

SENATE

S. NO. 1082

Introduced by Sens. Pimentel, Jr., Herrera,
Tanada, Laurel and Ziga

EXPLANATORY NOTE

The price of rice has risen! The price of corn is rising, and soon, if left unchecked, the price of other prime and essential commodities may rise domino fashion. If there is anything at all which is immediately felt by our people, specially by the poor, it is the rise in prices of prime and essential commodities. This problem must immediately be addressed to avert the possibility of Venezuela-style rioting in a Philippine setting.

The old Price Control Laws, Republic Act Nos. 6124 and 6361, as amended, creating the Price Control Council have been repealed and abolished as of June 30, 1979. Presidential Decree No. 1674 dated February 16, 1980 which provided for a mechanism for price regulation and which created the Price Stabilization Council has also been abolished by Executive Order No. 133, Section 18 (f), dated February 27, 1987. The Executive Order transferred the powers and functions of the Price Stabilization Council to the Secretary of Trade and Industry who may exercise the powers and functions in emergency situations as he may deem appropriate.

The abolition was in line with the declared policy (Sec. 1, E.O. No. 133) to pursue a private sector based growth strategy, centered on a socially responsive program to deregulate business in a manner that shall encourage private initiative and create a dynamically competitive economic environment and assure equal opportunity to all members of the business community, whether small or large, and whether rural or urban.

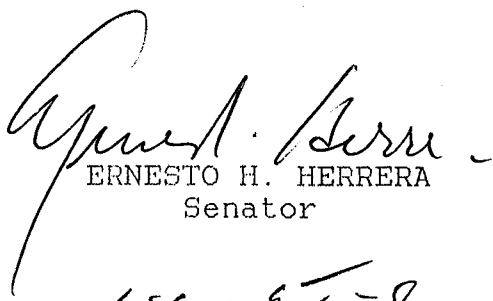
This bill affirms the above policy, but at the same time seeks to provide measures to curb the unconscionable increases in the prices of prime and essential commodities as a result of monopoly, hoarding, injurious speculation, manipulation and profiteering. While we recognize the need for a private sector to develop based upon a strategy of growth, ~~but~~ we likewise recognize the equal need of our people for stabilized prices of prime and essential commodities.

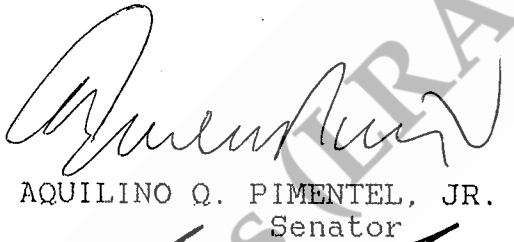
This bill seeks to create a Price Stabilization Council, to be composed of responsible government officials and representatives from the consumer, industrial and agricultural sectors. It shall serve both as an advisory body to the President of the Philippines, and as an implementing and

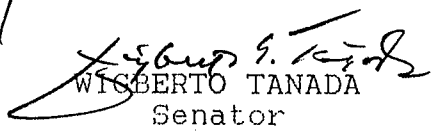
coordinating agency of the government to ensure the ample supply of prime and essential commodities and in the process stabilize prices.

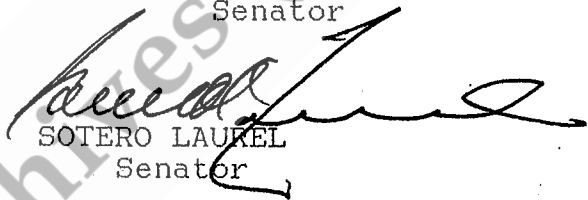
It is a feature of this bill to authorize the establishment of maximum selling prices of certain prime and basic commodities but only during a State of Emergency or Public Calamity subject to reasonable conditions and safeguards. Again, it must be emphasized that price regulation shall not be the general rule - but will only be an exemption during periods of emergency and public calamity.

Immediate approval of this bill is, therefore, earnestly requested to alleviate the plight of the people.


