THE RICE INDUSTRY

By PERCY A. HILL
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Prices of luxury rice range from ₱5.45 to ₱6.55 per sack of 56-1/2 kilos with palay of that grade from ₱2.30 to ₱2.40 per cavan of 44 kilos. Macans from ₱4.85 to ₱5.40 per sack with palay of that grade from ₱2.25 to ₱2.30. The latest Saigon quotations for grade No. 2, is ₱7.05 per sack laid down Manila all duties paid, with some stocks of the Saigon imported article still unsold. Strictly speaking there are no Macans on sale in the general market, except in very small quantity.

Threshing reports to date in the Luzon Plain show a very fair to good crop according to locality, but more will be known in next report. A plentiful supply will of course not require any or very little importations for this next year.

So far the price of macans has held quite close to the line suggested by the NARIC (Rice and Corn Corporation) offerings being from ₱2.25 to ₱2.30 but of course can only be maintained so long as the corporation can buy at the price suggested. So far as is known only about 100,000 cavans of palay have been purchased, the impasse being a lack of local warehouses and of ready cash to make purchases from those who are forced to sell. Very naturally the Corporation will have to face the problems that face ordinary business, with certain privileges. If all the capital primarily set apart for this entity were now available it would go far in stabilizing the minimum price in the principal buying regions concentration of course, being in those districts with large quantities of the cereal for sale. It is understood that the spread of ₱0.25 is for the macan grades, the luxury classes not being very desirable for supplying the masses later in the season.

The restricted local amounts proposed to be bought in the smaller producing town will have little or no effect unless these are arranged to buy supplies as offered, in fact, if these are not so purchased it will weaken any effect of what the corporation was established for—the stabilization of supply and price.

MANILA HEMP

By H. P. STRICKLER
Manila Cordage Company

During December, the London market strengthened further as a result of trade demand, and prices advanced steadily on practically all grades. This strength in the London market finally influenced both the American and Japanese markets, where a similar advance in values took place, and the market closed active and stronger on all grades.

All local markets responded to the foreign demand, and during most of the time, local values were considerably higher than the parities of foreign prices. Continued small production throughout the abaca producing districts lent a special incentive to the higher prices asked by producers and dealers.

Prices of Loose Fiber in Manila Per Picul

November 30th		*December 31st*	
CD	₱25.00	CD	₱28.00
E	21.50	E	23.00
F	18.50	F	21.00
I	17.00	I	19.00
J1	15.50	J1	16.50
G	14.50	G	16.75
H	13.50	H	15.50
J2	14.50	J2	16.00
K	13.25	K	15.25
L1	12.75	L1	14.75
L2	10.25	L2	13.00

Prices of Loose Fiber in Davao Per Picul

November 30th		*December 31st*	
F	₱18.75	F	₱22.50
I	18.00	I	21.50
S2	17.00	S2	20.00
J1	17.50	J1	20.50
G	16.00	G	19.00
H	13.50	H	16.00
J2	15.75	J2	19.00
K	14.50	K	16.75

TOBACCO REVIEW

By P. A. MEYER

RAWLEAF: The central and upper parts of Isabela province were visited by an enormous inundation at the beginning of the month. However, as most of the tobacco of the 1936 crop had already been sold, tobacco losses through water damage affected buyers more than farmers. In some districts considerable damage was done to seedbeds, thus probably resulting in reduced tobacco acreage for the 1937 crop. Comparative shipments abroad were as follows:

	Rawleaf, Stripped Tobacco and Scraps Kilos *December 1936*	*Year 1936*
Australia and New Zealand	.....	13,768
Austria and Czechoslovakia	.....	1,041,582
Belgium and Holland	6,357	128,623
China, Hongkong and Manchoukuo	59,816	379,563
France, option other ports	1,816,090	1,816,090
Gibraltar	14,160	34,966
Japan, Korea and Formosa	121,981	1,416,811
Java and Malaya	2,305	18,652
North Africa	31,067	383,150
Spain	.....	6,286,341
United States	129,928	1,009,781
Various	.....	16,363
	2,183,129	12,545,690
November 1936	156,039	
December 1935	1,751,051	
Year 1935		18,517,176
Year 1934		14,024,614

CIGARS: Business with the United States continues lagging due to insufficient shipping opportunity caused by the maritime strike. Comparative figures of shipments to the United States and abroad are as follows:

	United States	*Other Countries*
December, 1936	10,503,060	836,010
November, 1936	11,151,085	1,697,994
Year 1936	164,905,078	14,637,306
Year 1935	208,676,183	15,771,427
Year 1934	208,268,782	15,352,252

Cheap Money . . . .

(Continued from page 36)

anxiety when the building boom slackened off as it probably will shortly in Great Britain.

5. Even more oversea debt could be paid off, but reasons have already been advanced in para. 2 for believing that it is wise to have certain oversea creditors on Public Debt account.

6. New industries might be started, but our market is at present, small and the pace of industrialisation can, as previous figures show, hardly be accelerated with safety; moreover, the *ultimate* effect of a too rapid industrialisation might be to reduce the relative volume of imports and still further increase oversea balances.

7. There remains one further possibility—a gradual improvement in the economic position of the *lower classes*, unskilled European, the natives and coloured. There are dangers even here. But a solution partly along these lines seems to offer most possibility of permanency and an improvement in distribution and an expansion of the local market is desirable on other grounds. For where an increase in wages increases efficiency, costs of production should ultimately fall.

While therefore I look to a continuance, for some time, of the present favourable position of South Africa, it is obvious that there are dangers. Cheap money looks like continuing for a period—indeed, present banking figures would almost warrant a further fall in money rates, but when the secular rise of prices does take place, interest rates will also rise, though they may not rise sufficiently in the early stages to offset the rise in prices. It would be idle to prophesy at what price gold will ultimately be stabilised, but we must remember that South Africa is thriving because of the present atmosphere of world distrust, which pushes up the price of our chief product. No country is more vitally concerned than is the Union in a return to stable conditions—some form of the international gold standard—and a reduction of all those artificial barriers which impede trade and restrict exchange. At present we are in a highly favoured position but there are signs that the inevitable pressure of events may produce a secular rise in world prices with unfavourable reactions. While appreciating our favoured position, our policy should be directed (even though it may help little) towards a return to a condition of things which realises the ultimate and final interdependence of all countries throughout the world.

We add that all that relates to South Africa in this gold question relates equally to the Philippines as a considerable producer of gold, making a study of Dr. Richards's whole paper from our December issue and concluded here, germane to our leaders in mining.—*Ed.*