

OCTOBER SUGAR REVIEW

By **GEORGE H. FAIRCHILD**



New York Market:

The depression in the American sugar market continued during the month under review and prices declined further to 3.80 cents l. t. Insignificant sales of Cubas for present shipment were made during the first week of the month at prices ranging from 2-1 8 cents and f. (.390 cents l. t.) to 2-5 32 cents c. and f. (3.93 cents l. t.), but on the 8th the market developed a slight strength and sales of Cubas were reported for present shipment at 2-3, 16

cents c. and f. (3.96 cents l. t.). The market weakened on the 11th and prices declined to 2-5 32 cents c. and f. (3.93 cents l. t.) for Cubas present shipment, and did not show any disposition to operate until on the 18th when 25,000 tons of Cubas for present shipment were sold to refiners at 2-3, 16 cents c. and f. (3.96 cents l. t.). Immediately thereafter, however, throughout the latter part of the month, the market gradually developed weakness and prices sagged to 3.80 cents l. t., being the lowest level since 1925, apparently prompted by the rumor that there would be an increase in the European crop estimate by Licht, which rumor was confirmed on October 31 when Licht announced an increase of 215,000 tons over his previous estimate of the European beet crop.

Carnikov-Rionda Co. in their weekly circular for September 28 gave an analysis of the events leading up to the present depression in the following words:

"Its origin must be sought as far back as 1924-25, as the following figures will illustrate:

	1924-25	1925-26	Increase	1927-28	Dec. from
World production excluding India and Russia	16,433,367	20,715,271	4,282,904	20,370,762	244,509
Competitive sugars	1,910,000	2,637,000	727,000	2,073,000	564,000
Average Price January-September for—	1924	1925		1928	
Cubac c. and f. N. Y.	4.29 cents	2.68 cents		2.58 cents	

account of the exceptionally favorable weather, the crop that is now being harvested may exceed 200,000 tons or about 30 per cent in excess of the previous crop. On the islands of Panay, Mindoro and Cebu it will approximate that of the previous year. Barring unforeseen drought during the harvesting season, the total production for the 1928-29 centrifugal crop may reach a little over 600,000 tons to which is added the muscovado crop estimated at 30,000 or 25,000 tons less than last year.

Philippine Exports: Exports of sugar from the Philippines for the 1927-28 crop from November 1, 1927, to October 31, 1928, amounted to 566,077 tons, particulars of which follow:

(Metric tons of 2,204 lbs.)

1927	Cuts	Muscovado	Refined	Total
November	14,101	506	69	14,676
December	55,455	—	172	55,627
1928				
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	45,066	6,122	920	52,108
June	27,426	5,566	532	33,524
July	16,638	632	690	17,960
August	9,508	871	471	10,850
September	10,047	565	790	11,402
October (*)	16,473	93	569	17,125
Total	523,706	35,679	6,692	566,077

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World production excluding India and Russia	16,433,367	20,715,271	4,282,904
Competitive sugars	1,910,000	2,637,000	727,000

In 1924-25 the increase of sugar in open competition amounted to 727,000 tons, while at the same time home production and protected sugar increased 3,355,904 tons making the above total increase for the world of 4,282,904 tons.

It is remarkable to observe that this huge increase influenced prices less unfavorably in 1925 than has been the case in 1928, even with a subsequent decrease in world production and competitive sugars.

These decreases in the current year, however, were evidently not sufficient to offset the large accumulation of invisibles, resulting from the rapid absorption of the enormous 1924-25 increase.

Since that year protected sugar in the British Empire, at home and in the Colonies, further increased 366,103 tons, in the United States and possessions 164,730 tons, besides which, of competitive sugar, Java produced 381,569 tons and San Domingo 57,731 tons more.

These further increases, though not at all serious by themselves, came on top of an already satiated world demand, all of which nullified Cuba's great sacrifice in restricting.

Developments in the last few years show that Continental Europe was less of a menace to the stability of world markets than the above increases in protected sugars and Java. Continental Europe decreased 315,753 tons since 1924-25.

The weight of supplies causing the actual depression must then be traced to two main causes.

- (1) The heavy holdings of invisibles in 1925, 1926 and parts of 1927 all over the world as a result of an abnormally large increase in the 1924-25 production.
- (2) The further increase in protected crops and Java.

