

Cuban Crop Likely To Fall Short of High Estimates

Last Reports Are Pessimistic But No Matter What Result Is Hawaiian Sugar Will Be In No Way Affected

Latest Associated Press reports indicate that the Cuban crop for 1918 will fall far behind some of the large estimates that have been made for it. A returned investigator is quoted as saying that labor troubles enter into the situation and further that planters are dissatisfied with the price made for their sugar, that feeling of disappointment being aggravated by German propaganda.

White & Gray have been conservative in their estimates of the Cuban crop but all other estimates have run much higher than theirs. The most generally accepted estimate has been 2,750,000 tons, an increase of 280,000 tons over last year. From this the estimated total available for shipment was placed at 2,460,000 tons. It may be the crop will fall as low as 2,000,000 tons.

In ordinary times this report would be received with some degree of satisfaction by the planters here for it would mean a higher price for the Hawaiian crop. As matters stand, however, with the price fixed definitely it will not affect the Hawaiian crop at all. It merely affects the receipts in New York, not the price, and diminishes the supply available for the United States and its allies to the extent the crop may fall short of the estimate.

There has been a feeling among the Cuban planters that the price was fixed by the commission at too low a figure. That sentiment was shared in Louisiana and here it has been felt that with the added burden of costs and taxes and increased freights the figure was lower than it might have been. It was equivalent to the removal of the one cent duty. Cuba is really getting a better price than in Hawaii.

However there has been less criticism from the planters here than from the planters in Cuba and in Louisiana. Six cent sugar now is little if any better than four cent sugar before the war. It sounds more, that is all.

It has been pointed out by Cuban Louisiana planters that sugar has not increased in price proportionately with other commodities. All that the planters require has so advanced, it is therefore their contention that the price is too low. While little has been said on the subject here, the feeling underneath the surface is the price should have been higher.

The theory that the Cuban planters will not cut, grind and ship at the price fixed seems hardly tenable. It is not human nature, if a profit can be made, to refuse such profit because it is not so large as is desired and it has not yet been said that Cuban planters will operate at an actual loss under the price fixed.

Improvements in sugar plants are being favored over these days. It is learned from a local source that on the mainland unless orders are shown to be absolutely essential they are put aside time after time for orders that secure a precedence. Unless the order bears the stamp "A-1 essential" there is no telling when it will be filled.

Los Angeles Will Have Food Policemen. LOS ANGELES, February 28.—United States food regulations are to be enforced in Los Angeles by a "food administration" police, numbering approximately 700 men.

Sugar Companies' Taxes Mount Higher During Days of War

Little change in the assessed valuations of the sugar companies of the islands but material increase in the tax rate for the year is the lot of the companies as is reflected by the tax books of the Territory. Almost without exception the rate will be higher than in 1917. But these increases are by no means all that will have to be reckoned. The federal taxes must be added and these include increased income taxes and war profits taxes as well.

Table with columns: Rate 1917, Rate 2018, Assessment 1917, Assessment 1918. Lists various sugar companies and their tax details.

Queensland Sugar Grind Extends Over Longer Than Customary

Brisbane (Queensland), Jan. 25, 1918. The crushing season, which usually ends much before the end of the year, has been extended right into this month, and has not yet been completed at some of the factories. The amount of sugar estimated to have been made in Queensland is 215,000 tons, which is well outside the previous highest crop in Queensland—242,000 tons in 1913.

A large Government irrigation plant is being laid down in this district, the farmers paying the interest on the cost. It is hoped by this means to avert the disaster of last year, when the weather caused such a failure of the crops as to prevent the factory opening up at all. Altogether in the northern regions 460,000 tons of cane was not harvested.

The output of sugar in different districts in the north is given as follows: Mackay, 65,000 tons of sugar; Proserpine, 8,700 tons; Lower Burdekin, 20,250 tons; Herbert River, 29,150 tons; Lamont, 28,750 tons; Cairns, 41,500 tons; Mossman, 6,500 tons.

