

SUGAR

EXPECT TO OPEN SUBSCRIPTION TO NEW STOCK MONDAY

All Difficulties Have Been Overcome In Advance For American Factors Limited

BIG CONCERNS PLAN TO TAKE UP TO THE LIMIT

No Subscription Office On Mainland To Be Opened and Heavy Demand Indicated

Subscriptions for stock in American Factors, Limited, the corporation which is to purchase the assets and going business of H. Hackfeld & Co., Limited, with the proceeds of such stock, are expected to open Monday morning, and to continue open about two weeks. Indications yesterday were that all would be in readiness for the opening at that time. The directors have been working out the prospectus which will be published in advance of the opening of subscriptions. Other necessary details have been practically all worked out. The sale of Hackfeld & Co.'s business and the dissolution of that house will be completed with the unanimous consent of the stockholders, the enemy alien shareholders having been represented and their stock voted by the custodian of enemy property. The consent of the last outstanding stockholder has been received at the office of the custodian in Washington and announcement of the fact sent here by wireless. The consent itself was cabled from Italy to the United States and had been considered as certain. This stockholder was Miss Clara Panger. Her husband is a German, her mother an Australian and the daughter is an American.

Subscription Office
Subscriptions for the stock of American Factors, Limited, will be received in Honolulu and only in Honolulu according to the plans as worked out. There had been some talk on the streets of the possibility of receiving subscriptions on the mainland also but it is understood this will not be done though subscription blanks will likely be sent there. The subscription books will remain open from August 5 to August 20 and proof of the loyalty of the subscribers must be furnished to the directors before an allotment of shares is made. There will be 50,000 shares of a par value of \$100 each and of an assumed market value of \$150. This figure would indicate that the new stock is expected to pay about one percent a month.

Under the organization terms the stock will all go into a holding trust and the successful applicants will receive trust certificates instead of stock certificates. The shares will thus be held and voted by a board of seven trustees for the period of the war and for three years after peace.

Opposition Overcome
Criticism of the plan that has been put into effect to Americanize Hackfeld & Co. has been freely voiced. When Rodiek was expected to return within a few days an effort was made to forestall his return by a sale of the enemy held stock. It was necessary to do this in his absence as powers of attorney would not be valid with him in this Territory. The stock was sold and the plan went forward but it did not meet the approval of the custodian. While these plans were going on many an obstacle was thrown in the way of the reorganizers by others who desired to secure the stock for themselves. It was impossible to get cable messages through and operations upon the loyalty and good faith of the reorganizers were sent to Washington.

When the custodian's plan was announced those who had sought to secure the enemy held stock for themselves did not desert in their efforts. They offered nothing better, nothing different from the first plan, the one the custodian disapproved as to methods and their proposals met with a similar fate.

During that time it was said that the chief assets of Hackfeld & Co. were its agencies and that these could not be retained unless the plantations had assurance of the management and were satisfied. Word was sent to Washington that this could not be secured under the plan.

It was said that the stock could not be sold unless it was known that the agencies could be retained. This report also reached Washington, and attempts to throw cold water on the project were many.

But the plans went ahead. The plantation companies have made the new company their agent and the subscribers know this before they put in their application.

Over-subscription Likely
From the indications that have come to the directors named in the incorporation papers of American Factors, Limited, they believe that the stock in the new company will be considerably over-subscribed. Many large houses have indicated their intention of subscribing up to the limit of 2500 shares and numbers of individuals have indicated an intention of investing to the extent of their means. With a holding trust that is satisfactory, with an assurance of a satisfactory management, a certainty of

JULY SHIPMENTS RUN CLOSE TO JUNE

At Present Rate Last Sugar Will Not Leave Until About the Middle of December

Sugar shipments in July moved away with about the same speed as in June the departure for the month being approximately 49,565 tons against 49,569 for the previous month. Up to Wednesday the shipments of this year's crop had been 333,934 and there was an approximate balance to be shipped of about 225,000 tons. Only shipments were 10,219 of West Coast and 39,345 of Sugar Factors. In the last week of the month the shipments were 10,000 tons in excess of the average for the same year the shipments were still behind the output so that the report to the shipping board which will be received in the next few days showing amounts on hand as of August 1, will show a further increase. But the grind is drawing to a close and production will soon show signs of decrease so that accumulations will be able to go forward and the stores house be cleared.

Moving at the same rate as the last two months, it will take four and a half months to move the balance of the crop, bringing the last departure about the middle of December and into the next sugar year. This will carry returns still further forward in the sugar year and well along into the next calendar year. There is a possibility of some acceleration but such of enough increase to make a month's difference in the closing up of the sugar year.