The first reason is by far the weightier, because it was in a much larger degree responsible for the loss in confidence experienced everywhere.

Visible stocks in the U. K., U. S., Cuba and European statistical countries at the end of October were 1,559,000 tons as compared with 1,548,000 tons at the same time last year and 1,585,000 tons in 1926.

Futures: Quotations for futures on the New York Exchange have fluctuated as follows:

	High	Low	Latest
December	2.09	1.94	1.94
January	2.10	1.95	1.96
March	2.14	2.00	2.01
May	2.22	2.07	2.09
July	2.30	2.15	2.17
September	2.39	2.22	2.25

Philippine Sales: During the month under review, 9,500 tons of Philippine centrifugal sugar—afloats, near arrivals and for future deliveries—were sold in the Atlantic coast at prices ranging from 3.80 cents and 3.93 cents duty paid landed terms. The total Philippine sales of the 1927-28 crop in the United States to date amounted to 507,700 tons, of which 447,700 tons were sold in the Atlantic coast and approximately 60,000 tons in the Pacific coast.

Local Market: In the local market for centrifugals, only insignificant parcels for local consumption exchanged hands at prices ranging from P9.00 to P9.75 per picul for the old crop and from P10.00 to P10.30 per picul for the new crop.

No transaction of muscovado sugar was reported during the month of October.

Crop Prospects: According to the reports received from the Centrals, the 1928-29 crop on Negros will be about 400,000 tons as compared to 391,000 tons in 1927-28. On Luzon, on

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Java Market: Despite the depression in the American sugar market the Java market was quite active and considerable quantities of sugar have been sold to Europe and to Far Eastern countries. It is estimated that to date the total sales of Javas, west of Suez, amounted to 540,000 tons. Recent advices reported that the Trust has sold 400,000 tons Whites and 100,000 tons Browns for destination to India, China and other eastern countries.

Latest quotations for Superiors are as follows: Spot, Gs. 13-5; 8 = P7.34 per P. I. picul, F.O.B. Foward shipment, Gs. 13-3, 4 = P7.40 per P. I. picul, F.O.B.

ANOTHER "JOURNAL" FRIEND

Mr. George H. Fairchild has furnished the *Journal* the following letter from Mr. J. K. Butler of the Hawaiian-Philippine Company, written from their offices in Honolulu:

I always enjoy the American Chamber of Commerce Journal. There always appears in it some well written thing which is exceedingly gratifying from the standpoint of good English, a good tale told or a reasonable provision set forth.

I notice in the September issue the editorial on Drought. It is exceedingly well handled and very well written.

The Manila Adventure of the Mason by Percy A. Hill is likewise very well done.

I suspect that Walter Robb is responsible for a good deal of the high quality of the editorials and some of the tales told. The publication is very worthwhile and so much different from an ordinary Journal of a Chamber of Commerce that I thought it would be interesting to you to have me express my view.

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The Manila Stock Market During October

By W. P. G. ELLIOTT

Trade conditions have shown a slight increase during the month of October. The general trade prospects for the balance of 1928 continue to be favourably defined.

So far as ruling values of Philippine products are concerned there were no violent fluctuations from those obtainable in September, with the exception of rice, which soared suddenly and smartly.

Banks.—Bank of the Philippine Islands continue strong with buyers at P180, but sellers are not inclined to let go at less than P190. Hongkong Banks have been very active and closed firm at HK\$1335. Chartered Banks are steady at £21.7.6. China Banks are wanted at P83, and Mercantile Banks can be placed at P43. The bank shares at current prices offer attractive returns and public interest in them is increasing steadily.

Insurance.—Unions of Canton have been very active and heavy sales are reported. After opening at HK\$375, they have gradually declined to HK\$363 at the close. Compania Filipinas, Insular Life and Philippine Guarantee have remained firm and unchanged with no transaction recorded, closing quotation being P3150, P320 and P320 respectively.

