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Congress of the Philippines }
Fourth Regular Session

S E N A T E

S. No. 1370

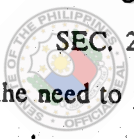
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AN ACT VESTING ON THE PRESIDENT OF THE PHILIPPINES EMERGENCY POWERS TO IMPOSE PRICE STABILIZATION MEASURES, CREATING FOR THE PURPOSE THE PRICE MANAGEMENT AND STABILIZATION COUNCIL, PROVIDING PENALTIES FOR THEIR VIOLATION AND FOR OTHER PURPOSES

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

1 SECTION 1. *Short Title.* - This Act shall be known as "The
2 Price Management and Stabilization Act of 1991."

3 SEC. 2. *Declaration of Policy.* - The State hereby recognizes
4 the need to provide effective and sufficient protection to consumers
5 against unreasonable price increases without denying legitimate
6 business a fair return on investment. It is also declared a national
7 policy to prevent hoarding, injurious speculation, manipulation and
8 profiteering with respect to the supply, distribution and marketing of
9 essential commodities, whether imported, or locally produced or



1 of essential commodities to fall or rise for one's own profit by changing
2 or falsifying figures, accounts and other related information.

3 e) "Profiteering" shall mean the selling or offering for sale of any
4 essential commodity in excess of ten percent (10%) over the average
5 price during the past three (3) months or in excess of the maximum
6 selling price set by the Price Management and Stabilization Councils
7 created in Section 5 of this Act so as to secure a fraudulent or grossly
8 excessive price over the true worth of the essential commodity.

9 f) "Price Management" shall mean the act of managing the
10 factors that cause the undue increase of prices of essential commodi-
11 ties and goods to make them affordable and available to the general
12 public by utilizing the administrative and executive powers vested in
13 the Government by this Act.

14 **SEC. 4. Authority to Impose Price Stabilization Measures. -**

15 Whenever, in the determination of the President, upon recommenda-
16 tion of the Price Management Stabilization Council as created in
17 Section 5 hereof, an emergency situation as defined in Section 3 (a)
18 herein exists, or there is an imminent danger of its arising, the
19 President may declare an emergency situation through an Executive
20 Issuance and may impose price control and other measures to stabilize
21 prices and supply of certain essential commodities on a nationwide
22 basis or in certain areas of the country as may be warranted in order to
23 protect the consuming public adversely affected by such a situation.

24 Whenever a natural calamity or disaster occurs, the President,
25 through an Executive Issuance, may declare an emergency situation

1 manufactured, and to ensure the adequate supply of such essential
2 commodities, and the stabilization of prices thereof especially during
3 the period of calamity and other emergency situations.

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

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

12 b) "Essential Commodities" shall mean those products or goods
13 necessary for the day-to-day subsistence of the people, such as, but not
14 limited to rice, corn, meat, fish, poultry, vegetables, sugar, milk,
15 flour, cooking oil, sardines, medicines, drugs, including cement, g.i.
16 sheets, fertilizers, construction nails, nipa shingles and other products
17 or goods as may be determined by the President.

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

25 d) "Price Manipulation" shall mean the act of causing prices

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1 in the affected area or areas.

2 **SEC. 5. Creation; Price Management and Stabilization**
3 **Councils.** - There is hereby created a National Price Management
4 and Stabilization Council, otherwise known as the Council,
5 which shall be directly under the Office of the President, and which
6 shall be responsible for the implementation or coordination of the
7 implementation of executive orders and other measures for stabilizing
8 prices of essential commodities.

9 The National Council shall establish and coordinate the Local
10 Price Management and Price Stabilization Councils comprising the
11 provincial, city and municipal councils which shall be attached to their
12 respective local government units with the governor or mayor as
13 chairman and the members of the appropriate *sanggunian* as
14 members. The local councils shall implement the orders and neces-
15 sary measures within their respective local government units.

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

19 **SEC. 6. The National Price Management and Stabilization**
20 **Council; Composition, Powers and Functions.** - The National Price
21 Management and Stabilization Council shall be headed by the Price
22 Management Action Officer as the Chairman and Chief Executive
23 Officer and shall be composed of the following as members: the
24 Secretary of Agriculture; the Administrator of the National Food
25 Authority; the Director-General of the National Economic and

1 Development Authority; the Secretary of the Interior and Local
 2 Government; the Secretary of Trade and Industry; one (1) representa-
 3 tive each from the agricultural, labor and business sectors to be ap-
 4 pointed by the President.

