

not being pressed onto the market largely as a result of the combined efforts of producers, and remedial action may yet be seen in the form of quota segregation, if not of outright quota reduction. Prices continue as before and supplies are plentiful.

(b) Export Sugar. Due to the dull and inactive New York market and to constantly rising freights, prices have declined and very little business is reported, and due to a scarcity of March space most exporters are withdrawn from the market at the month's end. Prices rule at ₱13.80 ex Hawaiian-Philippine Co. warehouse (nominal). Space has been reported closed in isolated cases at \$16.00 for early March and little space offering. The problem is at present under discussion between shippers and the Associated Steamship Lines with a view to obtaining assurances from the latter that sufficient tonnage will be made available to lift the crop and bring it to the United States before December 31, 1955. Shippers are resisting the \$16.00 rate, but it would seem that no charter tonnage is immediately available as a relief.

Total export shipments of 1954-55 crop sugar for the month were 79,813 long tons, making a total of 194,020 against the 1954-55 crop as compared with 184,783 up to the same date in 1954. Total Philippine arrivals in New York for the period January 1 to January 29, 1955, are recorded at 45,639 long tons as against 24,544 long tons for the same period in 1954.

World Market. The Cuban 1955 crop has been set at 4,400,000 Spanish long tons, segregated as follows:

United States Free.....	1,585,975
United States Retained.....	498,490
World Free.....	200,000
World Retained (available).....	347,414
World Retained (subject to release by Stabilization Institute).....	658,596
Obligatory World Reserve.....	218,362

Voluntary Reserve.....	341,163
Special Stabilization Reserve.....	350,000
Local Consumption.....	200,000

This is a somewhat larger crop than expected, and, despite the new categories of "Reserves", was at first regarded bearishly by both the No. 4 and No. 6 Contracts. Spot declined at first to 3.15¢ but has since recovered, and World quotations are steady to firm, assisted perhaps to some degree by the Formosan situation.

Opening and closing quotations were as follows:

	Spot	March	May	July	Sept.
January 3.....	3.17¢	3.17¢	3.17¢	3.20¢	3.20¢
January 31.....	3.17	3.19	3.18	3.18	3.17

At the end of January, some 35 Cuban mills were reported in operation.

Molasses. The main local exporter has now fixed the price for the 1954-55 production at ₱11.25 per long ton, f.o.b. lighter at Central wharf. The World market continues weak.

1954-55 Milling. Twenty-two Centrals are now milling for the 1954-55 crop. Latest reports from these Centrals indicate that their total production up to January 30 is 608,014 short tons and the average of juice purities to date is 84.11.

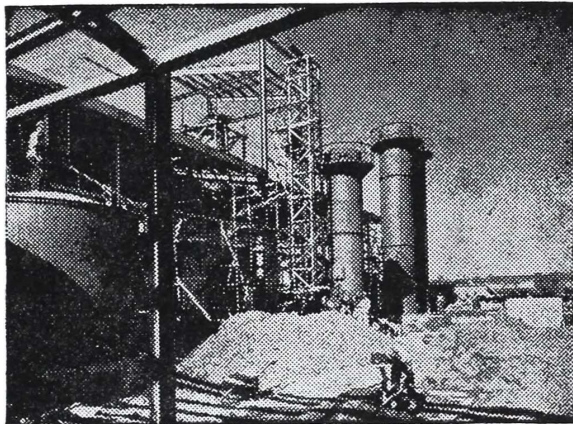
A new crop estimate is in course of preparation. Cane sugar ratios and tonnages continue good.

Tobacco

By RICARDO PADILLA SATRUSTEGUI
Cia. Tabacalera

NATIVE Tobacco. On January 9 heavy rains flooded the fertile tobacco plantations of the Cagayan Valley in Northern Luzon, damaging extensive areas of young plants recently transplanted from seed-plots. However,

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the abundance of seedlings and the energetic work of tobacco growers, soon again covered the damaged areas.

The writer recently made an extensive inspection trip throughout the Cagayan Valley, and he believes that it may safely be said that if the weather continues to be favorable, the present crop will be one of the largest in recent years. A crop of 330,000 quintals (46 kilos to a quintal) is a safe estimate. Good prices paid for the last three crops, both in the local and foreign markets, have encouraged planters to extend their tobacco areas to a maximum. Due to last year's sad experience of late typhoons, which destroyed many seedlings, this year, as a precautionary measure, there was a noticeable increase in seed-plots everywhere. This measure has contributed largely to the success in covering an extensive tobacco area.