Sugar.—Bacolod Murcias opened on small sales at P7.25 and later advanced to P7.60, a fairly large block changing hands at this figure. Bais are offered at P1050, and it is rumoured that the usual dividend of 20% will be paid in January next. Bais Sugar Central are planning extensions in the near future a total of 20 kilometers of new railway track will be laid. It is proposed to start milling on December 1st, and the crop is calculated at from 300,000 to 350,000 piculs. A small lot of Bogo Medallins are offered at P20. Cebus are still offered at P19 and Tarlac has buyers at P200 but sellers are holding off for P230. Central Luzons are in demand at P165 and Hawaiian Philippines have advanced to P57.50. Kabanankans are strong at P285 buyers, this central expects a particularly good crop this season, the estimate for totaling 170,000 piculs. Carlotas are offered at P270 with buyers at P260 which was the price at which last sales were made. Luzons are unchanged at P1000 and Malabons are nominal at P23.50. Mount Arayat's were placed at P110 and a fair sized parcel of Pasudocs were placed at P50. Pasudoco expects a particularly good year and it would not be at all surprising if in addition to the usual dividend rate an extra might be declared. Pilars are unchanged at P450, San Pedro will be laid at \$33. There are buyers of Victorias common at P165 and the 9% preferred are steady at P110. Victorias will have their new sugar refinery, the largest in the islands, in operation early next month. We are pleased to report two new listings on the exchange, namely, the Talisay-Silay Central and Isabela Central. These two properties are in excellent physical shape and both report bumper crops of cane for the 1928-1929 milling season. There are buyers of Talisay-Silay at P22 but sellers are asking P25. Isabelas are wanted at P13.50 but we doubt if there are sellers below P15.

Plantations.—Pamplonas remained unchanged at P80 nominal. Polos have been done at P400, the first transaction reported in these shares for several months.

Mines.—Benguet Consolidated has been very active and have ruled very firm throughout the month, all offerings having been quickly absorbed. Opening at P2.15, they have steadily advanced to P2.40 at the close and further shares can be placed at this price. Balatocs are firm and are offered at P2.30 but no transactions were reported during the month. It is reported from an authentic source that No. 4 Lode on "B" level now shows a 6 foot vein which assays from \$50 to \$200 per ton. Development operations have been actively taken up again, now that the mill in process of installation for some months is nearing completion. "Balatoc with 15 years of development behind it, stands today a model of mining project," a mine man recently said. Itrogons were placed on fair sized transactions at P9.50. The mill operated 28-1/2 days during the month of September; 1700 tons of ore were treated, of an approximate value of \$12. The bullion production amounted to 2181.80 ounces valued at P33,936.79.

Industrial.—Philippine Educations are again the outstanding feature in this list with buyers offering P150 for common shares but sellers are holding off as the bid price failed to attract offers to sell. The preferred 10% shares were placed at P102 for a small lot and as these shares are in demand, we expect to see a further price increase.

Bonds.—San Beda 8% bonds were placed at 101-1/2. Lyric Theatre 7% bonds were done at par. A fair sized block of El Hogar 8% bonds were also placed at par. The bond market is very steady. There are far more inquiries for these securities than there are bonds to meet them, as this form of investment is extremely popular with the nonspeculative traders. The market closed steady with sales for the month aggregating 22,316 shares.

Dividends Declared and Paid.—Pasudoco, 10% for half year; Victorias Preferred, 2-1/4% for 3rd quarter; Philippine Education Common, 6% interim; Philippine Education Preferred, 2-1/2% for 3rd quarter; and Hawaiian Philippine, 3% for 3rd quarter.

American military forces have operated in the Philippines since 1898. There are now some 4000 military pensioners of Uncle Sam in the islands, drawing altogether about \$150,000 a month; and applications are being approved at an average of fifty a month. Last month's first-payment checks were more than \$100,000; this aside from the regular payments on pensions previously approved. About 75% of the pensioners are native Scouts and their widows, and the other 25% are widows of Americans of the campaign days and the old veterans themselves—the dwindling few who have not yet gone west. F. E. Keith is special pension inspector assigned to the islands. He finds many widows who are illiterate being defrauded by shysters; he is fighting the claim of a lawyer for \$1000, out of a first-payment check of \$1450.

