

**[ Commonwealth Act No. 496, September 30,  
1939 ]**

**AN ACT TO AUTHORIZE THE PRESIDENT OF THE PHILIPPINES  
FOR A LIMITED PERIOD, IN VIEW OF THE EXISTENCE OF A  
STATE OF NATIONAL EMERGENCY, TO TAKE OVER, FOR USE OR  
OPERATION BY THE GOVERNMENT, ANY PUBLIC SERVICE OR  
ENTERPRISE, TO PRESCRIBE PENALTIES FOR INTERFERING  
WITH THE EXERCISE BY THE GOVERNMENT OF ITS AUTHORITY  
THEREUNDER, AND TO APPROPRIATE THE NECESSARY FUNDS  
THEREFOR.**

*Be it enacted by the National Assembly of the Philippines:*

Sec. 1. The existence of a state of war among several nations of the world, creating, as it does, a greater demand for fuel and other equipment to be used for motive power, thereby depleting the stock of such fuel and equipment available for the use of public services and giving rise to either a diminution of facilities therefor or an increase in the rates charged, has created a national emergency; and to meet this emergency and to advance the public welfare, the State should take over and operate public services or enterprises when this step should be found necessary.

Sec. 2. The President of the Philippines is vested with the authority, until the date of the adjournment of the next regular session of the National Assembly, to take over solely for use or operation by the Government during the existence of the emergency, any public service or enterprise, and to operate the same. Whenever the President shall determine that the further use or operation by the Government of any such public service or enterprise is no longer justified by existing conditions, the same shall be restored to the person entitled to the possession thereof. The Government of the Philippines shall pay just compensation, in such manner as may be determined by the President, for the taking over, use, occupation, and operation of any such public service or enterprise. If the amount of compensation so determined should be unsatisfactory to the person entitled to receive the same, such person shall be paid seventy-five per centum of the amount so determined by the President, and shall be entitled to sue the Government of the Philippines to recover such further sums as, added to the said seventy-five per centum, will make up such amount as will be just compensation, in the manner provided by the laws in force for the purpose of determining the compensation to be paid the owner of property acquired through the exercise of the right of eminent domain. The President is authorized to prescribe and promulgate such regulations as he may deem essential to carry out the purposes of this Act, including the operation of any such public service or enterprise and the employment, control, and the compensation of the necessary officers or employees to operate the same. Any income derived from or in connection with the use or operation of any such public service or enterprise may, in the discretion of the President, be used as a revolving fund for the purpose of the continued use or operation of the same.

Sec. 3. Any person who shall obstruct, delay, or hinder the exercise by the Government of the authority herein granted or who shall wilfully injure or destroy any of the works, properties, or materials of the business so taken over by the Government, or who shall wilfully interfere with the operation of such business or