

REPORT
OF
The Tariff Commission

Vol. 7

SUGAR AND CONFECTIONERY

WITH ANALYSIS AND SUMMARY OF EVIDENCE
AND STATISTICAL TABLES

(F12457)

9(F68):53.3
D7
070954

LONDON

PUBLISHED FOR THE TARIFF COMMISSION

BY

P. S. KING & SON

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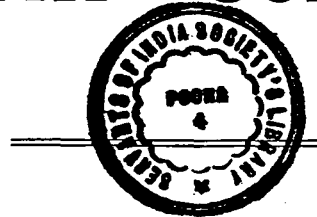
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SECTION I—INTRODUCTION

The main points elucidated in this volume may be succinctly stated as follows :—

(1) The annual consumption of sugar in the United Kingdom has increased enormously. **British Sugar Refining**
 Fifty years ago it was $29\frac{1}{2}$ lbs. per head of the population ; in 1885 it was $79\frac{1}{2}$, and in 1906 was $95\frac{1}{2}$ lbs.— But the British refining industry has not only failed to keep pace with this great increase in consumption but has declined absolutely in the last 20 years. Whereas in 1885 the sugar refined in British factories exceeded $19\frac{1}{2}$ million cwts., it had fallen in 1903 to, $12\frac{1}{2}$ million cwts. and in 1906 was $15\frac{1}{2}$ million cwts.

(2) While the British refining industry has declined the refining industries of Germany, **Foreign Refining**
 Austria-Hungary, France and other Continental countries have greatly advanced chiefly through the increase of the population and the growth of sugar consumption in the United Kingdom. Fifty years ago practically the whole of the sugar used in the United Kingdom was refined here ; twenty years ago we refined only 70 per cent. ; and in 1906 only 45 per cent., the balance being made up by importations of sugar refined in Continental factories. Our importation of refined sugar from Germany is now $12\frac{1}{2}$ million cwts., an increase of $10\frac{1}{2}$ million cwts. in 20 years.

(3) The extent of the development of foreign refining industries is shown by the following increases in the quantities of sugar refined in principal Continental countries :—In 20 years the German output trebled ; the Belgian output increased seven times, and the French output by 45 per cent. The Austrian output has doubled in the last ten years. The evidence shows that the principal factor in the development of the sugar industries of foreign countries has been the facilities afforded by this country for enabling them to take advantage of the rapidly growing demand for sugar in the United Kingdom.

(4) Concurrently with the development of the sugar-refining industries of Continental countries, **Sugar-Beet Growing**
 and similarly assisted by the kartell and bounty systems, there has been a considerable expansion in the Continental cultivation of sugar-beet. The German area under sugar beet has nearly trebled in 25 years ; the Austrian area has more than doubled in 20 years ; the Belgian area has doubled in 25 years and the French area has increased by about 10 per cent. While these Continental developments have been in progress the excise duty in the United Kingdom equal to the customs duty on sugar has prevented the development of British sugar-beet growing.

(5) Cane-producing countries suffered severely by the competition of the Continental bounty-fed supplies of beet sugar. **Cane Sugar**
 The importation into the United Kingdom of raw cane sugar from the British West Indies fell from 1,400,000 cwts. in 1885 to 450,000 cwts. in 1903 ; from British Guiana from 1,300,000 cwts. to 220,000 in the same period and from the British East Indies from 850,000 cwts. in 1885 and 1,600,000 cwts. in 1896 to 286,000 in 1903.

3 Employment and Earnings

(6) As the United Kingdom has become more and more dependent upon foreign refined sugar the British refining industry has suffered from unfair conditions of competition, and British labour has been displaced. If all the sugar consumed in the United Kingdom were refined here British sugar refineries would, witnesses estimate, earn £1,500,000 more per annum of which £375,000 would be spent in wages in the sugar factories and a large part of the remainder in wages in other British industries.

Dumping

(7) The unfair character of foreign competition in the British market is constantly dwelt upon in the evidence. The Continental kartells facilitated dumping on a large scale in the United Kingdom and this kartell organisation was only rendered possible by heavy State bounties and preferential export freight rates. Cases are quoted in the evidence in which German refined sugar was sold in this country at a price 1s. 8d. per cwt. or about 20 per cent. below the cost of production. Similarly without a kartell but under cover of their high tariff sugar refiners of the United States are said to have been able to dump their by-product syrup into the United Kingdom, compelling British refiners to meet the competition by selling their syrup at unremunerative prices.

4

(8) These dumped importations of refined Continental sugar were for a period advantageous to manufacturing confectioners by providing them with sugar at artificially low prices. But these low prices were of a temporary character only and the result of conditions incompatible with the permanent expansion of the confectionery industry.

The Brussels Convention

(9) The Brussels Convention which came into operation in 1903 abolished State bounties on the cultivation and manufacture of sugar in Germany, Austria, France, Belgium and other competing countries. In consequence kartells became impossible. It is shown in the evidence that since these changes (a) the importations of refined sugar into the United Kingdom have declined while the importations of raw sugar have increased; (b) sugar factories in this country have employed more workmen and the employment has been more continuous; (c) importations of raw sugar from the British West Indies and British Guiana have increased appreciably; (d) the exports of British sugar machinery to British cane-growing Colonies which were declining have increased largely—it is said by the West India Committee by fully 50 per cent.; (e) but for the exceptionally high prices of 1904 the level of prices has remained normal; (f) the exports of confectionery have increased 25 per cent. in value from 1903 to 1906 and the exports of mineral waters have increased more than 50 per cent.

5

Prices

(10) The higher prices which followed the Convention are shown not to have been due to the Convention and have not been maintained. In 1906 the lowest price for 88 per cent. beet (f.o.b. Hamburg and free of duty) was 7s. 11d. and the highest price 10s. 2½d. per cwt. In the ten years ending 1903 the average of the lowest prices reached was 8s. 0½d. and the average of the highest prices was 10s. 11d.

(11) The high prices of 1904 are shown by the examination of the course of trade in Europe and America to have been due in the main to (a) the cutting off of the European export of sugar to Canada and the United States in consequence of the preference accorded by Canada to British Colonies and by the United States to United States Colonies, the Canadian preference being increased by the operation of the surtax on German sugar; (b) diminished European sowings of beet following the restriction of the American markets and the abolition of bounties; (c) the failure of the 1904 sugar beet crop.

(12) The two systems of Preference referred to above have had a great effect on the sugar growing and sugar manufacturing industries of the British Empire. (a) The United States preference to Cuba and the Philippines deprived the British cane-growing Colonies of their large United States market; (b) the Canadian preference and later the Canadian surtax on German sugar helped to divert to Canada the sugar from the British cane-growing Colonies which formerly went to the United States. Under the Canadian preference there has been a fourfold increase in the exports of British refined sugar to Canada and there has been a fivefold increase since 1900 in the British exports to Canada of confectionery, jams and preserved fruits.

(13) It is shown by the statistics that when the British cane-growing Colonies lost the market of the United Kingdom through the importation of bounty-fed sugar from the Continent they were compensated by the acquisition of a market in the United States; and when in turn they lost the United States market through the adoption by that country of preference for its own Colonies, the Convention and the preferential policy of Canada restored to them British markets in the United Kingdom and Canada.

(14) The evidence, in general, points to the desirability of maintaining the Convention; but it is widely held that the principle of countervailing duties should be adopted in the place of prohibition.

(15) Confectionery manufacturers strongly urge the abolition or reduction of the sugar duty which the evidence and statistics show to be the main cause of the rise in price of sugar.

(16) It is the general opinion that the greatest benefit would result to all interests in the British Empire from a system of mutual preference under which the sugar cultivation of the British West Indies, British Guiana and other parts of the Empire would be increased, the British consumer would be given a larger choice of supply and made less dependent upon foreign sugar and the markets of the Empire would be secured for its own sugar producers and manufacturers.

The tables throughout this report have been compiled, except where otherwise stated, from the Board of Trade Returns, the Colonial and Foreign Statistical Abstracts, and the Official Returns of foreign countries. All quantities relating to foreign countries given in the various returns have been converted from metric tons to hundredweights, thus facilitating comparison with the British figures.

The following is an analysis and summary of the actual statements of Witnesses and of Firms responding to the forms, without comment of any kind by the Commission. The summary has been compiled on the same method as that already described in the case of other trades (see Cotton and other Reports); it retains throughout the words of the Witnesses and Firms, and therefore expresses their views on the state of the industry. The detailed statements of Witnesses and Firms upon which the summary is based are published in Sections III and IV of this volume.

(A)—SUGAR REFINING

(1)—GENERAL STATE OF THE INDUSTRY

10
Distribution of
the Refining
Industry

The following localities are the chief centres of the sugar-refining industry, and in the order of their importance are:—London, Liverpool, Greenock. Formerly there were also refineries at Bristol, Leith, Manchester, Goole, and elsewhere.

State of the
Refining Trade

The evidence shows the gradual diminution of the sugar-refining trade generally. Fifty years ago the consumption per head of the population was about 29½ lbs. By 1885 the consumption had increased to 79½ lbs. and last year to 95½ lbs. per head of the population. But whereas fifty years ago practically the whole of the sugar consumed was refined in this country in 1885 only 77 per cent. was refined here and in 1906 only 45 per cent. Not only has the British refining industry failed to keep pace with the growth of population, notwithstanding the enormously increased use of sugar, but there has been an absolute decrease in the imports of raw sugar to be refined here. The decrease has been from 19½ million cwts. in 1885 to 12½ million cwts. in 1903. Since that year—the year when the Convention came into operation there has been an increase to 15½ million cwts. in 1906, but this quantity is still 4½ millions cwts. less than that of 1885. The following is a summary of the imports of sugar raw and refined: the details for each year are given in Table 7 in the Appendix.

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TABLE I.—IMPORTS INTO THE UNITED KINGDOM OF RAW AND REFINED SUGAR (in thousand cwts.)

	Refined.	Unrefined.	Molasses.	Total in equivalent of Raw.*	Percentage Refined to Total
1886	6,372	16,134	430	23,518	30.5
1896	14,777	15,744	777	32,757	50.7
1901	21,257	13,387	1,710	38,156	62.7
1906	18,096	15,258	2,656	36,944	55.1

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The foreign refined sugar which has thus displaced the home refined article was the product of industries built up under an elaborate system of bounties and kartells. No doubt is expressed by the British refiners who give evidence as to the capacity of British refineries to supply the whole of the British demand. Upon the basis of the total importation of refined sugar the loss in the refining is seen to be nearly one million tons per annum and reckoning the cost of refined sugar at about £1 10s. per ton, the evidence states the loss to this country in round figures at £1,000,000 per year. Specific illustrations of the decline are given in the evidence of the President of the Sugar Refiners' Association. The meltings in Greenock in 1906 amounted to 188,000 tons against 260,000 tons in 1883. The 1903 total was 106,000 tons. Thus there has been a substantial increase during the operation of the Convention, but as compared with 1883 the decline in the Greenock trade is still considerable. "In the year 1884 there were fourteen refineries in Scotland at present only six remain, but during 1906 these refiners increased their output as the result of continuous running. As an instance of the depression which has existed, a fully equipped refinery which originally cost about £140,000 was several years ago sold for about £20,000. Greenock has many natural advantages for carrying on this branch of industry, as for example, its proximity to supplies of water, close proximity to the Lanarkshire coalfields, ample dock accommodation, extremely low charges for landing sugar, also a coastwise service of steamers connecting the different parts of Great Britain." The evidence of the refiners of London and the President of the Lancashire Sugar Refiners' Association tends to confirm this general impression. "A sugar refinery was closed at Silvertown some time ago as the result of the bounties and there are only two refineries in London."

* Eight tons of refined sugar are estimated to be equivalent to nine tons of raw, and two tons of raw taken as equivalent to one ton of raw.