TRUNKS



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THE RICE INDUSTRY

By PERCY A. HILL

of Muñoz, Nueva Ecija,
Director, Rice Producers' Association

The abnormal furries in the rice market due to dwindling supply and higher costs of importation during the month of September caused a great deal of uneconomic and needless discussion. During the first part of the month the producers desired to enhance the price, and during the latter part of the month a minority of the consumers desired a low fixation of price

by law. Neither of these are necessary as they would interfere with the higher law of supply and demand. As a matter of fact prices quoted then, and now, were still below those of 1925 and 1926, and it is presumed that consumers have also progressed as regards earnings rather than retrogressed in this short period.

Prices have remained pegged during the month with palay at P3.80 to P4.00 per cavan at the terminals and rice at from P8.50, P9.10 and P9.70 ranging from third class to superior. The small spread between the grades tends to show constriction of supply. Prices will remain pegged until something definite is known about the new crop, by the latter end of the month. The crop is expected to be slightly lower in volume than that of last year, which itself was about five millions net cavans less than the previous crop. However, the climatic conditions not amenable to any law are the factor which may spell a medium or a short crop. In addition, there is certain loss due from root rot, the reduction of 22,000 in hectareage due to inability to plant, and the locusts in the northern part of the rice district.

The status of the rice industry as regards locality, price, yield and distribution is constantly changing, a factor which is often lost sight of by those believing in the status quo. Ten years ago we produced not quite 36,000,000 cavans of palay. This has risen to over 50,000,000 (in 1926-27), the greatest crop ever produced in the islands, but low prices and adverse growing conditions have reduced this greatly. The five principal rice-producing provinces in Luzon with a population of less than two millions produce about two-thirds of all the supply, and the first twenty provinces in rank of rice production have a population of over six millions. It can be seen that any interference with the industry would profoundly affect supply.

The area ten years ago was 1,368,000 hectares. It is now not far from 1,810,000 hectares (1928) and seems to have reached its greatest extension for interprovincial export. It should not be forgotten that both supply and price of rice are a barometer of business prosperity or the reverse. Manila and its suburbs consume approximately some 5,000 sacks of rice daily, or about 10,000 cavans of palay. To show how the drift of interprovincial export is changing, we might say that ten years ago Iloilo and Capiz were a factor, but due to growing population and change of export trend they are not so today. Nueva Ecija is by far the most important factor in the industry as regards not only production but export. September rail shipments to Manila show this: Nueva Ecija 98,089 sacks; Pangasinan, 27,598; Bulacan, 21,813; Tarlac, 15,695; and Pampanga, 11,554; or a total of 174,749 sacks, a great reduction from the previous year, due to low supply.

Prices for rice in Saigon, or rather Cholon, have taken an upward trend and producers are unwilling to release stocks until they are assured of the status of their present crop. As far as can be ascertained these prices laid down in Manila per picul range from P9.20 to P9.45 all charges, including tariff, paid. As a consequence there is practically no carryover here at all,

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palay having been bought as high as P4.50 per cavan by the dealers from the producers this last month, and we are about thirty days in arrears of supply and must rely on the new crop. Importations will be required as a consequence, later in the year.

By the end of this month an approximate estimate of the present crop will be available, but hardly before. Upon this depends price, more or less, but it is not expected that these will register more than prices of 1925 and 1926. Reduction of rice areas is expected to ensue for the next few years, unprofitable areas being planted to other crops.

COPRA AND ITS PRODUCTS

By E. A. SEIDENSPINNER

Vice-President and Manager, Copra Milling Corporation



Notwithstanding continued heavy production, the local copra market has ruled steadily to firm through the entire month of October due, in the main, to the willingness of Manila buyers to absorb all offerings. Although foreign advices during October would indicate a slightly steadier market in competing fats and oils, export bids for copra certainly do not justify the advance here. It seems, therefore, that, with little strength abroad and sustained heavy arrivals, local prices should ease off again. Total arrivals at Manila during the month of October were 530,579 bags. Latest cable advices follow:

London, F. M. M., £24/17/6 in bags; San Francisco, sundried, \$0.47-7/8; Manila, buen corriente, P10.50; arrival rescado, P11.625.

