

[REPUBLIC ACT NO. 2265, June 19, 1959]

AN ACT ESTABLISHING THE VIRGINIA TOBACCO ADMINISTRATION, DEFINING ITS OBJECTIVES, POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES.

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

SECTION 1. *Name and domicile.*—There is hereby created the "Philippine Virginia Tobacco Administration", hereinafter referred to as PVTA, which shall be organized upon approval of this Act, It shall have its main office in the City of Manila, and such branches and agencies within and outside of the Philippines as may be necessary for the proper conduct of its business.

SEC. 2. *Purposes and objectives.*—The PVTA shall have the following purposes and objectives:

- a. To promote the effective merchandizing of Virginia tobacco in the domestic and foreign markets so that those engaged in the industry will be placed on a basis of economic security;
- b. To establish and maintain balanced production and consumption of Virginia Tobacco and its manufactured products, and such marketing conditions as will insure and stabilize the price at a level sufficient to cover the cost of production plus reasonable profit both in the local as well as in the foreign market;
- c. To create, establish, maintain, and operate processing, warehousing and marketing facilities in suitable centers and supervise the selling and buying of Virginia tobacco so that the farmers will enjoy reasonable prices that secure a fair return of their investments;
- d. To prescribe rules and regulations governing the grading, classifying, and inspecting of Virginia tobacco; and
- e. To improve the living and economic conditions of the people engaged in the tobacco industry.

SEC. 3. *General Powers.*—The PVTA is hereby authorized to adopt, and use a corporate seal which shall be judicially noticed; to make contracts; to lease or own real and personal property, and to sell or otherwise dispose of the same; to sue and to be sued; to make an annual report to the President of the Republic of the Philippines and to Congress; to prescribe such regulations as are necessary to carry out the functions vested in it by this Act; to make such expenditures necessary to carry out the purposes and functions of the PVTA.

The PVTA may acquire and hold such assets and incur such liabilities resulting directly from operations authorized by the provisions of this Act, or as are essential to the proper conduct of such operations.

SEC. 4. *Specific Powers.*—The PVTA is authorized and directed:

- a. To take over and assume, and thereafter exclusively direct, supervise, and control, all functions and operations with respect to the processing, warehousing, and trading of Virginia tobacco, the provisions of any existing Jaw to the contrary notwithstanding;
- b. To buy Virginia tobacco grown in the Philippines for resale to local *bona fide* tobacco manufacturers and leaf tobacco dealers;
- c. To give priority in the purchase of the Virginia tobacco that are sold through farmers' cooperative marketing associations, or federations thereof, dealing principally, in Virginia tobacco, or any 100% Filipino firm or corporation the majority of the stocks of which are owned by said farmers' cooperative marketing associations, or federations thereof, and to utilize the facilities, of said associations, federations, firms, or corporations, in the buying of the farmers' produce;
- d. To export directly or through farmers' cooperative marketing associations, or federations thereof, dealing principally in Virginia tobacco, or any 100% Filipino firm or corporation the majority of the stocks of which are owned by said farmers' cooperative marketing associations, or federations thereof, locally grown Virginia tobacco either through direct sales or barter: *Provided*, That in no case shall there be barter of locally grown leaf Virginia tobacco for foreign grown leaf Virginia tobacco or its manufactured products: *And provided, further*, That only such locally grown leaf Virginia tobacco as cannot be sold profitably in dollars may be bartered;
- e. To give priority in the use of facilities, equipment, trucking service, warehouses, processing plants and machineries owned or operated by farmers' cooperative marketing associations, or federations thereof, dealing principally in Virginia tobacco, or any 100% Filipino firm or corporation the majority of the stocks of which are owned by said farmers' cooperative marketing associations, or federations thereof, to carry out the purpose of this Act;
- f. To develop and expand the domestic and foreign markets for Virginia tobacco, its products and by-products in order to promote and expand production of Virginia tobacco, its products and by-products;
- g. To grant loans and credits oil reasonable terms, for trading purposes, to farmers' cooperative marketing associations or federations thereof, dealing principally in Virginia tobacco, or any 100% Filipino firm or corporation the majority of the stocks of which are owned by said farmers' cooperative marketing associations or federations thereof, whenever it deems such loans necessary to carry out the provisions of this Act: *Provided*, That the interest charged shall not exceed seven per centum per annum;
- h. To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes with any person, firm, or corporation, with the Government of the Philippines or with any foreign government, subject to existing laws;
- i. To promote, foster and encourage the organization of cooperative associations among tobacco planters, producers or dealers in Virginia tobacco producing regions in collaboration with the ACCFA;
- j. To do any and all such other things as may be necessary or incidental to the attainment of the purposes of this Act; and
- k. Generally, to exercise all the powers of a corporation under the Corporation Law, insofar as they are not inconsistent with the provisions of this Act.