

Green Coffee Trade of New York

☛ Telling of the Green Coffee Association and other interests of the importers, jobbers, brokers, and commission houses.

TAX PLACED ON COFFEE BAGS

Internal Revenue Tax of 2.914 Cents Per Pound Applies to Jute Bags from Brazil—Colombian Grass Type Unaffected

UNDER the Agricultural Adjustment Act, the Government placed a processing tax on cotton bags and at the same time levied a compensating import tax on jute or jute products, as a competing product. The original ruling of the Commission of Internal Revenue, exempted from the import tax jute bags imported as containers of merchandise. Through an amendment to the Agricultural Adjustment Act included in the Sugar Act adopted last May 9th, this ruling was reversed and the import tax as of that date was applied to jute products whether imported as merchandise or as containers of merchandise. The tax amounts to 2.914 cents per pound of bagging.

Because this is a national problem, the several Green Coffee Associations are cooperating with the Associated Coffee Industries to effect a uniform procedure of levying the tax throughout the country. The Associated Coffee Industries has held a number of conversations with the Authorities at Washington with the result that all imports of coffee from Brazil in jute bags are recognized by the Internal Revenue Department as weighing one pound.

Grass bags are not subject to the tax and the Green Coffee Association of New York has cabled to Colombia requesting the Forwarding Agents there to specifically mention in Consular Invoices and Bills of Lading that the coffees are packed in grass bags. Most Mexican imports are packed in bags made of native fibre, commonly known as grass, and therefore the trade contends that a very large percentage of the Mexican imports are also exempt from the tax.

The trade throughout the country is strongly opposed to this tax, which according to rumors is reported to have been instituted by the cotton bag manufacturers. Coffee has not been packed in cotton bags, in fact, it is stated it would not be practical to use a cotton bag as a container for coffee since the sample holes could not be drawn together,

COFFEE WAREHOUSE RATES RESTORED TO PREVIOUS BASIS

The Green Coffee Association of New York City has reached an agreement with the warehousemen handling green coffee which provides for the restoration of the storage, handling and transfer rates to the basis prevailing before March 12th when the higher rates under the warehousing code went into effect. The favorable outcome follows two months of intense negotiations by the Traffic and Warehouse Committee of the Association with the several New York warehousemen.

The coffee trade of New York is highly gratified over the result of these negotiations since the continuance of the higher rates would have materially lessened imports of coffee at New York through the diversion of cargoes to ports where lower rates prevail.

and therefore there would be no justification for applying the tax on coffee containers inasmuch as they have never competed against cotton. The Pacific Coast Association has lodged a vigorous protest with their representatives at Washington and the same action has been taken by the Traffic & Warehouse Committee of the New York Green Coffee Association.

GREEN COFFEE PERSONALS

Milton Rowland of the Santos, Brazil, office of the American Coffee Corporation, who has been visiting in the United States since early March, plans to return to Brazil on June 16th.

Mr. L. E. Toro, representative of Hipolito Restrepo G., coffee exporter of Medellin, Colombia, at New York, has moved from 104 Front Street to 82 Beaver Street.

T. P. Jones & Co., coffee brokers, have moved from 80 to 91 Front Street, New York; Walter O'Loughlin, coffee broker, has moved from 133 to 95 Front Street.

Charles G. Kruse, of Arnold Dorr & Co., New York, coffee brokers, and William E. Kruse, with Edward Bleecker & Co., New York, brokers, have returned from a short visit to Brazil.

Joseph J. Day, of J. E. Carret & Co., coffee jobbers, New York, and daughter, plan to sail for a month's visit to England, sailing on the Scythia, June 22nd.