Coconut Oil.—The local market for coconut oil in drums is quiet with sellers asking 33-1/2 to 34 centavos per kilo. In the U. S. inquiry during October improved considerably during the first three weeks of the month but at the present time buyers are not active. The early October demand was sufficient to strengthen asking prices and a fair volume of tank car business was recorded at 7-7/8 cents f. o. b. coast. Competing fats and oils are reported steady. Latest cable advices follow:

San Francisco, \$0.7-7/8 f. o. b. tank cars; New York, \$0.8-1/8 c. i. f.—London, no quotation.

Copra Cake.—There was very little trading of importance in the local copra cake market during October due primarily to the small quantities available for shipment during 1928 and lack of buying interest for forward positions. Small trades were advised at £10/6/0 to £10/7/0 for afloat and nearby. Latest cables reported the market dull at the following prices:

Hamburg, afloat and nearby, £10/6/0 to £10/7/0; January/March shipment, £9/17/6 nominal; San Francisco, no quotation; Manila, P76.00 to P78.00 asked, January to March.

TOBACCO REVIEW

Alhambra Cigar and Cigarette Manufacturing Co.

Leaf: The local market continues very dull, with a heavy decrease in exports, as shown by the following figures:

Leaf and Scraps	Kilos
Algeria.....	56,300
Australia.....	577
China.....	20,449
Hongkong.....	41,260
Japan.....	271,043
North Atlantic (Europe).....	91,934
Straits Settlements.....	3,724
United States.....	245,164

Total..... 730,451

Cigar: Exports to the United States during a decline of 2,350,000 against the previous month, and 1,860,000 against the corresponding month of last year.

Comparative figures are as follows:

October 1928.....	16,110,715
September 1928.....	19,455,333
October 1927.....	17,972,202

Import Duty: On October 23, a bill was approved by the Philippine legislature, bringing the duty on tobacco and tobacco products to the same rates as applied by the United States. Up to the time being there existed a difference between the duty to be paid for tobacco imported into the Philippine Islands and tobacco imported into the United States, the latter being slightly higher. Much satisfaction is shown by both business and government circles, over this adjustment, as the existing discrepancy had given rise to frequent objections by interested parties, even endangering the free trade between the two countries.

The new rates will take effect upon approval by President Coolidge, probably within a month.

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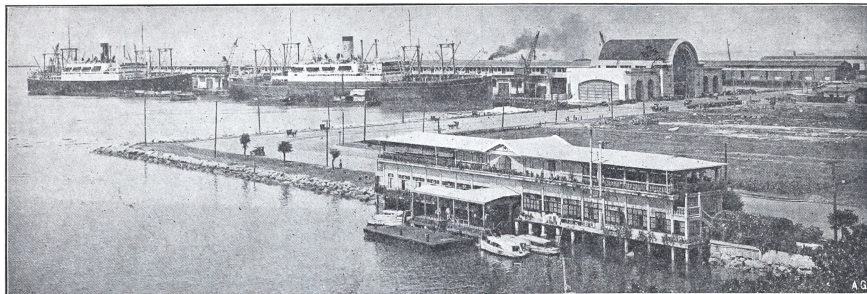
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SHIPPING REVIEW

By J. E. GARDNER, Jr.
Acting General Agent,
THE ROBERT DOLLAR COMPANY



There was a distinct increase in the amount of cargo exported from the Philippines during September as compared to the previous month. In August total exports amounted to 82,161 tons, whereas, in September the total was 106,775 tons. Cargo continues to move freely and there is strong demand for space on all routes.

The stevedore strike at Cebu died a natural death due to the active efforts of all concerned in opposing the strikers. Outside laborers were brought in and as soon as cargo was handled with reasonable dispatch the strikers lost heart and flocked back at their old wages.

Considerable interest was aroused in the announcement of W. F. Stevenson & Co., local agents for the New York Line of the Blue Funnel, that the service would be operated on a faster schedule. From New York to Manila their

vessels will make the run in 43 days and from Manila to New York in 48. This latter service will equal that of the Dollar Round-the-World ships, which have been operated for the last four and a half years on a regular schedule to New York in 48 days. These two services now have the distinction of making the fastest time to New York.

On October 30 the *Asama Maru*, the largest ship ever built for the Japanese merchant marine, was launched at the Mitsubishi dock yard. This is the first of the three motor ships being built for the N. Y. K. transpacific service. It is expected to make the first sailing in September 1929 and while no definite announcement has been made, it is believed these ships will call at Manila.

