

### SEPTEMBER SUGAR REVIEW

By GEO. H. FAIRCHILD



**NEW YORK MARKET:** Except during two intervals in the middle of the month under review, the American sugar market was exceptionally quiet and disappointing, without any significant business being transacted. During the first week, no important sales were reported beyond those of small parcels sold ex-store New York at

3.37 cents l. t. on the 2nd, and small sales for prompt shipment to refiners on the 3rd and 4th on the basis of 1.38 cents c. and f. Due to European competition, the price of refined was



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reduced to 4.55 cents on the 3rd. On the 9th, the market showed a better tone and small sales to refiners of Porto Ricos for prompt shipment were effected at 3.42 cents l. t. Encouraged by this improvement in the market, holders refused to sell at this price. On the following day, the 10th, the market was very firm with better demand, sales to refiners of Cuban and Porto Rican sugars for present shipment having been effected at 1.45 cents c. and f. and 3.45 cents l. t. respectively. Unfortunately, the sugar market failed to maintain this improvement and on the following day, the 11th, the price for prompt shipment sagged to 1.44 cents c. and f. and thereafter gradually declined to 1.38 cents on the 22nd. On the 23rd, the sugar market again showed a better tone and some small lots of Cuban sugar for present shipment were sold to refiners at a price of 1.42 cents c. and f., while small sales of Porto Ricos prompt shipment were made to refiners on the basis of 3.43 cents l. t. As in the previous week, the market failed to maintain its firmness and prices again sagged to 1.40 cents c. and f. for prompt shipment on the 25th. The last sale reported during the month was made on the 28th when small spot sales were effected at 3.40 cents l. t. At the close of the month the market was stagnant; the price of refined was further reduced to 4.50 cents.

The continued depression of the sugar market in spite of the improvement in the statistical position is attributed in some quarters to lack of speculative activities.

According to Licht's estimate, the 1931-1932 beet crop in Europe will amount to 8,321,000 tons as compared with the production for the 1930-1931 crop of 10,281,190 tons, a decrease of 1,960,000 tons. Dr. Mikusch, another European statistician, estimated the 1931-1932 beet sugar production at 9,147,000 metric tons as compared with the 1930-1931 crop of 10,611,000 metric tons, a decrease of 1,500,000 metric tons. Dr. Mikusch's estimates are as follows:

	August Estimate 1931-32	Production 1930-31
Total Europe (Soviet Union excluded).....	6,447,000	8,611,000
Soviet Union.....	2,700,000	2,000,000
Total Europe.....	9,147,000	10,611,000

From French sources, it is learned that the estimated European outturn for the 1931-1932 crop, outside of the Soviet Union, will be reduced by 25 per cent and by 14 per cent for all Europe including Russia. These reductions are equi-

valent to 2,570,000 tons for Europe, exclusive of the Soviet Union, and 1,440,000 tons for all Europe. It is therefore apparent that the European sugar production for the 1931-1932 crop will be from 1,400,000 tons to 2,000,000 tons under what it was a year ago. In spite of this enormous estimated decrease in the European production, the sugar market has continued in a depressed condition.

Moreover, the present world's stocks are 4,704,000 tons as compared with 3,912,000 tons last year, showing an increase of only 792,000 tons. As the 1930-1931 world's sugar production was 1,025,000 tons in excess of the 1929-1930 production, it is evident that the world's consumption has been increasing, and that the visible supplies are diminishing. It is to be noted in this connection that according to B. W. Dyer & Company, sugar economists and brokers of New York, the sugar consumption in Europe in the past 10 months ending June 30, 1931, amounted to 5,963,196 tons as compared with the consumption at the same time last year of 5,672,444 tons, an increase of 290,752 tons, or 5.1 per cent.

Furthermore, the results of the International Agreement known as the Chadbourne Plan are being reflected in restricted plantings and sowings for the next season in the signatory countries so as to meet their quotas for exports under the agreement. All these factors under ordinary circumstances should have bullish effects upon the sugar market.

It therefore seems evident that certain developments which had had adverse psychological effects upon the market have mitigated the favorable influences of these factors. Important among these developments are the financial difficulties in the British Empire, Sweden, Norway and other European countries, which, together with the continued decline in the prices of commodities, have to a great extent been responsible for the universal pessimism in the stock market and in the sugar trade. Of the immediate bearish factors may be included the report from India to the effect that the sugar cane acreage for the 1931-1932 crop will be approximately 240,000 acres greater than in the previous year, the area planted for this year being 2,825,000 acres as compared with 2,585,000 acres last year, or an increase of about 10 per cent.

In addition to this may also be included the unsatisfactory marketing of the Cuban crop. With the limited supplies from the Insular

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Possessions for the American sugar market. Cuba should be able through efficient distribution to secure better prices than she is now doing. A New York factor whose views on the sugar industry command respect in sugar circles, proposed the revival of the "Single Seller" which, two years ago, having been found impracticable, was abolished. This New York authority stated that the unsatisfactory marketing of the Cuban crop as was evident in the past two months prevented Cuba from obtaining higher prices, and has resulted in one Cuban interest, taking advantage of an improvement in prices, unloading his sugar, leaving the others holding the bag.