As bearing upon the state of the refining industry the changes in the character of the importation of sugar are illustrated in the following diagram :—

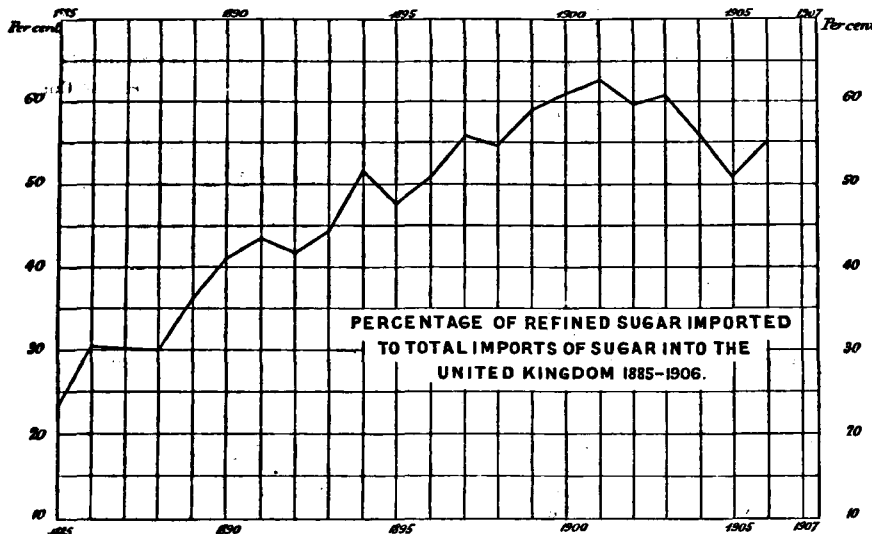


Fig 1

Practically all the refined sugar which we import comes from the beet-growing countries of Europe and the imports have increased from 6½ million cwts. in 1886 to 18 million cwts. in 1906, an increase of 180 per cent. The chief sources of supply* are Germany, Holland and France, as will be seen from the following summary table :—

TABLE 2.—IMPORTS INTO THE UNITED KINGDOM OF REFINED SUGAR FROM GERMANY, HOLLAND, AND FRANCE (in thousand cwts.).

	Germany.	Holland.	France.	Total from all Countries.
1886	1,830	1,180	1,007	6,372
1896	10,059	2,014	1,452	14,777
1901	13,240	2,608	4,953	19,248
1906	12,458	2,830	2,250	18,096
Increase between 1886 and 1906	10,628	1,650	1,243	11,724
Total per cent.	580	140	120	180

* There are striking discrepancies between the British and Continental official figures of the quantities of sugar sent to this country. Thus the British returns show an importation from Germany in 1905 of 9,821,000 cwts. of refined sugar and 5,860,000 cwts. of raw sugar (Tables 8 and 12) while the German returns show an export of 6,277,000 and 5,081,000 cwts. respectively (Table 26). These discrepancies are only partially accounted for by the corrected British returns showing the actual "consignments" from Germany as against "shipments from German ports." Thus the British corrected figure for consignments from Germany in 1905 is for both raw and refined sugar 12,632,000 cwts., while the German figure is 11,359,000 cwts., a difference of more than 10 per cent.

Statistical Discrepancies

A comparison of the British and Austrian figures is even more remarkable. According to our own Board of Trade returns the imports in 1905 from Austria-Hungary were 547,000 cwts. and the "consignments" 3,589,000 cwts. But the Austrian figure is 4,750,000 cwts., which is 1,161,000 cwts. or 32 per cent. more than the corrected British figure.

Taking the imports as a whole the following table shows the total discrepancies :—

TABLE 3.—COMPARISON OF IMPORTS OF SUGAR IN 1905 FROM CERTAIN FOREIGN COUNTRIES AND EXPORTS FROM THESE COUNTRIES TO THE UNITED KINGDOM ACCORDING TO BOARD OF TRADE AND FOREIGN OFFICIAL RETURNS RESPECTIVELY (in thousand cwts.).

	Board of Trade Returns.		Exports from Foreign Countries (c).	Difference.	
	Imports (a).	Consignments (b).		(a) and (c).	(b) and (c).
Germany	15,681	12,642	11,359	+4,322	+1,283
Belgium	1,368	1,415	1,451	- 83	- 36
Denmark	3,169	3,149	3,348	- 179	- 199
Austria-Hungary	547	3,589	4,750	-4,203	-1,161

17

The figures for each year and each five-year period are given in Table 8 in the Appendix and show that the increase has been continuous. It will be seen that since 1901 there has been a decline which covers the period in which the Convention has been in operation.

" Dumping "

The comparative prices of the imported and home-refined sugar are stated thus in the evidence by a Liverpool firm of refiners: "So-called 'first marks' sugar for import into Great Britain was in 1904 bought at about 9s. 10d. f.o.b. Hamburg. The cost of production is 9s. for the raw sugar (taking the roots at their minimum value), plus about 2s. 6d. for the cost of refining—total, 11s. 6d. per cwt. Hence German refined sugar was sold in this country at a price 1s. 8d. per cwt. below the cost of production. Countries adhering to the Brussels Sugar Convention have been allowed to give native refined sugar a protection of 6 francs per 100 kilos. (nearly 2s. 6d. per cwt.) in their home markets. In consequence, the surplus that they cannot consume, caused by the recent enormous over-production, has been sent to Great Britain and sold at a price below the cost of producing similar sugar in this country. The sugar refiners of the United States have so profitable a protection in their home market that they can 'dump' their by-product syrup into Great Britain. British refiners have to meet this competition by parting with their syrup at unremunerative prices." A Greenock firm reporting on July, 1907, says: "Prior to the coming into operation of the Sugar Convention refined sugar was placed on this market greatly below cost of production. The 6 francs surtax allowed by the Convention still affords possible facilities to the Continent for the export of refined sugar under cost of production, but while Continental producers no doubt are favoured to some extent by their position in this respect, the original attempt which was recently made to utilise the surtax for an official kartell has for the time being broken down. Refiners in this country are, however, still suffering from the unnatural competition of refineries called into existence on the Continent during the bounty period, and we believe in many cases refined sugars are consequently sold here under cost. Four years has been too short a period to altogether restore the trade to a natural basis, after almost 50 years of artificial trading."

18

Imports of Raw Sugar

The increase in the importation of the manufactured article has been accompanied by a decline in the importation of raw sugar.

TABLE 4.—IMPORTS INTO THE UNITED KINGDOM OF RAW BEET AND CANE SUGAR (in thousand cwts.).

	Beetroot.	Cane.	Total.
1886	6,672	9,462	16,134
1896	8,064	7,680	15,744
1901	10,009	3,378	13,387
1906	10,992	4,266	15,258

19

During this period the population has increased by 20 per cent. and there has been a greatly extended use of sugar. Nevertheless the imports of raw sugar for refining in the United Kingdom have declined and taking the averages for the five-year periods since 1887 (Table 12) it is seen that the decline is from 17 to 14 million cwts., or 18 per cent. Since the Convention (1903) there has been an appreciable recovery in the importation of raw sugar.

20

Sources of Sugar Supply

Raw beet sugar has come almost entirely from Germany throughout these 20 years. The chief sources of raw cane sugar are set out in the following summary table:—

TABLE 5.—IMPORTS INTO THE UNITED KINGDOM OF RAW CANE SUGAR (in thousand cwts.).

	Java.	Philippines.*	All Foreign Countries.	British West Indies.	British East Indies.	All British Poss'ns.	Total.
1886 ..	3,909	578	6,213	646	877	3,249	9,462
1896 ..	1,148	1,403	4,576	766	1,620	3,104	7,680
1901 ..	209	50	1,833	683	175	1,545	3,378
1906 ..	358	112	2,299	1,265	251	1,967	4,266

* Including Spanish West Indies.

Up to 1901 there had been a decline in the imports of cane sugar from all sources, and in every case there has been a subsequent recovery—that is, during the operation of the Convention. The detailed statistics in the Appendix (Tables 10–11) illustrate these movements more precisely.

21

The importation of molasses has increased six times in the last 20 years, and was in 1906 2,656,000 cwts., the largest single supply coming from the United States. The imports of glucose have nearly trebled in the same period, and practically the whole of the present supply (1,457,000 cwts.) is obtained from the United States. The nature of this importation is thus explained by a firm of glucose manufacturers: "We experience foreign competition in glucose, which is used largely by confectioners, jam manufacturers and brewers, and in golden syrup. There is a very large consumption of glucose in America. The duty on English glucose exported to America is 9s. per cwt. The duty on American glucose coming to England is 2s. 9d. per cwt. The American manufacturers are thus protected in their home trade to the extent of 6s. 3d. per cwt., and, having this protection, are enabled to keep their factories working night and day, knowing that they may at any time 'dump' their surplus in this country regardless of cost. The effect is that they obtain from their own consumers very high prices, probably two or three pounds per ton more than they take in England, and although we can and do make glucose as cheaply as the Americans, yet they do sell in England at prices actually below our cost. We should charge the foreign manufacturer the same duty that he charges us."

Imports of
Molasses and
Glucose

22

The chief concern of the British sugar refiner is the home trade. Taking the last five years we see that about three-quarters of a million cwts. of refined sugar was exported, while the home trade absorbed the balance of the 32,000,000 cwts. which was the total of raw and refined sugar imported in the same period. There was of course no native sugar, and to the exports must be added some undefined figure for the sugar entering into the exports of sugar goods (see Tables 20–21). Prior to 1900 pickles, vinegar and sauces were classed in one and the same group as chocolates, confectionery and preserved fruits.

Home and Export
Trade

A reference to the detailed figures in Table 15 shows that the lowest point in the export of refined sugar was reached in 1901, and witnesses point to the increase of 340,000 cwts. between 1901 and 1906 as evidence of one of the effects of the Convention and the cessation of German, French, Austrian and Belgian bounties. The largest of our markets for refined sugar is now Canada, which in 1906 took 288,000 cwts. of a total export of 897,000 cwts. This total compares with 28,000 cwts. in 1897 and 29,000 cwts. in 1902. The British East Indies came next with 210,000 cwts. The exports to foreign countries have declined considerably, namely, from 898,000 cwts. per annum in the five years ending 1896 to 291,000 cwts. during the five years ending 1906. Denmark is at present the largest foreign market.

Exports of Refined
Sugar

The Canadian
Market

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Ten years ago the United States took 25 per cent. of our total exports; the trade has now almost entirely vanished. The British loss of the United States market has synchronised with the development of the sugar-refining industry in the United States and the encouragement by preferences of the supply of sugar to that country from the Philippines.

The United States
Market

(2)—COMPETING FOREIGN INDUSTRIES

The sugar industries of Germany, Austria-Hungary and France are those which at present chiefly affect the sugar industry of the United Kingdom. They produce beet sugar only and under kartell and bounty systems, independently and jointly, they have developed very considerably both the growth of beet and the production of sugar. The operation of these kartells and bounty systems are explained in various Memoranda in the Appendix (par. 393 *et seq.*) and specific references to the development of the industry in each country are made in the following paragraphs. It will be seen that speaking generally the development has been very large, and in each country except Russia the sowings of sugar beet reached a maximum in 1901. The Brussels Convention came into operation in 1903, and while there was a decline in sowings in the first year or two after the Convention there has since been an appreciable recovery in every country.

Continent of
Europe

24

Germany.

The development of the sugar industry in Germany is illustrated in five tables in the Appendix. (Tables 23 to 27). The area under sugar beet in the early eighties was a little over 400,000 acres. In 1883 it was 800,000 acres and by 1905, the last year for which figures are available,

Development of
the German
Industry

25

it was 1,156,000 acres. The crop of 1881 was 123 million cwts. and of 1905 it was 302 millions. The maximum crop was 315 million cwts. in 1901. The yield has been throughout about 15 tons per acre.

The sugar production of Germany has quadrupled in the last 25 years amounting in the season 1905-6 to 2,394,000 metric tons (47,120,000 cwts.). The detailed figures are given in Table 25 in the Appendix.

**German Exports
to the United
Kingdom**

Germany is practically self-supporting in respect of sugar, that is to say, her imports are insignificant. They amounted in 1905 to 50,000 cwts. and have never exceeded 120,000 cwts. Of the exports about three-fourths comes to the United Kingdom. The maximum year was 1902, the year before the operation of the Convention, when 14 million cwts. were exported to the United Kingdom, which was four times as large as the export of 1881. In 1905, that is to say in the second year of the Convention, the 14 million cwts. of 1902 had become $11\frac{1}{2}$ million cwts. a decrease of $2\frac{1}{2}$ million cwts. or nearly 20 per cent.

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In the early eighties practically the whole of the sugar exported from Germany to the United Kingdom was raw. Thus in 1881, 3,420,000 out of 3,540,000 cwts. was raw. By 1891 the exports of refined sugar were 41 per cent. of the total, or 3,700,000 out of 9 million cwts. By 1901 the 41 per cent. had grown to 67 per cent. or 8,900,000 out of 13,600,000 cwts. The effect of the Convention is shown in the decline of the percentage of refined sugar exported to 55 per cent. instead of the 67 per cent. of 1901, or 6,300,000 out of 11,350,000 cwts.

The German exports to all countries were 14,600,000 cwts. in 1905, of which 8,300,000 cwts. or 57 per cent. was refined. This compares with 21,400,000 in 1901, of which 12,100,000, or 57 per cent., was refined. There has been a larger decline in the exports of raw sugar to countries other than the United Kingdom. In 1901, 4,600,000 cwts. of raw sugar was exported to countries other than the United Kingdom; in 1905 these exports had fallen to 1,300,000 cwts. (See Table 26.)