ERNESTO H. HERRERA
Senator


AQUILINO Q. PIMENTEL, JR.
Senator


WICBERTO TANADA
Senator

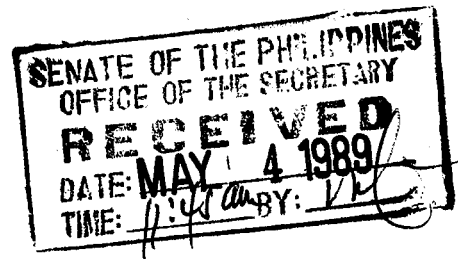

SOTERO LAUREL
Senator

VICTOR ZIGA
Senator



Senate Archives (BRAS)

SENATE
S. NO. 1082



Introduced by Sens. PIMENTEL, JR., HERRERA, TANADA,
LAUREL and ZIGA

AN ACT
PROVIDING FOR A MECHANISM FOR THE REGULATION OF PRICES OF PRIME
OR ESSENTIAL COMMODITIES, CREATING FOR THE PURPOSE THE PRICE
STABILIZATION COUNCILS, PROVIDING PENAL SANCTIONS FOR VIOLATIONS
THEREOF, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of
the Philippines in Congress assembled:

1 SECTION 1. 1. Title. - This Act shall be known as
2 the Price Stabilization Act of 1989.

3 SEC. 2. Declaration of Policies and Objectives. -
4 It is hereby declared to be the national policy to prevent
5 monopoly, hoarding, injurious speculations, manipulations
6 and profiteering with respect to the supply, distribution
7 and marketing of prime or essential commodities, whether
8 imported or locally produced or manufactured, and ensure the
9 ample supply of such prime or essential commodities and the
10 stabilization of prices thereof in cases of emergency or
11 public calamity as defined in accordance with this Act.

12 SEC. 3. Price Stabilization Council; Creation and
13 Composition. - To carry out the above policies and
14 objectives, there is hereby created the Price Stabilization
15 Council, hereinafter referred to as the Council, which shall
16 be composed of the Chairman of the National Economic
17 Development Authority as Chairman of the Council; the

32

1 Secretary of Trade and Industry as Vice-Chairman; and the
2 following as members:

- 3 a. The Secretary of Agriculture;
- 4 b. The Director-General of the Integrated National
5 Police;
- 6 c. The Chairman of the National Food Authority;
- 7 d. Two representatives from the consumer sector to be
8 appointed by the President of the Philippines from among
9 nominees submitted by nationwide consumer groups;
- 10 e. One representative from the industrial sector to
11 be appointed by the President of the Philippines from among
12 nominees submitted by nationwide industrial groups;
- 13 f. One representative from the agricultural sector to
14 be appointed by the President of the Philippines from among
15 nominees submitted by nationwide agricultural groups.

16 The last four members shall have a term of three years
17 starting from the date of their respective appointments.

18 **SEC. 4. Administrative Support.** - The Secretary of
19 Trade and Industry shall also be the Executive Director of
20 the Council, and he shall be responsible for carrying out
21 the orders and directives of the Council. He shall be
22 assisted by a Secretariat, and for this purpose, he may
23 avail of the services of appropriate personnel of the
24 Department of Trade and Industry, the Department of
25 Agriculture and Food and the National Food Authority.

26 **SEC. 5. Meeting.** - The Council shall meet at least
27 once a month or as often as the Chairman may determine:
28 Provided, That the abovenamed government officials, except
29 the Chairman and the Vice-Chairman of the Council, may
30 authorize their respective undersecretaries to represent
31 them in the meeting of the Council: Provided, further, That

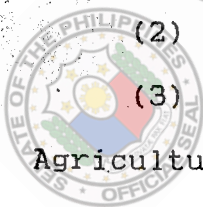
1 a majority of the members shall constitute a quorum, and an
2 affirmative votes of the majority of those present shall be
3 necessary for any action or decision of the Council:
4 Provided, finally, That in case of a tie, the vote of the
5 Chairman shall prevail.

6 **SEC. 6. Allowance of Members.** - The representatives
7 of the consumer, industrial and agricultural sectors shall
8 each receive a per diem of One Thousand Pesos (P1,000.00)
9 for every meeting attended: Provided, That the total
10 allowances that may be received by each sectoral
11 representative shall not exceed the amount of Four Thousand
12 Pesos (P4,000.00) a month: Provided, further, That the
13 government officials, including the sectoral
14 representatives, may be granted reasonable reimbursement of
15 actual expenses in the performance of their functions
16 provided in this Act, subject to the usual accounting and
17 auditing procedures of the Commission on Audit.

18 **SEC. 7. Local Price Stabilization Council.** - In
19 each province and chartered city, there will be a total
20 price stabilization council which shall be composed of:

- 21 (1) The Provincial Governor or City Mayor as Chairman;
22 (2) The Regional Director of NEDA as Vice-Chairman;
23 (3) The Regional Director of the Department of
24 Agriculture and Food and the National Food Authority;
25 (4) One representative each from the consumer,
26 industrial and agricultural sectors in the province or city
27 concerned.

