

[PRESIDENTIAL DECREE NO. 504, July 01, 1974]

FURTHER AMENDING SECTION 4 OF REPUBLIC ACT NO. 4155, AS AMENDED

WHEREAS, in an effort to arrest the steady increase in the price of foreign leaf tobacco for blending purposes, there is an urgent need to take effective measures to at least stabilize if not minimize the production cost of locally-manufactured quality cigarettes and thereby, saving the consuming public from paying for the increased cost;

WHEREAS, it has been determined that the imposition of the minimum tax of P10.00 per kilogram of imported leaf tobacco under Section 4 of Republic Act No. 4155, as amended, will further increase the present cost of locally-manufactured cigarettes constituting the main bulk of the local cigarette industry's output and being patronized by the greater mass of the country's smokers;

WHEREAS, unless a remedial measure is taken, the government stands to lose in terms of revenue collections as the increased production cost of local cigarettes will inevitably be detrimental to that segment of the cigarette industry which yields a very considerable portion of the specific tax collections;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order that Section 4 of Republic Act No. 4155, as earlier amended by Presidential Decrees Nos. 62 and 446, be further amended to read as follows.

"SECTION 4. *Importation of foreign leaf tobacco only for blending purposes.*—No person will import leaf tobacco except as herein provided. When the Philippine Virginia Tobacco Administration Board believes that it is necessary to improve the quality of locally made cigarettes and there are no sufficient stocks of foreign leaf tobacco for blending purposes available in the country, the Philippine Virginia Tobacco Administration may authorize any *bona-fide* cigarette manufacturer, owned or controlled by Filipino citizens, to import foreign leaf tobacco for blending purposes at the ratio of not more than one (1) kilogram of imported foreign leaf tobacco to every four (4) kilograms of local Virginia leaf tobacco purchased, subject to limitations, requirements, rules and regulations promulgated by the Philippine Virginia Tobacco Administration. In no case shall the importation exceed six (6) millions kilograms in any year unless the exigencies of the industry require otherwise. No other tariff or taxes shall be imposed on foreign leaf tobacco so imported except an amount equivalent to one hundred per centum (100) of its landed cost."

This Decree is hereby made part of the law of the land and shall take effect immediately.

Done in the City of Manila, this 1st day of July, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E.