

AN ACT PROVIDING FOR THE FIXING OF THE MAXIMUM SELLING PRICE OF ESSENTIAL ARTICLES OR COMMODITIES, CREATING THE PRICE CONTROL COUNCIL, AND FOR OTHER PURPOSES.

REPUBLIC ACT NO. 6361, July 27, 1971

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

SECTION 1. It is hereby declared to be the national policy to prevent monopoly, hoarding, injurious speculation, manipulation and profiteering with respect to the supply, distribution and marketing of the following articles or commodities, whether imported or locally produced or manufactured, and to fix the maximum prices, consistent with the policies of the State to increase production and productivity, of such of these commodities as are essential to the public interest:

- Medicines, drugs, surgical, optical and dental supplies;
- Essential food and foodstuffs including milk, soft drinks and other beverages;
- Animal and poultry feeds and veterinary supplies;
- Clothes, clothing, and sewing and weaving materials and supplies;
- Fuels, lubricants, crude oil and petroleum products, without prejudice to any action which the Oil Industry Commission may hereafter take under the provisions of R.A. 6173.
- Construction materials;
- Educational and office supplies and equipment;
- Fertilizers, insecticides, pesticides and other agricultural inputs;
- Motor vehicles and spare parts, tires, batteries engines and other machineries;
- Household utensils, appliances and other household necessities;
- Footwear including all the components thereof.

SEC. 2. To carry out the above policy, there is hereby created a Price Control Council (hereinafter referred to as the "Council"), which shall be composed of the Secretary of Commerce and Industry, the Secretary of Agriculture and Natural Resources, the Secretary of Health, the Chairman of the National Economic Council, and three representatives of consumers one of which shall be from qualified nominees of nationwide government employees' organization, the second from qualified nominees of the private labor sector and the third from qualified nominees of nationwide women's organization, who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and who shall have the following qualifications: a natural-born Filipino citizen; at least thirty years of age; and not connected with the production, supply, distribution or marketing of any of the items mentioned in Section One: Provided, That the above-named government officials, except the Chairman, may authorize their respective undersecretaries to represent them in

the meetings of the Council. A majority of the members shall constitute a quorum and four affirmative votes shall be necessary for any action or decision of the Council: Provided, further, That the representative of consumers shall receive as emolument or compensation for services rendered to the Council a per diem of P50.00 for every meeting attended: Provided, finally, That the total emolument or compensation that may be received by said representative of the consumers shall not exceed the amount of P1,000.00 a month. The Council shall elect the Chairman from among themselves. The Director of Commerce shall serve as the Executive Director of the Council and the Bureau of Commerce (hereinafter referred to as the "Bureau ") shall provide staff support to the Council.

Within 10 days after the assumption of office of the Chairman or any member of the Council, the members thereof including the Executive Director of the Council shall submit a statement of their assets and/or liabilities and a full and fair disclosure of all their interests and professional connections as of the date of their assumption of office. A copy each of said statements shall be filed with the office of the Secretary of the Senate and with the Office of the Secretary of the House of Representatives.

In each province and chartered city, there shall be a local price council whose composition, functions and scope of authority shall be determined by the Price Control Council, and which shall be under its immediate control and supervision: Provided, That the government employees, the private labor sector and the women's organization in the area are each represented therein.

SEC. 3. The maximum prices of any of the articles or commodities mentioned in section one hereof established by the Price Control Council under Republic Act No. 6124 and enforced as of June 30, 1971, shall become effective immediately upon approval of this Act, subject to such modifications as the Council may authorize under the provisions of Section 4 of this Act: Provided, That the Council shall, within thirty days after the filing of any petition for review, act on the same in accordance with the guidelines established in Section 4 hereof.

SEC. 4. Whenever the market price of any of the articles or commodities mentioned in Section One hereof has risen or threatens to rise by 20% or more over its price on March 1, 1970, or whenever the Council deems that the prevailing price should be reduced because it has risen due to monopoly, hoarding, injurious speculation, manipulation and profiteering, the Council shall, after notice and hearing, establish or order such maximum price as shall be fair, just and reasonable: Provided, That the maximum price shall not exceed the production cost plus a mark-up of ten per centum thereof to the manufacturer or producer, five per centum of the net cost of acquisitions to the wholesaler and ten per centum to the retailer if the articles or commodities are locally manufactured, or the landed cost plus a markup of five per centum to importer or indenter, and ten per centum to the retailer, if the articles or commodities are imported.

The following factors shall be taken into consideration by the Price Control Council in the fixing of the maximum prices of articles, commodities or goods to be used by the producer or manufacturer:

- In case machineries are used, if obtained through credit, the increase in the price brought about by the enforcement of the floating rate;
- The increase in the interest for amortization purposes also brought about by the floating rate;
- Increase in the price of ingredients or materials used as a result of the floating rate;
- The increase in the cost of labor brought about by the increase of the minimum wage;
- Cost of raw materials, imported or domestic, and in case of imported raw materials, the landed cost of the same, meaning the price paid, cost of transportation to the Philippines, customs and other government imposts, storage

fees and transportation expenses to the site of the factory or plant;

- Increase in the cost of transportation and such other factors as may be brought about by the increase in the cost of production.

The prices fixed by the Council shall become effective ten days after publication in two newspapers of general circulation in the Philippines, one in English and one in the National Language.

