

₱7,000,000 Excise Taxes from Tobacco Yearly Data on Cagayan Valley- Opened by New Road

TOBACCO REVIEW

By P. A. MEYER

*Alhambra Cigar and Cigarette
Manufacturing Co.*



RAW LEAF: Trading in grades for local consumption during May has been very weak and was mostly limited to Pangasinan leaf as used by the smaller cigarette factories. The demand from abroad, outside of Spain, has been very small and consignments made to

the United States and Belgium consisted exclusively of scrap tobacco. Of the 1925 crop of Isabela and Cagayan there still remain big quantities in the hands of local dealers with no inquires.

Shipments to foreign countries during May were as follows:

Leaf Tobacco
and Scraps
Kilos

Australia	288
Belgium and Holland	15,026
China	9,157
Hongkong	10,227
Japan	41,504
Java	8,574
Spain	528,264
Straits Settlements	4,353
Uruguay	4,691
United States	10,735

632,819

CIGARS: Comparative figures for the trade with the United States are as follows:

May 1926	17,584,906
April 1926	17,154,776
May 1925	19,041,369

Valley Merits Some Attention from The Government

Last year the producers of tobacco in Cagayan and Isabela, the region where leaf for cigars for the American market is grown, received more than ₱5,000,000 for their crop. This does not include expense of transportation, classification and rebaling, etc., which added a considerable sum to the money the valley derived from its tobacco. However, until very recently this rich valley which has always given the government a goodly share of its total revenues, has been woefully neglected; so that despite the considerable Caucasian element in its population, its development has been retarded.

Aparri, capital of Cagayan and the port for the valley, is now within 30 hours of Manila by automobile. The Wood administration has opened the road into the valley. All sections are not completed, and there is one gap that it is best to bridge by way of the river, but the work continues. On the San Jose and Santa Fe section ₱1,132,000

has been spent; on the Santa Fe and Bambang section, ₱66,200; on the Bajabang and San Luis section, ₱32,000; on the Cauayan and Ilagan section in Isabela, ₱228,000; on the Ilagan and Cabagan section in Isabela, ₱42,000; on the Alcañal and Aparri section in Cagayan, ₱504,000. The total recent expenditures therefore on various sections of the road from Manila to Aparri have been ₱2,204,200.

This is on sections the combined length of which is 270.5 kilometers. Work on the Ilagan-Cabagan section is not much more than well begun.

Trips into the valley are interesting and instructive. This year's tobacco crop is big



(Bu. of Agriculture Plate)
Making "Manos" of Tobacco, Cagayan Valley.

and promises to be of good quality. Corn and rice are also grown, as well as sugar cane, but tobacco is the principal crop; so that the opening of the valley and the good season it has enjoyed are a factor in the year's business of the islands.

Improvement of the port of Aparri is planned. Owing to the heavy river current and the topography of the coast, during the northeast monsoon bars from at the mouth of the river, making navigation dangerous and difficult. It is proposed to build jetties to prevent precipitation of the silt carried by the river until it is well out to sea. This will cost several hundred thousand pesos.

It is insular money, but only a fraction of the tobacco revenue.

The internal revenue reports show that during the five years from 1920 to 1924 the government collected in excise taxes on cigars ₱1,402,005 and ₱28,528,884 on cigarettes, and ₱1,727,758 on other tobacco manufactures. It got beside about ₱1,000,000 a year in Federal excise taxes collected on Philippine cigars sold in the United States, which taxes are remitted to the insular treasury; but it is now proposed, in the Kiess bill, to allot these taxes to the office of the governor general.)

In 1924 local insular revenue from the tobacco industry was ₱6,167,652; in 1923 it was ₱6,341,971; in 1922 it was ₱5,932,091; in 1921 it was ₱6,538,183 and in 1920 it was ₱6,628,148. Collections were perhaps higher last year than in 1924, the last year for which the reports are available. The revenue from cigarettes alone is more than ₱5,000,000 a year.

Although tobacco from the Cagayan valley is rated high among the tobaccos of the world, not all of it, by any means, is used by the factories in Manila for manufacture into cigars for the overseas markets, particularly the United States. Such tobacco is in fact a small percentage of the whole, and is carefully selected and stored for the purpose intended. There are even factories using nothing but valley tobacco even for cigarettes for the domestic trade.

The internal revenue law went into effect in 1904; it has therefore been in effect 23 years. The collections on tobacco from August 1, 1901, to June 30, 1905, were ₱2,012,576, but perhaps an average of four million pesos may be taken for the period, as the collections mounted rapidly; and to total this sum would indicate the justification for the liberal, though tardy, expenditures on public works in the valley. Spain's

revenue from tobacco under the monopoly, 1781 to 1882, ran in the later years above \$5,000,000 Mex., and was the principal source of public funds. An annual tribute of 90,000 quintals also went to Spain from Manila. A private corporation once offered to guarantee the insular budget, then about \$15,000,000 Mex., in exchange for the monopoly, which applied only in Luzon and only to Cagayan, Isabela, Union, Abra, Ilocos Sur and Ilocos Norte. The population in those provinces in 1882 was 785,000. Then as now it was the Ilocano immigrant who tilled most successfully in the Cagayan valley. The new road will encourage immigration of these thrifty hard-working farmers.

COMES TO COMMERCE OFFICE

W. K. Hoyt will arrive in Manila in July, to be in the office of the bureau of foreign and domestic commerce, an assistant to the trade commissioner, O. M. Butler. This news is received from an old friend of the Journal, Evert D. Hester, former registrar of the college of agriculture, University of the Philippines. Hester is now in the department of commerce, an assistant trade commissioner; and he has gone to Madrid for duty in the office of the commercial attaché, Charles Cunningham.