27

Exports to Canada

The Canadian surtax on German goods acting in conjunction with the Canadian preference in favour of the British cane-growing Colonies has completely destroyed the German exports of sugar to Canada. Between 1894 and 1902 the German exports to Canada had increased from 270,000 cwts. to 1,437,000 cwts. In 1903 there was an immediate fall to 294,000 cwts., and in 1905 the trade had vanished. (Table 27.)

**Exports to the
United States**

Next to the United Kingdom Germany's most important export market for sugar was the United States. In the maximum year 1897, when the United Kingdom took one half of the total German exports, the United States took one-third. The United States purchases of sugar from Germany have now almost ceased. They amounted to 176,000 cwts. in 1905 as compared with 6,966,000 cwts. in 1900. (Table 27.) The United States supply was made up by increased shipments from the United States sugar-growing Colonies, principally Cuba, which was stimulated by United States tariff and other preferences.

28

Effect on Sowings

The Brussels Convention abolishing German bounties and making kartells impossible came into operation about the same time as the changes in the United States and Canadian customs tariffs and these three influences were followed by decreased German sowings of sugar beet. (Table 24.) These diminishing influences were apparently counteracted by the greatly increased sugar consumption in Germany and incidentally by an increase in the quantity of sugar refined in Germany.

**German Refining
Industry**

The general development of the German refining industry is shown by the fact that the quantity of raw sugar remaining for consumption (*i.e.*, production minus exports) averaged $8\frac{1}{2}$ million cwts. in the five years ending 1886, $14\frac{1}{2}$ million cwts. in the five years ending 1894, and $29\frac{1}{2}$ million cwts. in the five years ending 1905, that is to say the German refining industry now deals with three times as much raw material as it dealt with twenty years ago. The figures prior to 1894 exclude molasses.

Under the influence of these various movements the German sugar industry has undergone an important transformation in the last few years, the principal characteristics of which are (1) decreased export both of raw and refined sugar (2) increased home consumption and (3) a development of the home refining industry.

Summary

The German kartell system is explained in some detail in the Memoranda published in the Appendix. These show that the development of the German industry is largely due to State assistance in the form of bounties and to the kartell system created behind the high German tariff.

German Kartells 29

Austria.

In Austria the area under beet has grown from less than half a million acres in 1885 to over 900,000 acres in 1905, while the crop raised increased from 62 to 191 million cwts., representing an increase in yield from 7 to over 10 tons of beet per acre. The sugar produced in Austria in the season 1905-6 was 26 million cwts., an increase of $7\frac{1}{2}$ million cwts. or nearly 40 per cent. since 1894-5. In 1904 there was a decline in sowings due in part to causes similar to those mentioned under the head of "Germany."

Development of the Austrian Industry

In the case of Austria as of Germany the imports of sugar are insignificant. Over 40 per cent. of the exports of sugar from Austria-Hungary comes to the United Kingdom. Up to 1903, the year in which the Brussels Convention came into force, the exports to the United Kingdom were steadily increasing having grown from 1,700,000 cwts. in 1891 to 8,000,000 cwts. in 1903. In 1905 the exports fell to 4,740,000 cwts. Of the 1905 total 3,400,000 cwts., 72 per cent. was refined and 1,360,000 cwts. or 28 per cent. was raw sugar. During the years of the Convention there has been a large decrease in the exports of refined sugar to the United Kingdom (from 7,400,000 cwts. in 1903) and an increase of raw sugar (from 610,000 cwts. in 1903).

Austrian Exports 30

The total exports in 1905 were 11,300,000 cwts., of which 9,500,000 cwts., or 84 per cent., was refined and 1,750,000 cwts., or 16 per cent., was raw.

The expansion of the Austrian refining industry is shown by the fact that the amount of raw sugar refined has more than doubled in the last ten years. The quantity remaining for consumption by the refineries averaged $20\frac{1}{2}$ million cwts. in the five years ending 1905 as compared with $16\frac{1}{2}$ million cwts. in the five years ending 1900.

Austrian Refining Industry

The Austrian kartell and bounty systems are explained in Memoranda in the Appendix.

Kartells and Bounties 31

France.

Prior to the Convention the general tendency in France was towards an increased exportation of raw sugar while the refinery industry remained more or less stationary. These characteristics are attributable to the particular form of the French sugar bounties which were designed to encourage sugar production rather than refining.

The area under sugar beet cultivation reached its maximum in 1901 and was then 837,000 acres. The increase was fairly continuous from the end of the eighties when about 500,000 acres were under cultivation and was especially marked in the years 1900 and 1901 when the bounties were in full operation. The yield of beet was 177 million cwts. in 1901, or about 11 tons per acre, which compares with the German average yield of $13\frac{1}{2}$ tons per acre in the same year. In 1883 the yield was 14 tons per acre over an area of 640,000 acres; the German yield in the same year was 11 tons per acre. The sugar produced in France also reached a maximum in 1901-02 and was then 20,700,000 cwts. Twenty-five years ago it was 5,600,000 cwts. Under the operation of the Convention the production declined to 11,100,000 cwts. in 1904-5, though it recovered to 18,100,000 cwts. in the following year.

French Yield and Production 32

The imports into France consist almost entirely of raw sugar and molasses and have steadily declined in the last 25 years. They were 5,300,000 cwts. in 1880; this rose to 8,500,000 in 1885; with fluctuations this total has fallen to 1,600,000 cwts. in each of the years 1904 and 1905. The French exports of refined sugar have remained practically stationary during the last 25 years at between $2\frac{1}{2}$ and 3 million cwts., but there was a spurt in the years 1901-1902 when the total reached $3\frac{1}{2}$ million cwts. Raw sugar exports have fluctuated considerably, reaching a maximum in 1901 of $9\frac{1}{2}$ million cwts.; in 1905 they were 3 million. (See Table 30.) In 1905 eight-ninths of the raw sugar and rather less than one quarter of the refined sugar was exported to the United Kingdom. British purchases of French raw and refined sugar was 3,300,000 cwts. in 1905 as compared with about $8\frac{1}{2}$ million in 1900 and 1901. Ten years ago it was 2,900,000; twenty years ago it was 1,000,000. The

French Imports and Exports

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increased trade with the United Kingdom in twenty years has therefore been more than 200 per cent., and the rapid fall since 1901 synchronised with the operation of the Convention.

French Refining Industry

The development of the French refining industry is indicated by the fact that the quantity of raw sugar remaining for consumption (*i.e.*, production* plus imports minus exports) averaged 11½ million cwts. in the five years ending 1885, 13½ million cwts. in the five years ending 1895, and 16½ million cwts. in the five years ending 1905. That is to say the French refiners handle 45 per cent. more raw sugar than they handled twenty years ago.

French Bounty System

The French bounty system, the effect of which is shown in the foregoing figures, has some unique features, as explained in the Memoranda in the Appendix. Its main characteristic is that while the excise was charged on the weight of beet used in the factory on a basis of estimated yield of sugar very much lower than that actually obtained, the drawbacks on exportation were based on the exact quantities of sugar extracted from the beet.

34

Belgium.

Belgian Yield and Production

The expansion of the Belgian industry is shown by the fact that the area under beet sugar and the crop has doubled in the last 25 years, and was in 1905, 176,000 acres producing 46 million cwts. of sugar beet. The average yield is 13 tons per acre. The sugar production has however according to the Belgian official figures increased much more rapidly. The raw sugar produced in 1905-06 was 6,200,000 cwts., which is nearly five times as much as the production of 1880-81.

Belgian Refining Industry

The growth of the Belgian refining industry has been most marked in the last twenty years. In the five years ending 1905 the average quantity of raw sugar remaining for refining was about 2,300,000 cwts.; in the five years ending 1895 it averaged one million cwts. and 330,000 cwts. in the five years ending 1885—that is to say Belgian refiners use nearly seven times as much raw sugar as they did twenty years ago.

35

Belgian Imports and Exports

Belgian imports of sugar have never exceeded 325,000 cwts. since 1892. The exports in 1905 were nearly 60 per cent. higher than in 1880. The maximum of exports was reached in 1900 when the total was nearly 6 million cwts. More than one-half of the Belgian exports come to the United Kingdom. In 1905 the exports of sugar, raw and refined, to the United Kingdom were 1,450,000 cwts. as compared with 2,800,000 cwts. in 1900 and 420,000 cwts. in 1880. The increase in the twenty-five years has been 1,030,000 cwts., or 245 per cent. Raw sugar is about three-fourths of the total Belgian exports to the United Kingdom.

Russia.

Russian Sugar Production

In Russia the area under sugar beet is 1,330,000 acres, yielding in 1905, 155 million cwts. of beet, or about 6 tons per acre. The production of raw sugar was 19½ million cwts. (Tables 23-25.)

36

Russian Exports

The growth of the sugar industry in Russia is shown by the figures of production. (Table 25.) In 1880-81 the production was 4 million cwts.; in 1890-91 it was 9,150,000 cwts.; in 1900-01 it was 15½ million cwts. and reached a maximum of 20½ million cwts. in 1902-03.

The Russian exports of sugar became appreciable during the last ten years. The total in 1896 was 4,400,000, which is about one-third of the Russian production of that year. There have been considerable fluctuations since 1896. In 1900 the exports amounted to 4,000,000 cwts., which is rather more than one-fourth of the production of that year, and in 1903 reached a maximum of 4,800,000 cwts., which is about 22 per cent. of the production of that year. The export for 1905 was 1,970,000 cwts., or 10 per cent. of the total production. The Russian supply is thus shown to be very uncertain, and in the maximum year if the whole of the surplus available for export came to the United Kingdom it would satisfy only 12½ per cent. of the total requirements of the United Kingdom. In 1905 the Russian surplus available was only about 3 per cent. of the total British consumption.

* Including molasses.

The British West Indies.

Barbados produces three-eighths of all the sugar produced in the British West Indies. The production of Trinidad is from one-third to one-fourth of the whole, and Jamaica now produces less than one-sixth.

British West Indies

Practically the only markets are Canada, the United Kingdom and the United States, this being the order of their present importance. So recently as six years ago (*i.e.*, 1900) the order of importance was the exact reverse. In 1890 Canada imported only 116,000 cwts. of sugar from the British West Indies and British Guiana; the importation of 1905 reached 2½ million cwts., an increase of 2,100,000 cwts. In the same period the exportation to the United States fell from 3,300,000 to 1,100,000 cwts., a decrease of 2,200,000. In other words the trade was practically transferred from the United States to Canada under the double influence of the Canadian preference in favour of the British West Indies and the United States preference in favour of its possessions.

38

The Canadian duty is 31½ cents for 100 lbs. (1s. 5½d. per cwt.) under the Preferential tariff as compared with 52 cents (2s. 5d. per cwt.) under the General tariff on sugar not above No. 16 Dutch standard. The United States admits Porto Rican sugar free of duty. Cuban sugar receives a rebate of 20 per cent., while Philippine sugar is allowed a rebate of 25 per cent. and a further rebate equal in amount to the export duty levied in the Philippines on sugar. This export duty is at present 5 cents (2½d.) per 100 kilos. (about 2 cwts.).

Preference in Canada and the United States

The exports of sugar to the United Kingdom from the British West Indies, British Guiana and Mauritius steadily fell until the last few years, the fall being attributed to the difficulties of competing with the bounty-fed product of Europe. The average imports into the United Kingdom for the five years ending 1891 were 1,942,000 cwts. per annum; in the five years ending 1901 the annual average was 1,088,000 cwts., a fall of 854,000 cwts., or 44 per cent. In the five years ending 1906 there has been an appreciable recovery, the average being 1,449,000 cwts., an increase of 361,000 cwts., or 33 per cent. on the previous five years.

Trade with the United Kingdom

39

The action of the United States in countervailing the Continental bounties gave a great stimulus to the West Indian sugar exports to that country and did much to compensate the British West Indies for the decline of their British trade. The West India Committee asserts that it is only by reason of the Act of a foreign power, to wit, the United States, that the West Indian sugar industry was able to survive the bounty period. By countervailing the bounties the United States provided a market in which West Indian sugar could compete on equal terms with beet. The later kartell bounties were not, however, countervailed. Since the Convention became operative the supply of preferential sugar going into the United States from the new United States possessions is said to have frequently lowered the market below European parity. Moreover, at the present moment the United States only require about 300,000 tons of non-preferential sugar to make up their sugar supply, and this quantity is being rapidly decreased by their own internal beet production, by cane sugar from Porto Rico and the extension of cultivation in Cuba and the Philippines in consequence of preferential treatment.

Trade with the United States

In the nine years ending with 1903 (June 30th) the average annual imports into the United States of sugar from the British West Indies and Guiana were 3,400,000 cwts. per annum. In 1904 the imports suddenly fell to 1,240,000 cwts., and in 1906 they fell further to 79,000 cwts.

