

AN ACT TO AMEND REPUBLIC ACT NUMBERED SIX HUNDRED NINETY-EIGHT, ENTITLED ACT TO LIMIT THE IMPORTATION OF LEAF TOBACCO.”

REPUBLIC ACT NO. 1194, August 25, 1954

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

SECTION 1. Section one of Republic Act Numbered Six hundred ninety-eight is amended to read as follows:

"SECTION 1. The importation of foreign leaf tobacco shall be limited as follows:

"For 1954—forty per cent of the total importation in 1950.

"For 1955—twenty-five per cent of the total importation in 1950.

"For 1956 and succeeding years, importation shall be subject to the following provisions:

"After the harvest of tobacco every year, and after the reports of every town recorded in the Bureau of Plant Industry as growing Virginia leaf tobacco, through their respective councils, have been received by the ACCFA, and after all Virginia leaf tobacco for sale in their respective areas shall have been bought by the ACCFA or any Government agency or any buyer not later than August one, the ACCFA shall report to the President whether or not the indigenous production of Virginia-type leaf tobacco in the Philippines is sufficient to maintain the manufacture in the country of tobacco products in any year at a level sufficient to produce not less than the quantity of tobacco products manufactured in the preceding fiscal year as certified by the Bureau of Internal Revenue. The President of the Philippines upon receipt of such report that the local production is insufficient may authorize the importation of Virginia-type leaf tobacco necessary maintain such level of production: Provided, That the foregoing provision shall be applicable to the fiscal years of nineteen hundred fifty-four and nineteen hundred fifty-five to meet deficiencies of supply, if any: Provided, Further, That nothing herein shall be construed to limit the importation of wrapper leaf tobacco for cigars or chewing tobacco, nor to permit the importation of processed tobacco as defined in section 1-b hereof except Turkish tobacco."

SEC. 2. There are hereby inserted between sections one and two of the same Republic Act Numbered Six hundred ninety-eight the following new sections:

"SEC. 1-a. Virginia-type leaf tobacco authorized to be imported under this Act shall be allocated and distributed by the Monetary Board of the Central Bank among legitimate manufacturers of Virginia-type cigarettes on the basis of the production of each factory as reflected in its payment of specific taxes for Virginia-leaf cigarettes for the twelve-month period immediately preceding the month for which allocation is to be granted, taking also into consideration the stock inventory of each factory at the close of the calendar month preceding the allocation: Provided, That no manufacturer of Virginia-type cigarettes shall be entitled to the allocation provided for herein unless he presents a certificate showing that he has purchased locally produced Virginia-type leaf tobacco as provided in section 1-c hereof.

"Licenses for such importation shall be issued within fifteen days after the allocation made by the Central

Bank as above provided, and the corresponding foreign exchange authorized by the Monetary Board of the Central Bank to the extent of the foreign exchange disposable by the Central Bank.

"The Government entity authorized to allocate and distribute the import licenses for Virginia leaf tobacco shall not grant any such licenses to any factory or manufacturer using imported tobacco that has on the record any violation of the Import Control Laws and Republic Act Numbered Six hundred ninety-eight limiting the importation of said tobacco, or any case of tax evasion.

"SEC. 1-b. By processed tobacco is meant leaf tobacco which is either blended, cased, flavored, ready cut, or cut fillers ready for manufacturing purposes, and shall not include tobacco leaf only the stem of which is removed. By Virginia-type leaf tobacco, as used in section 1-a, is meant any kind of tobacco, leaf or scrap, for the manufacture of cigarettes.

"SEC. 1-c. All locally grown and produced leaf tobacco shall be purchased by the Government the ACCFA, any provision of law to the contrary withstanding, for resale to the manufacturers of g type cigarettes at cost. The Central Bank, through the Rehabilitation Finance Corporation, shall grant the ACCFA the necessary loans with which to effect the purchase of said tobacco, and to cover the expenses in connection with the handling and warehousing thereof. Nothing in this provision shall be construed to prohibit manufacturers of Virginia-type cigarettes or other dealers to buy Virginia-type tobacco from the farmers, cooperatives or any private dealers.

"The prices at which said locally grown and produced Virginia-type leaf tobacco may be purchased shall not be less than those fixed in the following schedule:

"For flue-cured Virginia leaf tobacco:

Per Kilo

a.

Bright yellow leaf

P3.60

b.

Bull yellow leaf

3.00

c.

Spotted yellow leaf

2.50

d.

Greenish and brownish leaf

2.00

e.

Dark or other kinds

1.50

"For sun-dried Virginia leaf tobacco:

a.

Light brown leaf tobacco

P1.50

b.

Brown leaf tobacco

1.00

c.

Dark brown and other kinds

.80

"The shares of such manufacturers in such locally grown and produced tobacco to be resold to them shall be allocated in the same manner as the tobacco imported under this Act is distributed among them: Provided, That computing the allocation of such locally grown Virginia leaf tobacco to such manufacturers the volume of their direct purchase from the farmers shall be taken into consideration.

SEC. 1-d. The President of the Philippines may require the Philippine Tobacco Administration to assist the ACCFA in making purchase of Virginia-type leaf tobacco locally produce, assigned to said Administration the function of making such purchase for and in behalf of the ACCFA, and to entrust to said Administration such other duties as may be necessary to carry out the provisions of the preceding section.

SEC. 1-e. Any person, association or corporation which shall import Virginia-type leaf tobacco without the necessary licenses issued under this Act, and any officer or employee of the Central Bank who shall issue such license without the authorization of the President of the Philippines as provided in this Act or who shall obstruct the grant of the loans needed by the ACCFA, or any person, association, corporation, official or employee in the Government who violates any provision of this Act, shall be punished by a fine of not less than one thousand pesos nor more than ten thousand pesos, and by imprisonment for not less than one year nor more than five years, in the discretion of the Court: Provided, That if the offense is committed by an association or corporation, the president, manager or administrator and the director or directors committing the offense shall be responsible thereof; and should the offender be an alien, he shall, after final conviction, be deported without further deportation proceedings: Provided, further, That the leaf tobacco involved in the offense shall be forfeited to the Government.

SEC. 3. This Act shall take effect upon its approval.

Approved, August 25, 1954.

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