

[REPUBLIC ACT NO. 2610, July 16, 1959]

**AN ACT TO STABILIZE AND CHECK THE SPIRALING OF THE
PRICES OF CERTAIN COMMODITIES.**

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 of the state during periods of short supply or of unreasonable price levels to protect the interest of the consumer by preventing, locally or generally, the scarcity, monopolization, hoarding, injurious speculation, manipulation, and profiteering, affecting the supply, distribution and movement of both imported and locally manufactured or produced foodstuffs, textile, clothing, drugs, medicines, paper and paper products, school supplies, construction materials, agricultural and industrial machinery and their spare parts, fertilizers, insecticides and weedicides, and fuel and lubricants, and other commodities control of the prices of which may be deemed essential to public interest.

SEC. 2. To implement the above-declared policy and to carry out the provisions of this Act, the President of the Philippines is hereby authorized, upon certification of the National Economic Council that a commodity is in short supply or there exists reasonable ground to believe it will disappear from the open market, or the price thereof has risen to an abnormal level:

1. To establish, by executive order, such maximum prices at which the commodity may be sold at retail or wholesale, as shall be generally fair, reasonable and equitable;
2. To direct the NARIC, with respect to rice and corn, and the NAMARCO, with respect to other commodities, to import the commodity in short supply for distribution in the local market, and such importation shall not be subject to any tax or foreign exchange control, but should the Price Administration Board be created, this function shall be exercised upon its recommendation;
3. To impound at reasonable cost, if public interests demand, local inventories of the commodity in short supply and order their distribution by the NAMARCO in the local market;
4. To promulgate, by Executive Order, such rules and regulations as may be necessary to carry out the policy declared in Section I hereof and enforce the powers granted herein; and
5. To designate such existing board, instrumentality or agency, of the government, hereinafter called Agency, to assist him in the execution of this Act, or he may upon such certification by the National Economic Council, create a Price Administration Board which shall be composed of a Chairman, who shall be at the same time the Price Administrator, the General Manager of the National Marketing Corporation (NAMARCO), the General Manager of the National Rice and Corn Corporation (NARIC), the Chief of the Philippine

Constabulary and the Solicitor General and four other members, one to represent producers, one to represent the distributors, and the two others to represent the consumers, one of whom shall be a woman and the other to represent labor, who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments.

The Chairman shall receive a compensation of twelve thousand pesos per annum and the four other appointive members shall each receive a per diem of twenty-five pesos for each meeting actually attended by them and in no case to exceed five hundred pesos per month. Subject to the Civil Service Law, rules and regulations, the Price Administrator shall appoint, suspend and remove and fix the compensation of the other officials and employees of the Board.

In the provinces, municipalities and chartered cities, the Agency or the Price Administration Board shall enforce the provisions of this Act through the provincial price administration committee, the municipal price administration committee and the city price administration committee, respectively, and shall have general supervision and control over the said committees insofar as their duties pertain to the enforcement of this Act.

There shall be a provincial price administration committee in each province, to be composed of the provincial fiscal, as chairman, the provincial commander of the Philippine Constabulary, the division superintendent of schools, the provincial treasurer, the commercial agent of the province or one of them so designated by the Agency or Price Administration Board, and the head of a civic organization appointed by the Price Administrator, as members. In provinces where there are two or more civic organizations, the heads of at least two such organizations shall be appointed as members of the Committee.

There shall be a municipal price administration committee in each municipality, to be composed of the municipal treasurer, as chairman, the chief of police, the senior public school principal teacher, and the head of a civic organization appointed by the Price Administrator, as members: *Provided*, That in municipalities where there are two or more civic organizations, the heads of at least two of such organizations shall be appointed as members of the committee.

There shall be a city price administration committee in each chartered city, to be composed of the city attorney or fiscal, as chairman, the chief of police, the city superintendent of schools, the city treasurer, and the head of a civic organization appointed by the Price Administrator as members. In cities where there are two or more civic organizations, the heads of at least two such organizations shall be appointed as members of the committee. The provincial and city price administration committees shall appoint an executive director with a corresponding staff for their respective committees who shall be responsible for the management and implementation of the policies of their respective committees.

SEC. 3. For the purposes of this Act an abnormal price level shall be deemed to exist whenever the price, retail and/or wholesale, of a commodity has risen to an unreasonable level considering public interest, the procurement cost of the commodity and the just and fair margin of profit which the wholesaler or retailer should realize.

To determine the maximum prices provided in Section 2(1) hereof, the following factors shall be taken into account:

1. The estimated supply of the commodity available in the market;
2. The cost of production of the commodity, if locally produced, or its landed cost and the duties or taxes paid thereon if imported;
3. The cost of distribution which shall include the cost of transportation, storage or warehousing dues, rent als, management, salaries and wages; and
4. The reasonable margin of profit which should be allowed to insure a continuous supply of the commodity and/or encourage the local production thereof.

SEC. 4. In order to facilitate the determination of the maximum selling prices of any commodity under price control, and the enforcement of the provisions of this Act, the President or the Price Administration Board if created, may require the assistance of officials, agents, employees, agencies or instrumentalities of the government and, where necessary, require them to act, without extra compensation, as his or its deputies and agents.

Such deputies, agents, officials, employees and/or agencies of the government deputized by authority of the President of the Philippines or the Board for the purpose of enforcing the provisions of this Act, shall have the following powers:

1. With the written authority of the chief or head or official in charge of the price control agency in any province, city or municipality, 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, upon such written authority, 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
2. Upon the issuance of a search warrant by a competent court, to inspect premises, bodegas, warehouses storerooms where stocks of controlled commodities or the documents and papers above referred to are kept; and in the case of contumacy by, or refusal to obey a *subpoena* or *subpoena duces tecum* issued to any such person 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, and any failure to obey such order of the court shall be punished by such court as contempt thereof, with a fine of not more than six hundred pesos or imprisonment of not more than six months, or both.

SEC. 5. Within fifteen days after the Executive Order establishing control of prices under Section 2(1) hereof shall have taken effect, all importers, manufacturers or producers, wholesalers, and retailers with stocks worth not less than P1,000 of the commodity or commodities under controlled prices shall file with the Agency designated by the President or the Board under Section 2(5) hereof, or with its duly authorized representative a complete and true inventory of their stock under oath. Thereafter, all expected or subsequent shipments of such commodities by importers shall be declared under oath to the Agency or its duly authorized representative within five days after receipt of the corresponding bills of lading and other shipping documents. All merchandise reported as required in this Act shall be deemed offered for sale.