

able prices until new-crop sugar is available, the Sugar Quota Office authorized the conversion of export sugar to domestic sugar, stipulating that PRATRA would be the sole buyer of the converted sugar at P16.50 per picul, of which P15.50 would go to the owner and P1.00 to Sugar Quota Office for later apportionment to the producers of each district.

It is evident that there has been a considerable increase in the consumption of domestic sugar this season, to which the soft-drinks industry has no doubt substantially contributed.

On September 1 the Sugar Quota Office, under Philippine Sugar Order No. 1, allotted a domestic quota of 200,000 short tons for the crop-year 1949-50 and stipulated that the sugar may be withdrawn at any time during the season up to the limit of the planters' and mills' domestic allotments.

(b) Export Sugar. The authorization referred to for the conversion of available export stocks to domestic sugar at a price higher than exporters could afford to pay, naturally had the effect of taking the remaining free stocks of 1948-49 export sugar, which were in any case very limited, out of the market. Buyers are quoting P13.25 per picul ex-mill warehouse for new crop sugar.

General.—Freight Rate. The existing freight rate of \$15.50 on raw sugar from the Philippines to the United States Atlantic Coast ports has been extended to October 31, 1949.

Hawaii. The longshoremen's strike, which started on May 1, has not yet been settled, and there are now approximately 400,000 tons of raw sugar waiting to be shipped. The California and Hawaiian Refinery at Crockett, California, which depends on Hawaii for its raw sugar supplies, has announced that it will close its refinery on September 3 indefinitely owing to lack of raws. The stock on hand in Hawaii represents about 6 months supply for this refinery.

Tobacco

BY THE CONDE DE CHURRUCA
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WHILE the buying season is ending in the provinces of Pangasinan, Union, and Ilocos, it has just started in the Cagayan Valley, especially in the province of Cagayan, the principal buyer being the National Tobacco Corporation, with other buyers following cautiously, as prices are still too high and can only be afforded for what is absolutely necessary to cover factory requirements or contracts already entered into by tobacco dealers which have to be completed.

Although the tobacco business and tobacco prices are both elastic, there is no getting away from the fact that the law of supply and demand cannot be rendered ineffective unless economic barriers are erected and imports are made practically impossible.

Some European countries have adopted this policy and jealously guard their local markets for their own products, the practical result of this being that they lose many customers in foreign countries. The biggest buyers are the richest countries, and naturally they are also the biggest sellers, and aim to continue so. They use every conceivable system to sell, — from manufacturing the best and cheapest

products, to financing their customers; and in the long run they are sure to get the business.

The Philippines is in a privileged situation, and its products could be sold practically everywhere if the prices could meet world competition; but high costs of prime materials and high wages make this impossible, and thus many hundreds of millions of pesos are lost and many workers remain idle.

For example, before the war 200,000,000 cigars were exported every year to the United States, this giving work to many thousands of men and women whose labor earned them over P1,000,000. Now most of these workers are out of work or if they have found other jobs, they automatically are keeping other workers out of them.

Those who are working at their own trade, even at wages 3 or 4 times higher than pre-war, are able to do only about one-fifth of the work they used to do, so, actually, they get less income than they did before.

I will give two examples: For the "Corona" cigar, a worker used to get P18 per 1000 and he made around 1000 weekly; now he gets P50 per 1000 but he only makes around 300 (or P15), as the workers divide the work among themselves so as to help each other. The practical result is: P3 less income, despite the increase in the rate for their work.

In the case of the "Londres", a cigar maker used to earn P5 per 1000 and he produced around 2,000 weekly; now he gets P15 but only produces about 500. Total wage: P7.50 instead of the P10 he made before. Another practical result is a higher cost of production as well as less money for the worker. The only "benefit" is more "leisure" or time for extra work somewhere else.

The same thing will probably happen in many other businesses; for example, gold mining. It is a pity that we have not arrived at some type of wage that would permit the workers to do a full job at a much better income, without increasing the cost of production to such an extent that manufacturers have great difficulty in selling their products.

The theory that higher wages are necessary to make up for the higher cost of living, explodes, for actually, in the cigar business at least, the workers get less money now than before.

If wages were still increased, there would be still more jobless workers or they would have proportionately less work to do.

It would benefit everybody concerned, especially the workers, to arrive at a level of wages that would permit an increase in production, for it is a well recognized fact that the basis of the prosperity of any nation is increased production (which means more and better work to compensate for higher wages), and not higher wages for less work.
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Textiles

BY JAMES TRAYNOR

THE textile market during August continued the more or less satisfactory trend which ruled during July. Prices generally were fair, but during the month the New York market recovered from its low point with some cottons rising upward of 10%, and rayons even more. The local market