

**THE UNITED STATES, PLAINTIFF AND APPELLEE, VS. LIM CAY PIT,
DEFENDANT AND APPELLANT.***G.R. No. 9861. November 19, 1914*

Ponente: MORELAND, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-9861/>**MORELAND, J.:**

This is an appeal from a judgment of the Court of First Instance of the city of Manila convicting the accused of a violation of section 317 of Act No. 355, as amended by Section 17 of Act No. 1235, and sentencing him to pay a fine of P100, to suffer subsidiary imprisonment in case of nonpayment, and to pay the costs of the trial.

The information charges: "That on or about the 21st day of December, 1912, in the city of Manila, Philippine Islands, the said Lim Cay Pit, willfully, illegally, and criminally and with intent to defraud the Government of the Philippine Islands, committed acts and was guilty of omissions by which he defrauded the said Government of the Philippine Islands of a part of its revenues by the importation of merchandise which was subject to pay duty, that is to say, by making false declarations in invoice No. 34554 of the Manila customhouse, whereby he declared and represented that certain merchandise, to wit, one bale of hemp fish nets, which had been imported from Amoy, China, upon the steamer Taisang on the 20th of December, 1912, which merchandise was subject to a duty of 20 per cent ad valorem, was of the value of \$126 Mexican currency, equivalent to \$61.74 United States currency, when in truth and in fact, as said accused then and there well knew, the value of said bale of hemp fish nets was 144.26 taels, equivalent to \$106.75 United States currency; thereby depriving the Government of the Philippine Islands of the difference between the sum paid by said Lim Cay Pit and that which he should have paid as duty upon the real value of the said bale of hemp fish nets which he imported and brought into the city of Manila as aforesaid."

Mr. Neuffer, who had been designated by the Insular Collector of Customs to receive on behalf of the Bureau of Customs the original invoices of merchandise entering the port of Manila, testified that when the original entry voucher No. 28901, corresponding with entry No. 34554, was presented to him he asked the accused if he would swear that the document was correct and exact according to his knowledge and belief, and that the accused raised his right hand and nodded his head. The bill of lading, the invoice, and an English translation of the latter, also presented to the clerk at the customhouse, were offered in evidence. The prices on the invoice correspond with those in the original entry voucher.

The customs authorities being suspicious that the defendant had misrepresented the true value of the articles listed in his invoice, special agents of the customhouse, Theobald Diehl and Leopoldo Roeder, called upon the defendant and asked him for permission to examine his account books. He produced three books, one of which was offered in evidence. A qualified translator made an examination of this book and on page 80 thereof found an account of the merchandise listed in the original entry voucher already referred to. According to the book the cost to the defendant of the fish nets listed in said original entry voucher was \$106.75 United States currency instead of \$61.74 United States currency. The duty actually paid by the defendant upon these nets was 20 per cent ad valorem on the value fixed by the Collector of Customs or \$12.93 United States currency. Had the goods been

declared in the original entry voucher at the value set forth in the account book the tariff duty thereon would have been \$21.35, or an increase of \$8.42 United States currency over the amount actually paid.

The principal question presented for our determination and the one upon which the decision of the case depends is: Was the declaration made by the accused false and was its falsity known to him at the time of the declaration ?

Section 164 of Act No. 355 provides that "all invoices of imported merchandise shall be made out in the currency of the place or country from whence the importation shall be made" and section 161 of the same Act declares that, "The description on the entry of the merchandise shall be * * * in the currency of the invoice." It is also provided that the declaration shall show the market value of the merchandise in the country from which it was imported. The translation of the invoice filed with and attached to the declaration which is the basis of this action and which is known in the evidence as Exhibit A-3 shows the value of the merchandise to have been \$126 Amoy currency or Mexican currency, which is the same thing, and was so declared by the defendant in said declaration; and the translation of the Chinese invoice, Exhibit A-2, read into the record by Yeung Chu Kai, a witness for the prosecution, was "1 bundle fish nets, cost price \$126." No attempt was made by the prosecution to impeach this invoice, no evidence adduced showing: that any other invoice ever existed, and it was not questioned that the price given therein was Mexican or Amoy currency. It is true that, on the cross-examination of the defendant, he stated that he had received a copy of the invoice, but upon further cross-examination he also stated that he did not mean to say a duplicate of the invoice but a bill for the goods covered in the invoice and for the sum named in the invoice. No one testified that the value of the goods in Amoy as stated in the declaration was incorrect and no evidence has been introduced showing that the market value of the fish nets in Amoy was different from that stated in the invoice and in the declaration for entry.

The prosecution claims that the declaration is impeached and shown to be false by a certain book belonging to the accused which was introduced in evidence by the prosecution, which contains a list of merchandise which the accused had imported for some years past and the market values thereof in the country from which the importations had been made. The value of the importation in question, as set forth in the book, is nearly 100 per cent higher than that found in the declaration. The prosecution also claims that it has impeached the declaration and shown it to be false by means of a confession in writing made by the accused, duly signed by him, in which he admits that the value stated in the invoice and in the declaration was false.