It is probable that the figures on sugar awaiting shipment will be not far from 150,000 tons so it is evident that there is a comparatively small amount that has yet to be ground. The sugar shortage may have somewhat delayed cutting and grinding so that the sugar in storage figures will be found somewhat lower, however.

In the plans for the movement of sugar by way of the canal it is understood that the Hydades, Annie Johnson, Enterprise and one other of the old vessels will carry sugar to San Francisco; the new wooden vessels helping out in this cargo carrying program. Several vessels, mostly of between 2500 and 4000 tonnage will carry the Eastern Sugar and the transports may carry some while the Tanager will carry the balance of the sugar to Canada. The small steamers will, it is believed, be sufficient to carry the Eastern sugar. The matter of insurance rate is now being adjusted.

LACK OF LABOR WILL HIT LEASED LANDS

By proclamation, refiners, manufacturers of beet sugar, wholesalers and jobbers, were keen and after careful investigation the food administration announced what was a fair profit for all these various services. As the food administration and the interests named. Notwithstanding the fact that sugar was then selling at between eight and nine cents per pound, the manufacturer of beet sugar agreed to sell their product at 7 1/2 cents per pound f. o. b. seaboard landing points. The refiners, on their part, voluntarily agreed to accept a maximum margin of 1 1/2 cents per pound for their services. This margin was arrived at by taking the average margin prevailing in the pre-war period and adding an amount to represent the increase in the cost of refining since the outbreak of the war.

Dealers Were Litigant
By proclamation, refiners, manufacturers of beet sugar, wholesalers and jobbers, were keen and after careful investigation the food administration announced what was a fair profit for all these various services. As the food administration and the interests named. Notwithstanding the fact that sugar was then selling at between eight and nine cents per pound, the manufacturer of beet sugar agreed to sell their product at 7 1/2 cents per pound f. o. b. seaboard landing points. The refiners, on their part, voluntarily agreed to accept a maximum margin of 1 1/2 cents per pound for their services. This margin was arrived at by taking the average margin prevailing in the pre-war period and adding an amount to represent the increase in the cost of refining since the outbreak of the war.

HOMESTEADER SUES PLANTATION COMPANY

Preliminary papers in an assumed suit against Pepeekeo Sugar Company have been filed by Amos de Costa, a homesteader, it is reported in papers arriving from Hilo. The claim is for \$4543, the amount he claims the company agreed to pay for his 1918 crop and was due, he asserts, May 25. Mr. Costa says that he owns about 43 acres of cane land in the Pepeekeo vicinity, some of which he homesteaded and some of which he purchased outright. There are several other small farmers around Pepeekeo who contract with the Pepeekeo Sugar Company to take their cane and mill it, but Mr. Costa is of the opinion that all the other contracts due have been met. His contract was made through the First Trust Company of Hilo. Mr. Costa is represented by A. G. Correa, now acting judge of the District Court. The holding of all agencies a much more straightforward proposition, far more businesslike and certain has been offered to the investing public than had been deemed probable.

Mobilizing World's Sugar For Allies and Neutrals

Head of Sugar Division, United States Food Administration. With the United States accepted the challenge to measure swords with Germany, it was recognized that food must be mobilized as well as men. "Food will win the war" became a national slogan. With full appreciation of the emergency, Congress—as soon as the movement of men to cantonments was under way—enacted the Food Control Bill. Herbert Hoover had already been selected by the President as food administrator, had surveyed the field, and begun the work of mobilizing the food resources.

Coincident with the passage of the bill, the food administration was formally organized. The immediate creation by Mr. Hoover of the sugar division was a tribute to the importance of sugar in our economic life. That it is an essential food was generally appreciated, but that sugar is a very real sense one of the sinews of war, required the war to demonstrate. To the soldier it brings strength and fuel in the roughest form. To both soldier and civilian it furnishes the carbon-hydrates which a complete diet requires.

Mr. Hoover put the case even stronger, in the following words: "The use of sugar has grown during the last 100 years into our culinary and dietetic life to set as a sort of binding material on which our culture is built. The sugar industry, maintenance of household consumption is desirable beyond all question; and to cut sugar consumption in the household too low has a more depressing effect, infinitely, on a population than to cut off its manufacturing use."

How true this is was borne in upon us last fall and winter when, because of severely dry and cold conditions, it was looked out in small parcels. While the bread line was dispersing, the sugar line was forming. Anxious housewives apportioned the family allotments with unwonted frugality and public eating places rationed their guests through small envelopes containing limited portions.

