

Tobacco

By LUIS A. PUJALTE

Secretary-Treasurer, Manila Tobacco Association

ALTHOUGH it is still too early to be sure, all the indications are that the 1950 tobacco crop will be the largest since the outbreak of the war. An increase in acreage is noted throughout the tobacco regions, mainly the Valley (Isabela and Cagayan), Pangasinan, La Union, and Ilocos and in the Visayan Islands. Weather conditions have been very favorable and if this continues, a 40% increase over last year's approximately 30,000,000 pound crop could easily be harvested.

With the import control, most of this tobacco will be consumed locally; that is, if the exchange control does not restrict the importation of cigarette paper. This has been very difficult under the exchange control order allowing only 6% monthly of the 1949 imports of uncontrolled items, and now, with the newly announced list of priorities, it will be almost impossible to bring in cigarette paper for the ever-increasing demand for local cigarettes. The black market is not only flourishing on imported, but also on locally manufactured cigarettes. A 4000-meter bobbin of cigarette paper costs between \$2.75 and \$3. In the hands of bonafide manufacturers, this bobbin yields 48,000 to 50,000 cigarettes, which pay a minimum tax of ₱96. The Government cannot afford to lose ₱100 in taxes due to a "loss" of say \$3 in foreign exchange. With the exchange control, it would be very easy to completely eradicate clandestine manufacture following the suggestion of the Board of Directors of the Manila Tobacco Association contained in a memorandum to the

Tax Committee, Department of Finance, attention of Mr. Alfredo Jacinto, Chairman, which reads as follows:

"(1) To have only duly licensed tobacco manufacturers as sole importers of cigarette paper, whether in rolls or in sheets. If the importation of cigarette paper be placed exclusively in the hands of authorized tobacco manufacturers, the rampant smuggling of this commodity and illegal disposal thereof will be minimized if not altogether stopped. It will also avoid the channelling of this commodity into the hands of unscrupulous importers who are not engaged in the manufacture and sale of tobacco products. It cannot be doubted that the authorized manufacturers are in a better position to dispose of this commodity and will have more caution against eventual transfer to the hands of illicit manufacturers."

If this were done it would be very easy for the Bureau of Internal Revenue to keep a close supervision and watch over the output of each factory and thus be assured that all due taxes are collected.

Imports

By LOUIS S. KRAEMER

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FEBRUARY 18 marked the day when the Import Control Office finally started to issue import allocations covering the first quarter of 1950. Until this date, it was impossible for importers to place their orders for any items subject to import control. Even to the date of this writing, the wheels of the Import Control Office are turning very slowly and the import business is still virtually paralyzed on all controlled items.

According to an authoritative source, the Import Control Office will, within a few days, begin to keep its records on modern accounting machines and it is hoped that the present delays will then be greatly minimized.

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