The book referred to by the prosecution as containing an entry by the accused showing the value of the merchandise Imported to have been greater than that declared or invoiced is so closely connected with the alleged confession of the accused that we shall speak of them together. It appears that, during an investigation conducted by the special agents of the customhouse after the importation complained of in this action, their attention was called to a discrepancy between the value of certain goods recently imported, as represented in the book and as listed in entry No. 2613. Thereupon the defendant was summoned to appear before the appraiser of the port and was asked to explain the variation in the values placed on the merchandise described in that entry. This proceeding was a different proceeding from that in which the declaration was made which is the basis of this action and referred to goods imported on the steamship Rubi on the 30th of January, 1913. These goods were entirely different from those imported on the steamship Taisang on the 20th of December, 1912, which is the importation from which the present action springs. This proceeding was entitled by the customs department: "Proceedings before the acting appraiser of the port, Manila, upon importations of Lim Cay Pit; specifically in the case of entry No. 2613, ex steamship Rubi, reg. 52, arrived January 30, 1913." It had nothing to do with the importation which is the basis of the action at bar except that the investigation made in the case before us probably led to the investigation of the importation made on the steamer Rubi. The alleged confession was obtained in the proceeding with reference to the importation on the Rubi and the books spoken of by the

prosecution, one of which was introduced in evidence, were obtained from the accused during that investigation. The confession is a typewritten one and is headed by this statement:

"Proceedings before the acting appraiser of the port, Manila, upon importations of Lim Cay Pit; specifically in the case of entry No. 2613, ex steamship Rubi, reg. 52, arrived January 30, 1913."

It reads as follows: "A question having arisen as to the proper valuation of the merchandise declared in the above named entry, the acting appraiser of the port, under the provisions of section 194 of the Customs Administrative Act, called before him, the said importer, who appeared in person accompanied by his attorney, Hartford Beaumont, and his interpreter, by the name of Chan Yek Sam, and the acting appraiser of the port requested, through his interpreter, the production of additional books and evidence to sustain the value of the invoice presented with the mentioned entry. Thereupon Lim Cay Pit, a partner of the firm of that name, surrendered three ledgers under statement that therein were contained the correct amounts of the various purchases made by him during the last three years. He declares that the amounts as shown by the invoices filed with his customs entries were in error, and that the true amounts paid by him for the goods in question are those set forth in the three ledgers or books referred to.

"The above was read to Lim Cay Pit by the acting appraiser of the port, through the customs interpreter, Campton, in the presence of Beaumont and of his own interpreter, Chan Yek Sam, and thereupon duly signed by Lim Cay Pit, to which the others have affixed their signatures in attestation thereof."

Mr. Campton, a witness for the prosecution, stated in effect that he, at the instance of the acting appraiser of the port, interpreted this document to the defendant, as did also one Chan Yek Sam, private interpreter for Mr. Beaumont, the attorney for the defendant at that time. On cross-examination Mr. Campton testified that when the contents of the document were explained to defendant, he emphatically denounced it as untrue and incorrect, protesting: earnestly that he had done no wrong, and absolutely refusing to sign the same. This was interpreted to the acting appraiser, to Mr. Roeder, and to Mr. Beaumont, and Mr. Beaumont thereupon insisted upon the defendant signing the document, warning him that he had better do so.

The defendant thereupon resigned himself to the advice of his attorney, continuing, however, to protest that the books held by the customs authorities were not true and correct books, that he had never undervalued his goods or made false declarations, and that the confession he was being induced to sign was not true and correct, and that he was signing it only because of the insistence of his attorney. The testimony was uncontradicted and unchallenged.

The document itself sets out that the defendant was requested to produce "additional books and evidence to sustain the value of the invoice presented with the mentioned entry." The entry named was No. 2613 for goods imported on the steamship Rubi and not entry No. 34554, ex steamship Taisang, which is the importation which forms the subject matter of the action at bar. The evidence of Mr. Roeder, a witness for the prosecution, shows that, prior to the time this alleged confession was secured, he had received from the defendant three books, one of which was introduced in evidence marked Exhibit B. The confession, however, recites that the defendant "thereupon . . . * * * surrendered three ledgers under statement that therein were contained the correct amounts of the various purchases made by him during the last three years." During the trial the witness Roeder admitted on cross-examination that the defendant had submitted to him other books than the book Exhibit B, but that he did not retain possession thereof, returning them to the accused. Exhibit B was identified and designated by the court interpreter as a "book of merchandise" and not as a "ledger" and the defendant testified that said book was specially prepared to exhibit to customers who might haggle over prices and ask reductions, and for that reason contained prices highly inflated. The prosecution on its cross-examination elicited the information that the defendant did keep regular ledgers and that they were in court at that moment. They were not, however, introduced in evidence either by the prosecution or by the defense.

