FUND RELEASES

Returning the money to taxpayers

Only last month, President Marcos reassured a nationwide radio-TV au-dience that every peso they paid in taxes would be returned to them "in the form of infrastructure, social ser-vices and investments... He has since begun to redeem that "promis-sory note" not only in the form he has outlined but also in literal terms as well. In quick succession, the Pres-ident recently ordered substantial re-leases of funds for various purposes. Tist, he ordered the release of P72.7 million for the development of ports, flood-control systems and farm-to-market feeder roads. Out of this, P22 million will be used to complete flood-control projects in Central Lu-zon, which suffered heavy devastation during the July-August floods last year. (Earlier, P8.5 million was re-leased for flood-control projects in the Greater Manila area and another P4 million for the resonanced nonienter in leased for flood-control projects in the Greater Manila area and another P4 million for river-control projects in some provinces.) To speed up the flow of farm products, particularly rice, and minimize transport costs, P13 mil-lion of the P72.7 million outlay will

Sometime this month, a Philippine import-export firm, Granexport Cor-poration, will ship 9,000 long tons of copra worth over \$2 million. Final destination: the Union of Soviet Socialist Republics. This shipment constitutes the final half of an 18,000-ton purchase order of the USSR valued at \$4.3 million – the second contract approved by the Department of Trade and Tourism for the export of the commodity to that country. country

One item could well be buried un-One item could well be buried un-demeath the implications generated by the reorientation of official policy vis-a-vis communist and socialist bloc countries, and this is the top-billing that copra and other coconut prod-ucts continue to hold among the country's export commodities. This is not surprising since the country is a leading coconut producer.

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be used in the construction of farm-to-market feeder roads. The sum of P23.1 million will go into the construction of ports all over the country, while a separate amount of P2.1 million has been set aside for the construction of a port in Mariveles, Bataan, the site of the Export Process-ing Zone ing Zone. Second

ing Zone. Second, the President also made available the sum of P41.7 million for the payment of terminal leave benefits of former government employees and military personnel who had been either retired or separated from the government service following the massive shake-up of the government bureaucracy that was launched in Sep-tember last year.

massive snake-up of the government bureaucracy that was launched in Sep-tember last year. Third, for the benefit of some 400,000 public school teachers, he set aside another P250 million for salary increases beginning July this year. These are only some of the more recent and bigger releases authorized by the President. But even just these already add up to a whooping P364.5 million total outlay. Certainly, the overwhelming res-ponse of the taxpaying public to the Administration's appeal for coopera-tion in the tax collection effort weighed heavily on the President's decision to order promptly the release of funds of such magnitude. Ac-cording to Bureau of Internal Revenue officials, there had been a record turnout in the number of income tax return filers, resulting in unprecedentreturn filers, resulting in unprecedent-ed revenue receipts when the deadline came in mid-April. While it would

COCONUT INDUSTRY

A position of strength and prestige

from the domestic to the international market and partly on account of greater coconut production, sub-stantial gains have been made by the country's coconut industry in relation to international trade, since then. Last year, copra exports totalled 953.1 long tons; crude coconut was 461.6 long tons; corde coconut was also profited immensely from it. The PHILCOA reported that in 1972, the FOB value of corra exports amounted to \$116.5

reported that in 1972, the FOB value of copra exports amounted to \$116.5 million; crude coconut oil, \$84.0 mil-lion; copra cake expeller/pellets, \$17.6 million; and desiccated co-conut, \$18.3 million. Even the lowly regarded coconut shell charcoal made a modest contribution to the a modest contribution to the country's foreign exchange earnings to the tune of \$977 thousand. All told, the coconut industry accounted for over 20 percent of the country's total export receipts or \$237.5 million out of the total export earnings of slightly over \$1 billion. take a few more weeks before the

take a few more weeks before the final tabulation can be announced, they already express confidence that, together with payments received un-der the amnesty decrees, total collec-us will be very much greater than as year's P2.8 billion total. That would not be surprising. Over and above the projected increase in five tax amnesty decrees. This is only as of the latest tally. More are ex-pected not only upon the completion of the compilation of returns from all BIR offices all over the country, but and bo because the deadline for the pay-ment of the 10 percent amnesty tax on previously undeclared income and wealth for residents of six provinces in fundanao (Camboanga del Norte, Jamboanga del Sur, Lanao del Norte, Jamboanga del Sur, North Cotabato and jouth Cotabato) and all Filipinos jouth Cotabato) and all Filipinos jouth Cotabato and been reset to May out. 31.