Planters hope for plenty of sunshine for about a month, as the present humidity, due to the heavy rains, develops worm-pests and does not favor the growth of the fine Isabela leaves. Haciendas "San Antonio", "San Luis" and "Santa Isabel", of the Tabacalera, are experimenting for the second year with fertilizer. Last year's results, in spite of the poor crop, were encouraging, but this year the yield of a fertilized area may mean an increase of over 60%. Many farmers are enthusiastic about tobacco fertilizer and believe it might offer a solution for the future. Foreign importers demand continuously more Philippine tobaccos but find the prices too high. It is the matter of high price only that hampers the export trade. More yield per acre is therefore a possible answer to this problem.

Recent rumors circulated about experimental planting of Virginia tobacco in the Cagayan Valley are a source of worry to the traditional planters and dealers in Isabela fine tobaccos. It is worth remembering that Isabela to-

bacco is, in its class, the best in the world. No other tobacco, including Cuban and Sumatra, has such good combustibility or mildness. The possibility that cross-pollination with Virginia plants might change the color and quality of the native tobacco would be indeed a calamity if it eventuated.

In Western Luzon, provinces of La Union, Ilocos, and Pangasinan, the lack of rainfall has hampered the development of native tobacco. This year's native tobacco crop is expected to yield about 4,000,000 kilos.

The crop of native tobacco in the Visayas and in Mindanao has suffered a setback due to heavy rains, especially on the island of Cebu where about 40% of the crop was lost due to floods. It is still too early to make an estimate, but Mindanao appears to have a greater area planted to tobacco than in other years.

Virginia Tobacco. Lack of rainfall has also hampered the growth of Virginia. Nevertheless, an approximate crop of about 5,000,000 kilos is expected in Western Luzon. News that the ACCFA would soon be buying Philippine-grown Virginia tobacco at established government prices has boosted up the morale of the planters, especially after the ACCFA informed them that it would only buy from them and not through middlemen.

Virginia has made high progress, considering that 5 years ago the production was only about 18,000 quintals for the entire Philippines. Farmers entertain great expectations in the income they hope to derive from the government prices established by act of Congress.

Cigar and Cigarette Factories. Factories engaged in the manufacture of native and Virginia-type cigarettes are looking forward to this year's crop to reduce their average prices, as last year's poor crop and difficulties in the importation of Virginia tobacco made their operations burdensome. High tobacco prices have encour-

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aged unscrupulous manufacturers to sell "colorum" cigarettes rampantly at low prices. There is good news, however, concerning the interest of the Government in curbing "colorum" cigarettes, which not only cause the Government to lose about ₱30,000,000 annually, but also make it difficult for honest manufacturers to compete.

Secretary of Finance Jaime Hernandez, Collector of Internal Revenue Antonio Araneta, and National Economic Coordinator Alfredo Montelibano have all taken an interest in this matter, which they believe to be of national importance.

Rice

By CHARLES O. HOUSTON, JR.

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THE worn-out cliché with regard to the repetitive nature of history seems once again renewed in studying the governmental reports reviewing 1954 and predicting the future for 1955. Following the custom of his predecessors since 1935, Secretary of Commerce and Industry Oscar Ledesma, in his review of the past year, stated:

"With an improvement in the supply of rice and as money in circulation remains steady at a level higher than in 1953, there is practically a certainty that the local retail business will continue fair for some time, barring unforeseen circumstances."

These "unforeseen circumstances" have plagued such predictions for the past twenty years, and this writer sees no reason why they should not, indeed, alter the rosy predictions for 1955 as they have so often for past years. Indeed, the Secretary hedges on his confidence by stating further:

"Drought has rendered the immediate outlook for our basic cereal food crop rather discouraging, and despite remedial measures in

the form of emergency importation [which seems to have become the normal operational program of the NARIC] and added vigor in agricultural expansion, production for the crop-year 1954-1955 is expected to fall short of the last two crop-year yields and go far below the consumption level."

Yet, optimism still rules: "However, if the present government program for increased rice production is pushed through, which is being done in earnest with the country-wide construction of irrigation wells going on, the country may find itself in the not distant future producing far beyond its needs in this cereal." I do not think it out of place to register strong skepticism with regard to such prophecy.

In interviews with retailers, this observer failed to meet a single person who *believed* that money in circulation was at a higher level than in the preceding year. Certainly the supply of rice has improved only to a slight degree and has affected the price patterns at consumption levels very little. How it is possible to schedule the cost of living index as below that of the preceding period, in the face of a continuing similar price pattern for such an important staple as rice, is a question that casts some doubt on the validity of governmental reports on this matter.

Agriculture Secretary Salvador Araneta stated, contrary to fact, that "the bad weather, floods, and drought had failed to slacken the pace of food production..." and that "rice led all other food crops in output with a production of more than 72,000,000 cavans..." What was not stated was that this was almost the identical production for the previous year. He stated further that no less than 8 new varieties of rice had been discovered which were expected "to produce as much as 80 cavans per hectare under normal conditions."¹ Since normal conditions

¹ Reported in *The Manila Daily Bulletin*, Vol. 161, No. 3 (Jan. 4, 1955), p. 7-P.

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