From statistics compiled by the Associated Steamship Lines there was exported from the Philippines during September: To China and Japan ports, 8,610 tons, with a total of 49 sailings, of which 6,053 tons were carried in American bottoms with 15 sailings; to Pacific coast for local delivery 27,532 tons with a total of 14 sailings, of which 26,662 tons were carried in American bottoms with 11 sailings; to Pacific coast for transshipments 3,400 tons with a total of 10 sailings, of which 3,378 tons were carried in American bottoms with 8 sailings; to Atlantic coast 36,764 tons with a total of 12 sailings, of which 18,655 tons were carried in American bottoms with 5 sailings; to European ports 29,523 tons with a total of 15 sailings, of which

American bottoms carried 463 tons with 2 sailings; to Australian ports 946 tons with a total of 3 sailings, of which American bottoms carried none; or a grand total of 106,775 tons with a total of 68 sailings, of which American bottoms carried 55,211 tons with 19 sailings.

Regular passenger traffic during the month of October showed a considerable decrease over that of September, there being a total of 1666 during October as against 2444 during September. Regular passengers departing during October were (first figure represents cabin passengers, second figure steerage) to China and Japan 171-336; to Honolulu 1-812; to Pacific coast 72-200; to Straits Settlements 49-6; to Mediterranean ports 18-1.

PERSONALS

J. F. Tomkins, shipping manager, Macleod & Co., left Manila on the s.s. *Empress of Asia*, accompanied by his family, for a short vacation in Shanghai. Mr. Tomkins has been ill for some time.

W. Schmidt, local agent for the Nord Deutscher Lloyd, returned to Manila November 2 on the s.s. *Ermland* after a six months vacation in Europe.

R. C. Morton, director for orient, United States Shipping Board, recently spent two weeks in Baguio for his health.

H. M. Cavender, local agent for The Robert Dollar Co., was delayed in San Francisco on business and is returning to Manila on the s.s. *President Grant*, arriving here November 22.

CAPTAIN AND MRS. HEATH BACK

Captain and Mrs. Herbert L. Heath returned to Manila Thursday, November 8, on the S. S. *President McKinley* from a long vacation in the United States which was extended into Cuba, where they visited Captain Heath's son, who is in charge of a large plantation project there. Landing back at Manila, Captain Heath told the reporters he was a Hoover Democrat. In a recent letter to the *Journal* he had predicted Hoover's election. But the election campaign took none of his attention; he was vacationing. "We traveled by auto," he wrote from San Francisco, "19,806 miles in 69 running days and averaged 267 miles per running day. Went east through Texas, returned west through Kansas, went east again through Nebraska, returned west through South Dakota—the Custer battlefield, etc.—I picked up the August number of the *Journal* and read it through this morning (September 24), and I thought so well of it that I want to tell you that it is a *cracker-jack*, the best issue I think you have made."

Captain Heath was for several years the president of the chamber of commerce, of which he remains a vice president.

Vice President C. M. Cotterman will soon be returning to Manila with Mrs. Cotterman from their vacation in the homeland, where Mr. Cotterman headed the Philippine delegation to the Kansas City convention.

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REVIEW OF THE EXCHANGE MARKET

By RICHARD E. SHAW

Manager International Banking Corporation



A distinct firmness, unusual for this period of the year, prevailed during the month of October. The selling rate for U. S. \$ TT held steady at 1-1/8% premium, while Banks which at the beginning of the month were buyers of TT at 3.4% premium for delivery within thirty days only, gradually extended their deliveries until by the middle of the month certain Banks were quoting

the same rate for October December deliveries. The small offerings of TT were promptly taken up. The market, at the close, showed indications of continued strength.

Purchases of telegraphic transfers from the Insular Treasurer since the last report have been as follows:

Week ending August 25th.....	Nil
Week ending September 1st.....	\$300,000
Week ending September 8th.....	Nil
Week ending September 15th.....	Nil
Week ending September 22nd.....	Nil
Week ending September 29th.....	Nil
Week ending October 6th.....	Nil
Week ending October 13th.....	\$400,000
Week ending October 20th.....	150,000

Except for minor fluctuations Sterling rates were maintained at the September levels, i. e., sellers at 2-7/16 and buyers at 2-9/16. Quietness prevailed in the market for the greater portion of the month.