31. According to Revenue Regulations No. 4-73, issued by the BIR late last month, Filipinos residing abroad with a net taxable income of less than \$13,000 are required to pay only \$10 a year. Those with untaxed income or wealth in excess of \$13,000 are levied a 10 percent tax on the excess over the net taxable income for every year of tax delinquency. If for a period of four years, for instance, a Filipino residing abroad has a total unreported income of \$58,000, then his tax liability under the amnesty decree

would only be 10 percent of the ex-cess over \$52,000 or \$600. As in all cases of tax settlements under the various tax amnesty decrees, payment of due taxes frees the taxpayer of all criminal, civil or administrative liabil-ities crimer from these melhandlemethers. ities arising from these voluntary disclosures of hidden income and wealth

wealth. Another potential source of in-creased government revenue from taxes on Filipinos residing abroad is that resulting from the amendments to the National Internal Revenue Code embodied in Presidential Decree No. 69. Under these amendments, they are required to pay a 1 percent tax on their gross income if their income is \$6,000 per annum or less. Those with gross income exceeding \$6,000 up to \$20,000 will have to pay 2 percent; while those earning over \$20,000 will be levied a 3 percent tax on the gross income. income.

income. Filipinos abroad used to get a tax credit for the taxes they paid to their country of residence, under the old National Internal Revenue Code. In many instances, little was left for their homeland. "Surely," one Department of Finance official said, "the country of their birth, the country where they got their education, deserves a little more than this." The old folks at home have res-

more than this." The old folks at home have responded to the President's appeal for cooperation with enthusiasm. They are fervently hoping that their countrymen abroad can come up with the same display of confidence.



Philippine coconuts: ranking position among export products.

This makes copra and other co-conut derivatives the country's top-dollar earner, followed by sugar and lumber, at least in the past year. It was not exactly all roses for the coconut industry last year, though. Despite the fact that the Philippines has been able to corner a sizeable

Despite the fact that the Philippines has been able to corner a sizeable chunk of the international market for the product, despite the gains in co-conut production, international price fluctuations ate up some of its po-tential earnings. From a high of P111.62 per 100 kilograms of copra (resecada) and P188 per 100 kilograms of coconut oil in January 1971 prices plurmeted down to their 1971, prices plummeted down to their lowest level in two years in February last year, with copra selling at only P58.57 and coconut oil at P115 per 100 kilograms.

Since then, however, prices have picked up, reaching new peaks early this year.

In recognition of the price fluctuation problem, coconut au-thorities have recommended various steps that would minimize its impact. A major one is the improvement of transport facilities from the producing

source to the primary point. This would reduce marketing costs and enable the industry to survive even at lower world prices. The Ad-ministration's feeder-road building program should greatly benefit the producers, particularly the small farmers

producers, particularly the small far-mers.' The widening of the Philippine ex-port market to include non-traditional trading partners could also be considered another step towards cushioning the adverse effects of price trends in certain countries. As Dr. Cesar Villariba, board chairman and general manager of PHILCOA, pointed out, 66 percent of the varia-tions in Philippine prices of coconut products may be traced to variations in United States prices. Now, with almost 60 percent of total Philippine exports of coconut products and by-products going to the European market, perhaps the effects of price fluctuations could be softened. That should make some eight million Filipinos happy. This group, representing 20 percent of the country's population, derive their in-come mainly from that source.