

## DECEMBER SUGAR REVIEW

By GEO. H. FAIRCHILD



**NEW YORK MARKET:** The market during the first three weeks of the month under review was uninteresting, on the basis of 2.20 cents for Cubas, and 3.10 cents for duty-free sugars. Business in Philippine sugar was at a standstill during this period after offerings were made during the first and second

weeks at 3.18 cents for January-February shipment, at which price no buyers could be found. After registering a low level for sugar values since last February on the 5th of the month with the sale of 2,000 tons Louisianas at 3.05 cents, a reaction set in on the 9th on the strength of the reports that Congress would be able to provide a substitute legislation for the AAA should it be invalidated by the Supreme Court. Although Exchange quotations recovered during the latter part of the second week from 9 to 14 points, the market for actual sugar remained practically unchanged on the basis of 3.10 cents. This is credited partly to the uncertainty brought about by the political complications in Cuba and partly to the irregular status of the refined sugar market. Prices of refined gradually declined on the first week from 5.00 cents to 4.90 cents at the beginning of the third week, while in the

intervening period the price for cane refined was 4.80 cents and prices for best declined from 4.60 cents during the first week to 4.50 cents in the second week for delivery this year. Offerings of Cubas during the third week at 2.15 cents without finding buyers and the maintenance of prices for Louisianas at 3.05 cents had a depressing effect.

As a whole, in view of the general uncertainty regarding the future fate of the AAA coupled with the seasonal inactivity during the Christmas and New Year holidays, the actual market continued dull. Little interest was shown in Philippine sugar except for the first half of January delivery and refiners offered only 3.15 cents for a parcel of 3,000 tons January-February shipment on the 26th, which price is equivalent to about P7.21 per picul, ex-warehouse Manila, without profit. On the following day, however, an unexpected improvement developed with Exchange quotations advancing 8 to 10 points over the previous week, with small sales present shipment of duty-free sugars at 3.20 cents. On the 28th the U. S. Secretary of Agriculture announced the 1936 off-shore quotas placing same at 4,624,088 short tons as compared with 4,549,200 short tons so allotted in 1935. The Philippine quota has been placed at 998,110, as against 918,352 tons last year. Since it was estimated that about 31,000 tons will have to be deducted from the 1936 quota covering the deductions from the 1934 and 1935 basic quotas and over shipments during 1935, the resultant

effective quota of the Philippines will approximate the tentative allotment of 965,000 tons announced during the latter part of 1935.

During the last two days of the month, quotations on the Exchange further advanced from 5 to 6 points, with sales of Philippines for January-February shipment and afloat at 3.27 cents and 3.30 cents respectively, while sales of Puerto Ricos for second half of January shipment were made on the basis of 3.25 cents. At the close of the month sales of Philippines for January-February shipment were made at 3.30 cents, while Cubas ex-store New York were sold at 3.28 cents for early January shipment, with holders generally asking 3.30 cents.

An innovation introduced on the Sugar Exchange during the month was the substitution of November deliveries for December as an active month with the view to preventing the return of tight situations as shown by experience in the past which arose owing to the hiatus between the old December and January deliveries, caused by the Jones-Costigan quota system.

*Futures:* Quotations on the Exchange during December fluctuated as follows:

	High	Low	Latest
December.....	2.27	2.04	2.27
January.....	2.21	1.98	2.21
March.....	2.21	2.01	2.21
May.....	2.25	2.05	2.25
July.....	2.29	2.08	2.29
September.....	2.34	2.12	2.34
November.....	2.38	2.27	2.38

*Stocks:* The latest statistics of world stocks for December were 5,187,000 tons compared with 6,157,000 tons the same time last year and 6,827,000 tons the same time in 1933.

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**Philippine Sales:** Sales of Philippine sugar amounted to 15,000 long tons at prices ranging from 3.20 cents to 3.30 cents.

**LOCAL MARKET:** In sympathy with the New York market, the local market for export sugar was dull practically throughout the month, nominal quotations being P7.00 to P7.20 per picul, ex-godown, with a slight improvement noted in the latter part of the month as a result of the advance recorded in New York.