The announced purpose of the food administration to secure compliance with its regulations by self-imposition rather than compulsion, found expression in the machinery set in motion by the sugar division. Mobilizing the sugar industry was begun by calling in conference with Mr. Hoover, first the manufacturers of beet sugar and later the refiners of cane sugar. As a result of these conferences voluntary agreements were entered into between the food administration and the interests named. Notwithstanding the fact that sugar was then selling at between eight and nine cents per pound, the manufacturer of beet sugar agreed to sell their product at 7 1/2 cents per pound f. o. b. seaboard landing points. The refiners, on their part, voluntarily agreed to accept a maximum margin of 1 1/2 cents per pound for their services. This margin was arrived at by taking the average margin prevailing in the pre-war period and adding an amount to represent the increase in the cost of refining since the outbreak of the war.

Other instances of the active cooperation of the mobilized sugar industry with the food administration are not hard to find. One of the objects of food control, as stated in the act, was "to control the distribution of food products." In the fulfillment of this purpose the refiners furnished the federal food administration an elaborate record of their purchases of cutters, and to the state food administrators a daily list of shipments made into the several States. In this way the Administration has become advised of the requirements of any wholesaler or manufacturer using sugar, and can gauge his proper requirements.

In the "Save the Fruit Crop" campaign, the sugar industry assisted the Administration in every way. Canning and preserving increased the use of sugar. They effected a saving of fruit and vegetables which otherwise would be wasted. Last year, hundreds of thousands of jars of fruit and vegetables were put up in response to the appeal of the food administration. The same assistance was rendered in retarding the supply of sugar to "less essential industries and in discouraging hoarding and profiteering."

A Billion-Dollar Industry
Sugar may be called a billion-dollar industry. The amount of capital invested in the industry in the United States and nearby islands is roughly \$1,000,000,000. The amount of business done annually is estimated at that amount.

The ramifications of the sugar industry embrace almost every line of business. Our old third readers had a story that well illustrated these inter-relationships. The story was called: "The Pudding That Took a Thousand Men to Make." The boy who looked at the sugar pudding, enough for but a single meal. But when he was asked to figure up the number of men required to gather the wheat, the plums, the spices, and all, the number needed to make the harness for the horses that drew the plow that cultivated the land that produced the ingredients of which the pudding was made, he soon found that the estimate of one thousand men was far too low.

Even the "one cup sugar" specified in the recipe for the plum pudding was produced in the melting pan of diversified industry.

The refiners themselves use quantities of coal, barrow, jute and cotton bags, boneblack, acid, auto trucks, delivery wagons, horses, harness, feed, brooms—in fact, the purchases of the refiners run the whole gamut of the supply field. Great fleets of steamships are required to move raw sugar. The refined sugar is shipped in freight cars by the trainload. Between the initial process of irrigating the cane and beet fields and

LABOR SHORTAGE IS MORE SERIOUS

Relief Not in Sight Unless Transportation Can Be Secured In Some Manner

Thus far the census or canvass of unemployed who would be available for sugar plantation work has not been highly satisfactory to the labor bureau of the Planters' Association. A careful going through of the sections of the city that are normally "Filipino" districts has disclosed that there are very few of this race, the figure being only a little more than forty and less than sixty.

Canvassing among the Japanese has not yet been completed but the labor bureau feels that few of those in the city would go to work on the sugar plantations unless they had to do so, that such change of occupation would have to be compulsory.

No Relief Seen
No improvement in the labor situation is in sight. As the draft goes on the situation becomes more acute. It is not, the labor bureau says, that there is not a source of supply and a new source must be created through Japanese or Chinese immigration for there are two adequate sources, the Philippines and Porto Rico. The situation is the same as that which brought the sugar famine to the East last year, lack of transportation. There is no shortage in the world's supply of labor but the available supply is not where it is needed and cannot be speedily brought there just as there was no shortage of sugar available for transportation but it was not where it was needed, just as there are vast stores of sugar here now awaiting shipment estimated at close to 3,500,000 pounds.

E. D. Tenney, president of the Planters' Association has admitted that the situation is so serious that the plantations may not be able to cultivate their entire acreage.