The New York-London cross-rate closed at 484-21/32 on September 29th, rose to a high of 485-3/16 on October 10th and closed with a low of 484-27/32 on October 31st.

London Bar Silver was quoted at 26 9/16 spot and 26 5/8 forward on September 29th, touched a high of 27 spot and 27 1/16 forward on October 10th, and on the last day of the month closed at 26 3/4 spot and 26 13/16 forward.

New York Bar Silver closed at 57 3/8 on September 29th and did not go below that point during October. The high for the month was 58 3/4 on the 10th, while the closing rate was 58.

Telegraphic transfers on other points were quoted at the close as follows:

Paris, 12.40; Madrid, 164-1/4; Singapore, 116; Japan, 94-3/4; Shanghai, 76-5/8; Hongkong, 101-7/8; India, 134-3/4; and Java, 122-1/2.

Sealed proposals, indorsed *Proposals* will be received at the Public Works Office, Naval Station, Cavite, P. I., until 11:00 o'clock a. m., 6 December 1928, and then and there publicly opened for furnishing and installing boiler plant equipment at the U. S. Naval Hospital, Cañacao, P. I. Plans and specification No. 5537 may be obtained on application to the District Public Works Officer, U. S. Naval Station, Cavite, P. I. Deposit of a check or Post Office Money Order for \$10.00, payable to the Chief of the Bureau of Yards and Docks, Navy Department, Washington, D. C., is required as security for the safe return of the plans and specification.

The December *Journal* will contain, among a number of other special features, a Christmas story by Percy A. Hill. This promising author needs no introduction to our readers, who applaud the universal excellence of his Philippines pieces. Other stories by the same author will continue to appear in our pages from time to time. Elsewhere in this issue is an historical one, *An Incident of the Inquisition*.

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RAIL COMMODITY MOVEMENTS

By M. D. ROVER

Traffic Manager, Manila Railroad Company

The following commodities were received in Manila September 26, 1928 to October 25, 1928, both inclusive, via Manila Railroad:

	1928	
	Oct.	Sept.
Rice, cavans	92,000	204,250
Sugar, piculs	4,816	1,232
Tobacco, bales	20,160	34,460
Copra, piculs	268,300	255,500
Coconuts	2,079,000	2,695,000
Lumber, B.F.	653,400	731,700
Desiccated coconuts, cases	21,812	20,746

LUMBER REVIEW

By ARTHUR F. FISCHER

Director of Forestry



Lumber export for the month of September amounted to 9,243,200 board feet valued at P737,945.00, as compared with 9,767,264 board feet valued at P684,840.00 for the month of August. The total export decreased by 324,064 board feet. This is principally due to decreased shipment of logs to Japan, and low grade lumber to China.

The United States on the other hand imported 1,422,944 board feet more for September than the preceding month. Lumber exported to the United States are of high grade, thus the total custom declared value for export is higher than that of August for less amount in board feet.

Local market for September was active. Prices were satisfactory. Heavy demands for future deliveries were noted, particularly for export grades. Mill operations, however, were not quite as active due to weather conditions in certain sections, and undoubtedly due to the uncertainty of the outcome of several bills now under consideration in the Legislature. There seems to be great anxiety on the part of the investing public as to the possible effect of those bills on lumber operators.

The following tables show the lumber export by country, as well as the lumber shipment and mill production for September 1928 and 1927:

The figures for September are as follows:

Destination	1928		1927	
	Board Feet	Value	Board Feet	Value
United States	5,347,488	P442,687	4,036,056	P356,509
Japan	1,884,360	85,352	3,731,200	183,334
China	1,113,424	92,964	286,524	17,583
Great Britain	776,768	64,001	680,944	41,272
Australia	373,120	28,629	1,016,752	80,640
Hongkong	213,696	18,464		
Africa	25,016	3,040		
Guam	9,328	2,808		
Belgium			47,912	4,000
Egypt			37,312	4,556
Total	9,243,200	P737,945	9,836,800	P693,893

FOR 34 MILLS

Lumber Shipment	Lumber Inventory		
1928	1928		
1927	1927		
19,028,614	16,759,828	33,422,168	30,474,065

Mill Production

1928	1927
19,565,086	16,981,395

NOTE.—Board feet is used.