40

As already indicated, the Canadian preferential tariff has been of considerable benefit in the West Indian industry, and in the words of the West India Committee "sufficiently explains why so little West Indian sugar has come to Great Britain." The Committee adds: "Canada has, however, established an Intermediate tariff by which she hopes to secure reciprocity with other countries, and this will diminish the benefit which at present accrues to the West Indies. Moreover the consumption of sugar in Canada has not yet reached the figure of the West Indian production and she has recently extended the British preferential treatment to a limited quantity of beet sugar." (See "Canada.")

Trade with Canada

Further details of the recent development of the West Indian sugar industry under the operation of the Convention are given in the Memorandum of the West India Committee (see

Development under the Convention

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Appendix). The general effect has been to restore credit and to enable the sugar estates in the West Indies to begin to make up the ground lost under the bounty-fed competition of Continental countries. In British Guiana the value of the sugar machinery imports rose from £32,000 per annum in the four years before the settlement of the Convention to £60,000 in the four years after the Convention. During the years 1904-06 one firm alone spent £86,400 in machinery and another £38,400. In Trinidad, beside the general rehabilitation to cultivation and improvements and renewals in the factories, as well as the installation of steam ploughing and the process of extraction, a considerable development of cane farming took place. Two central factories were erected in Antigua and in Jamaica two central factory schemes have assumed practical shape.

Canada.

Canadian
Production and
Manufacture

42

There has been some sugar beet cultivation in Ontario and the Canadian North West but the results have so far been slight. As yet, Canada is mostly concerned with the manufacture of refined sugar chiefly cane imported from the British West Indies and British Guiana.

Preference

These importations have greatly developed under the operation of three main factors. (1) The United States preferences to its Colonies which tended to close the United States market to British West Indian sugar (2) the Canadian preference to British Colonial sugar which gave the British cane-growing Colonies an alternative market upon which (3) the Canadian surtax on German goods enabled the British cane-growing Colonies to increase their hold. From 116,000 cwts. in 1900 Canadian sugar imports from the British cane-growing Colonies became 2,246,000 cwts. in 1905. In the same period the United States importations from the British West Indies and British Guiana declined from 3,301,000 cwts. to 1,123,000—thus indicating that the supply was transferred from the United States to the Canadian market under the double operation of the Canadian Preference in favour of the British West Indies on the one hand and the United States Preference in favour of the United States Colonies and against the British West Indies on the other hand. (See Table 34.) The foregoing figures which are based on the returns of the various West Indian Colonies and British Guiana are confirmed by the returns of Canada and the United States from which Table 35 has been compiled covering the period 1897-1906. It will be seen that while the United States importations from the British West Indies and British Guiana fell from 4,450,000 cwts. in 1897 to 1,220,000 cwts. in 1905, the Canadian importations rose from 119,000 in 1898 to 2,829,000 cwts. in 1906. The decline of the German exportations to Canada has already been indicated (see "Germany") and the full course of the trade is shown in Table 27.

43

Capital Invested

According to the Canadian Census of 1906 the capital invested in the Canadian sugar refining industry in Montreal and elsewhere was £2,607,000 as compared with £1,965,000 in 1901 and the value of the products was £3,640,000 as compared with £2,449,000 in 1901. There are four refining factories each with a capital of £200,000 and the product from these factories was valued at £3,335,000.

The Ontario Beet
Industry

44

The Ontario Government has since 1901 pursued a policy of encouragement of sugar beet production and manufacture. The Ontario Act of that year allotted to the manufacturer a bonus of one-half per cent. per pound for all first-class marketable sugar produced during the first and second years' operation of the factory and of one-quarter cent. per pound for the product of the third year and nothing for any year thereafter. The Dominion Government also assisted by allowing machinery for the sugar machinery to be imported free of duty. Factories were established at the following places in Ontario:—Dresden, Wallaceburg, Berlin, and Warton. In the first year about 130,000 cwts. of sugar was produced. The production of 1903 was about the same. In 1904 some financial difficulties arose but the two remaining factories produced 110,000 cwts. In the 1905 report of the Ontario Agricultural College it is stated that the acreage supplying beet to these two factories was 10,700 acres from 3,200 growers. There is said to be some export of beets to Michigan factories.

North-West Beet
Industry

In the Report of the Canadian Department of the Interior for 1906 the following reference is made to the new beet sugar industry established in the neighbourhood of Lethbridge in the Canadian North West:—"The beet sugar industry appears to be progressing notwithstanding competition by importation of sugar at Pacific coast points. The Raymond Beet Sugar Factory produced nearly 5,000,000 lbs. of sugar during a run of two months last year; 18,000 tons of beets were converted into sugar, the producers of the beets receiving £1 per ton."

The recent changes in the markets for the sugar produced in the British West Indies and British Guiana are illustrated in Fig. 2 which shows the imports into the United States from

the British and American West Indies and British Guiana respectively and the imports into Canada from the British West Indies and British Guiana.

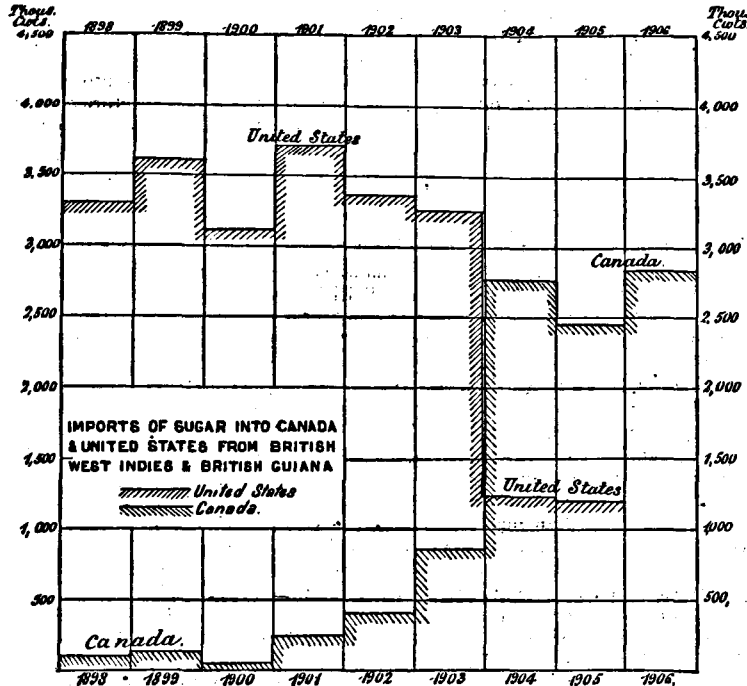


Fig. 2

Queensland and other Australian Colonies.

Queensland is the principal sugar-producing State of Australia. During the ten years ending 1903, the average quantity of sugar obtained from the cane fields of Australia was 2,380,000 cwts. of which 1,180,000 cwts. were produced in Queensland and 480,000 cwts. in New South Wales. In 1905 the total Australian production was 3,400,000 cwts. and the production in Queensland in that year was 3,050,000 cwts. on the basis of 94 per cent. net titre. These figures show the rapid progress of the Queensland industry and the decline of that of New South Wales.

Australian Production

Practically all the Queensland production is consumed in Australia, only 4,355 cwts. being exported in 1905, nearly the whole of which was sent to the United Kingdom. The Australian correspondents of the Canadian Department of Trade and Commerce intimated in recent reports the prospect of an export trade in sugar with Canada under the Canadian Preference. The same authorities state the Australasian sugar production of 1906 to have been 4,080,000 cwts. and the average Australian consumption 3,800,000 cwts.

Queensland Exports

(4)—EMPLOYMENT AND WAGES

The increased importation of refined sugar has caused a great displacement of labour in the British sugar industry itself and the evidence shows that few trades give so much indirect employment to other branches of trade—to engineers, colliers, jute spinners, animal charcoal makers, bargemen, coopers, &c. One witness reckons the cost of refining sugar at about 30s. per ton; and on the basis of the importation of refined sugar in 1906 he states the "loss to this country" in round figures at £1,500,000 per annum. He estimates further that one-fourth of this sum or £375,000 would have been spent in this one year on wages in the refineries themselves had the sugar been refined in this country. There is also the labour of colliers, another 15 per cent. of the cost of refining being spent in coal. Of the sugar consumed in the United Kingdom about equal parts are imported as raw and refined; if the whole were imported as raw sugar and refined here the amount of employment in British sugar refineries would be doubled.

Employment and Wages

Importations and Employment

Refiners in their evidence speak of the increase of employment in their refineries brought about by the greater importation of raw sugar in place of refined. This change dates from 1903,

The Convention and British Employment

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the year in which the Convention came into operation. The President of the Clyde Sugar Refiners' Association says that in 1893 about 5,000 were employed in the Greenock refineries. As the Continental kartells and bounties came into force the number dropped to 2,000. "Now about 2,500 men are employed and these have regular and continuous work while formerly this was irregular and intermittent. The increase in meltings of about 78 per cent. means a much larger sum spent in wages."

About 25s. to 30s. a week is paid in wages in the refineries on the Clyde; the evidence shows that wages are lower and hours of labour are longer in Continental countries.

(5)—DIFFERENTIAL RAILWAY AND SHIPPING RATES

50

There is consensus of opinion in the evidence as to the special rates and railway facilities enjoyed by foreign sugar refiners. "We suffer," says one witness, "from preferential railway rates granted in Austria to exporters and from through rates granted to foreigners by our own railway companies amounting to from 4s. 10d. to 11s. 7d. per ton." Another firm says:—"Until inland rates are greatly reduced the refining industry cannot successfully compete in the heart of the Empire. Germans and Austrians have captured an unduly large proportion of the Irish trade by low rates accepted by shipping companies in Irish ports." It is represented that the profits of sugar refining are so meagre that these small benefits to the foreigner seriously handicap the British manufacturer. And the effect of these differential rates is said to be far-reaching:—"Cheap Austrian rates to the East have displaced other (than Austrian) sugar in Indian markets doing probably more injury to Mauritius than to West Indies."

(6)—PRICES

Prices

Much is said in the evidence as to the controversy regarding prices of sugar in the first year of the Convention (1904) and from this evidence and the statistics it appears that the following factors have to be taken into account in considering the causes of the high prices of that year.

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(1) The preferences of Canada and the United States accorded to British and United States Colonies respectively cut off the European export of sugar to these important markets. (See "Germany," "British West Indies and Guiana" and Canada" pars. 27, 39, 42, and Tables 27, 34.)

(2) The abolition of the Continental bounty systems by the Brussels Convention was accompanied by diminished sowings in Europe.

(3) The drought of 1904 which prevailed all over the Continental sugar area led to a supply below what was anticipated.

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The second factor would seem to represent the attempt on the part of the European sugar growers to adjust their supply in accordance with the diminished demand brought about by the first factor. Had the yield of 1904 been normal witnesses believe that prices in that year would not have been above the average. The drought which is the third factor was entirely unexpected and led to a supply smaller than the actual demand—hence the inflation of prices. Table 36 in the Appendix shows that during the last three years there has been a tendency to return to normal conditions. The lowest prices ruling in these years are 11s. per ton and under.

The High Price
of 1904

One witness states his view in the following way:—"The rise of 1904 when 14s. 6d. per cwt. was reached was undoubtedly due to deficiency in the supply, which as the table shows was 1,142,000 tons in statistical Europe. This deficiency arose from two causes, viz., from a bad crop of beetroot owing to the extraordinary drought which prevailed on the Continent, and from decreased sowings. Thus the production of sugar amounted to 19.5 per cent. less than the previous year, while 2.0 per cent. less acreage was sown. Confectioners and other opponents of the Convention argued that the short sowings were the result of the Convention. A study of the table will show that there is more connection between the amount of sowings and the prices ruling in the previous year than with the Convention, which came into force in September, 1903. Indeed there is a direct relation, as one would expect, between the price obtained and the amount sown, and this view is confirmed by the fact that at the time when prices were at their highest sugar of the 1905 crop could be bought at 3s. 6d. per cwt. less than the spot value. . . . Another argument put forward was that, under the Convention, sugar imports to this country

are prohibited from Russia and the Argentine Republic, and therefore these sources of supply are cut off from us. Personally I was never in favour of prohibiting the entry of bounty-fed sugar; a better method to my mind being to impose a countervailing duty equal to the bounty, as was done in the United States of America and in India. Although sugar from these countries may not come here, it is still being consumed elsewhere, thereby relieving sugar which we should not otherwise get and which is thus made available for this market. The fact is that our opponents are attributing all the statistical position and the consequent rise in price to the Convention, whereas there is no doubt that it is due to natural causes, first to the reaction from abnormally low prices and second to the comparative failure of the European crop. Indeed it can be fairly argued that our present position could not have arisen, or at least would have been greatly ameliorated, if the Convention had come into force many years ago, as in that case we should not have been so dependent on European supplies only but would have had larger supplies from our Colonies and other cane-sugar producing countries to draw from. Instead of that we have allowed bounties to crush out, or at any rate much lessen this great source of supply."