Question of Appeal
No action on the proposal to bring Chinese labor here has ever been taken by the trustees of the association and it is said the same policy will be employed relative to the suggestion of a change in the "gentlemen's agreement" relating to Japanese immigration through some of the planters and shippers think the 8000 men mentioned in the Japanese papers would fill the need very nicely. There is also a growing sentiment toward an effort to bring in Chinese. The policy of seeking labor here no changes in federal law or international agreement is required still holds, however, and the advocates of that policy cannot see that Japanese or Chinese could be brought here if Filipinos cannot or why Filipinos cannot when Japanese could.

Competition is Keen
Pineapple fields have suffered similarly to the cane plantations through the call of the guard and the draft and, as a result, there is a keen competition for labor between the two industries. It is reported that the pine growers are carrying large advertisements for laborers in the Japanese papers and are offering a higher wage than the sugar plantations pay. So far as the canneries go, much of the labor is women, girls and good boys so that there is not much demand for male labor there.

Relative to the Japanese who are employed in other occupations about Honolulu, not so essential as sugar making, the labor bureau believes they would go to the canneries as first choice, the pine fields as a second and the sugar plantations of this island next, to the other islands only as a last resource and under compulsion.

The final process of distributing the white crystals in granulated or tablet form to the family sugar bowl. What is a vast network of coordinated activities, which build up our export trade, sustain the integrity of invested capital, furnish livelihood for a mighty multitude of people, provide funds for Liberty Bond issues, Red Cross, and Y. M. C. A. contributions—in a word, make up the warp and woof of industry.

The mobilization of the sugar business is a success. Despite the sacrifices involved in changing from the old order to the new, the steps taken have had the support not only of the interested directly affected, but of the people at large. The measure of the contribution of the sugar industry to the war is the measure of the saving to the American people, and this the food administration estimates at many millions of dollars. The sugar industry, welded into an efficient unit is now moving forward as an essential part of the great task to which the nation is committed.

HONOLULU COMPANY GETS BIG CONTRACT

Iron Works Will Pour In Million Dollar Mill For Philippine Corporation

Announcement of the letting of a contract to the Honolulu Iron Works by the Yachauski Company of the Philippines was made yesterday. In connection with the announcement William G. Hall, manager of the company said that he would leave on a trip to the Islands either the latter part of this month or the first of next.

The mill just ordered from the Honolulu Iron Works is to cost a million dollars and is to be practically identical in type with two other mills which have been ordered of the company by Philippine concerns this year. These other two plants are located at Tabacalera and Pampanga. All three will be thousand ton plants and capable of doubling capacity by establishing a second unit when desired. The first departure of machinery for this third plant is expected to be about three months from this time.

Plants of the Honolulu Iron Works are popular in the Philippines and this new plant will be the eighth to be installed by that company.

Further details of the plans for this mill have arrived from Manila under date of June 24, the article saying: Incorporation papers were filed this morning by Don Antonio Malvey, manager of the Compañia General de Tabaco, Filipinas, Carlos Hernandez, Perez Samanillo, and numerous other local men, for the Bais Sugar Central, which Mr. Malvey states is already nearly completed and ready to begin operating in the province of Oriental Negros. The corporation is capitalized for 1,500,000 pesos, which has been divided into 3000 shares of 500 pesos each. Of the 500 shares sold, the Compañia General de Tabaco de Filipinas has subscribed for 429, Yachauski and company for 56, and Rafael Perez for 42.

Yachauski and company are believed to be the prime movers of the new central, because they are known to have large land holdings near the town of Bais, on which sugar cane is grown extensively. The central office of the company will be in Manila. Mr. Malvey stated this morning, through his further stated that no general manager had as yet been definitely decided upon.

Mr. Malvey says that the central itself is practically completed, and will certainly be ready for the coming cane harvest in November. The machinery has been purchased in Honolulu, and will be shipped here very shortly. Several miles of railway track and other necessary equipment for hauling the cane to the mill, has been ordered in the United States and will also be shipped to the Islands before the cane season arrives.

The incorporators are very optimistic in regard to the new central which has just been incorporated, and state that with the modern machinery which is coming, they will be able to turn out a large quantity of sugar, instead of the muscovado which is now produced in that region.

