

## JANUARY SUGAR REVIEW

By GEO. H. FAIRCHILD



**NEW YORK MARKET:** Philippine sugar was rather held at the premium at the opening of the month, as was the case at the close of the previous month, when 8,000 tons Philippines for January-February shipment were sold on the 2nd at 3.30 cents, at which price several parcels of afloat and January

shipment sugars were offered by others without finding buyers. It is significant that although small sales of Cubas ex-store New York were made at 3.30 cents on the same day, 2,500 tons for February shipment were subsequently sold to operators at 2.28 cents c.&f., representing a discount of 12 points for the later position.

As had been generally expected, the U. S. Supreme Court in its decision rendered on January 6 invalidated the AAA. As a result quotations on the Exchange on the 6th sagged from 17 to 19 points. In view of the uncertainty of the sugar situation, business in actual sugar was virtually paralyzed. Small sales of Cubas during the week were made on the basis of 3.10 cents ex-store New York, and 3.15 cents for prompt shipment Puerto Rieos, while operators bought on the 9th a parcel of May shipment Cubas at 2.20 cents without any guarantee as

to alteration in duty, which would revert to 1.50 cents instead of .90 cents should the quota provisions of the Jones-Costigan Act be declared inoperative. After the first reaction caused by the announcement of the U. S. Secretary of Agriculture on the continuation of the quota provisions of the Jones-Costigan Act, quotations on the Exchange again declined and distant deliveries in particular receded to levels only slightly over the closing level on the 6th. Values of actual sugar during the week improved slightly and duty-free sugars were sold on the basis of 3.15 cents for ex-store, afloat and February-March shipments.

The third week was characterized by heavy business in actual sugars. Philippine sugar for January-February-March shipments and afloat were sold early in the week at 3.15 cents and later at 3.25 cents while prompt shipment Cubas were sold at 2.30 cents without any guarantee as to alteration in duty. Quotations on the Exchange at the close of the week showed a substantial improvement, being 14 to 17 points above the closing level of the previous week. It was reported that the advance was caused by a change in policy on the part of a large New York operator who became a strong buyer for two days, while it was also believed that the fear of currency inflation encouraged by the passage of the Veterans' Bonus Bill in Congress materially contributed to the advance. This improvement was checked, however, by pressure to sell on the part

of Cuban holders who feared an increase in import duty.

The market was extremely active during the fourth week with moderate sales of Puerto Rico and Cuban sugars and heavy sales of Philippines at advancing prices ranging from 3.25 cents to 3.38 cents. As a natural reaction, however, the market was quieter at the close of the week with buyers generally indifferent to making further purchases. The improvement in the market was credited to the general impression that despite the invalidation of the AAA, the U. S. import quotas will be maintained. Quotations on the Exchange during the week gradually advanced, showing gains of six points at the close of the week over those of a week previously.

Further heavy sales of Philippine sugar were made during the last week at prices ranging from 3.35 cents afloat to 3.45 cents for April-May shipment. As was the experience during the previous week, buyers became generally indifferent at the close of the week after having made heavy purchases. At the close of the month, quotations on the Exchange declined 2 to 3 points as compared with the previous week.

The refined sugar market was irregular and the price was reduced on the 6th to 4.75 cents and a week later again to 4.65 cents, while the Sucrest Corporation, a new refinery recently erected in Brooklyn, commenced offering granulated for May-June delivery a 4.30 cents. A disconcerting factor in the situation was the continued uncertainty regarding the fate of the processing taxes. This was evidenced by two separate prices quoted by a prominent Eastern refiner, according to whether processing taxes (or other similar taxes) were payable or not. It was also

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persistently rumored in New York that there was a possibility of substituting some form of retroactive taxes which would be equal to the processing taxes already collected. The price of refined during the last week was further reduced to 4.55 cents, ex-processing taxes.

Future: Quotations on the Exchange during January fluctuated as follows:

	High	Low	Latest
January	2 41	2 00	2 33
March	2 39	2 00	2 35
May	2 41	2 04	2 36
July	2 44	2 07	2 38
September	2 46	2 11	2 41
November	2 46	2 16	2 41
January (1937)	2 27	2 22	2 22

Stocks: Latest stocks in the United Kingdom, United States, Cuba, Java and European statistical countries were 5,797,000 tons compared with 7,211,000 tons the same time last year and 7,638,000 tons in 1934.