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Attention is also drawn in the evidence to the fact that during the Kartell period, 1900-02, the margin between prices of raw and refined sugar diminished, thus tending also to lessen the profits of the refiner.

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(7)—REMEDIAL MEASURES

The testimony of the evidence generally is unanimous that the condition of affairs before the adoption of the Convention required remedial measures. The Convention was received with satisfaction and here again the testimony is unanimous that its effects have been highly beneficial to the British sugar-refining industry. The Convention gave countries which were parties to it the choice between prohibition of bounty-fed sugar and countervailing duties. The general trend of the refiners' evidence reviewed in this volume is in favour of countervailing duties rather than prohibition which was the system adopted under the Convention. One witness states the reasons for this proposal in the following way:—"As a matter of equity if 2s. 6d. per cwt. was deemed by the framers of the Convention to be a fair surtax allowed to the foreigner it would only be fair to grant a like preference to British refiners. At the same time less would be sufficient to very quickly restore the trade to this country, say £1 per ton surtax on foreign refined sugar—that is to say the excise should be £1 less than the Customs rates. The effect of this surtax would not ultimately be to raise the price to the consumer. No doubt the first effect would be to raise values by something less than this £1 per ton which would not amount to one-tenth of a penny per lb., but very soon increased capital would be invested in the trade and the home refiners enabled to overtake the demand and to supply all that is now derived from the foreigner. When that point has been attained the price will have fallen to its natural level and the result of the whole policy will be that the consumer will pay no more for his sugar, £1,500,000 will be spent in the country which now goes out of it, and the home refiner will find his profit through working at three times his present capacity and thereby greatly lessening his expenses."

Remedial Measures

Countervailing Duties

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One effect of this countervailing duty would, it is represented, be to stimulate the cultivation of sugar beet in the United Kingdom and give employment of much additional rural labour. The question of the bearing of these proposed duties upon the establishment of a sugar-beet industry in the United Kingdom is fully dealt with in the Report of the Agricultural Committee of the Tariff Commission.*

Sugar Beet Cultivation

56

The general opinion expressed in the evidence is that a preferential arrangement which would make possible the development of a larger sugar production within the British Empire would be widely beneficial and that the British Government should have such powers as would enable them to conclude arrangements of this kind with the different parts of the Empire. The importance of Preference is strongly brought out both in the evidence and in the statistics where it is shown that (1) under the influence of bounty-fed sugar the British cane-growing Colonies lost a large part of the British market and were driven to find a new market in the United States; (2) under the United States preference for Cuba and the Philippines the British cane-growing Colonies lost nearly the whole of their United States market; (3) under the Canadian

Preference

* See Report of the Agricultural Committee of the Tariff Commission. Witnesses there state that sugar beet is a profitable crop, which can be produced in this country as well as in others, the yield per acre and the quality of the beet being equal or even superior. This crop would require a good deal of labour, especially during winter in the factory.

57

Preference the British cane-growing Colonies once again secured a large sugar market within the British Empire replacing the lost market in the United States; and (4) since the adoption of the Convention the exports to the United Kingdom of sugar from the British cane-growing Colonies have tended to increase and it is the belief of witnesses that under a mutual preferential system for the whole Empire this tendency would be greatly accelerated.

Continuity of Policy

The importance of continuity of policy and the ill effects of frequent changes are also dwelt upon in the evidence. One witness says on this point:—"If there were an assured policy somewhat on the foregoing lines and if the British sugar industry ceased to be the sport of party politics we might reasonably look forward to two important developments. In the first place there is good ground for anticipating the extensive cultivation of sugar beet in agricultural England, and British refiners would, I believe, be ready to put capital into the enterprise if, as I say, some continuity of State policy were assured. In the second place there are inexhaustible potential supplies of cane sugar in the West Indies, especially Cuba and Java and elsewhere which would be developed under the stimulus of a continuous and reasonable British fiscal policy. This would obviously involve large purchases of sugar machinery from British manufacturers and both directly and indirectly bring great benefit to British labour."

58

Drawbacks

Moreover these recommendations could it is urged be carried out to the great advantage of the sugar industry without in any way hampering the export trade in sugar goods, the requirements of which might be adequately met by an efficient drawback system.

(B)—CONFECTIONERY, JAM, &c.

(1)—THE OFFICIAL RETURNS:

Board of Trade Returns

59

The variation of classification in the Board of Trade Returns and the want of adequate discrimination between the different items included in confectionery make the statistical solution of the confectionery problems submitted to the Commission extremely difficult, and emphasise the necessity of independent evidence from manufacturers and others engaged in the industry. In constructing the tables included in this Report (Tables 18-21) so as to give in conjunction with the evidence as complete a view as possible of the condition of the industry the Board of Trade Returns have been used to give a comparison of the largest possible group over the longest possible period. This method has involved the separate treatment of large groups, one of which is chocolate sweetmeats coming from Switzerland, but attributed to France. This group of chocolate sweetmeats only emerges in the official statistics in the year 1905. The figures, however, are misleading, inasmuch as under the head of France, the imports of confectionery are declared in the official returns to have increased from £15,000 in 1904 to £123,000 in 1905 and £187,000 in 1906, without any note being appended to show that "confectionery" in 1905 included chocolate sweetmeats for the first time, and that these chocolates though attributed to France did actually come from Switzerland. (See Annual Trade Returns 1906, vol. 2, page 176.)

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This question of classification has been the subject of correspondence between the Tariff Commission and the Statistical Office of His Majesty's Customs. It is felt in the trade that a satisfactory statistical measure of the movement of different branches of trade can only be obtained by a revision of the official statistics.

(2)—GENERAL STATE OF THE INDUSTRY

The term "confectionery" in the statistics in this Report includes, with confectionery proper, fruits and vegetables preserved in sugar. Before the year 1900 the Board of Trade statistics of exports of confectionery, jams and preserves, fruits were included with pickles, vinegars, sauces, &c.

State of the Trade

The absence of official statistics of the home trade make it further impossible to estimate directly and with precision the state of the confectionery trade as a whole. From an intimate knowledge of the British trade one witness expresses the opinion that it increased constantly in volume to the end of the year 1902 and that since that date the amount manufactured and sold had diminished. Several factories have been closed in the Bristol district and confectioners have gone to London and the North of England. The increased cost of sugar of which witnesses speak, was a more or less

temporary condition inasmuch as the general level of prices at the present time is considerably lower than the level of 10 or 15 years ago. (See Table 36.) A more permanent condition has been the upward tendency of competing imports. If fruits and vegetables are included the imports in the last 20 years are seen to have more than quadrupled, while confectionery alone has increased by 150 to 200 per cent. in the same period. The exports now exceed £1,000,000 in value and the preponderating increase is with the Colonies, especially Canada. "In recent years" says a London wholesale confectioner "our profits have only been obtained by means of a larger turnover; in other words the percentage of profit to the business has been less."

The following table records the imports of confectionery including fruits and vegetables preserved in sugar. Confectionery alone represents between one-eighth and one-ninth of the total. Twenty years ago it represented one-fifth. There is a decline of 28 per cent. since 1901 in the imports of confectionery alone. The figures for each year since 1888, the first year for which these statistics are available, are given in Tables 18-19 in the Appendix. A summary statement is as follows:—

Confectionery Imports

TABLE 6.—IMPORTS INTO THE UNITED KINGDOM OF CONFECTIONERY, INCLUDING FRUITS AND VEGETABLES PRESERVED IN SUGAR (in thousand £).

	Foreign Countries.	British Possessions.	Total.
1888	152	51	204
1896	255	89	344
1901	400	169	569
1906	642	250	892
Increase in 1906 over 1888—			
Value	490	199	688
Per cent.	321	390	337

The imports from British Possessions consist mainly of preserved fruits from the Straits Settlements and Hong Kong. The imports from the Straits Settlements account for three-fourths of the total from British Possessions. The United States supplies nearly one-half of the imports from all countries, and also consists mainly of preserved fruits. The development has been continuous and extraordinary. The average for the four years ending 1891 was £31,000 per annum; in the last five years the average was £362,000, while in 1906 the value of the imports from the United States was £407,000. The imports of confectionery alone from the United States were valued in 1906 at £60,000, which is exactly four times the value of the imports from the United States in 1888. France supplies about one-sixth of the total imports, also largely consisting of preserved fruits and vegetables. The French supply was in 1906 valued at £144,000, of which £15,000 worth was confectionery proper. The 1888 total was £81,000, of which £17,000 was confectionery.

Sources of Imports

Excluding fruits and vegetables preserved in sugar and excluding also chocolate sweetmeats the figures in Table 19 show that the imports of confectionery in 1906 amounted to £107,000 and in 1905 to £128,000. The excluded chocolate sweetmeats were valued at more than £100,000 in 1905 and probably exceeded £170,000 in 1906. These chocolate sweetmeats come almost entirely from Switzerland. Thus less than one-half of the confectionery trade can be followed in the official returns. Taking this one-half of the trade namely that in confectionery minus chocolate sweetmeats (Table 19) it is seen that the imports have increased from £40,000 in 1888 to £107,000 in 1906 more than half coming from the United States.

The exports of confectionery, including jams and preserved fruits reached last year the maximum total of £1,038,000. This compares with £801,000 in 1903, at the end of which the Brussels Convention came into operation. As contrasted with 1900, the first year for which these figures are available there is an increase of £431,000, or more than 70 per cent. British Possessions take 65 per cent of the total. In the six years 1900-06 Canadian purchases have increased five times; the Indian trade has doubled and the Australasian trade has become half as large again. There has been a fall in purchases by the Cape of Good Hope, attributable to general depression there.

Exports of Confectionery

65

For the years before 1900 the only official statistical evidence of the movement of exports is found in Table 20, which includes pickles, vinegars, &c. About one-half of the totals in recent years consists of pickles, vinegars, sauces, condiments, &c., which cannot be classed as sugar goods and for the purposes of this Report the table is therefore of small importance. It shows an increase of about 20 per cent. in the last twenty years.

**Exports of
Aerated Waters**

The exports of aerated waters into the manufacture of which sugar enters are detailed as far as possible in Table 22 in the Appendix, and shows an expansion between 1903 and 1906 (the Convention period) which contrasts with the decline from 1900 to 1903 (the pre-Convention period). It is pointed out that this increase under the Convention following upon a decrease before the Convention has an obvious bearing upon the contention of some mineral water manufacturers that the Convention would seriously affect their exporting capacity.

(3)—EFFECT OF FOREIGN TARIFFS

66

Foreign Tariffs

The following is a statement supplied by one of the witnesses of the foreign import duties upon British sugar confectionery.

FOREIGN IMPORT DUTIES ON SUGAR CONFECTIONERY.

Country.	per cwt.	Country.	per cwt.
Russia	£4 0 5	Spain	£6 1 11
Sweden	1 8 3	Italy	2 0 8
Norway	1 11 1	Switzerland	0 16 3
Denmark.. .. .	0 16 6	Greece	4 16 0
Germany.. .. .	1 10 6	Turkey	8 per cent. <i>ad</i>
Holland	1 1 2		<i>valorem.</i>
Belgium	0 12 2	United States	18s. 8d. and 15
France	0 13 0		per cent. to 50
			per cent. <i>ad</i>
			<i>valorem.</i>

67

A firm of chocolate manufacturers commenting on these foreign tariffs says:—"We are further heavily handicapped in consequence of our inability to obtain a drawback on the cocoa and cocoa butter (drawback on sugar being allowed) used in the manufacture of chocolate, consequently when quoting to any of these foreign countries we have to allow for the payment of the duty both on our own raw cocoa and cocoa butter, and the import duty imposed by the purchasing country on the finished article. A substantial reduction of the tariffs on chocolate and confectionery aided by a drawback on the raw cocoa used in the manufacture of chocolate would greatly assist us in competing in Holland, France, Germany, Austria and the United States."

68

In regard to jams, the following comment is made in the evidence: "Our export trade has suffered by the heavy and increased tariff on English goods sent to the United States of America. For example in the years 1888-91 we shipped on an average to New York, jams to the value of sixteen thousand pounds per annum, but owing to increased tariff since 1892, the annual shipments have only averaged about £1,000. The duty in the United States is 35 per cent. on jams and 40 per cent. in glass packages. With 10 per cent. against us we might recover our position." Other jam and marmalade manufacturers make a similar comment.

(4)—EMPLOYMENT AND WAGES

**Employment and
Wages**

A London wholesale confectioner states his experience as follows:—"In our own business the continuity of employment has been fairly regular and our numbers have slightly increased, but in the trade generally in our district employment appears to have been unusually scarce owing to the large number of failures. The result has been that we have had no difficulty in getting all the labour we require, though skilled workmen are difficult to obtain. The rate of earnings of our own workpeople has increased during recent years. The tone of the workpeople in this district has also visibly improved and we have found it desirable to pay increased wages for better class labour. Our usual system is to give a regular wage and a bonus upon the amount turned out."

