

CONGRESS OF THE PHILIPPINES),
Third Regular Session)

SENATE
MANILA

S. No. 1370

SENATE OF THE PHILIPPINES
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Prepared by the Committee on Trade and Commerce in consolidation
of S. Nos. 975, 1021 and 1082 with Senators Guingona, Alvarez
Pimentel, Herrera, Tanada, Laurel, Ziga and Mercado as Sponsors

AN ACT
VESTING ON THE PRESIDENT OF THE PHILIPPINES EMERGENCY POWERS TO
IMPOSE PRICE STABILIZATION MEASURES, CREATING FOR THE PURPOSE OF
THE PRICE MANAGEMENT AND STABILIZATION COUNCIL, PROVIDING
PENALTIES FOR THEIR VIOLATION AND FOR OTHER PURPOSES

SECTION 1. Short Title. This Act shall be known as "The
Price Management and Stabilization Act of 1989."

SEC. 2. Declaration of Policy. The State hereby
recognizes the need to provide effective and sufficient
protection to consumers against unreasonable price increases
without denying legitimate business a fair return on investment.
It is also declared a national policy to prevent hoarding,
injurious speculation, manipulation and profiteering with respect
to the supply, distribution and marketing of essential
commodities, whether imported, or locally produced or
manufactured, and to ensure the adequate supply of such essential
commodities, and the stabilization of prices thereof especially
during the period of calamity and other emergency situations.

SEC. 3. Definition of Terms. For purposes of this Act, the
terms hereunder are defined as follows:

a) "Emergency situation" shall mean a temporary
situation or condition characterized by abnormal, or excessive
price increases in essential commodities, which may be preceded
or accompanied by shortage in supply, price manipulation,
hoarding, profiteering and other similar activities, or caused
by calamities, whether natural or man-made, to the prejudice of
the consuming public.

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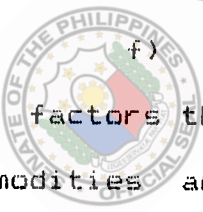
b) "Essential Commodities" shall mean those products or goods necessary for the day-to-day subsistence of the people, such as, but not limited to, rice, corn, meat, fish, poultry, vegetables, sugar, milk, flour, cooking oil, sardines, medicines, drugs, and other products or goods as may be determined by the President.

c) "Hoarding" shall mean the undue accumulation by any person natural or juridical, of essential commodities beyond his or its normal inventory levels and/or the unjustified refusal to dispose of, sell or distribute the same to consumers; or the storing, collecting, keeping or hiding of essential commodities or taking them out of the channels of trade and commerce for purposes of exacting an excessive price for said commodities.

d) "Price Manipulation" shall mean the act of causing prices of essential commodities to fall or rise for one's own profit by changing or falsifying figures, accounts and other related information.

e) "Profiteering" shall mean the selling or offering for sale of any essential commodity in excess of ten percent (10%) over the average price during the past three months with the intent of obtaining a fraudulent or grossly excessive price over the true worth of the essential commodity.

f) "Price Management" shall mean the act of managing the factors that cause the undue increase of prices of essential commodities and goods to make them affordable and available to the general public by utilizing the administrative and executive powers vested in the government by this Act.

The seal of the Senate of the Philippines is located on the left side of the page, partially overlapping the text of paragraph f). It features a circular design with the text "SENA TE OF THE PHILIPPINES" around the perimeter and "OFFICIAL SEAL" at the bottom. The center contains a shield with various symbols, including a sun and a star.

SEC. 4. Authority to Impose Price Stabilization Measures.
Whenever, in the determination of the President of the Philippines, upon recommendation of the Price Management Stabilization Council as created in Sec. 5 hereof, an emergency situation as defined in Sec. 3 (a) herein exists, or there is an imminent danger of its arising, the President shall impose price control and other measures to stabilize prices and supply of

certain essential commodities on a nationwide basis or in certain areas of the country as may be warranted in order to protect the consuming public adversely affected by such a situation.