The government has been approached with a project for the erection of another factory in the Ayr district, and it has been asked to remove one of the unprofitable mills in a district in the southern part of the State and erect it in the north, where cane growing is such a successful industry.

Some interest attaches to the financial operations of the factories in view of the high award for wages under which they were worked this last season.

DOUBT AS TO CROP TO INCREASE LITTLE

Big Planters Put More In Sugar But Small Planters Go In For Cotton and Corn

NEW ORLEANS, March 2.—A man who has been identified with the sugar industry actively for the last twenty years or more has just returned from a trip throughout the western parishes of the sugar district. He says that there has been an increase in acreage in these parishes, but not a very great increase because the small farmers are not increasing their plantings; all of the increases being due to the more extensive planting operations of the big concerns owning and operating factories.

Where cotton is not the favorite crop, it is the case with which corn can now be sold for spot cash has resulted in numbers of the farmers their corn substantially augmenting their crop acreage. This is the situation especially around Youngsville, in Lafayette Parish, and Loreauville, in Iberia.

The Oaklawn Sugar Company, at Franklin, in St. Mary Parish, has also increased their own plantings by 1200 acres this year. Their land holdings are very extensive and the increased acreage has been put in on some of their own lands which had remained unutilized for many years. This big increase at Oaklawn is all the more interesting since this company as late as two years ago had made preparations to go out of the sugar business.

DUTCH SHIPS COULD HELP WITH SUGAR

Question Is Asked Whether Hawaii Will Benefit

What if any effect will the taking over of the Dutch ships have upon the shipping situation in Hawaii? This is the question that at once arises in the minds of sugar shippers when the news of the taking over of seventy seven Dutch ships was announced. The possibility that some of these vessels might be assigned to the island run as freighters at once suggested itself.

There have been no changes in the sugar situation so far as definite information goes. The Sacramento is soon to leave and up to the present time it has been believed she would make the canal trip but this is subject to change at any time. After she leaves no one knows when another sugar shipment by way of the canal will leave nor has there been any further information relative to sugar going East by rail.

DENMARK CONTROLS SUGAR BEET GROWING

Growing sugar beets is an important industry in Denmark, and careful attention is paid to this subject by the Agricultural Department, to determine how much land should be devoted to this crop, and how much to grain and potatoes. If the matter is determined on the basis of price alone, it is impossible to arrive at a correct decision, because of the many world conditions that control prices.

PLANS FOR FINANCING CUBAN CROP ANNOUNCED BY NEW YORK BANKERS

Full details of the plan inaugurated by the International Sugar Committee and a syndicate of New York bankers to provide the financial resources required to meet the needs of the Cuban sugar producers during the present crop season were made public on February 19 in an announcement given out by Charles H. Stabin, president of the Guaranty Trust Company of New York, who has acted as chairman of a bank syndicate committee formed to organize the syndicate and formulate the working details of the plan.

The food administrator of the United States has advised the secretary of state and the secretary of the treasury that it will be necessary to provide funds in this country to aid in financing the present Cuban sugar crop. It is therefore proposed to organize a syndicate to provide funds by means of a revolving credit under which drafts will be drawn and notes issued covering a maximum period expiring December 1, 1918. The advances to be made by the syndicate are not to exceed \$100,000,000 outstanding at any one time.

The form of this credit has been submitted to the Federal Reserve Board, which has ruled that notes and bills which will be drawn in pursuance of the terms of the credit agreement will be eligible for purchase and discount by the Federal Reserve banks. We plan to carry out the request of the food administration in the following manner:

It is proposed to form one or more corporations, hereinafter called export corporations, to which advances will be made by the members of the syndicate, and which corporations, with comparatively small capital, will lend the money so advanced to or for the benefit of the owner or holder of the sugar. Each loan made by such export corporations will be evidenced by the note of the owner or holder of the sugar, maturing in not more than ninety days, and secured by deposits evidencing the pledge of raw sugar on the basis of three cents per pound, which is less than the average cost of production for this season. The sugar will be fully insured by responsible companies for the benefit of the lender. The cost of insurance and warehousing is to be borne by the borrower.

