

SEPTEMBER SUGAR REVIEW

By **GEORGE H. FAIRCHILD**



New York Market:
For the month under review the American sugar market continued in a depressed condition, prices having declined further to the lowest level since 1925. With the publication of favorable reports regarding the growing beet crop in Europe, the market was practically inactive during the first week, only insignificant

sales of Cubas were effected on the 6th and 7th at 2-5 16 cents c. and f. (4.08 cents l. t.) and 2-1 4 cents c. and f. (4.02 cents l. t.), respectively. On the 10th the market became still weaker and prices sagged to 3.99 cents l. t., while on the following day small sales of Cubas were reported at 2-3 16 cents c. and f. (3.96 cents l. t.). Thereafter, the market was in a more or less demoralized condition with prices declining until on the 20th when a small quantity of Cubas was sold at 2-5 32 cents c. and f. (3.93 cents l. t.) being the lowest price reached since 1925. The market showed a slight improvement on the 21st and prices rose to 2-3 16 cents (3.96 cents l. t.). It became firmer in the next three days with reported sales in dock at 2-7 32 cents c. and f. (3.99 cents l. t.). Since then until the close of the month the market reverted to its former depressed condition with sales effected at 2-5 32 cents c. and f. (3.92 cents l. t.). Yesterday (Oct. 2) cable advices reported that sales were made at 3.89 cents l. t. ex store in New York and that the United Kingdom had bought new crop Mauritius sugar, No-

ember-December shipment at 10- c.i.f., equivalent to 1.98 cents f.o.b. Cuba (3.87 cents l. t.). The world's stocks are 2,468,000 tons as compared with 2,479,000 tons a year ago and 2,466,000 tons in 1926. Last year, the world consumed 1,600,000 tons of sugar in excess of the consumption in the previous year, which tonnage is about double the normal annual increase—800,000 tons. The world's sugar crop last year was 1,429,910 tons in excess of the previous year's or 171,090 tons less than the consumption, showing that the shortage must have come from the unknown "invisible stocks," justifying the assumption that they are now at a lower ebb than a year ago at this time. Should the volume of the world's crop next year be about the same as this year's, and consumption no more than normal, there would seem to be no justification for the present price level.

According to cable advices, the European sugar crop will not be in excess of last year's

and while Cuba may harvest 5,000,000 tons, there is serious doubt in some quarters whether the crop will reach this estimate. While some people prophesy 1,000,000 tons of beet crop in the United States, others predict 750,000 tons. Undoubtedly, Java's crop will be around 3,000,000 tons and Hawaii will harvest over 800,000 tons, but the world crop may not be 800,000 tons in excess of the previous year's crop, which it should be to take care of the normal annual increase in consumption.

If the foregoing calculations are substantially correct, it is quite clear that the statistical position does not explain the prevailing low prices at this time, but there are other factors at work which are even more potent than statistics upon which the world has been accustomed to rely in the past.

Futures: On the New York Exchange, quotations for futures have fluctuated in sympathy with the spot market and declined to 10-25 points as may be seen from the following:

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	High	Low	Latest
September.....	2.22	1.96	1.96
December.....	2.33	2.06	2.07
January.....	2.34	2.08	2.10
March.....	2.33	2.11	2.13
May.....	2.40	2.18	2.21
July.....	2.47	2.26	2.29
September.....	2.43	2.34	2.36

Philippine Sales: During the month under review only 6250 tons of Philippine centrifugal sugar, affloats, were sold in the Atlantic coast at 3.99 cents l. t.

Local Market: In view of the adverse reports on the situation of the American sugar market, the local market for centrifugal sugars was weak and inactive during the month under review, with insignificant transactions. Exporters' quotations ranged from P9.25 to P10.00 per picul. For local consumption, Chinese dealers offered from P10.00 to P10.40 per picul.

In the muscovado market transactions were restricted to very small parcels on the basis of P6.50 per picul for No. 1.

Crop Prospects: During the month of September, particularly in the latter part, there has been a continuous drizzle which, in some places on Luzon, may affect the purities of the cane.

