

demand for rope and twine; however, confronted with the heavy SCAP buying, the United States market had maintained an outwardly steady appearance—but with no buying interest. Just as soon as sellers began to press sales and reduce prices, United States consumers withdrew completely and prices broke sharply. Continued selling pressure and a complete lack of interest drove prices down approximately P10 to P12 per picul for Davao grades, and P5 to P6 per picul for Non-Davao grades. Spot offerings in New York by overloaded consumers had an additional disturbing influence. At the time of writing the market is still weak, with no demand whatsoever.

The following comparisons will give the reader some idea of the severity of the decline during the past 30 days:

	Price on 6/16	Price on 7/15	Decline per Picul	% Decline
De/I — per picul basis				
loose.....	P63.50	P52.50	P11.50	18%
Da/JI.....	62.	50.	12.	19
Da G.....	53.50	43.50	10.	19
Non-Davao I, picul basis				
loose.....	P59.	P53.	P 6.	10%
Non-Davao G.....	42.	38.	4.	10
Non-Davao K.....	29.	23.	6.	21

On the new basis of values, United States buyers continue apathetic and there is no sign of SCAP coming in this month, although it is possible they will buy during August. European demand continues to be very limited due to exchange difficulties.

The local statistical position is healthy, and shipments for the first half of the year were in excess of production. There is little doubt that once the present inventory position of United States manufacturers is adjusted to present consumption levels, demand will pick up.

Pressings for the month of June were 49,607 bales—a decrease of 9,233 bales, as compared with May, and the lowest figure since January, 1947. Non-Davao, 31,942 bales—down 4,740 bales; and Davao, 17,665 bales—down 4,493 bales. The total pressings for the first half of 1948 were 362,246 bales, as compared with 381,584 bales for the first half of 1947.

## Tobacco

By the CONDE DE CHURRUCA

President, Manila Tobacco Association

ON July 22, Secretary of Industry and Commerce Placido Mapa invited leading representatives of the tobacco industry in the Philippines to his office with the object of establishing a basis for the rehabilitation of the industry.

Besides Secretary Mapa, the Collector of Internal Revenue, Mr. Meer, the Director of Commerce, Mr. Mendinueto, the Manager of the National Tobacco Corporation, Mr. Perez de Tagle, and the President of the Manila Tobacco Association were present; Congressman Domingo Paguirigan of Isabela, and the Governor of the same Province, the Hon. Silvano Gumpal, also came to confer with the Secretary. Representatives of practically every important factory and leaf-tobacco dealer were present at the conference.

The keen spirit of concern demonstrated by Secretary Mapa, and the genuine desire to cooperate with the Government shown by the tobacco men, were the features of the conference.

The problems taken up were:

- (1) The possibility of reestablishing the export trade in cigars.
- (2) The necessity of producing bigger crops and reducing prices to promote the export of leaf tobacco.

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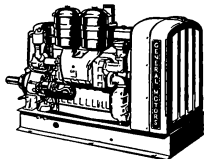
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(3) Ways and means of competing with imported cigarettes, now consumed in the proportion of 10 to 2 against the local brands.

The first problem hinges on the high cost of leaf tobacco and the high cost of labor. Only big crops will lower the first, and the use of machinery the second.

Most of the manufacturers are reluctant to use machines because they want to avoid any measure which might go against the workers' interests. The principal aim in rehabilitating the business is to help the farmers and workers, and the use of machines might defeat this aim. We believe it wiser to wait until the cost of living is sufficiently reduced or the prices obtainable for cigars are sufficiently increased, than to adopt a radical measure which might mean difficulties for our workers.

The only alternative would be to sell only high grade cigars which could compete with the best foreign products.

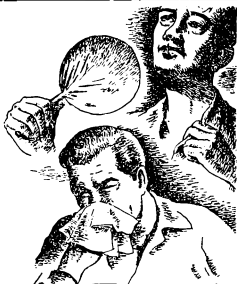
This is easy to say, but hard to carry out, although the writer doesn't deem it impossible. It is hard, especially after so many years of advertising Manila cigars as among the cheapest. The Government, through its consulates and agencies, and through a little judicious advertising, could help a lot to promote the new idea, and perhaps in the long run it would work out, if only up to a point. The thing is to get it started.

The second problem is easier to solve, as the last three years have been exceptionally bad as weather goes, and about half of the three crops were lost. But even though we may expect larger crops in the near future, they will probably never equal the pre-war crops, the principal reason being that in each new generation the number of farmers becomes less as the young people abandon the land for town-life.

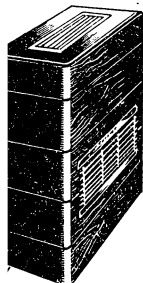
The third and last problem is also very difficult as the tastes and habits of the smoking public are already established. Our only chance is to grow Virginia leaf tobacco ourselves, and to produce a type of cigarette acceptable to the public.

It can be done, and the National Tobacco Corporation has made encouraging progress in research and experimentation which will be extended next year in helping private enterprise expand production of this leaf tobacco. Of course, this will take time, but it may, in the end, become a very important source of business for the Islands, as besides the local market there is an unlimited field in China and other Far Eastern countries, whether for leaf tobacco or manufactured cigarettes.

In general, even if the prospects are not brilliant for the near future, we are justified in hoping that our tobacco industry will regain its place, if we learn how to adapt the old pattern to the conditions and demands of the present day.



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