

AMENDING FURTHER REPUBLIC ACT NUMBERED ELEVEN HUNDRED THIRTY-FIVE ENTITLED "AN ACT ESTABLISHING THE PHILIPPINE TOBACCO ADMINISTRATION, DEFINING ITS OBJECTIVES, POWERS AND FUNCTI...

PRESIDENTIAL DECREE NO. 288, September 07, 1973

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WHEREAS, the tobacco industry is one of the major dollar-earning industries of the Philippines; and

WHEREAS, in order to revitalize the tobacco industry its Financing program must be improved through the Philippine Tobacco Administration;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, do hereby order and decree to be part of the laws of the land the following:

SECTION 1. Section fifteen of Republic Act Numbered Eleven Hundred Thirty Five, and fifteen, as amended, is hereby amended to read as follows:

"SEC. 15. Funding. — To carry out the purposes of this Act, there is created a special fund to be known as the 'Tobacco Industry Promotion and Market Stabilization Fund' which shall be taken from the proceeds of the specific taxes collected on tobacco products manufactured out of the cigar filler and wrapper leaf tobacco to be made available as follows: Fifteen million (P15,000,000) pesos, which is hereby appropriated for the Fiscal Year nineteen hundred seventy-three and nineteen hundred seventy-four and thereafter, an annual appropriation of fifteen million (P15,000,000) pesos for a period of five years up to June thirty, nineteen hundred seventy eight. Thereafter the amount of six million (P6,000,000) pesos is appropriated annually to carry out the purposes hereinafter indicated until otherwise provided by law.

"The annual appropriation herein provided shall be utilized as follows: (a) Nine million pesos (P9,000,000) for price stabilization in tobacco trading, not for subsidy, distributed thus: Four million six hundred thousand (P1,600,000) pesos for Cagayan Valley; One million five hundred thousand (P1,500,000) pesos for Ilocos Region; Six hundred thousand (P600,000) pesos for Central Luzon; One hundred thousand (P100,000.00) pesos for Southern Luzon; Five hundred thousand (P500,000) pesos for Eastern Visayas; Five hundred thousand (P500,000) pesos for Western Visayas; Five hundred thousand (P500,000) pesos for Northern Mindanao; and Seven hundred thousand (P700,000) pesos for Southern Mindanao: Provided, however, That any balance in the foregoing allocation remaining unused in any region at the end of every fiscal year shall, together with the proceeds from the sale of stabilization purchases accrue to a single fund to be administered by the PTA and to be used by it, in proper cases, for the settlement of its obligations for supervised credit or self-liquidating assistance to tobacco farmers' cooperatives through the Central Bank, rural banks or other government lending institutions, and for other purposes authorized in the Charter of the Philippine Tobacco Administration; and (b) Six million (P6,000,000) pesos for development expenses itemized thus: Two million (P2,000,000) pesos for research; One million (P1,000,000) pesos for extension services; One million (P1,000,000) pesos for trade development, and, Two million (P2,000,000) pesos for operations: Provided, That

gratuities and terminal leaves may be charged to operations: And provided, further, That all interests on obligations of the Philippine Tobacco Administration to any government lending institutions are hereby condoned."

The annual appropriation of six million (P6,000,000) pesos herein provided to start fiscal years nineteen hundred seventy-eight and nineteen hundred seventy-nine shall be used for the trading operations of the regions mentioned in the preceding paragraph: Provided, however, That the amount to be allotted for each region shall be based on the ratio of its production in relation to its original allocation.

The Commissioner of Internal Revenue shall segregate and credit to the Philippine Tobacco Administration fifteen million (P15,000,000) pesos every year and shall be released and turned over by the Commissioner of Internal Revenue to the Philippine Tobacco Administration in four equal installments within twenty days after the end of every quarter of each fiscal year.

SEC. 2. The following new sections shall be inserted between Sections fifteen and sixteen to be known as Sections 15-A, 15-B and 15-C, to read as follows:

"SEC. 15-A. Accounting System. — The Philippine Tobacco Administration is hereby authorized to adopt such accounting system and budgetary procedure consistent with its operations as would segregate the accounts for trading operations from its development activities,

"SEC. 15-B. Rules and Regulations. — The Board of Directors of the Philippine Tobacco Administration shall, subject to the approval by the Secretary of the Department of Agriculture and Natural Resources, promulgate such rules and regulations for the effective implementation of this Act as well as those which would preserve the purity and integrity of the cigar filler and wrapper types of tobacco which may include zonification, standardization of leaf grades by locality, maintenance and updating of tobacco growers' registry and their acreage, and such other matters as it may deem proper to insure the maintenance and/or improvement of product quality.

"SEC. 15-C. Guidelines. — (a) Trading operations shall be conducted on the basis of fair market value without subsidy;

"(b) The trading operations should supplement rather than compete with private enterprises; and

"(c) That research and extension work should center on optimizing farm income and land productivity through crop diversification as well as other improved cultural practices."

SEC. 3. All provisions of existing laws, rules and regulations inconsistent and incompatible with this Decree are hereby repealed or modified accordingly.

SEC. 4. This Decree shall take effect immediately.

Done in the City of Manila, this 7th day of September, in the year of Our Lord, nineteen hundred and seventy-three.

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

By the President:

(Sgd.) ROBERTO V. REYES

Assistant Executive Secretary

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