28 The provincial or city price stabilization council
29 shall exercise the powers and functions enumerated in
30 Section 8 of this Act provided that insofar as paragraphs b,
31 d, h, and j are concerned, the exercise of such powers shall



1 be subordinate to the jurisdiction of the National PSC;
2 provided further that the powers of the provincial or city
3 PSC shall be exercised only within the territorial
4 boundaries of the province or city concerned;

5 SEC. 8. Powers and Functions. - To carry out the
6 policies and objectives of this Act, the Council shall have
7 the following powers and functions:

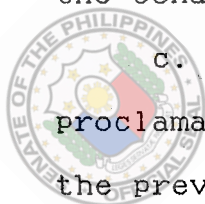
8 a. Recommend to the President of the Philippines, the
9 declaration of State of Public Calamity in such area or
10 areas within the country as a result of any typhoon,
11 earthquake or other act of God of similar nature; or State
12 of Emergency whenever the price of any prime or essential
13 commodity has risen or threatens to rise by twenty percentum
14 (20%) or more over its price in the immediately preceding
15 quarter of the year due to any monopoly, hoarding, injurious
16 speculation, manipulation or profiteering activities;

17 b. After the declaration of state of emergency or
18 public calamity by the President, the Council may impose
19 such measures it may deem necessary to establish the maximum
20 selling price of prime or essential commodities, subject to
21 the conditions set forth in Section 9 hereof;

22 c. Recommend to the President the lifting of the
23 proclamation of State of Emergency or Public Calamity when
24 the prevailing conditions warrant the same;

25 d. Plan, implement and coordinate activities of the
26 government to ensure the ample supply of prime or essential
27 commodities and the stabilization of prices thereof, subject
28 to the approval of the President of the Philippines;

29 e. Monitor the supply and pricing of prime or
30 essential commodities, and adopt such necessary measures to
31 prevent artificial shortages thereof;



1 f. Prepare a detailed list of prime or essential
2 commodities that would fall under the coverage of this Act,
3 subject to the guidelines set forth in Section 10 hereof;

4 g. Recommend to the Congress of the Philippines the
5 enactment of legislative measures necessary for the
6 stabilization of prices of prime or essential commodities;

7 h. The Council may call upon any official, agent,
8 employee, agency or instrumentality of the government for
9 staff or any other assistance that it may deem necessary to
10 carry out the purposes of this Act, subject to the approval
11 of the President;

12 i. Perform such other functions as may be provided by
13 law or by the President of the Philippines; and

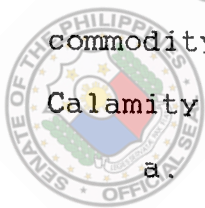
14 j. In the exercise of its functions, the Council
15 shall have the power to issue, under the signature and
16 authority of the Chairman, subpoena and subpoena duces
17 tecum, and the power to punish direct and indirect contempt
18 in accordance with the Rules of Court.

19 SEC. 9. Establishment of Maximum Selling Price. -
20 Subject to the approval of the President, the Council may
21 impose a maximum selling price on any prime and essential
22 commodity during the period of State of Emergency or Public
23 Calamity subject to the following conditions:

24 a. In cases where State of Emergency has been
25 declared by the President, maximum selling price may be
26 established only after notice and hearing;

27 b. In cases where State of Public Calamity has been
28 declared by the President, maximum selling price may be
29 established even without notice and hearing: Provided,
30 That such price be fair, just and reasonable;

31 c. In both cases, the maximum selling price



1 established shall not exceed the production cost plus a
2 mark-up of ten percentum (10%) thereof to the manufacturer
3 or producers, five percentum (5%) of the net cost of
4 acquisition to the wholesaler and ten percentum (10%) to the
5 retailer if the articles or commodities are locally produced
6 or manufactured; or the landed cost plus a mark-up of five
7 percentum (5%) to importer or indenter and ten percentum
8 (10%) to the retailer if the articles or commodities are
9 imported;

10 d. The prices fixed by the Council shall become
11 effective three (3) days after publication in a newspaper of
12 general circulation, whenever a State of Emergency was
13 declared;

14 e. In case of State of Public Calamity, publication
15 may be dispenses with: Provided, That the Council shall
16 exert reasonable efforts to make a public announcement
17 related to the maximum selling price, and the same shall
18 take effect one (1) day after such announcement;

19 f. The maximum selling price established shall be
20 co-terminous with the state of emergency or public calamity,
21 unless earlier terminated by the President or by law.