The market for domestic consumption sugar weakened during the month, sales having been effected at P8.00 per picul compared with P8.50 to P8.75 during the latter part of the previous month. Indications pointed to the balance of domestic consumption sugar available during December being much in excess of previous estimates, contrary to general expectations, with the result that prices gradually declined beginning the second week to the end of the fourth week, when some sugar were pressed for sale at P7.00 and P7.20 per picul. Owing, however, to the interpretation given to the ruling contained in Executive Order 899 requiring the filling of export sugar before milling of domestic consumption sugar may commence, apprehensions were felt in sugar circles especially those who have entered into sales contracts for delivery in January. Although during the latter part of the month some improvement was noted in the domestic market, only small sales were done in view of the doubts over release of domestic sugar for delivery in January or February.

**Philippine Exports:** According to reliable advices, Philippine sugar shipments to the United States during December amounted to 37,300 long tons of centrifugal and 23 long tons of refined. The aggregate shipments of these two classes of sugar for the first two months of the crop year 1935-36 follow:

		<i>Long tons</i>	
Centrifugal...	45,806	(incl. 506 tons 1934, 35 quota)	
Refined.....	23		
Total.....	45,829	(incl. 506 tons 1934/35 quota)	

**Aviation's Epochal Dates . . .**

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were stepped up to 7 to 1, designers coming closer to their dream of 1 pound per horsepower: cutting engine weight raises useful load capacity. High compression provoked cooling troubles, solved by smaller radiators and faster pumps that also reduced head resistance and helped streamlining plans. Prestone, a cooling medium, followed, and then, air cooling: weight per horsepower gained somewhat, but reliability at altitude topped. Aircooled engines are replacing other types in American commercial and military aviation.

High compression and aircooling led to exhaust valve problems: first solved by reaming the valve stems and filling them with mercury, then by the modern valve sodium-filled. The refined speedier aircooled engines upped propeller revolutions per minute; reduction gears set between crankshaft and propeller shaft rotate the propeller at reduced speed with high efficiency.

Supercharges greatly increase power at high altitudes; they are of the gear-driven internal

type, superseding exhaust-driven external types, and they induce sea-level atmosphere pressure at high altitudes with little strain on gears or engines. Among the alloy experiments proved serviceable are drop-forged heat-treated aluminum crankcases and cast magnesium cases and accessory bodies. Longerons and cross braces of wood with metal fittings in fuselages have given place to steel tubing of high tensile strength and thin wall, and fabric coverings have been replaced by plates of duraluminum (heat-treated aluminum alloy) styled metal skin. Applied to wind covering also, this material makes today's airplane practically all metal.

Improvements that have led to much greater speed and high cruising range include economized gasoline consumption, streamlining of all parts exposed to the slipstream, retractable landing gear, and variable-pitch propellers. Brakes make smaller landing fields practicable, and electrical and manually operated starters reduce take-off hazards—also helped by the higher mounting of the engines. Retractable landing gear greatly increases the airplane's speed, eliminating head resistance of wheels, struts, and axles—though these too are streamlined. Instruments that required constant checking for the pilot to determine his correct location have yielded to instruments gyroscopically controlled. The new altimeters enable pilots to know at what height they are flying if flying blind or in fog or during bad visibility.

The radio direction finder with the radio beacon system determine at all times the plane's location and enable the pilot to make any necessary correction in his course day or night, rain or shine; and neither fog nor wind affects the radio beacon. Safety is further secured by the robot or automatic pilot, particularly on direct routes or while keeping any given altitude: the automatic pilot is much more accurate than the human hand in correcting deviations in direction or altitude, and relieves the pilot himself of worries and stresses incident to cross-country flying. All the foregoing describing airplane improvements in general, omit military devices such as bomb sights, gun mounts, bomb carriers and release mechanism.

Passenger comforts in the new commercial airplanes are all that outlay cares to make them; in Pan American's clippers they are completely modern and passengers are accommodated in spacious compartments below and separate from the crew's quarters. This is possible only because the lightening of construction, especially of the engines per horsepower, gives much greater leeway for useful load. From this point the world may look ahead a little way, to adaptation of diesels to aviation: more power, and power more dependable at greatly reduced cost. (Colonel Sneed says Major I. Davies and Captain C. W. O'Connor of the air corps helped draft the notes on which our paper is based).

**Acknowledgment**

The picture of the *China Clipper* published in our December number, taken in Manila, was by Peter P. Wallace, headquarters company, 31st Infantry.

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