

The domestic market was fairly steady. There were buyers of the regular grade of centrifugal sugar at ₱16 per picul, delivered Manila, and for the better grades of centrifugal and washed sugar prices were from ₱17 to ₱20.50 per picul.

The drought has been broken and welcome rains have fallen in most sugar districts. This is enabling planters to finish their planting, and the growing cane is reported to have staged a speedy recovery from the effects of the drought.

As the Cuban milling season draws to a close, latest estimates of the crop indicate that it will exceed 6,600,000 short tons, which will be an all time record for Cuban sugar production.

Tobacco

By the CONDE DE CHURRUCÁ

Compañía General de Tabacos de Filipinas

SALES of leaf tobacco are more than steady in the local market and the desire to buy is increasing, with the result that the prices paid to the farmer in Union, Pangasinan, and the Visayan provinces are out of proportion with the actual value of tobacco in the world market.

This extraordinary situation while benefiting the farmers and small dealers for the moment, may have an adverse future effect, as it is becoming harder and harder to export our tobacco. Actually, one can get better prices in the local market than those paid by foreign countries, even with the further peculiarity that these countries pay higher for Philippine tobacco than for that produced in other countries, i.e., Santo Domingo, and Brazil.

The principal reasons for the declining prices of tobacco in the world market are as follows:

1. Tobacco-producing countries are having a hard time of it to dispose of their crops, due to the lack of dollars necessary for international trading, and thus having to make very attractive offers to entice the buying countries.

2. It was hoped that the Marshall Plan would ease the buying potentialities of many countries, but in fact, until important extra stocks of tobacco are disposed of in the United States, it is not probable that money will be released to buy from the former countries.

3. Tobacco has ceased in some countries to be considered an article of prime necessity. A recent remark attributed to a British member of Parliament ran as follows: "If smokers had nothing to smoke they would have to be content to suck their fingers". (I guess that Churchill was not the one to make this statement, and that many voters will give serious consideration to their status as thus implied.)

4. The high prices paid for leaf tobacco in recent years have extended the cultivation of tobacco in many countries where former it was produced only for local consumption.

One of these countries is Santo Domingo, and, as it is forced to sell in dollars, it had to reduce its prices and now offers lots at about \$26 for 100 kgs. and probably will go as low as \$20. Here this would mean \$18.40 a quintal f.o.b. and this price includes every expense. Our farmers are receiving ₱23 to ₱25 a quintal.

None of these facts, actually affect our local market, and would do so in an adverse way only if foreign cigarettes were to sell here, due to the low cost of leaf tobacco, in open competition with the cheap brands of local cigarettes. This would of course force down prices, and the first cut would have to affect the cost of leaf tobacco.

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The recently passed law on cigarette taxes, increasing to P3.50 the lowest bracket for cigarettes not subject to extra tax, might do the trick.

A proposed amendment to the law would lower this bracket again to P3.00, but this can not be considered until next session of Congress which opens in January. In the meantime it will be interesting to observe if it is easy to change the taste of the many local cigarette smokers, once they get a chance to buy imported American cigarettes at almost the same price as the native ones.

It is easy to see that the leaf tobacco situation here is artificial, and based on local circumstances of momentary importance only.

If the business is to survive and to return to normal, it will have to follow the world market trends.

In normal times nearly 80% of our leaf tobacco was exported, in open competition with other producing countries. Only big crops can enable us to recover our old markets (for the benefit of the farmer). Philippine tobacco has qualities of its own which are very much appreciated, and cannot be easily replaced by the tobaccos of other countries.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

LAST month we had incomplete information on legislation as very few bills had been acted upon by the President at the time the *Journal* went to press.

S. Bill 248 condoning interest on pre-war obligations from January 1, 1942, to December 31, 1945, was vetoed.

Rep. Act 199 provides for retirement of pre-war treasury certificates.

Rep. Act 211 provides for the retirement within one year from June 1, 1948, of all PNE circulating notes, excepting certain notes listed as issued illegally by the Japanese Military Administration and also excepting others which the Secretary of Finance may certify upon investigation to have been illegally issued.

Rep. Act 215 (H.B. 1730) provides a new time limit (through 1949 unless operations are resumed earlier) within which to perform certain terms and conditions relative to mining claims.

Rep. Act 217 (H.B. 1692) imposes the new luxury taxes.

Rep. Act 218 extends vacation and sick leave privileges to government employees who have rendered 6 months continuous satisfactory service whether permanent or temporary.

Rep. Act 219 increases the taxes on spirits, wines, and other liquors and on cigars and cigarettes.

Rep. Act 224 creates the National Airports Corporation and empowers it to manage, control, and operate all government airfields and to acquire and construct new ones, to fix and collect tolls, fees and charges, except landing fees and royalties on gasoline, oil, and accessories delivered to aircraft, which must be approved by the Civil Aeronautics Board, and prescribe terms and conditions under which the property under its control may be used.

Rep. Act 225 (H.B. 1773) amends the limitations on the number and area of mining claims any one person or entity may hold.