Reports from Negros are to the effect that the northern part has suffered a dry spell whereas in the southern portion of the island there has been too much rain. It is the consensus of opinion, however, that the crop on that island will be normal and may exceed the previous one by 10 per cent.

Philippine Exports: Exports of sugar from the Philippines for the 1927-1928 crop from November 1, 1927, to September 30, 1928, amounted to 542,609 metric tons, particulars of which follows:

	Centrif- fugals	Muscov- ado	Refined	Total
November.....	14,101	506	69	14,676
December....	55,455	---	172	55,627

January.....	85,123	643	405	86,171
February.....	74,643	3,350	380	78,373
March.....	67,578	11,545	754	79,877
April.....	81,785	5,784	582	88,151
May.....	45,060	6,122	920	52,102
June.....	47,295	5,568	899	53,762
July.....	16,638	632	690	17,960
August.....	9,508	871	471	10,850
September*..	5,060	---	---	5,060

Total..... 502,246 35,021 5,342 542,609

*Incomplete report.

Annual Convention: The Philippine Sugar Association had a very successful Convention this year. The outstanding problem for discussion was the threatening menace to the industry by the introduction of discriminatory legislation in the Congress of the United States in the form of the Timberlake Resolution. All through the deliberations of the convention the sugar men, business men and the government officials were unanimous in their protests against such discriminatory legislation on the ground that it violates the American principles of free trade, because so long as the Philippines is under the American flag it is entitled to the same protection and consideration as are accorded to the other territories of the United States; that it is unfair and unjust to the Filipino people who have been chided for their backward industrial and agricultural development and encouraged, if not at times goaded, to exert themselves to develop the sugar industry in these Islands by the introduction of modern methods long in vogue in Continental U.S.A., Hawaii, Java, Porto Rico and Cuba; that it would nullify the efforts which the United States is making toward cultivating the spirit of goodwill and cooperation in the conduct of the government of the Philippines, and thereby inducing the people of the Islands to produce the tropical products for the supply of which the United States is becoming more dependent each year on the ambitious and competitive efforts of foreign pro-

ducers; and, lastly, that it would be detrimental to the consumers of tropical products in the United States.

The pamphlet entitled "Facts and Statistics about the Philippine Industry" prepared by a Special Committee composed of Messrs. Geo. H. Farchild, Felipe Buenavino, Jr., and Rafael Corpus, as a preliminary measure to combat the Timberlake Resolution, is now off the press and approximately 5000 copies have already been distributed in the Philippines and in the United States.

Apparently the campaign of information which the Philippine Sugar Association has been conducting since the introduction of the Timberlake Resolution is beginning to have its effect judging from the following statement taken from Czarnikow's circular of August 24, 1928:

PHILIPPINES: A statement has been circulated by Philippine interests that there is no possible chance for the Philippine sugar industry to expand much beyond its present productive status and that the new sugar mills built in the Islands recently will not mean a substantial increase in the output, because these modern mills are merely taking the place of thousands of primitive and dilapidated ones.

The sugar production this season is said to amount to 559,990 tons or only 33,640 tons more than last year. The yield of sugar per acre for 1926-1927 was only 1.50 tons, whereas in 1922-1923 it was 2 tons. In comparison, Java yielded last year 5.36 tons per acre. It is claimed as impossible for the Philippines to export more than 450,000 tons to the United States this year.

In sharp contrast with the above statement as to the Philippine production, considerable agitation is made against proposals that the United States Congress restrict the duty-free imports from the Philippines to 300,000 tons or 500,000 tons annually. But if the claim made is true and production in the Islands cannot materially increase above the present figure, there seem to be no grounds for objections to a reasonable restriction of Philippine imports into the United States.

Java Market: The Java market was easier during the month under review than in the previous month, but prices have not materially changed. Latest quotations for Superiors are as follows: Spot, Gs. 13-5 8 = P7.34 per P. I. picul f.o.b.; Later delivery, Gs. 13-3 8 = P7.22 per P. I. picul f.o.b.



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