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

7 The Council shall have the following powers and functions:

- 8 a) recommend to the President the declaration of an emergency
 9 situation, as defined under Sec. 3(a) of this Act, in such area or
 10 areas within the country, or whenever the price of any
 11 essential commodity has risen or threatens to rise, by ten
 12 percent (10%) over its average price during the past three (3)
 13 months;
- 14 b) recommend to the President the period of emergency situ-
 15 ation, the commodities covered and their respective maxi-
 16 mum selling prices and/or stabilization measures;
- 17 c) recommend to the President the lifting of the proclamation
 18 of emergency situation when the prevailing conditions
 19 warrant the same;
- 20 d) recommend to the President and/or the appropriate
 21 agency the purchase, importation and resale of essential
 22 commodities at reasonable prices to the public in order to
 23 stabilize their prices;
- 24 e) order the seizure of essential commodities being hoarded, or
 25 sold beyond the maximum selling price set by the Council,



1 their transfer and sale in the affected areas at the price herein
2 authorized and reimburse to the owner of the same, its legal
3 price; and

4 f) examine bills of lading, bills of sales, invoices, books,
5 records and other pertinent documents owned or in the
6 possession of any importer, producer, manufacturer,
7 wholesaler or retailer, and for this purpose they may, by
8 subpoena or subpoena duces tecum, require any person to
9 appear and testify or to appear and produce books, records
10 and other documents, or both; and upon the issuance of a
11 search warrant by a competent court, inspect premises, bode-
12 gas or storerooms where stocks of controlled commodities or
13 products, or the documents and papers above referred to are
14 kept, and in case of contumacy by, or refusal to obey a
15 subpoena or subpoena duces tecum issued to any such person,
16 the Metropolitan Trial Court or the Municipal Trial Court of
17 the city or municipality in which such importer, wholesaler,
18 retailer, manufacturer or producer is found or resides or
19 transacts business, upon application, and after notice to any
20 such person and hearing, shall have jurisdiction to issue an
21 order requiring such person to appear and give testimony or
22 to appear and produce books, records, and other writings, or
23 both.

24 SEC. 7. *Appointment; Qualifications of the Price Manage-*
25 *ment Action Officer.* - The Price Management Action Officer shall



1 be appointed by the President on a full time basis and shall possess the
2 same rank and salary of a Cabinet Member.

3 He must be a Filipino citizen, at least thirty (30) years of age, of
4 known probity and integrity, and must have proper expertise in the
5 field of either business, law, economics, marketing or trade, agricul-
6 ture or public administration.

7 **SEC. 8. *The Price Management and Stabilization Action Offi-***
8 ***cer; Powers and Functions.*** - The Price Management and Stabiliza-
9 tion Action Officer shall have the following powers and functions:

- 10 a) carry out, implement and enforce the policies and decisions of
11 the National Council;
- 12 b) coordinate the actions of all local councils, departments
13 and agencies involved in the monitoring and investigation
14 of abnormal price movements and food shortages;
- 15 c) call upon any official, agent, employee, agency or instrumen-
16 tality of the national or local government for any other assis-
17 tance that it may deem necessary to carry out the purposes of
18 this Act;
- 19 d) establish linkages and coordinate with nongovernment
20 organizations and other concerned private organizations;
21 and
- 22 e) exercise such other functions and duties as may be given to
23 him by the National Council.

24 **SEC. 9. *Period of Emergency.*** - The Executive Issuance referred
25 to in Section 4 of this Act shall state the period of duration for its

1 effectivity, which shall be coterminous with the period of the calamity
2 and/or emergency situation sought to be addressed by the said
3 Executive Issuance, but in no case shall such Executive Issuance exceed
4 a period of ninety (90) days from the date of the issuance: *Provided,*
5 That if the emergency situation has stabilized in the meantime, the
6 President shall immediately order the termination of the measures
7 adopted: *Provided, further,* That the President may extend the effectiv-
8 ity of such Executive Issuance for another ninety (90) days.

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

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

- 17 a) the average prevailing price of the commodity under consid-
18 eration during the immediately preceding three (3) months;
19 b) the average supply available in the market;
20 c) the production cost plus a reasonable mark-up to be deter-
21 mined by the Council, the net cost of acquisition by the
22 wholesaler and the retailer if the commodities are locally
23 produced or manufactured; or the landed cost plus a reason-
24 able mark-up to importer or indentor and the retailer if the
25 commodities are imported;

1 d) such other factors or conditions which will aid the Council in
2 arriving at a just and reasonable maximum selling price of a
3 commodity subject to price control.

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

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

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

1. Any government official or employee, who in any manner con-
 2 nived, aided or abetted any other person in the violation or circumven-
 3 tion of the provisions of this Act or Executive Issuance issued by the
 4 President under Section 4 of this Act shall be held criminally liable as
 5 co-principal under this Section and shall be disqualified to hold public
 6 office.

7 Any government official or employee who, being duly author-
 8 ized by the Council to act as its authorized agent, shall divulge to any
 9 person or make known in any other manner except that authorized by
 10 the Council any information or knowledge of which was acquired by
 11 him in the course of the discharge of his official duties, shall, upon
 12 conviction be punished by a fine of not less than ten thousand pesos
 13 (P10,000.00) nor more than fifty thousand pesos (P50,000.00) or
 14 imprisonment of not less than one (1) year nor more than four (4) years,
 15 or both, at the discretion of the court.

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

24 SEC. 13. *Implementing Rules and Regulations.* - The Council
 25 shall, within sixty (60) days after the effectivity of this Act, issue the

1 necessary implementing rules and regulations.

2 **SEC. 14. Appropriation.** - For the implementation of the provi-
3 sions of this Act, such amount as may be necessary, is hereby author-
4 ized to be appropriated from any unappropriated funds of the National
5 Treasury: *Provided*, That thereafter, the necessary amount shall be
6 included in the annual General Appropriations Act for the budget of
7 the Office of the President for the succeeding years.

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

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

Approved,



Senate Archives (SIAS)