Philippine Sales: Sales and resales of Philippine sugar in New York during the month amounted to:

	Cents per picul	
	Tons	From To
Sales	176,400	3 15-3 45
Resales	32,000	3 35-3 45

LOCAL MARKET: In sympathy with the advance in prices in New York, the market for export sugar during the first week advanced from P7.50 to P7.55 per picul at which levels fair business was done.

During the second week, the local export market was very irregular, some buyers having withdrawn and others having raised their prices hoping for an advance before long. At the close of the week, however, the maximum price that could be obtained was P7.25 per picul, with buyers showing little interest. Despite the invalidation of the AAA and the abolition of the processing tax on domestic consumption sugar, the domestic market was even stronger than before especially in cases where immediate delivery could be given, which, however, was only possible in the case of very few holders who still had old-crop sugar. Sales of first-class washed sugar

were made at P8.50 per picul and were being resold in the Divisoria market at as high as P9.20-P9.25 per picul. As was already reported last month, Executive Order No. 899 requiring the filing of export sugar before manufacture of domestic consumption sugar might commence explained the scarcity of sugar for domestic consumption.

During the third week the local export market continued to be irregular at prices ranging from P7.25 to P7.75 per picul, although most large buyers only quoted P7.35 to P7.50. The confused situation of the domestic market during this week owing to difficulties of obtaining new-crop supplies forced buyers to make hand-to-mouth purchases in the hope that prices would decline when permits for new-crop sugar were released particularly in view of the outlawing of the processing taxes. On the other hand fears were entertained in sugar circles as to the probable shortage in the supply for domestic consumption sugar, there being insufficient cane to cover both export and domestic quotas.

During the fourth week heavy business was transacted in the local export market in sympathy with the New York market, large quantities of sugar having been sold at prices ranging from P7.75 to P8.00 per picul. At the close of the week, however, quotations reverted to P7.75-P7.95 per picul in view of the refusal of the part of some important buyers to pay the prices asked by holders. A similar development occurred in the following week when large quantities of sugar changed hands in the local export market, mostly at P8.00 per picul. As exporters had reduced their quotations to P7.80 per picul, however, holders became uninterested in selling further. A definite step was taken by the Domestic Sugar Administration to expedite the validation and issuance of permits for domestic sugar through the proposal for the appointment of central managers as Permit Agents for the Sugar Administration. Up to the present time, however, as arrangement has not yet been consummated. During the last week, a shortage in supplies for immediate delivery, particularly of ordinary mill-run sugar, was felt, for which Chinese were willing to pay P7.80 per

picul, ex-ship Manila.

Philippine Exports: According to reliable advisers, Philippine sugar shipments to the United States during January amounted to 67,828 long tons of centrifugal and 3,335 long tons of refined. The aggregate shipments of these two classes of sugar for the first three months of the crop year 1935-36 follow:

	Long Tons
Centrifugal	116,134
Refined	3,558
Total	119,692

## The Story of Baguio Gold

(Continued from page 22)

his resignation, Geringer issued a statement reporting that Baguio Gold was working consistently and economically in all departments; that the policy of the company had been one of steady, conservative operation; and that the companies' properties were in excellent condition. He said that exploration plans were being carried out along lines decided for over 2 years, and that development was moving ahead on schedule.

Production for 1935 was P879,848—slightly lower than 1934; the average value per ton was lower, the increase in price of gold from \$20.67 an ounce to \$35 made it profitable to mine ore which at the lower price could not be handled economically. Tonnage was higher, and both mining and milling conditions were entirely satisfactory.

Monthly production has been increasing slowly since November, 1935, when it was P76,375; in December it was P80,990, and in January, P89,000.

Effective January 31, 1936, P. A. Meyer became president of Baguio Gold.

## REAL ESTATE

By P. D. CARMAN  
Addison Hills



January sales, the best total during the past five years, continue the marked improvement of last year and its 23.6% increase over 1934.

Sales City of Manila  
December 1935 January 1936

Sta. Cruz	P 92,011	P 285,463
Sampaloc	156,199	645,571
Tondo	445,739	82,268
Binondo	15,500	18,000
San Nicolas	—	14,188
Ermita	18,321	103,050
Malate	169,653	94,814
Paco	15,895	39,140
Sta. Ana	26,789	33,814
Quiapo	16,560	19,238
San Miguel	4,823	—
Intramuros	—	—
Pandacan	—	—
Sta. Mesa	—	1,900
San Felipe Neri	—	630

P 961,290 P 1,338,076

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