REVIEW OF THE HEMP MARKET

By L. L. SPELLMAN

Macleod and Company



This report covers the Manila Hemp (Abaca) market for the month of October with statistics to the 29th of the month.

U. S. Grades.—Buyers in the U. S. and Canada were out of the market during the first week of the month, except for a small quantity of low grade fiber, and prices sagged a little. During the last half of the month, prices continued to move upwards with steady buying and a firm market. Prices covered rather a wide range, but the market closed very firm with buyers asking the following: F, 12 cents; G, 8-1/2 cents; H, 7-1/2 cents; I, 11 cents; J, 9-3/8 cents; K, S1, 11-3/4 cents; S2, 10-3/4 cents and S3, 9-3/8 cents.

The market here firmed up as soon as buying started in the U. S., and prices have advanced rapidly during the last two weeks. The first of the month exporters were buying at: E, P29; F, P21.50; G, P17.75; H, P13.75; I, P20.50; J, P17; S1, P21; S2, P20.50; and S3, P17.50. By the 15th, prices had moved up to: E, P30; F, P23; G, P17; H, P14; I, P22; J, P18; S1, P22.50; S2, P21.50 and S3, P18.50. At the close, buyers were taking all that was offered at: E, P33; F, P25; G, P18.25, H, P16; I, P24; J, P21; S1, P24.50, S2, P23.50, and S3, P21.00.

U. K. Grades.—The London market was dull at the first of the month and declined slightly the first week. Nominal prices were: J2, £32-10/; K, £29-10/; L1, £29; L2, £24; M1, £25; M2, £23; DL, £22-10/ and DM, £22. During the second week, dealers began covering short sales and prices advanced to: J2, £35-5/; K, £32-5/; L1, £31-10/; L2, £25-10/; M1, £26-10/; M2, £24-15/; DL, £24-15/; and DM, £22. There were several slight reactions, but on the whole prices continued to move upward and the market closed with buyers at: J2, £37-5/; K, £34-5/; L1, £33-15/; L2, £27-10/; M1, £28-10/; M2, £26-15/; DL, £25 and DM, £24.

In the local market, sellers have taken full advantage of the improvement in the consuming markets and prices have advanced beyond the selling equivalent. Nevertheless, all hemp offered by the dealers finds a ready market. The

market opened with exporters paying: J2, P15.00; K, P13.00; L1, P12.75; L2, P10.25; M1, P10.50; M2, P10.00; DL, P9.00; DM, P8.50. By the 15th, prices had advanced about one peso, and at the end of the month buyers here were paying the following: J2, P16.00; K, P14.50; L1, P14.25; L2, P11.00; M1, P11.50; M2, P10.75; DL, P10.25; and DM, P9.50.

Japan.—Buying for this market has been steady, but the quantity small. Consumers are reported to be well supplied to the end of the year. Exchange has advanced from 91 cents to 93-1/4 cents.

Freight Rates.—The rate on hemp to the United Kingdom and Europe has been advanced 10 SHILLINGS per TON, effective January, 1929.

Production.—Storms in S. E. Luzon and in Leyte have hindered production to some extent. A report from Davao states that 1,500,000 hemp plants were blown down during a heavy storm at the end of the month. This will no doubt increase production for the next two or three months, but the percentage of the higher grades will decrease. Hemp not cleaned quickly will be lost. The new plants should more than offset those destroyed and production should be normal next year.

Statistics.—The figures below are for the period ending October 29, 1928.

Manila Hemp	1928	1927
	By	By
On hand January 1st	139,624	112,382
Receipts to date	1,141,282	1,082,166
Supply to date	1,280,906	1,194,548
Shipments to—		
U. K.	291,851	270,959
Continent	173,388	122,728
U. S.	312,842	329,691
Japan	266,331	208,062
All Others	40,674	41,862
Local Consumption	48,000	44,000
Total Shipments	1,133,586	1,017,302

Stocks held by exporters in Philippine ports at the end of month amounted to 147,320 bales against 177,246 bales a year ago.

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