be produced in the Philippine Islands for shipment abroad. Each grade shall have its proper name and designation which, together with the basis upon which the several grades are determined, shall be defined by the said Board in a general order. Such order shall have the approval of the Secretary of Agriculture and Natural Resources; and for the dissemination of information, copies of the same shall be supplied gratis to the foreign markets, provincial governors, municipal presidents, and to such other persons and agencies as shall make request therefor.

"If it is considered expedient to change these standards at any time, notice shall be given in the local and foreign markets for a period of at least six months before the new standard shall go into effect."

Section 1788 of the Administrative Code was amended to read as follows:

"No fiber within the purview of this law shall be exported from the Philippine Islands in quantity greater than the amount sufficient to make one bale, without being graded, baled, inspected, and certified as in this law provided."

Section 2748 of the Administrative Code now reads:

"Any person who shall change, obliterate, or counterfeit, wholly or in part, or cause to be changed, obliterated, or counterfeited, the official or private mark or brand on any bale of fiber which has been inspected, graded, and stamped as provided in this law, or who shall use any tag or mark which is not in accordance with the provisions of this Act or the authorized orders of the Fiber Standardization Board, or who shall tamper with or alter the quantity or quality of any bale of fiber which has been so inspected, graded, and stamped, or who shall otherwise violate any of the provisions of this Act, shall be punished by a fine of not more than three hundred pesos; and upon conviction hereunder of any person holding a grading permit, the Fiber Standardization Board may, with the approval of the Secretary of Agriculture and Natural Resources, withdraw and cancel such permit."

The Legislature having enacted the law which provides for the inspection, grading and baling of fibers and the creation of a board to carry the law into effect, the question is squarely presented as to whether or not the authority vested in the board is a delegation of legislative power.

Cooley on Constitutional Limitations, a standard authority all over the world, vol. I, 8th ed., pp. 228-232, says:

"The maxim that power conferred upon the Legislature to make laws cannot be delegated to any other authority does not preclude the Legislature from delegating any power not legislative which it may itself rightfully exercise. It may confer an authority in relation to the execution of a law which may involve discretion, but such authority must be exercised under and in pursuance of the law. The Legislature must declare the policy of the law and fix the legal principles which are to control in given cases; but an administrative officer or body may be invested with the power to ascertain the facts and conditions to which the policy and principles apply. If this could not be done there would be infinite confusion in the laws, and in an effort to detail and to particularize, they would miss sufficiency both in provision and execution.

"Boards and commissions now play an important part in the administration of our laws. The great social and industrial evolution of the past century, and the many demands made upon our legislatures by the increasing complexity of human activities, have made essential the creation of these administrative bodies and the delegation to them of certain powers. Though legislative power cannot be delegated to boards and commissions, the Legislature may delegate to them administrative functions in carrying out the purposes of a statute and various governmental powers for the more efficient administration of the laws."

Hence, the question here is whether or not the law in question delegates to the Fiber Board legislative powers or administrative functions to carry out the purpose and intent of the law for its more efficient administration. It must be conceded that the details, spirit and intent of the law could only be carried into effect through a board or commission.

The case of *Buttfield vs. Stranahan*, 192 U. S., 470, is square in point. The law there construed is as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after May first, eighteen hundred and ninety-seven, it shall be unlawful for any person or persons or corporation to import or bring into the United States any merchandise as tea which is inferior in purity, quality, and fitness for consumption to the standards provided in section three of this Act, and the importation of all such merchandise is hereby prohibited.

"SEC. 2. That immediately after the passage of this Act, and on or before February fifteenth of each year thereafter, the Secretary of the Treasury shall appoint a board, to consist of seven members, each of whom shall be an expert in teas, and who shall prepare and submit to him standard samples of tea; * * *

"SEC. 3. That the Secretary of the Treasury, upon the recommendation of the said board, shall fix and establish uniform standards of purity, quality, and fitness for consumption of all kinds of teas imported into the United States, and shall procure and deposit in the customhouses of the ports of New York, Chicago, San Francisco, and such other ports as he may determine, duplicate samples of such standards; that said Secretary shall procure a sufficient number of other duplicate samples of such standards to supply the importers and dealers in tea at all ports desiring the same, at cost. All teas, or merchandise described as tea, of inferior purity, quality, and fitness for consumption to such standards shall be deemed within the prohibition of the first section hereof * * *."

Construing which that court said:

"We may say of the legislation in this case, as was said of the legislation considered in *Marshall Field & Co. vs. Clark*, that it does not, in any real sense, invest administrative officials with the power of legislation. Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute. To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted."

And

"The claim that the statute commits to the arbitrary discretion of the Secretary of the Treasury the determination of what teas may be imported, and therefore in effect vests that official with legislative power, is without merit. We are of opinion that the statute, when properly construed, as said by the Circuit Court of Appeals, but expresses the purpose to exclude the lowest grades of tea, whether demonstrably of inferior purity, or unfit for consumption, or presumably so because of their inferior quality. This, in effect, was the fixing of a primary standard, and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute."