A Dundee witness says :—" Prior to the imposition of a duty on sugar the trade was a steadily increasing one, but since then it has been diminishing and although my company have practically paid the same amount in wages this cannot be held to apply to the whole trade as many firms have failed and others have suffered by diminished output. The rate of payment of workers has gradually increased in recent years, owing to the fact that manufacturing has become more specialised. Continuous employment has been found for workpeople on practically the same work, and this has enabled them to maintain a higher rate of payment. We no longer employ casual labour to any great extent. Almost the whole of the labour on our list might be classified as skilled. The quality of the labour has also improved owing to the prevailing better education. Our work is mostly piecework."

69

As to wages especially a Bristol witness says :—" Wages vary very much in different districts as there is no trade union amongst the working confectioners. All firms have specialities in which they train up their own workmen. Most operatives are apprenticed and the earnings depend very largely upon the individual ability of the particular man. Wages have distinctly risen in recent years, especially under the system of piecework. In former years a good operative confectioner earned about £2 a week, now our best men under piecework, earn on an average something like £3 a week."

70

The comparative position in regard to wages is stated as follows by a firm of chocolate and confectionery manufacturers :—" It is impossible to obtain absolutely accurate information of the wages paid and the hours worked by our foreign competitors, but using the figures found in the 'Second Abstract of Foreign Labour Statistics' (Cd. 720) as a basis, we have calculated that taking the rates of wages and the hours of labour together our foreign competitors have the following advantage over us :—Where our company pays in wages £100 (men and women), Switzerland pays in wages, 78·33 ; France, 71·32 ; Germany, 69·40 ; and Austria, 41·34. The hours of labour in France were reduced in 1902. It must be borne in mind that these figures refer only to the wages we expend in our own works. In addition to what we manufacture we use many manufactured articles bought in England, such as boxes, cases, descriptive labels, &c., of which the variety used is very large. The conditions of labour probably in all these branches approximate to our own and therefore it is evident that the foreigner has a considerably greater advantage over us than appears from our figures."

Comparison with
Foreign Countries

(5)—REMEDIAL MEASURES

71

The manufacturing confectioner is shown in the evidence to be especially concerned with the price of his raw materials and especially sugar. Hence the importance attached to the present import duty on sugar which in the words of one witness "largely raises the cost of the raw material and which confectionery manufacturers have found themselves unable to get returned to them by obtaining an adequate increase in the price of manufactured goods." A firm of commission merchants declares that the sugar duty adds 2½ per cent. to the value of the fruit and "cannot be worth the revenue derived from it." In the case of cheap jams the sugar duty may it is said amount to 25 per cent. of the total value. Opinions vary as to the effect of the Brussels Convention upon the confectionery industry and the desirability of maintaining it. At the time of the Convention the belief was general that it would raise the price of sugar but the statistical and other evidence does not show that this result has followed. "The effect of the Convention" says one firm of manufacturing confectioners, "is to encourage the growth of cane sugar and make us less dependent on beet sugar and prevent these violent fluctuations which occur when there is a deficient beet crop." "Now that the Convention has been in operation for so many years," says another witness, "our withdrawal might incline Continental nations to raise their duties on British sugar goods." There is a general desire to see a relaxation of foreign tariffs on British confectionery exports and also a development of the promising markets in the Colonies under Preference. There are differences of opinion as to the desirability of import duties on foreign sugar goods. On the one hand the view is expressed that a sufficient duty should be imposed "to protect the British manufacturer against the invasion of the foreigner with his surplus of manufactures . . . in most cases 5 per cent. and in all cases 10 per cent. should be a sufficient margin" and it is added that home competition and the extra turn-out of British factories would make the effect on prices "quite inappreciable." Other firms take an opposite view.

72

Continental Bounties

The retrogression of the sugar-refining industry is attributed generally among refiners to the bounty system of Continental countries. The character and extent of the bounties and the structure of the kartells on the Continent are explained at length in the Appendix by Mr. George Martineau and Mr. A. D. Steel-Maitland. In the evidence included in this volume a London refiner explains the position thus:—"Up to September 1903, the sugar refiners had been suffering for many years from the operations of the fiscal policies of the Continental countries which gave very great advantages to their manufacturers by means of direct State bounties on the exports of sugar. These direct bounties during the two or three years previous to 1903 had been supplemented by indirect bounties which were the result of the refiners in Germany and Austria combining together in each country and forming a kartell or trust. Owing to the high protective import duties in force in those countries the manufacturers were enabled to raise their price for home consumption to such an extent that they were able to distribute large profits to the members of the trusts and could thus sell their sugar for export at a price considerably below the cost of production. The direct bounties in Germany and Austria amounted to 1s. 3d. on raw sugar and 1s. 9d. on refined sugar, and the kartell bounties gave them at least another 2s. to 2s. 6d. per cwt.; in France the bounties were considerably higher."

74

The President of the Clyde Sugar Refiners' Association shows how Great Britain became almost the sole dumping ground for the sugar produced under this bounty system. He says:—"Beginning with minor bounties obtained by the excess extracted from the roots over and above the theoretical yield fixed by the German Government, other countries in their competition gradually increased such bounties until some years later direct bounties on exports were granted. Later still, trusts or kartells were formed, and aided by the excessive difference between import and excise duties, these combinations were enabled, by securing profitable prices in the home market, to develop the production of beet, greatly to the advantage of both their agricultural and industrial labour, because beet, unlike grain or potatoes, requires not only labour in cultivation, but also factory labour for its conversion into sugar. The whole of the Continental bounty-fed surplus production has latterly practically been directed to the United Kingdom. When it was attempted to export such sugar to the United States countervailing duties were at once applied, and, as India followed with similar duties, Great Britain became for a number of years prior to the Convention almost the sole dumping ground for such sugar. In every other country in the world interested in the production or refining of sugar except Great Britain, measures were adopted for the protection of their industry from these attacks."

75

The President of the Lancashire Sugar Refiners' Association gives confirmatory details and shows that the German kartell and State bounties amounted in all to £6 10s. per ton on the quantity exported as distinguished from the quantity produced. In Austria the figures are stated as having been somewhat similar, but if anything higher. A fund was thus formed which enabled the German producer and refiner to dump his surplus products on the markets of Great Britain. There are in the evidence and the Memoranda several other calculations indicative of the large fund available for sugar exporters, enabling them to dump their surplus upon outside markets.

The Convention

The Sugar Convention which came into force on September 1st, 1903 aimed at abolishing all bounties and kartells and witnesses admit that it "has removed most of the disadvantages against which the British trade has struggled for so many years," though "it leaves many unfair advantages to our foreign competitors." The character of the competition of the past few years is explained as follows by a London refiner. "Foreign competition has been exceedingly severe, for although the stocks of bounty-fed sugar were exhausted by the middle of the year 1905, the foreign refiner was, for a considerable period, able to fall back upon the enormous reserve of money which he had accumulated during the time the kartells existed and it is only lately that he has felt what competition on equal terms with the British refiner means. The position has been aggravated by the great increase in the manufacture of white sugars abroad and consequent over-production, so that the prices of refined sugars, as compared with the raw material, are at the present time so low that no margin of profit is left. The British refiner is not afraid of competition on equal terms, and therefore was looking forward to brighter times, provided there would be no return on the Continent to bounties or kartells."

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Effects of the Convention

Some of the chief effects of the Convention upon the refining industries of the United Kingdom and foreign countries have already been dealt with in the Summary of the Evidence and Statistics. The effects of the Convention in general may be roughly classified as follows:—

Effect upon Refining

The succeeding diagram shows that in the case of Germany, Austria and France the amount of raw sugar left for refining (and this is the best available measure of the quantities of sugar refined)

reached a maximum in each case in the year 1902, the year immediately preceding the operation of the Convention. On the other hand in the United Kingdom the amount of sugar refined in 1902-3 reached a minimum. Conversely since the Convention came into operation the amount of sugar refined in Continental countries has declined considerably while in the United Kingdom there has been a continuous improvement.

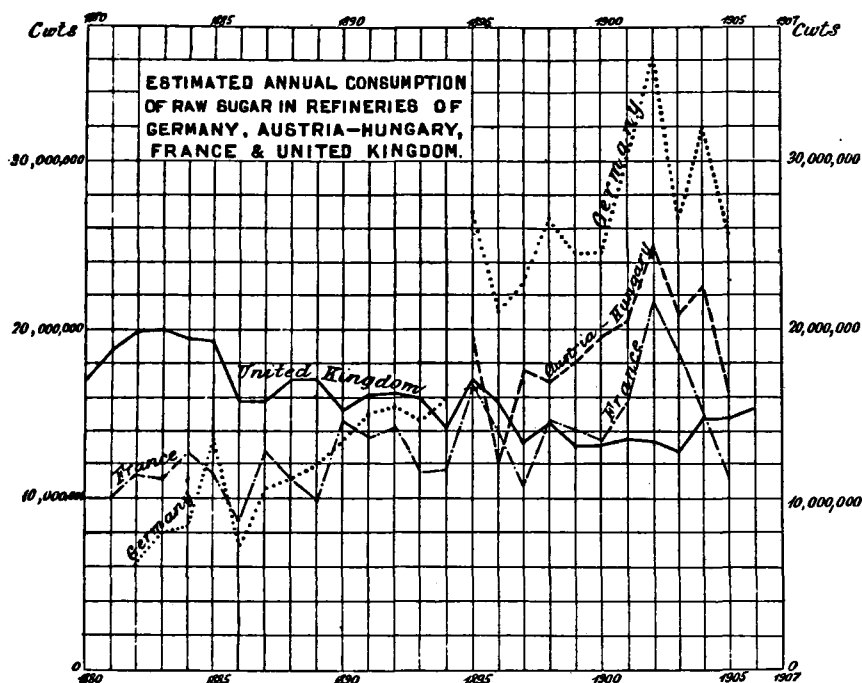


Fig. 3

Since the Convention came into operation the importation of raw sugar has increased and that of refined sugar has declined. Since 1901 the increase in raw sugar imports has been two millions cwts. or 15 per cent. while the decrease in refined sugar imports has been three million cwts. or 14 per cent. (Tables 12 and 8.) These movements are attributable to the destruction of the Continental kartells in consequence of the abolition of the bounty system and the restoration of what British refiners regard as an approach to fair conditions of competition.

Effect upon Imports

There was an expectation in some quarters that the Convention would hamper the exports of confectionery, jams, &c., and mineral waters (by increasing the cost of sugar, and especially in comparison with the price to be paid by Continental manufacturers). The statistics of export since 1903 do not bear out this expectation but show a continuous and large increase (as already indicated, pars. 64-65 and Tables 21 and 22).

Effect upon Exports

The West India Committee explains in the Memorandum published in the Appendix to this volume the injury done to the West Indian sugar industry by the Continental kartells and bounties and the beneficial effects of the Convention. Every sugar planter in British tropical Colonies was compelled to attempt to provide out of his own pocket the equivalent to the preferential advantage of the foreign sugar producer. They found it impossible to raise the necessary capital to carry on production and maintain their factories in efficiency with the result that "estates went out of cultivation and the distress, especially among the peasantry, became widespread." In 1885 an attempt to find an alternative market in the United States was vetoed by the British Government. The doubling of the German bounty in 1896 aggravated the position and the inauguration of the Austrian and German kartells and the consequent dumping of Continental beet sugar on the British market brought the West India industry to the point of collapse. When eventually the Convention was agreed to "a free Imperial grant of £250,000 had to be made to enable the industry in the West Indies to tide over the period until the Convention became operative." The Anti-Bounty League in the letter to Mr. Chamberlain the then Colonial Secretary (see Memoranda in Appendix) estimated the heavy loss to the British Exchequer in the event of the extinction of the industry.

Effect upon the West Indies

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The Convention restored credit and the general effect has been in the words of the Governor "considerable activity in extension of cultivation and also in cheapening of production by means of machinery and by the amalgamation of estates as central factories." There has also been "a very large increase in the British manufacture of sugar machinery for the British West Indies" exceeding by fully 50 per cent. the work undertaken in the years immediately preceding the Convention.

The Committee indicate the great benefit arising to the labour population of the West Indies and urge the continuation of the Convention because (1) it increases the world's sugar supply by reviving the world's liberty of production; (2) it restores to market prices the influences of natural supply and demand; (3) it produces stability in the market price; (4) it guarantees the development of the British tropical sugar industries, freeing them from the caprice of foreign Governments; and (5) it isolates the bounty question as being independent of all other international commercial questions whether of tariff, reciprocity, and preference or otherwise. The attitude of the West India Committee in favour of the continuance of the Convention has the support of many Chambers of Commerce throughout the Empire.