Production cost shall include all ordinary and necessary expenses paid or incurred in manufacturing or producing the commodity, but shall not include marketing costs unless at least 70% of the total volume of sales are made directly by the manufacturer or producer. In no case shall the production or acquisition cost include any taxes which are passed on to consumers; and marketing costs shall in no case exceed the average marketing cost for the period from 1966 to 1970, inclusive, as allowed by the Bureau of Internal Revenue and certified by an independent certified public accountant.

SEC. 5.

- Whenever any of the articles or commodities mentioned in Section One hereof is in short supply, the Council, after notice and hearing, shall certify to the needs of local producers or manufacturers thereof and recommend to the Monetary Board that the Central Bank make available the foreign exchange to import adequate raw materials and supplies which may be necessary to produce or manufacture said article or commodity in the quantity required to cover the shortage in supply.

- If said article or commodity in short supply is not locally produced or manufactured or if the local producers or manufacturers thereof can not fully cover the shortage in supply, the Council after notice and hearing shall certify to such shortage or to the deficiency which the local producers or manufacturer cannot cover, and recommend to the Monetary Board that the Central Bank make available to importers the necessary foreign exchange to import said article or commodity in the quantity required to cover the shortage in supply.

- If these measures should still fail to arrest the rise of the market prices of such article or commodity in short supply, the Council, after notice and hearing, may recommend, and the President may authorize, any agency of the government, including any government-owned or controlled corporation, except government financial institutions, to import directly the article or commodity in short supply for distribution in the local market through such channels as may be chosen for the purpose.

SEC. 6. The Council shall promulgate such rules and regulations as shall be deemed necessary for the effective implementation of the provisions of this Act subject to the approval of the President of the Philippines. The rules and regulations that may be promulgated by the Council shall take effect fifteen days after their publication once a week for two consecutive weeks in at least two newspapers, one in English and another in the National Language of general circulation in the Philippines. They shall be posted at the entrance of the City Hall or Municipal Building of each city, municipality or municipal district in English and in the local dialect.

In the exercise of its powers, the Council, by unanimous vote shall have the power to issue, under the signature and authority of the Chairman, subpoenas and subpoena duces tecum, which shall be duly entered in a record book indicating the facts attendant thereto, and, notwithstanding the provisions of sections 81, 347 and 349 of the National Internal Revenue Code, to require the Bureau of Internal Revenue to submit any sales, income or other tax returns filed by any producer, manufacturer or retailer of products listed in section one hereof whenever relevant to any public hearing and any inquiry under this Act.

The Council shall submit a quarterly report to Congress of all its actuations under this Act beginning January 1,

1972 and every quarter thereafter.

SEC. 7. Imprisonment for a period of not less than six months nor more than five years or a fine of not less than two thousand pesos nor more than twenty thousand pesos] or both, shall be imposed upon any person who sells any commodity in excess of the maximum selling price established by the Council, or who violates any provision of this Act or any order, rule or regulation issued pursuant to the provisions of this Act. Provided, however, That in the 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.

Whenever any of the offenses described above is committed by a corporation or association, the president and each of the directors or managers of said corporation or association, or its agent or representative in the Philippines in case of a foreign corporation or association who shall have knowingly permitted or failed to prevent the commission of such offenses, shall be held liable as principals thereof.

Any government official or employee, who by neglect or Connivance has in any manner aided or abetted in the violation or circumvention of the provisions of this Act, shall be held criminally liable as co-principal under this section and shall, in addition, suffer the penalty of perpetual absolute disqualification 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 than may be authorized by law, any information regarding the income, method of operation or other confidential information regarding the business of any person, association or corporation, knowledge of which was acquired by him In the course of the discharge of his official duties, shall be punished by both fine of not less than two thousand pesos nor more than twenty thousand pesos and imprisonment of not less than two years nor more than five years.

SEC. 8. If any provision of this Act or the applicability of such provision to any person or circumstance shall be held invalid, the validity of the other provisions of this Act and the applicability of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 9. The President is hereby authorized to allot from the unprogrammed appropriations for the Executive Departments from the General Fund under Republic Act No. 6130', the sum of Two hundred fifty thousand pesos for necessary operating expenses to carry out the provisions of this Act during the fiscal year ending June 30, 1972, and under the next General Appropriations Act, the sum of one million pesos for the same purpose during the fiscal year ending June 30, 1973: Provided, That not more than one hundred thousand pesos shall be spent for personal services for a full year.

The Council and the Bureau of Commerce may call upon any official, agent, employee, agency or instrumentality of the government for staff or any other assistance that they may deem necessary to carry out the purposes of this Act and said agency or instrumentality of the government shall, with the approval of the President, assign the official, agent, or employee and provide the assistance requested by the Council and the Bureau of Commerce.

SEC. 10. The decisions of the Council on questions of fact shall be final and executory while those involving questions of law shall be reviewable by the Supreme Court by certiorari.

SEC. 11. This Act takes effect upon its approval and shall continue in force up to June 30, 1973: Provided, however, That convictions rendered under this Act or under the duly promulgated orders, rules and regulations issued pursuant thereto shall remain valid and enforceable, and prosecutions of offenses committed during the effectivity thereof shall commence and shall not be barred until terminated by convictions or acquittal of the accused.

Approved, July 27, 1971.

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