SEC. 5. Creation; Price Management and Stabilization Council. There is hereby created the Price Management and Stabilization Council, otherwise known as the Council, which shall be directly under the Office of the President, and which shall be responsible for the implementation of Executive Orders and other measures for stabilizing prices of essential commodities.

The Council shall be assisted by a Secretariat and for this purpose, it may contract the services of such personnel as may be deemed necessary to accomplish the purposes of this Act.

SEC. 6. The National Price Management and Stabilization Council; Composition; Powers and Functions. The National Price Management and Stabilization Council shall be headed by the Price Management Action Officer as the Chairman and Chief Executive Officer and shall be composed of the following as members: the Secretary of Agriculture; the Administrator of the National Food Authority; The Director General of the National Economic Development Authority; the Secretary of Local Governments; the Secretary of Trade and Industry; one (1) representative each from the agricultural, labor and business sector to be appointed by the President of the Philippines.

The last three (3) members shall have a term of three (3) years starting from the dates of their respective appointments.

At least five (5) members, including the Price Management Action Officer, shall constitute a quorum of the Council and a vote of the majority of the members present shall constitute a decision by the Council; Provided, however, that in case of an emergency situation and immediate decision and action have to be made, and there is no sufficient time to call a meeting of the Council, or a quorum cannot be made immediately available, the

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Price Management Action Officer can make decisions for the Council, subject to ratification by the latter as soon as possible.

The Council shall have the following powers and function:

- a) Recommend to the President the declaration of an emergency situation, as defined under Sec. 3(a) of this Act, in such area or areas within the country, or wherever the price of any essential commodity has risen or threatens to rise, by ten percent (10%) over its average price during the past three (3) months;
- b) Recommend to the President the period of emergency situation, the commodities covered and their respective maximum selling prices and/or stabilization measures; and
- c) Recommend to the President the lifting of the proclamation of emergency situation when the prevailing conditions warrant the same.
- d) To buy, or import, and resell essential commodities at reasonable prices to the public in order to stabilize their prices;
- e) To order the seizure of essential commodities being hoarded, or sold beyond the Maximum Selling Price set by the Council, their transfer and sale in the affected areas at the price herein authorized and reimburse to the owner of the same, its legal price;
- f) To examine bills of lading, bills of sales, invoices, books, records and other pertinent documents owned or in the possession of any importer, producer, manufacturer, wholesaler or retailer, and for this purpose they may, by subpoena or subpoena duces tecum, require any person to appear and testify or to appear and produce books, records and other documents, or both; and upon the issuance of a search warrant by a competent court, inspect premises, bodegas or storerooms where stocks of controlled commodities or products, or the documents and papers above referred to are kept, and in case of contumacy

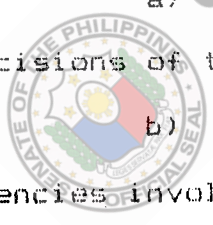
by, or refusal to obey a subpoena or subpoena duces tecum issued to any such person, the Metropolitan Trial Court or the Municipal Trial Court of the City or municipality in which such importer, wholesaler, retailer, manufacturer or producer is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both.

SEC. 7. Appointment; Qualifications of the Price Management Action Officer. The Price Management Action Officer shall be appointed by the President on a full time basis and shall possess the same rank and salary of a Cabinet Member.

He must be a Filipino citizen, at least 30 years of age, of known probity and integrity, and must have proper expertise in the field of either business, law, economics, marketing or trade, agriculture or public administration.

SECTION 8. The Price Management and Stabilization Action Officer; Powers and Functions. The Price Management and Stabilization Action Officer shall have the following powers and functions:

- a) Carry out, implement and enforce the policies and decisions of the Council;
- b) Coordinate the actions of all departments and agencies involved in the monitoring and investigation of abnormal price movements and food shortages;
- c) Call upon any official, agent, employee, agency or instrumentality of the national or local government for any other assistance that it may deem necessary to carry out the purposes of this Act;
- d) Establish linkages and coordinate with non-government organizations and other concerned private organizations; and



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e) Exercise such other functions and duties as may be given to him by the Council.

