

# U. S. Navy Buys Philippine Domestic Sugar

On December 15, 1936, the United States Navy supply department in the Philippines opened bids at Cavite Naval Yard for the purchase of three hundred thousand (300,000) pounds of refined sugar, that is, 3,000 bags of 100 lbs. each.

The bidders and prices offered were as follows:

	Price per lb.
Victorias Milling Co., Inc.	₱0.0689
Malabon Sugar Co., Ltd.	0.075
St. Louis Bakery:	
Domestic sugar	0.081
Foreign sugar	0.046
Insular Sugar Refining Corporation	0.0729

The Navy accepted the lowest offer for Philippine local manufactured refined sugar, that is, that from the Victorias Milling Co., Inc. at ₱0.0689 per lb. equivalent to U. S. \$3.445 or ₱6.89 per bag of 100 lbs. net weight delivered in Manila as it was, in effect, ₱3.01 per 100-lb. bag lower than the foreign bid of ₱4.46 per lb., taking into consideration the import duty of ₱5.30 per 100 lbs. net weight bag which should be imposed on the foreign sugar to be imported.

The calculations are as follows:

	U. S. \$	Pesos
Foreign sugar bid, c. f. Manila (per lb.)	\$2.30	₱4.60
₱0.046, or per 100 lbs.		
Plus duty:		
Philippine import tariff (for 99.6 degrees polarization) per 100 lbs.	\$2.635	
Tare (weight of immediate container), say	0.015	
<b>Total import duty for bag of 100 lbs.net.</b>	<b>\$2.65</b>	<b>₱5.30</b>
Foreign bid, total cost per 100 lbs. net bag, duty paid	4.95	9.90
Philippine bid ("Victorias") per 100 lbs. net bag	3.445	6.89
Foreign bid (paying import duty of \$2.65 exceeds Philippine local sugar bid by (per 100 lbs. net bag)	\$1.505	₱3.01

Disregarding the Philippine import duty of \$2.65 or ₱5.30 per 100-lb. net bag, the foreign sugar bid of ₱0.046 per lb. is, however, only approximately 66.76% of the Philippine bid of ₱0.0689 per lb. from the "Victorias".

The United States Army supply department in the Philippines, on September 2, 1936, opened bids for 10,800 bags of 100-lb. net refined sugar and later accepted the lowest foreign bid of ₱0.0347 equivalent to \$1.735 or ₱3.47 per 100-lb. net bag which was only about 45.12% of the lowest Philippine local sugar bid of \$7.69 which was, at that time, also offered by the "Victorias".

In the above U. S. Navy bid, the local sugar offered at ₱0.0689 per lb. is equivalent to U. S. \$3.445 or ₱6.89 while the foreign bid of ₱0.046 per lb. is equivalent to \$2.30 or ₱4.60

Therefore the local sugar bid exceeded the foreign bid (excluding duty) by \$1.145 or ₱2.29

In the case of the U. S. Army bid on September 2, 1936, above mentioned, the foreign sugar bid of ₱3.47 (excluding duty) was ₱4.22 lower or cheaper than the Philippine local sugar bid of ₱7.69 per 100-lb. net bag.

These foreign sugar bids bring home to us, in black and white the fact that foreign refined sugar can be produced and transported, cost plus freight, etc., and delivered in the Philippines at a total cost, varying at different times, from ₱2.29 to ₱4.22 per 100 lbs. cheaper than Philippine local refined sugar.

They also go to show, regarding our great Philippine surplus sugar for export, that if the Philippines were to lose the duty-free market in the United States after the ten-year Philippine Commonwealth transitional period, how helpless and hopeless it will be for the Philippines to produce sugar at a cost cheap or low enough to be transported, cost plus freight and other expenses, to China or other foreign countries and compete with Java, Hongkong or other foreign sugar, refined or unrefined.

At present, the Philippines is prevented from being flooded with foreign sugar by a tariff wall furnished by Act No. 3515 of the Philippine Legislature, amending paragraph 237 of the Philippine Tariff Act of 1909 which imposes an import duty of U. S. \$0.025 per pound for raw 96 degrees centrifugal sugar, and U. S. \$0.02635 per pound for refined sugar of an average polarization of 99.6 degrees, plus the same rate of duty for the corresponding tare or the "weight of the immediate container."

## Philippine Army Is New Economic Unit

Now abuilding in the Islands, the Philippine army is at once an economic problem and factor. Modifications have occurred in the original plan, and no doubt will arise in the future, inasmuch as the situation glistens in novelty—and glitters with opportunity.

Taking over Teachers' Camp in Baguio, the Philippine Military Academy found the nucleus of a housing plant for the 4-year course leading to career officership. Though additional buildings will be necessary when an extra 100 cadets are added to the 142 enrolled in 1936, an original outfit is spared. Present plan is to vacate during April and May so that Philippine teachers may, as before, enjoy their deserved rest and recuperation in Baguio's ideal climate at nominal cost.

The Academy vacated Camp Henry T. Allen which had been its home since 1908 as an institution turning out Constabulary officers after a 3-year collegiate course. Into these grounds last July marched candidates for reserve officers' training. The first group of 150 finished their preparation in September, were ready for assignment to trainee camps. Another 150 have just held graduation exercises at Burnham Park's lower parade ground. Other reserve officers are available from college R.O.T. Corps and high school teachers' training centers.

Naturally the officering of the army has been the first step, but of great importance is the establishment of the trainees' cadres with attendant costs. Thus far, faculty salaries and cadets' subsistence have been the principal expenditures. The outfitting and subsistence of the 20-year-olds, whether 10,000 or 20,000, is a task both executive and economic.

Auxiliary to the MacArthur plan of defense is Major-General Paulino Santos' subsistence plan for trainees. Addressing the first group of probationary officers at Baguio last September, he outlined a scheme for combining modern instruction in agriculture and vocational lines with the trainees' military service. To quote,

"We evolved a plan to convert every army post and training cadre into a model agricultural station, with the immediate but secondary objective of reducing the maintenance of the army, and with the primary and more vital objective of making our people agriculturally minded in a modern way. I am pleased to say that that plan was endorsed by the military adviser, and it merited the enthusiastic approval of President Quezon, notwithstanding opposition from many leaders of thought including even some of my own colleagues in the army, who openly expressed their doubts as to its practicability, observing

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