

Tightening the lid on prices

A COMBINATION of public discontent and Presidential action initiated this month decreases in the prices of edible oil and infant food. In the case of infant food, a hike in the price ceilings a few weeks ago raised public criticisms and a Presidential order for the lowering of the ceilings.

In the case of edible oil, the expressed public wish for lowering of prices stimulated a study of the costs of packaging oil. It was found out that under the system of canning oil, the cost of containers (tinplates) amounted to 50% of the edible oil's price as sold.

The "dip-out" system was finally adopted to rid the customer of container costs. In this system, the buyers bring their own containers. The oil is measured out from drum containers which, by an order of the Price Stabilization Council (PSC), are provided by all coconut oil refiners, with domestic sales, for all public and private markets all over the Philippines. For a kilo of edible oil, the highest retail prices are: 1) for the Greater Manila area, P3.20; 2) for Northern Luzon, Bicol, Visayas (Group I), P3.38; 3) for all Mindanao provinces (Group II), P3.44. For oil weighing less than one kilo, the PSC has price ceilings for what certain bottles, like soft-drink bottles, can hold.

For the decrease of the price ceilings of infant dietetics, the manufac-



Manny Rubio

turers and importers had to sacrifice a little. The manufacturers petitioned for price increases because of the increase of tinplate (container) costs and the rise of the exchange rate. But by Presidential order the PSC restudied the petition and asked the manufacturers not to charge to buyers the costs of returned or defective goods. Such costs, the PSC maintained, could be minimized by more efficient production and distribution. The PSC also limited promotional expenses to cover only directly related events, and the giving out of samples was limited to nurseries and hospitals.

Will there be further decreases in the prices of milk? Luis Suzara of the PSC says that further decreases are improbable since prices are at a minimum. On the other hand, the cost of tinplates (which is 12 percent of the price of powder dietetics and 25 percent of liquid dietetics) and the foreign exchange rate may cause increases.

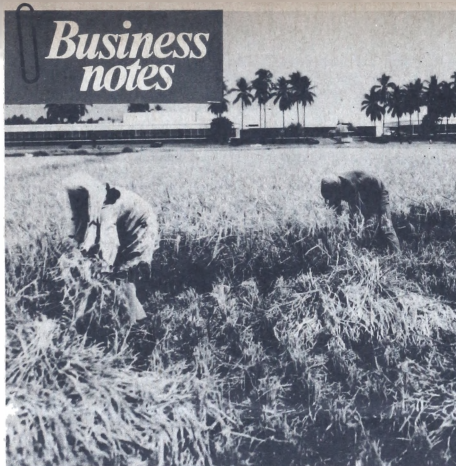
How can consumers report violators of the price standards? Violators can be reported to the local Price Stabilization Council which is empowered to temporarily close the establishments of offenders; or he can send a telegram to

the National Price Stabilization Council, Department of Trade, Quezon City.

Every province and city should have a price stabilization council. That of a province is chairmanned by the provincial governor and that of a city, by the mayor. For municipalities, mayors are encouraged to form stabilization councils, especially if their towns are active commercial centers. According to Suzara of the PSC, the existence of a municipal price control council is a sign of the mayor's depth of involvement in the community's welfare.

How much are the maximum profits allowed by the Price Stabilization Council? In the case of locally manufactured items, producers may sell at production cost plus a mark-up of ten percent; wholesalers may sell at the net cost of acquisition from the producer plus a mark-up of five percent; the retailer may sell at the net cost of acquisition from the producer or the manufacturer plus a mark-up of ten percent. In the case of imported articles, the maximum price of the importer shall be landed cost plus five percent; the maximum price of the retailer shall be the net cost of acquisition plus ten percent.

Besides retailers, wholesalers may jack up their prices unreasonably. In this case, a retailer can report the anomaly to the local or national price stabilization council. —MARCOS AGAYO



Bumper harvest: winning the race between rice and men.

NO RICE SHORTAGE; GOV'T EXPANDS AGRI AID

THE PHILIPPINES has ample amount of rice reserves this year totalling more than 3.3 million bags, National Grains Administrator Jesus Tanchanco Jr. said today. He said this year's rice reserves increased by 6.68 percent over last year's buffer stock of some 3.1 million bags. According to Tanchanco, in fiscal year 1974-75, cereal supply and prices were stabilized.

As a result of this stability, he said, rice and corn were continuously avail-

able to consumers at prices within their reach. He added that farmers' interest was enhanced by way of the government's price support program which assured them of a ready market for their produce and a fair return on their investment. This year, Tanchanco added, also marked the expansion of the corporate farming program, warehousing projects, the establishment of adequate post-harvest facilities, and the extension of technology throughout the country.

THE GOLDEN LEAF GROWS

PRESIDENT Marcos has announced a series of actions intended to increase Virginia tobacco production in the north and at the same time improve its position in the export market.

He directed the Central Bank to make available to the Virginia tobacco growers an initial amount of P20 million, through the rural banks to help the farmers increase their production and enable them to construct more flue-curing barns.

Trading centers in Ilocos Norte, Ilocos Sur, La Union and Abra reported a trade volume from March to July of 33,359,001.1 kilos which are valued at P297,246,211.90. Prices have significantly risen from P5.86 per kilo in 1974 to P8.09 today.

The President expressed satisfaction over the policy enacted by the government removing the subsidy on tobacco. Looking at the performance of the tobacco industry following the removal of that subsidy, the President described the policy a "success".

TARGET: SELF-SUFFICIENCY

PRESIDENT Marcos has urged the people to utilize wisely and efficiently the country's abundant natural resources "so that the country can not only feed its population, but also produce enough to help meet the needs of others."

The President said "it is with this objective in mind that we have conceived and are implementing our total food production program."

The President made the remarks at the inaugural ceremonies of the country's first national food factory exposition at the Philamlife pavilion at United Nations Avenue in Manila.

He added that the significance of the food exposition borders on the anticipation of broader and sustained public and private support for the national food production program.

While "we are a country often described in economic books as food deficit country," the President said, "we cannot completely deny its truth."

"Despite significant advances in recent years," the President said, "our production has not reached a level of stability that allows the economy to feed the entire population at all times.

FISCAL INCENTIVES REVIEW

President Decree 776 creates the Fiscal Incentives Review Board with the power to review all subsidies and tax exemptions and to determine which of them should be modified, withdrawn, revoked or suspended in the light of international and local developments. According to President Marcos, it is deemed imperative to harmonize incentives with the ability to manufacture goods domestically and to conserve government foreign exchange reserves.

NEW SYSTEM FOR SEAMEN

THE National Seamen Board (NSB) said it has adopted a simplified clearance system for the travel abroad of Filipino seamen.

NSB Executive Director Cresencio M. Siddayao said the procedure makes possible the issuance of a passport to a seaman within 24 hours. Before this, the issuance of travel clearances to seamen was a time-consuming process.

The clearance procedure used to start only after all hiring and placement processes were completed.