

Gravely Abusive Contracts: The Role of the Supreme Court in Promoting Judicial Statesmanship

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This Article is an abridged and edited version of the Keynote address delivered by the Author during the 25th National Conference of Employers held on Apr. 24, 2004. The Article seeks to answer the question as to the role of the Court in the promotion of judicial statesmanship, especially on political and economic issues that impact on national development and competitiveness. First, the Article explains what gravely abusive contracts are. It then focuses on three landmark decisions involving government contracts namely the AMARI, PIATCO, and MEGA PACIFIC cases. Then, it lays down the facts, issues, ruling, and the ratio of each of the said cases. The Article concludes that in each of the cases, where the contracts entered into were invalidated, the Court firmly upheld the rule of law. The Court also sent a clear and unwavering signal that government contracts must be entered into fairly and even-handedly. The Article described the Court as doing the role of “leveling the playing field.”