After referring to the additional three ledgers the confession stated "that the true amounts paid by him for the goods in question are those set forth in the three ledgers or books referred to." The "goods in question" refer to those in entry No. 2613 imported on the steamship Rubi and there is, therefore, in the alleged confession, no specific reference to the merchandise to which the action now on trial refers.

It thus appears that, apart from the fact that the alleged confession was signed involuntarily and under protest by the accused, it lacks elements necessary to make it applicable to the importation at bar and that definiteness which is required to make it effective. It must be remembered that the so-called confession was made in a proceeding which had nothing to do with the importation at bar, and it refers, therefore, primarily to merchandise entirely distinct from that to which the present action relates. While one statement in the so-called confession is sufficiently broad and general to cover the importation at bar, the attention of the accused was not specifically drawn to that importation and we doubt if we would be justified in holding that a statement so general relative to the value of importations made during the last three years should apply to the importation at bar. We regard this as particularly true when we take into consideration, further, that the accused testified that the book in which the importation at bar was entered and valued was not one of his books of invoice in which he entered the actual value of each importation, but was, rather, a book prepared by him for exhibition to customers who haggled over prices or who insisted on reductions before buying. Moreover, the first time that the attention of the accused was specifically drawn to the valuation of the importation at bar, as it appears in the book introduced by the prosecution, he made express and emphatic denial of the correctness of the value therein set forth. In this connection also it is of some significance to note that the books in which the accused claims the values of importations were properly and correctly entered were called by him ledgers; whereas the book which was seized upon and produced in evidence by the prosecution is designated by the interpreter as a "book of merchandise." The confession itself refers to "ledgers" and not to "books of merchandise" and, from the evidence, there is some question whether the book introduced by the prosecution is one of the books referred to in the confession.

We do not lose sight of the fact that, even though the book in evidence was not referred to in the confession itself, it is a matter of evidence with respect to the good faith of the accused in making his declaration for entry and of the probable correctness of the values stated therein and in the Chinese invoice. Before, however, the discrepancy between the book and the declaration may be held sufficient to convict, there must be evidence showing that the entry in the book is the true market value of the importation in the country from which it was imported and that, accordingly, the value as stated in the declaration is incorrect. The entry in the book is a matter which touches rather the intention of the accused in making his declaration than the true market value of the importation. Granted that the entry in the book states the true market value of the importation, then the fact that the defendant made two entries, one in the book and the other in the declaration, widely at variance with each other, is very strong evidence of his guilty knowledge and fraudulent purpose in making the declaration.

As already stated at the outset, the prosecution to convict the accused must prove that the declared value was a false value and that the accused knew that it was false when he made the declaration. The fact that the accused made two entries widely different is not proof that the entry in the book is the true market value. It is simply evidence of the fact that the accused had valued the same article differently at different times. That fact, however, does not prove that the one or the other is the true value. To establish that fact there must be additional evidence, and this is the particular thing that is lacking, so far as the case of the prosecution is concerned. No one has declared, no one has testified, on behalf of the prosecution, what the true market value of the importation was in Amoy, China. If there is any evidence of the prosecution upon that subject, it is to the effect that the true market value of the importation in Amoy was \$131.97 Amoy currency. This amount was the value liquidated by the customs authorities upon the declaration of the accused valuing the merchandise at \$126 Amoy currency. This liquidation, however, can hardly be considered testimony as to the value in the case before us. It was the duty of

the prosecution, in establishing the falsity of the declaration, to prove the market value of the importation in the country from which it was imported. That has not been done and, accordingly, the first fundamental requisite for a conviction, namely, that the declaration as to value was false, is wanting. With that the case of the prosecution falls. There being no evidence of value on the part of the prosecution, it is clear that the accused cannot be held to have knowingly misstated it.

On the other hand, the evidence of the defense in respect to the value of the imported merchandise is uncontradicted. It is to the effect that the value stated in the declaration for entry was the correct and true market value of the imported merchandise in Amoy, China, at the time of its importation. This evidence is uncontradicted. Moreover, it is corroborated by the other evidence in the case to such an extent as to support, with fair show of reason, a finding that the value declared was the real value.

With the proposition that, to convict in cases of this kind, it must be shown that the accused knew that the value stated in his declaration was false, we should couple the statement that knowledge may be directly proved or it may be inferred from, all the circumstances of the case. If the actual market value of the merchandise had been proved in this case to have been that stated in Exhibit B, then it could have been very properly inferred that the accused knew that he was misstating the value when he made the declaration.

The judgment of conviction is reversed and the accused acquitted. Costs de officio.

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

Johnson, J., concurs in the result.

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.