**Futures:** On the Sugar Exchange prices for future deliveries fluctuated in sympathy with the spot market. Quotations on the Exchange during the month declined from 1 to 4 points as follows:

	High	Low	Latest
December	1.38	1.28	1.37
January	1.38	1.27	1.34
March	1.42	1.30	1.30
May	1.47	1.34	1.34
July	1.52	1.38	1.38
September	1.57	1.44	1.44

**Philippines Sales:** For the second consecutive month, no first hand sale of Philippine sugar was reported. There were, however, resale of 3,500 tons of Philippine centrifugals during the first week of the month at prices for 3.37 cents to 3.38 cents landed terms.

**LOCAL MARKET:** The local market was lifeless and no business was transacted, except a few small parcels for local consumption at a price of P8.75 per picul. Quotations for export were nominal.

**Crop Prospects:** In the absence of deterrent, continuous heavy rains and destructive typhoons, the prospects for the coming crop continue favorable. The Centrals are now being put into condition for the coming grinding season which generally commences in November, although some Centrals may start grinding cane in the latter part of October.

**Philippine Exports:** Export statistics for the month of September, 1931, as reported to us showed that 5,588 metric tons of centrifugals and 1,196 metric tons of refined were exported during the month. Exports of these two grades of sugar since November, 1930, are as follows:

	Metric Tons
Centrifugals	706,154
Refined	32,544
Total	738,698

**THE RICE INDUSTRY**

By **PERCY A. HILL**

of Muñoz, Nueva Ecija  
Director, Rice Producer's Association



Rice prices at primary markets range from P4.70 to P5.25 a sack, according to grade; palay prices from P2.10 to P2.20 a cavan, 44 kilos. Saigon rice No. 2 is P5.88 a sack of 57 kilos, duty paid. The market is reported as steady.

The outlook for the growing crop is not hopeful. The area planted is at least 12% below that of last season, because of the lack of seedlings

and the lateness of the rains. Added to this is a disease, resembling fungus, attacking the plants, especially in areas of excessive moisture. So far the pathologists have suggested no remedy. A small loss is attributable to cut-worms and root-rot. In general the season has been so adverse that the entire crop irrespective of locality has not responded well; this factor will reduce the harvest.

Considerable quantities of palay are still held in farmers' warehouses. If these are held too long, bringing about importations, prices will be slow in rising.

Importations from January 1 to August 1 were approximately 118,000 sacks (of rice), value about P700,000. This is below the aver-

age monthly importations a few years ago. Nearly 2/3 of the imported rice is of the glutinous, or luxury, variety; and in the main the importations were directly to southern ports. Countries of origin: French East Indies, 5,109 metric tons; Japan, 725 m. t.; Siam, 262 m. t., with small shipments from Spain, the United States, and the British East Indies.

Rice from Japan went directly to Davao. The Spanish *Valencia* varieties and others served

national tastes rather than the pocketbook. The movement to increase the tariff on rice seems, as was predicted, to meet stern opposition among legislators; and so far, Saigon offerings are below the domestic-rice market. If recent statistics in a review of the rice industry are correct, the tariff will have little effect; as it is maintained we are self-sufficing as regards rice. Compared with wheat, by the way, rice holds *un very well*.

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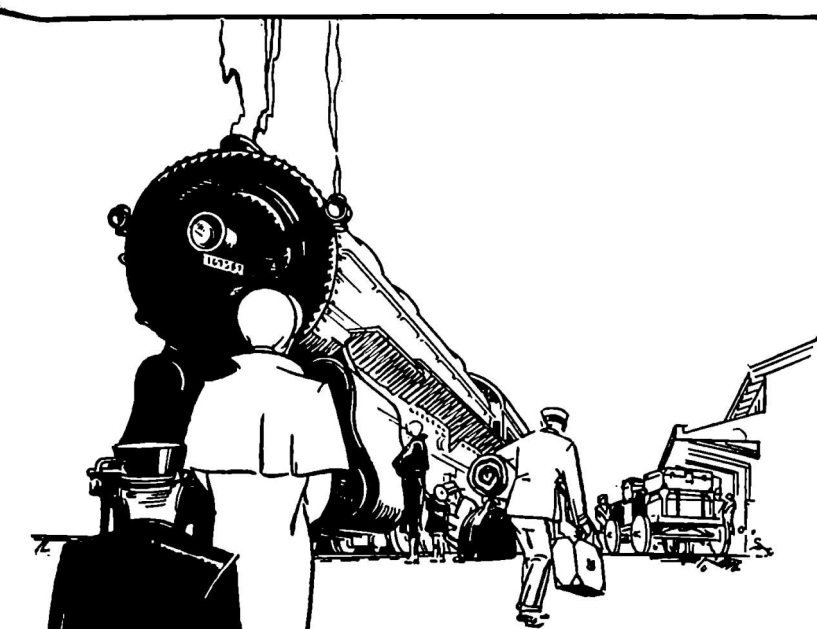
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