

DIRECTING MEASURES TO PREVENT HOARDING, PROFITEERING AND PRICE MANIPULATION

LETTER OF INSTRUCTIONS No. 1859, October 12, 1983

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TO:

The Minister of Trade and Industry
The Minister of Justice
The Minister of Local Government
The Chief of Staff, Armed Forces of the Philippines

WHEREAS, Act 4164 penalizes hoarding, profiteering and price manipulation of prime and essential commodities on the occasion of a public calamity due to natural causes;

WHEREAS, present economic problems such as exchange rate adjustments and sudden economic reverses are in the nature of emergencies affecting the public welfare in general;

WHEREAS, Presidential Decree 1674 authorizes measures to check price manipulation and penalizes any person who violates any order issued pursuant thereto;

WHEREAS, hoarding, profiteering or price manipulation hampers the economical and steady flow of prime and essential commodities to the consumers and is, therefore, inimical to public interest;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and direct:

SECTION 1. For purposes of these instructions following terms shall be understood to mean:

(a) "Prime and essential commodities" shall include following commodities whether imported or locally manufactured:

(1)

Essential foods and foodstuffs including milk, rice, corn, meat and poultry, cooking oil, flour, sugar;

(2)

Medicines, drugs and pharmaceutical preparations;

(3)

Animal and poultry feeds;

(4)

Building and construction materials,

(5)

Textiles and garments;

(6)

Educational and office supplies and equipment;

(7)

Fertilizers, insecticides, pesticides and other agricultural inputs;

(8)

Laundry soap and other detergents;

(9)

Household utensils, appliances and other household necessities;

(10)

Motor vehicles spare parts, tires, batteries, engines and other machineries;

(11)

Iron, steel, copper, tinplates and other basic mineral products;

(12)

Footwear including all the components thereof; and

(13)

Such other commodities as the Minister in consultation with the Price Stabilization Council may determine after due publication.

(b) "Hoarding" shall mean the undue accumulation by a businessman of prime and/or 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 unreasonable accumulation by a person or entity other than a businessman of essential or prime commodities; or the storing, collecting, keeping or hiding of essential or prime commodities or taking them out of the channels of trade and commerce.

(c) "Profiteering" shall mean the selling or offering for sale of any article or commodity with the intent of obtaining a fraudulent or grossly excessive price over the true or intrinsic worth of the article or commodity.

(d) "Price manipulation" shall mean the artificial advancing and depressing of prices by those who have ability to do so by certain devices.

SEC. 2. The Minister of Trade and Industry shall be authorized to adopt and implement such measures as may be necessary to prevent hoarding, profiteering or price manipulation of prime and essential commodities. For this purpose, he is authorized to deputize or enlist the assistance of Ministries and agencies concerned including the local government to prevent the aforesaid activities.

SEC. 3. The Minister of Local Governments, and all local government units shall, upon deputization by the Minister of Trade and Industry, report to the law enforcement agencies cases of hoarding, profiteering and price manipulation.

SEC. 4. The Chief of Staff, Armed Forces of the Philippines, shall direct the law enforcement agencies, to

apprehend those engaged in hoarding, profiteering and price manipulation.

SEC. 5. The Ministry of Justice shall prosecute, full force of law, those engaged in hoarding, profiteering and price manipulations.

SEC. 6. In line with Presidential Decree 1674, all acts of hoarding, profiteering or price manipulation shall be punished by imprisonment of not less than six (6) months nor more than five (5) years or a fine of not less than two thousand pesos but not more than twenty thousand pesos or both at the discretion of the Court and the forfeiture of the products which are the subject of the offense: 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: Provided further, That in the case of naturalized citizens in addition to the penalty herein provided, the offender shall automatically lose his naturalization as a citizen of the Philippines and shall, upon service of his sentence, be immediately deported: and Provided, finally, that in the case of a firm or corporation, the President or Manager thereof shall be criminally responsible therefor by the act of such firm or corporation.

SEC. 7. In addition to the above penalties, the Minister may impose one or more of the following administrative penalties for hoarding, profiteering or price manipulation:

- (a) The issuance of a cease and desist order.
- (b) The acceptance of a voluntary assurance of compliance or discontinuance under such terms and conditions as may be imposed.
- (c) The seizure of products which are the subject of the offense.
- (d) The imposition of administrative fines in such amount as deemed reasonable by the Minister, which shall in no case be less than five hundred pesos nor more than one hundred thousand pesos plus not more than five hundred pesos for each day of continuing violation as provided in Executive Order 913.
- (e) The cancellation of any permit, license, authority, or registration which may have been granted by the Ministry, or the suspension of the validity thereof for such period of time as the Minister may deem reasonable which shall not however exceed one year.
- (f) The withholding of any permit, license, authority, or registration which is being secured by the respondent from the Ministry.
- (g) Censure.
- (h) Other analogous penalties or sanctions.

This Letter of Instructions shall take effect immediately.

Done in the City of Manila, this 12th day of October, in the year of Our Lord, nineteen hundred and eighty-three.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

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