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Continuation of the Convention

There is a general desire among British refiners for a continuation of the Convention. "It is to be sincerely hoped, for all concerned, that the Convention will continue, for if not, a return to the kartell systems in Austria and Germany will inevitably follow and probably high duties would be put in operation against the imports of jams and confectionery in all foreign countries. A reduction in the growth of cane sugar would also follow and eventually lead to high prices and great fluctuations in value. It is interesting to notice that in 1906 (the first normal year since the abolition of bounties) the average price of 88 per cent. beetroot sugar, f.o.b. Hamburg, was under 9s. per cwt. Every forecast of those who were in favour of the Brussels Convention has been fully justified and it is exceedingly unfortunate that, just when our Colonies and home industries were on the eve of better times, the whole position should be jeopardised."

Foreign Advantages under the Convention

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The nature of the unfair advantages which are still left to foreign refiners under the Convention is dwelt upon. "It still permits a surtax to be levied although it limits it to 6 francs per 100 kilos. or £2 10s. per ton. And all the parties to the Convention have availed themselves of this permission and have levied the full surtax. This, of course, renders hopeless any attempt at our exporting to these countries. Whether it will enable them still to form kartells remains to be seen. Then the Convention definitely excludes by-products from its scope and particularly excepts the principal by-product of sugar refining, viz. molasses. The effect of this exclusion is to leave all countries free to levy any duties they please on molasses and they have accordingly levied in Germany 40 marks per 100 kilos. on imported molasses and nothing on the home-made molasses, or a surtax of 20s. 4d. per cwt., and in France 10 francs per 100 kilos. if for distillation, 20·75 per 100 kilos. for other than distillation on imported molasses and nothing on home-made molasses, or a surtax of 4s. and 8s. 5d. per cwt., while in this country the foreigner enters on exactly the same terms as ourselves. The result of this is seen in the fact that the prices ruling on the Continent for molasses during 1904 were from 4s. 6d. per cwt. while here only 1s. 9d. per cwt. could be obtained. When it is considered that some qualities of raw sugar yield 20 to 25 per cent. of molasses it will be seen that this is a very considerable advantage and that it still constitutes a bounty. The same remarks apply to golden syrup, which although made entirely from sugar, has been held by the Commission appointed under the Convention not to be sugar under the terms of the Convention. Syrup is therefore taxed in Germany 40 marks per 100 kilos., and nothing on home-made syrup, or a surtax equal to 16s. 8d. per cwt., and in Belgium 25·50 per 100 kilos. and 15 francs on the sugar to be made into syrup, which is equal to a surtax 14·10 francs per 100 kilos. or 5s. 8d. per cwt. In France too a system of paying the duty has been accepted by the Commission which does not conform to the terms of the Convention and which leaves the door open to fraud, and their method of granting a 'detaxe de distance' also gives them a certain amount of bounty.

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100

"We are therefore still handicapped even with the countries which are parties to the Convention. Much more is the British trade at a disadvantage with those countries which are outside the Convention. The United States of America imported refined sugar at 9s. 1d. per cwt. against a scale of duties on imported raw sugar that grants a protection to their refiners of at least 6d. per cwt., while their home-grown sugar pays no duty. Russia has a duty of £1 19s. 5d. per cwt., on refined sugar, and our own Colonies protect themselves. Canada adopts a scale which protects her refiners to the extent of 2s. 3d. per cwt., and South Africa to the extent of 3s. 11d. per cwt."

SECTION III—EVIDENCE OF WITNESSES

101

The Forms of Inquiry addressed to manufacturers and merchants and the draft questions to witnesses, have been published in the previous volumes of the Report of the Tariff Commission (see Reports on Iron and Steel, Cotton, &c.). The following is a full summary of the oral evidence as revised by the witnesses themselves. The only omissions are portions of evidence which witnesses desired to be treated as confidential for trade or personal reasons.

WITNESS No. 286

MR. C. J. CROSFIELD

(Chairman of Crosfield & Co., Sugar Merchants, 323, Vauxhall Road, Liverpool, and President of the Lancashire Sugar Refiners' Association).

I am Chairman of the Lancashire Sugar Refiners' Association, and have been so for a good many years, and am thus perfectly familiar with the conditions of sugar refining in Lancashire, and not only in Lancashire but also in the whole country.

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In 1884 out of 1,056,112 tons consumed only 213,334 tons consisted of foreign refined sugar, that is about 20 per cent., while 842,778 tons, that is 80 per cent., passed through the British refineries or consisted of grocery sugars which went into direct consumption, which perhaps means 10 per cent. In 1904, 20 years later, out of a consumption of 1,600,000 tons, 880,000 or 55 per cent. were foreign refined, and only 720,000 or 45 per cent. passed through the British refineries, or were West Indian sugars directly consumed. In 1906, the consumption was 1,668,000 tons of which 905,000, or 54 per cent. was foreign refined, and 763,000, or 46 per cent. passed through British refineries or were sugars for direct consumption. The whole increase in the consumption, therefore, amounting to 50 per cent., was approximately supplied by the subsidised foreigner, thus preventing the employment of very many men, not only within the walls of the sugar houses themselves, but in the dependent trades which may be estimated to provide work for many more men than those directly employed.

State of Trade

In consequence of the preferential treatment which our Continental competitors have enjoyed, the export trade in refined sugar from this country has been insignificant, but there is no reason why it should not greatly increase under fair conditions.

The small margin between prices of raw and refined sugar which constitutes the refiners' profit has been disturbed by the bounties. Their abolition will restore the margin to its natural conditions as governed by the ordinary operations of unfettered competition.

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With regard to the wages paid, a very large proportion of the labour in a sugar house is unskilled, the rate of wages for which is ruled in Liverpool by the general rate of wages for unskilled labour on the docks. While the sugar house work is constant and the dock work is most fluctuating, the daily pay for constant work is naturally lower than for the occasional work on the wharves.

Labour and Wages

The bounty and kartell-aided competition from which the sugar refining trade has suffered for so many years has been greatly aggravated by the preference which steamship lines, especially steamships owned by the great railway companies, have given to Continental refined sugar, carrying it in many cases to inland towns at lower rates than those charged from the port of discharge to the ultimate destination. There is also no doubt that, especially in Hungary, subsidies are given to steamship companies in the way of additions to freight and so forth on sugar exported, especially to the East.

Freights

Sugar refining in this country has declined very much of late years in consequence of the competition of continental rivals aided by State subsidies, and of private combinations which were rendered possible by the protection of high import duties. These so-called kartells were organised chiefly in Germany and Austria and amounted in the former country to about 2s. 6d. per cwt. on the quantity produced, or more correctly they amounted to about 4s. 10d. per cwt. on the quantity exported as distinguished from the quantity produced. In addition to that there was the State bounty of 1s. 9d. per cwt., which came together to 6s. 7d. per cwt. over £6 10s. a ton on the quantity exported. In Austria the figures were somewhat similar, but if anything higher. A fund was thus formed which enabled the German producer and refiner to dump his surplus products on the markets of Great Britain. In France the legislation has not fallen into line with regard to refining in bond which is the only absolutely safe system for the avoidance of concealed bounties.

Bounties and Kartells

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The processes of sugar refining used in this country are practically identical with those used on the Continent and are certainly not inferior. The fact that the British sugar refining industry has continued to exist in face of the tremendous competition that we have had shows that our methods are not inferior. As British refiners have competed even against a heavy handicap they will now certainly flourish under equality of conditions, but their goods are still shut out of European markets by the legalised surtax which amounts to 2s. 6d. per cwt.

The effect of the Brussels Convention has undoubtedly been favourable to the sugar refining industry, but so many disturbing influences have been at work since the Convention came into effect in September, 1903, that it is still too soon to show exactly what the ultimate result will be. Prior to September, 1903, excessive imports were made, especially from Russia, sugar from which country was going to be excluded after the Convention came into effect, and during the past six months the great shortage in the crop of beetroot on the Continent of Europe, due to the drought of last summer (1904), has disturbed values to such

Sugar Conventions

Mr. C. J. Crosfield

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an extent that it is impossible to say what would have been the position of prices had normal conditions prevailed. My own opinion is that had normal conditions of weather prevailed the advance in price would have been small. Sugar refiners in countries, parties to the Convention, are still in a very much better position than those in Great Britain, for the reason that a surtax of 6f. per 100 kilos. was allowed by the Convention in every country but England. This surtax amounting to about £2 10s. per ton was deliberately asked for and allowed to protect home producers. The Convention did allow Great Britain to impose a similar surtax, but it was not given to us. I do not consider that the rise in the price of sugar is in any way due to the Sugar Convention. It is entirely due to the failure of the crop just as the rise in cotton was due to the failure of the crop, and the rise in wheat was due to the shortage of the crop. The position has probably been aggravated by the fact that when the Convention came into force the German and French Governments used the money that they saved from the non-payment of bounties to reduce the sugar tax, so that the price of sugar fell to the consumer, and there was at once a bigger consumption; but there was no obligation on them to use that money for that particular purpose.

Growth of Sugar
in Colonies

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There can be no doubt that with Continental beetroot sugar produced at the natural cost price the West Indian Colonies will be placed in a position to hold their own, increase their output, and reduce the cost of production. The acreage in the West Indies has been increased but all the West Indian Colonies have suffered from drought which has given them a short yield. There is no Natal sugar imported into this country; it is all consumed there. I am connected with two companies out there, and can say that the Cape, Natal and the Transvaal are importing countries. The Natal crop is not sufficient to supply the Cape Customs Union and they import from the Mauritius. I do not know anything about the possibilities of growing beetroot in the Orange River Colony and the Transvaal, but the sugar lands in Natal are not very extensive; it is not naturally a sugar-producing country; it is out of the tropics, though it has almost a tropical climate because of the Mozambique current, but apart from that it is not a place where cane sugar ought legitimately to be grown at all. They are growing it in Queensland now outside the tropics with considerable success and they may have a similar hot current coming down the coast. On the coastline in Zululand a great quantity of land is available, but Cape Colony will not grow any cane. The plantation I am interested in is about 60 miles south of Durban. It is a few miles from the coast. There we find the nearer we get to the coast the better the yield of cane we get, but our yield of cane is really very small compared with Java or any properly tropical country.

Proportions of
Sales of Cane and
Beet

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It is rather difficult to judge of the proportion now being sold by the retailers of the said sugars, but I am informed, and I have no reason to believe that the information is not accurate, that the sugar that goes into direct consumption amounts to about 150,000 tons per annum, that is about 10 per cent. of the total consumption. It fluctuates enormously. From 50,000 to 150,000 tons is the maximum of all sorts of sugars going directly into consumption. That is the Demerara and similar sugar. The ordinary purchaser knows the difference between Demerara and beet, but buys, to a great extent, what the grocer recommends.

WITNESS No. 287

MR. ROBERT KERR

(Partner in the Glebe Sugar Refining Co., Greenock, and President of the Clyde Sugar Refiners' Association).

The evidence which I desire to place before the Commission has reference specially to the position of the sugar refining trade in Greenock.

108 State of Trade

For fully 20 years the trade of sugar refining in this town has been gradually diminishing, and the output in 1903 is considerably less than one-half that of 20 years ago. During that period the population of Great Britain, and the rate of consumption per head, have greatly increased, so that, instead of a decrease there ought to have been under natural conditions a very largely increased annual production. The following table shows the meltings in Greenock for the respective periods:—

	1883. Tons.	1903. Tons.
West Indies	22,844	5,660
Mauritius	6,107	—
Brazil	4,922	—
Cuba	6,347	3,465
Java	96,436	3,298
Foreign cane	5,846	23,236
Beet	118,149	70,482
Totals	260,631	106,141

The meltings in Greenock in 1906 amounted to 188,390 tons.

In the year 1884 there were fourteen refineries in Scotland; at present only six remain, but it will be seen from the above figures that during 1906 these refiners increased their output as the result of continuous working. As an instance of the depression which has existed, a fully equipped refinery, which originally cost about £140,000 was several years ago sold for about £20,000. Greenock has many natural advantages for carrying on this branch of industry, as, for example, abundant supplies of water, close proximity to the Lanarkshire coalfields, ample dock accommodation, extremely low charges for landing sugar, also a coastwise service of steamers connecting with all parts of Great Britain. We have very little export to the Colonies. Some time ago we had a large export trade with India. That was when India countervailed the duties on the Continent. We were working sugar that received no bounty, and therefore we were enabled to send it to India, and did a very large trade for a few months. We do not look forward to any development of our export trade. The Cape is getting sugar from America and from the Mauritius; and, in Australia they grow and refine just about what sugar they want.