PORTO RICO SUGAR MAKES NO RECORD

Value of Last Year's Outturn Ran Over Fifty-four Millions of Dollars

SAN JUAN, Porto Rico, February 18.—(Associated Press).—Ninety one percent of the \$134,516,141 trade of Porto Rico for the past fiscal year was with the United States, making a new record both for total volume of business enjoyed by the island and in percentage transacted with the mainland. The increase in gross volume of business was approximately \$29,000,000 while the island increased its purchases of goods in the United States by \$27,000,000 over 1916.

The island was more prosperous than ever before, according to the annual report of Governor Arthur Yager for the fiscal year 1917, which has just been made public. Since the first year of annexation the island's external commerce has increased \$65,000,000 and this growth, judged from the report, is not due to direct war business or war values, although sugar is the island's chief product.

MARKET ADJUSTED TO WAR CONDITIONS

Investors Have Long Since Discounted the Expectation of Smaller Dividends

It can hardly be said that any great surprise was excited by the remarks of George R. Carter before the chamber of commerce relative to the reduction of dividends by various corporations with the exception of the sugar companies. Already a few of the companies have announced reductions in their regular rates. Still others, which have in the past paid a number of extra dividends, are reported to be purposing to continue the regular dividends at the old rate but to discontinue, or at least to heavily cut, the extra.

Cuban Sugar Crop Is Financed In New York City

Final Details Completed and Most of Hundred Million Dollars Subscribed But Particulars Are Not Announced

NEW YORK, February 16.—H. H. Morgan, special representative of the United States in Cuba, announced yesterday, said a despatch from Havana just received, that plans for financing the Cuban crop had been consummated in New York this week and that funds were now available for local producers, says Facts About Sugar. This news has resulted in a much better feeling among sugar producers here. The impression reflected is that the American Government is fulfilling to the utmost the pledges given to Cuban producers in the Cuban Agreement.

At the close of the market this week it was learned from official sources that the plan inaugurated by the International sugar committee and a syndicate of New York bankers to provide the financial resources required to meet the needs of the Cuban sugar producers during the present crop season, and fulfill the spirit of the Cuban Agreement, has been consummated.

The announcement was forecast by a statement from the International sugar committee earlier in the week to the effect that the loan arrangements were progressing satisfactorily and that in a short time the committee hoped to be able to report that the entire loan of \$100,000,000 was an accomplished fact. It was intimated by the committee that \$60,000,000 of the amount had already been subscribed by New York bankers and refiners and that the balance would be forthcoming.

Full details relative to discount terms and the various methods of procedure under which loans will be allowed are to be made public early in the coming week. It is understood on good authority that the Cuban government has satisfied the State Department at Washington that the validity of Cuban warehouse receipts, the question of the validity of these receipts was one of the obstacles that held up the carrying out of the syndicate's plan.

According to latest Washington advice, on the receipt of an interlargo of international correspondence relative to this loan and accompanying advice from the State Department, the final decision on the loan was made by Felix Warburg of the Federal Reserve Board on Thursday of this week. Mr. Warburg passed upon the question making the American bankers' acceptances discountable at the Federal Reserve banks. It is understood that he approved this form of commercial paper and set an acceptable discount rate.

AUSTRIAN SUGAR CROP

The Neue Presse of Austria reports that the Austrian sugar crop in 1917 was 530,000 tons, which is 250,000 less than in 1916. In Austria Hungary the crop is estimated at 130,000 tons, against 200,000 tons in 1916; the factory price of sugar is put at 130 kronen for 100 kilos and in Hungary 250 kronen. A kronen is about 20 cents and 100 kronen would be somewhat over two hundred pounds. This would mean that the sugar in the factory in Hungary would cost over twenty cents a pound.

hold shares last year will receive a smaller return this year than last. The fluctuation of the business world with consequent fluctuations of dividends and prices in the uncertainty that enters into investments in stocks and does enter into bond investments where a stable income is assured. On the other hand the bonds never offer the opportunity for large returns that stocks in strong companies of large earning capacity can and do offer.