HOT PROTEST BRINGS PROMISES OF SHIPS

Philippine Planters Take Vigorous Action On Crying Need

Showing one of the steps that led up to the securing of shipping to move the Philippine sugar crop comes an article which was published in the "News" of America of June 26 which reports: All Hilo and the sugar-growing region of the Southern Islands is worked up over the present lack of shipping facilities for sugar, which is causing the stock of this staple to accumulate rapidly on account of its not being able to reach a market. According to a telegram received yesterday by Senator Espinosa Guzman, a great mass meeting was held in Hilo yesterday at which steps were taken to bring about if possible some relief in the situation, which is causing great economic loss to the farmers and merchants of the Visayan country. The telegram reads as follows: "A great public meeting of merchants and farmers passed a resolution appointing a committee composed of Governor Yulo, Representative Alunan, Esteban de la Rama, Vicente Lopez, Mauro Prieto, Senator Guzman and Ruperto Montoliva to take up the sugar question immediately and make every effort to have the freight and tonnage difficulties settled. "Messrs. Alunan, de la Rama and Lopez left for Cebu today. Governor Yulo and Mr. Montoliva left this afternoon on the Vizcaya for Manila, where they will be joined by Senator Guzman and Mr. Mauro Prieto in taking up the matter there."

PROSPECTS BRIGHT IN PHILIPPINES SUGAR INDUSTRY

Former Resident of Islands is Optimistic and Tells of Growth in Progress

SECURING OF BOTTOMS IS GREATEST PROBLEM
Planters Object To Seeing Labor Leave To Come To Hawaiian Cane Fields

Norman Campion, formerly with Onomea Sugar Company, now manager of the Calamba Estate in the Philippines is highly optimistic on the subject of the sugar industry of those islands and expects to see it go forward with rapid strides just as soon as shipping can be secured to make the transport of the output reasonably certain. He feels assured that arrangements have been made that will bring about the moving of the present crop and believes that the immense ship building program will care for the next and subsequent crops. He stopped off in Honolulu last week enroute to the mainland.

One of the great difficulties which the Philippines had to meet in the past has now been removed, he said. This has been the difficulty to interest capital in the industry which resulted in an insufficient number of mills. Now, he says, mills are being ordered rapidly and ample capital is available for investment in the industry. He mentioned four large mills, with capacity for a thousand tons of cane a day, that have been ordered, three from the Honolulu Iron Works. His own plantation is putting in a fine mill. Other reports have told of two or three more mills in addition to those which he mentioned.

Conditions for growing sugar are more simple in the Philippines than here. The growing period is twelve months instead of eighteen so that three crops can be harvested to two in Hawaii. This gives one advantage.

Fertilizers are little needed. Some nitrates are used but very little as compared with here. "When he left the Philippines there was an ample supply of lime, some experiments with the Olan maching system were made but they were used the same system of fertilizing were used the same would yellow instead of being improved.

Little or no irrigation is undertaken. The season is clearly divided into a wet and a dry season and the keeping of the cane fields free from weeds is not so difficult and costly. In fact there have been some experiments with the Olan maching system but the advocates there by Mr. Eckart, but the paper is so high as to make the plan practically prohibitive.

Labor Problems
Labor is a cause of some worry, Mr. Campion said, and in touching on this subject he clearly showed the sentiment of the planters in the Philippines in reference to drafts on their labor supply by the Hawaiian plantations. In the Philippines, he says, the labor supply is limited. Some agents seem to be an over supply of men but the bulk of them will not work, at least not regularly. They are, as he described them, a parasite lot who live off the earnings of the comparatively few who do work. Living costs are small, their necessities are not large and they would rather "get along" in this way than earn a living. He complains that the Hawaiian labor agents go down into the same districts and at the same time that the Philippine labor recruits are working, offer higher wages and the lure of a visit to strange lands, painting an attractive picture. The result the Philippine planters are unable to meet. With freight rates higher, for what they bring in as well as what they send out, the Philippine planters are unable to meet the bids which the Hawaiian planters are able to make for labor.

As to freight rate that was fixed by the shipping board the planters would have little cause for complaint were it possible to get bottoms, but this has been impossible. The foreign steamers, not bound by those figures would charge at least double for sugar and are not anxious at such figures to sell the space for sugar is admittedly a dirty cargo and the ships can sell their space for practically whatever they desire to carry in the way of goods.

Mr. Campion took no stock in the theory advanced by some here that the reason the Hawaiian planters are putting a mill in the Philippines is to keep the Philippine planters from objecting so strenuously against labor experts. He said the putting in of a central would not have that effect although it might bring about somewhat closer relations between the sugar industries of the two groups.

India Needs Watching
India is the coming sugar producer that must be watched he believes. That country now grows more and wastes more sugar than any other country for it has not the facilities for purifying. When the war is over he expects to see capital go into the Indian sugar industry and to see a business competition result that will require constant attention and the shrewdest business management to meet.

F. P. Rosenkrans, manager of the Pula store, is a guest at the Young Hotel.