SEC. 9. Period of Emergency. The Executive Order referred to in Sec. 4 of this Act shall state the period of duration for its effectivity, which shall be coterminous with the period of the calamity and/or emergency situation sought to be addressed by said Executive Order, but in no case shall such Order exceed a period of ninety (90) days from the date of the issuance: Provided, That if the emergency situation has stabilized in the meantime, the President shall immediately order the termination of the measures adopted: Provided further, That the President may extend the effectivity of such Executive Order for another ninety (90) days.

SEC. 10. Prohibited Acts. The hoarding, profiteering and price manipulation of essential commodities subject to price control and other stabilization measures, and the selling of such essential commodities in excess of the maximum selling price fixed by the Council, are hereby declared unlawful.

SEC. 11. Maximum Selling Prices. The Council, in setting the maximum selling prices of essential commodities covered by this Act, shall consider the following factors or conditions:

a) The average prevailing price of the commodity under consideration during the immediately preceding three (3) months;

b) The average supply available in the market;

c) The production cost plus a reasonable mark-up to be determined by the Council, the net cost of acquisition by the wholesaler and the retailer if the commodities are locally produced or manufactured; or the landed cost plus a reasonable mark-up to importer or indenter and the retailer if the commodities are imported;

d) Such other factors or conditions which will aid the Council in arriving at a just and reasonable Maximum Selling Price of a commodity subject to price control.

The maximum selling prices may be established only after due notice and hearing; Provided, That in case of extreme emergency as determined by the Council, maximum selling prices may be established even without a hearing.

SEC. 12. Penal Provisions. Any person who shall violate the provisions of this Act or who sells any commodity in excess of the maximum selling price established by the President in an Executive Order or any other stabilization measures promulgated by him by virtue of this Act shall, upon conviction, suffer the penalty of imprisonment for a period of not less than one (1) year nor more than five (5) years or a fine of not less than ten thousand (P10,000.00) nor more than two hundred thousand pesos (P200,000.00), or both, at the discretion of the court; Provided, However, that in case of aliens, in addition to the penalty herein provided, the offender shall, upon conviction, and after service of sentence, be immediately deported without any further proceedings.

If the violation is committed by a corporation or any other form of legal entity, the director and/or operating officers and employees, or its agent or representative in the Philippines in case of a foreign corporation or association, who shall have knowingly permitted the commission of such offenses, shall be held liable as principals thereof.

Any government official or employee, who in any manner connived, aided or abetted any other person in the violation or circumvention of the provisions of this Act or Executive Order issued by the President under Section 4 of this Act shall be held criminally liable as co-principal under this Section and shall be disqualified to hold public office.

Any government official or employee who, being duly authorized by the Council to act as its authorized agent, shall divulge to any person or make known in any other manner except that authorized by the Council any information or knowledge of

which was acquired by him in the course of the discharge of his official duties, shall, upon conviction be punished by a fine of not less than ten thousand pesos (P10,000.00) nor more than fifty thousand pesos (P50,000.00) or imprisonment of not less than one (1) year nor than four (4) years, or both, at the discretion of the court.

Conviction rendered under this Act or under any order, rules and regulations promulgated or issued by the President pursuant thereto shall remain valid and enforceable, and prosecutions of offenses committed during the effectivity of any order or rules and regulations issued pursuant to the authority granted under this Act shall continue and shall not be barred by reason of the expiration or termination of such order or rules and regulations and shall be terminated only by conviction or acquittal of the accused of the offense charged.

SEC. 13. Implementing Rules and Regulations. The Council shall, within sixty (60) days after the effectivity of this Act, issue the necessary implementing rules and regulations.

SEC. 14. Appropriation. For the implementation of the provisions of this Act, such amount as may be necessary, is hereby authorized to be appropriated from any unappropriated funds of the National Treasury; Provided, That thereafter, the necessary amount shall be included in the annual General Appropriation Act for the budget of Office of the President for the succeeding years.

SEC. 15. Repealing Clause. All acts, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, modified or superseded, as the case may be.

SEC. 16. Effectivity Clause. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in any newspaper of general circulation whichever is earlier.

Approved,