The *St. Louis vs. Taylor* (210 U. S., 281), construed the validity of an Act of Congress, which is as follows:

"Within ninety days from the passage of this Act the American Railway Association is authorized hereby to designate to the Interstate Commerce Commission the standard height of drawbars for freight cars, measured perpendicular from the level of the tops of the rails to the centers of the drawbars, for each of the several gauges of railroads in use in the United States, and shall fix a maximum variation from such standard height to be allowed between the drawbars of empty and loaded cars. Upon their determination being certified to the Interstate Commerce Commission, said Commission shall at once give notice of the standard fixed upon to all

common carriers, owners. * * * And after July first, eighteen hundred and ninety-five, no cars, either loaded or unloaded, shall be used in interstate traffic which do comply with the standard above provided for."

And in its opinion said:

"It is contended that there is here an unconstitutional delegation of legislative power to the railway association and to the Interstate Commerce Commission. This is clearly a Federal question. Briefly stated, the statute enacted that after a date named only cars with drawbars of uniform height should be used in interstate commerce, and that the standard should be fixed by the association and declared by the Commission. Nothing need be said upon this question except that it was settled adversely to the contention of the plaintiff in error in *Buttfield vs. Stranahan*, 192 U. S., 470; 48 Law. ed., 525; 24 Sup. Ct. Rep., 349, a case which, in principle, is completely in point. And see *Union Bridge Co. vs. United States*, 204 U. S., 364; 51 Law. ed., 523; 27 Sup. Ct. Rep., 367, where the cases were reviewed." (28 Sup. Ct. Rep., 617.)

It will be noted that section 1772 of the Administrative Code, as amended, provides:

"The Fiber Standardization Board shall determine the official standards for the various commercial grades of Philippine fibers that are or may hereafter be produced in the Philippine Islands for shipment abroad. Each grade shall have its proper name and designation which, together with the basis upon which the several grades are determined, shall be defined by the said Board in a general order. Such order shall have the approval of the Secretary of Agriculture and Natural Resources; and for the dissemination of information, copies of the same shall be supplied gratis to the foreign markets, provincial governors, municipal presidents, and to such other persons and agencies as shall make request therefor,

"If it is considered expedient to change these standards at any time, notice shall be given in the local and foreign markets for a period of at least six months before the new standard shall go into effect."

That is to say, the Legislature has specifically provided for the creation of "official standards for commercial grades of fibers" and that "the Fiber Standardization Board shall determine the official standards for the various commercial grades of Philippine fibers" and that:

"All fibers within the purview of this law which are intended for export shall be pressed in uniform bales. The approximate volume and net weight of each bale, together with the manner of binding, marking, wrapping, and stamping of the same, shall be defined in a general order by the Fiber Standardization Board."

And section 1788, as amended, provides that no fiber shall be exported in quantity greater than the amount sufficient to make one bale, without being graded, baled, inspected, and certified as in this law provided. That is to say, the law provides in detail for the inspection, grading and baling of hemp and by whom and how it should be done, and creates the Fiber Board with power and authority to devise ways and means for its execution. In legal effect, the Legislature has said that before any hemp is exported from the Philippine Islands it must be inspected, graded and baled, and has created a board for that purpose and vested it with the power and authority to do the actual work. That is not a delegation of legislative power. It is nothing more than a delegation of administrative power in the Fiber Board, to carry out the purpose and intent of the law. In the very nature of things, the Legislature could not inspect, grade and bale the hemp, and from necessity, the power to do that would have to be vested in a board or commission.

The petitioner's contention would leave the law, which provides for the inspection, grading and baling of hemp, without any means of its enforcement. If the law cannot be enforced by such a board or commission, how and by whom could it be enforced? The criticism that there is partiality or even fraud in the administration of the law is not an argument against its constitutionality.

The appellee has cited authorities of similar laws, which have been enacted by different States of the United

States, that have been declared unconstitutional in violation of section 8 of article 1 of the United States Constitution which confers upon Congress the authority "to regulate commerce with foreign nations, and among the several States, and with the Indian Tribes."

It must be conceded that within the meaning of the Constitution, the Philippine Islands is not a State of the United States, that it is not a Tribe of Indians, and that it is not a foreign nation.

We have given this case the careful consideration which its importance deserves, and are clearly of the opinion that the act in question is not a delegation of legislative power to the Fiber Board, and that the powers given by the Legislature to the board are for administrative purposes, to enforce and carry out the intent of the law.

The judgment of the lower court is reversed and the petition is dismissed, without costs to either party. So ordered.

Avanceña, C. J., Street, Villamor, Romualdez, and Villa-Real, JJ., concur.

CONCURRING

JOHNSON, J.:

The reason for my dissent in the case of *Walter E. Olsen & Co. vs. Herstein and Rafferty* (32 Phil., 520), is the very reason for my concurrence herewith.

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