22 SEC. 10. Prime and Essential Commodities. - In the
23 preparation of a detailed list of prime and essential
24 commodities falling under the coverage of this Act, the
25 Council concerned shall include only such articles or
26 commodities falling under the following general
27 classification:

28 a. Rice, corn and other foodstuffs including milk;

29 b. Medicines, drugs and surgical supplies.

30 SEC. 11. Importation. Whenever any of the prime
31 articles or essential commodities falling under the coverage

1 of this Act is in short supply:

2 a. The National Price Stabilization Council may,
3 after notice and hearing, certify to the existence of such
4 shortage and recommend to the Monetary Board that the
5 Central Bank make available the foreign exchange to import
6 adequate raw materials and supplies which may be necessary
7 to produce or manufacture said article or commodity in the
8 quantity required to cover the shortage in supply.

9 b. If the measures prove inadequate to arrest the
10 rise of the market prices of such articles or commodities
11 which are in short supply, the President, upon
12 recommendation of the National Price Stabilization Council,
13 may authorize any agency of the government, including any
14 government owned or controlled corporation or any of its
15 subsidiaries, except government financial institutions, to
16 import directly the article or commodity in short supply for
17 sale in the local market through such channels as may be
18 chosen for the purpose but at prices that may be fixed by
19 the Office of the President.

20 SEC. 12. Rules and Regulations. - The National Price
21 Stabilization Council shall prescribe such rules and
22 regulations necessary for the implementation of this Act,
23 subject to the approval of the President of the Philippines
24 which shall take effect fifteen (15) days after its
25 publication in at least two (2) newspapers of general
26 circulation: Provided, That nothing in this Act shall be
27 construed to limit the powers of the President over prices
28 of essential commodities under existing laws.

29 SEC. 13. Quarterly Report. - The National Price
30 Stabilization Council shall submit a quarterly report to
31 Congress of its activities under this Act beginning at the

1 end of the first quarter after its approval, and every
2 quarter thereafter, Provided that the provisional or City
3 Price Stabilization Council shall submit a quarterly report
4 of its activities under this Act to the National Price
5 Stabilization Council.

6 SEC. 14. Penal Provisions. - Any person violating
7 the provision of this Act, including the rules and
8 regulations prescribed by the Council shall, upon
9 conviction, suffer imprisonment for a period of not less
10 than one month or one (1) year or a fine of not less than
11 Fifty Thousand Pesos (P50,000.00) nor more than Two Hundred
12 Thousand Pesos (P200,000.00), or both, at the discretion of
13 the Court: Provided, however, that in the case of aliens,
14 in addition to the penalty herein provided, the offender
15 shall, upon conviction, and after service of sentence, be
16 immediately deported without any further proceedings.

17 Whenever the offender is a corporation or association,
18 the president and each of the directors or manager of said
19 corporation or association, or its agent or representative
20 in the Philippines in case of a foreign corporation or
21 association who shall have knowingly permitted the
22 commission of such offenses, shall be held liable as
23 principals thereof.

24 Any government official or employee, in any manner, who
25 connived, aided or abetted any other person in the violation
26 or circumvention of the provisions of this Act, shall be
27 held criminally liable as co-principal under this Section
28 and shall, in addition, suffer the penalty of perpetual
29 absolute disqualification to hold public office.

30 Any government official or employee who, being duly
31 authorized by the Council to act as its authorized agent,

1 shall divulge to any person or make known in any other manner
 2 than that authorized by or by the National Price
 3 Stabilization Council, any information regarding the
 4 business of any person, association or corporation,
 5 knowledge of which was acquired by him in the course of the
 6 discharge of his official duties, shall be punished by a
 7 fine of not less than Ten Thousand Pesos (P10,000.00) nor
 8 more than One Hundred Thousand Pesos (P100,000.00) or
 9 imprisonment of not less than two (2) years nor more than
 10 six (6) years, or both, at the discretion of the Court.

11 SEC. 15. Appropriation. - For the implementation of
 12 the provisions of this Act, such amounts as may be
 13 necessary, is hereby authorized to be appropriated from any
 14 unappropriated funds of the National Treasury: Provided,
 15 that thereafter, the necessary amount shall be included in
 16 the annual General Appropriation Act for the Department of
 17 Trade and Industry budget for the succeeding years.

18 SEC. 16. Repealing Clause. - Section 18 (f) of
 19 Executive Order No. 133, and such other laws, orders,
 20 issuances, rules and regulations or parts thereof
 21 inconsistent with the provisions of this Act are hereby
 22 repealed or amended accordingly.

23 SEC. 17. Effectivity. - This Act shall take effect
 24 immediately after its publication in at least two newspapers
 25 of general circulation.

26 Approved,