I have no hesitation in describing the causes of the retrogression of Greenock as entirely artificial. The havoc which has been wrought in the trade, causing ruin to refiners, displacement of labour, and serious losses to the town generally, is due entirely to the bounty system adopted by Continental countries. The public municipal trusts and harbours of the town have also suffered severely, showing that the vicious effects of bounties are by no means confined to the industries immediately affected. The following figures show the direct contribution of the sugar refining trade for harbour dues, and water. The total dues paid to the Harbour Trust in 1883-84 were £31,291 0s. 4d.; in 1902-3 they fell to £20,381 2s. 9d., and in 1903-4 to £17,677 17s. 11d., and rose in 1905-6 to £23,777 6s. 1d. To the Water Trust the revenue from the sugar refineries was in 1883-4 £8,672 12s. 1d., whereas in 1903-4 it fell to £2,515 10s. 11d., there being a slight increase in 1906, to £2,850. This limited increase is explained by the fact that most of the refineries now working pay so much a year whatever quantity of water they receive and whether they take water or not. The Town's Trusts have also suffered indirectly through the shrinkage of assessable value of refineries, which have become silent, or been broken up. In the case of the Harbour Trust, its practical insolvency may be attributed to the effect of bounties, as a large extension of Docks was made about 20 years ago principally to provide for the requirements of the sugar trade.

About 5,000 were employed in the sugar industry in Greenock in 1893, and now less than half. We have not more than 2,000 now directly employed in the refineries. There are men employed on the quays, carters, &c., but I count only those employed inside the refinery. In the refineries formerly in the East End of London they had all German employees, but we had no Germans in Greenock; we always had chiefly Irish labour. Wages are still maintained. We have never made any reduction. We have got rid of hands, and they have drifted into other trades, most of the labour being unskilled. We pay about 25s. to 30s. a week. [24th June, 1906.—There are now about 2,500 men employed and these have regular and continuous work, while formerly this was irregular and intermittent. The increase in meltings of about 78 per cent. means a much larger sum spent on wages.]

Beginning with minor bounties obtained by the excess extracted from the roots over and above the theoretical yield fixed by the German Government, other countries in their competition gradually increased such bounties until some years later direct bounties on exports were granted. Later still trusts, or kartells, were formed, and aided by the excessive difference between import and excise duties, these combinations were enabled, by securing profitable prices in the home market, to develop the production of beet, greatly to the advantage of both their agricultural and industrial labour, because beet, unlike grain, or potatoes, requires not only labour in cultivation, but also factory labour for its conversion into sugar.

The whole of the Continental bounty-fed surplus production has latterly practically been directed to the United Kingdom. When it was attempted to export such sugar to the United States countervailing duties were at once applied, and, as India followed with similar duties, Great Britain became for a number of years prior to the Convention almost the sole dumping ground for such sugar. In every other country in the world interested in the production or refining of sugar except Great Britain, measures were adopted for the protection of their industry from these attacks.

The foreigners have this advantage: while they can send sugar into our country we cannot under the surtax send any into theirs. The surtax of 2s. 6d. per cwt. not only enables the Continental refiner to exact a price in his home market which gives him the opportunity of securing a small kartell bounty, but it completely shuts out our refined sugar from his market, while he has free access to ours, thus providing him with a *clientèle* double the size of that available for the British refiner. A larger market means a larger output, and the reduction upon charges following upon increased output is an overwhelming advantage. I attach the greatest importance to this aspect of the question, and consider it not unlikely that Continental refiners may be able to undersell us by reason of this alone, and that without "dumping" in the usual sense of selling below cost.

I desire also to point out that, even with fair conditions now, the trade is in a very different position from what it would have been had it enjoyed these conditions throughout. During the last thirty years many refineries on the Continent were brought into existence, and while of entirely artificial origin, they are now, owing to their long enjoyment of bounties, endowed with great wealth, and possessed of the latest and most improved machinery. It is quite apparent, therefore, that for many years the trade in this country will have to struggle against an unnatural competition which should never have been created.

The foreign refiners have no better appliances than we have, but theirs are quite as good as ours. There is a prevailing opinion in this country that protected countries do not get as good machinery as ours and though it is true that the sugar refineries in this country have the most recent plant and machinery, they are not any better than the foreign. The foreign refiners have kept quite up to date.

Causes of
Decline

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Labour a
Wages

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Bounties and
Kartells

The Surtax

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Foreign
Advantages

Mr. Robert Kerr

113 Sugar Convention

As to the Convention the foreign refiners are not likely to succumb without a struggle. With the countries that are parties to the Convention we are on an equal footing but with the others we are not. I admit that the Convention abolishes bounties, but my contention is that Continental refiners still enjoy certain advantages which, in the event of a change of fiscal policy in this country, would amply warrant the sugar refining trade asking for a differential duty in their favour of say 1s. per cwt. The sugar from countries that have a bounty is now prohibited or should be. We receive increasing quantities at this moment of imported Spanish sugar, though under the Convention it ought to be prohibited, but the Government have not yet put on a prohibition. They could not do that until the Commission at Brussels had pronounced Spain to be a bounty country, and though the Commission has so pronounced it, the prohibition is not yet in force. So far as sugar is concerned the countries which are contracting parties to the Convention have no advantage; that is however only so upon sugar proper. Upon other subsidiary products such as molasses and syrup, they have considerable advantages. The bounties so far as syrups and sugar products generally are concerned have not been entirely done away with by the Convention.

[18th June, 1907.—It is reported that some of the Continental refiners are feeling severely the equal competition and that the shareholders are getting no dividend. This is what might have been expected as of course the loss of the bounty is a serious one. The withdrawal of this country from the Convention must adversely affect the sugar refining industry in the United Kingdom, and may probably lead to its extinction.]

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Duties

We do not complain of the duty as it stands here as between the raw material and the refined. We are on the same footing as others and refine under bond. Therefore we pay exactly the same duty as the foreigners. It may be proper to make it absolutely clear that the present scale of duties in Great Britain gives no advantage whatever to refiners. The meltings have decreased from 240,000 tons to 106,000 tons and the total amount consumed in this country has continued to increase every year by the aid of large importations, the greater part from Germany and Austria, a little from France but nothing from the United States, though the latter country recently sent a comparatively small quantity. 1s. per cwt. duty would be a distinct improvement.

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WITNESS No. 288

MR. CHARLES LYLE

(Chairman of Messrs. Abram Lyle and Sons, Ltd., of 21, Mincing Lane, Sugar Refiners).

Foreign Tariffs and Bounties

No trade has suffered so much in the past from foreign tariffs and bounties as the sugar trade. First, by indirect bounties through assessing duties on supposed instead of actual yields; then by bounties directly granted by Governments; lastly by high protective tariffs enabling trusts and kartells to be formed which extorted large profits from their own consumers and enabled the foreign manufacturer to dump his surplus here much under cost price.

In this way Germany, France and Austria gave direct and indirect bounties amounting to from £2 to £5 per ton, and Russia in some instances gave £7 per ton; and the kartell in Germany, where the surtax was £10 per ton, created a further bounty of £5 per ton on their exports. The effect of these bounties is shown in the following tables, which give the imports of raw and refined sugars in tons with the percentage of each from 1860 to the present time:—

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Imports of Raw and Refined Sugar

	Total imports of sugar.	Imports of raw sugar.	Imports of refined sugar.	Percentage of total.	
				Raw sugar.	Foreign refined sugar.
	Tons.	Tons.	Tons.	%	%
1860-4	2,397,000	2,304,000	93,000	96.1	3.9
1865-9	2,918,000	2,718,000	200,000	93.2	6.8
1870-4	3,855,000	3,351,000	504,000	86.9	13.1
1875-9	4,824,000	4,045,000	779,000	83.9	16.1
1880-4	5,580,000	4,780,000	800,000	85.7	14.3
1885-9	6,174,000	4,445,000	1,729,000	72.0	28.0
1890-4	6,589,000	3,925,000	2,664,000	59.6	40.4
1895-9	7,656,000	3,705,000	3,951,000	48.4	51.6
1900-2 (3 years)	4,936,000	1,991,000	2,945,000	40.3	59.7
1903	1,568,000	630,000	938,000	40.18	59.82
1904	1,619,000	737,000	882,000	45.5	54.4
1905	1,467,000	732,000	734,000	49.9	50.1
1906	1,667,000	762,000	905,000	45.7	54.3

[The figures of the foregoing table are not averages but relate to the whole of the period in each case. Thus in the whole of the five years 1860-4 a total of 2,397,000 tons of sugar was imported. It is assumed that the amount of the imports of raw sugar is the amount of the sugar refined in the U.K., as until 1904 no exact statistics are available. This assumption is near enough, but so far as it errs it overstates the amount of sugar refined here, as the quantity of raw sugar going direct into consumption and the amount of molasses produced and waste must be deducted. In the year 1904, where we have official figures, the quantity of sugar refined in this country was 34·8 per cent. of the whole consumption, while the raw sugar imports were 45·5 per cent. of the total importation.]

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It will be seen from these tables that whereas in 1860-4 over 96 per cent. of the sugar consumed in the United Kingdom was refined here, this percentage fell year by year steadily until in 1903 we only refined 40 per cent. of our consumption. The percentage is now less than half that of 1860-4. This decrease has not been caused by inferior methods, or by higher costs of refining in this country, as is proved by the fact of so many refineries being still in existence notwithstanding long-continued competition aided by high bounties. We have therefore lost the refining of what now amounts to nearly one million tons per annum. The loss which this represents to this country is not to be measured by the number of workpeople directly employed in the sugar refining industry alone. Few trades give so much indirect employment to other branches of trade—to engineers, colliers, jute spinners, animal charcoal makers, barge men, coopers, &c. The loss can be reckoned by considering that the cost of refining sugar is about £1 10s. per ton, almost all of which (indeed all if we except the cost of raw jute which comes from India and timber for packages) is spent in this country. We are therefore losing in round figures £1,500,000 per annum.

Loss to British
Industry

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The Sugar Convention came into force on 1st September, 1903. It aimed at abolishing all bounties and kartells, and has removed most of the disadvantages against which the British trade has struggled for so many years. It still, however, leaves many unfair advantages to our foreign competitors. For instance, it still permits a surtax to be levied although it limits it to 6 fr. per 100 kilos. or £2 10s. per ton. And all the parties to the Convention have availed themselves of this permission and have levied the full surtax. This, of course, renders hopeless any attempt at our exporting to these countries. Whether it will enable them still to form kartells remains to be seen.

The Convention

Then the Convention definitely excludes bye-products from its scope and particularly excepts the principal bye-product of sugar refining, viz., molasses. The effect of this exclusion is to leave all countries free to levy any duties they please on molasses, and they have accordingly levied in Germany 40 marks per 100 kilos. on imported molasses and nothing on the home made molasses, or a surtax of 20s. 4d. per cwt., and in France 10 fr. per 100 kilos. on imported molasses if for distillation, 20·75 fr. per 100 kilos. for other than distillation, and nothing on home made molasses, or a surtax of 4s. and 8s. 5d. per cwt., while in this country the foreigner enters on exactly the same terms as ourselves. The result of this is seen in the fact that the prices ruling on the Continent for molasses during 1904 were from 4s. to 4s. 6d. per cwt. while here only 1s. 9d. per cwt. could be obtained. When it is considered that some qualities of raw sugar yield 20 to 25 per cent. of molasses it will be seen that this is a very considerable advantage and that it still constitutes a bounty. The same remarks apply to golden syrup, which although made entirely from sugar, has been held by the Commission appointed under the Convention not to be sugar under the terms of the Convention. Syrup is therefore taxed in Germany 40 marks per 100 kilos., and nothing on home made syrup, or a surtax equal to 20s. 4d. per cwt., in France 42·90 fr. per 100 kilos. and 1·5 fr. on home made syrup, or a surtax equal to 16s. 8d. per cwt., and in Belgium 25·50 per 100 kilos. and 15 fr. on the sugar to be made into syrup, which is equal to a surtax 14·10 fr. per 100 kilos. or 5s. 8d. per cwt.

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In France too a system of paying the duty has been accepted by the Commission which does not conform to the terms of the Convention and which leaves the door open to fraud, and their method of granting a "détaxe de distance" also gives them a certain amount of bounty. We are therefore still handicapped even with the countries which are parties to the Convention.

Much more is the British trade at a disadvantage with those countries which are outside the Convention. The United States of America taxes imported refined sugar at 9s. 1d. per cwt. against a scale of duties on imported raw sugar that constitutes a protection to their refiners of at least 6d. per cwt., while their home-grown sugar pays no duty. Russia has a duty of £1 19s. 5d. per cwt. on refined sugar, and our own Colonies protect themselves. Canada adopts a scale which protects her refiners to the extent of 2s. 3d. per cwt., and South Africa to the extent of 3s. 11d. per cwt.

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The foregoing statistics for 1905 and 1906 show that the Convention has already had a favourable effect on British sugar refining, which has increased from 40 per cent. before the Convention to 49·9 per cent. in 1905 and 45·7 per cent. in 1906, and it is unfortunate that our Government should have jeopardised the Convention just at the time when our foreign competitors are beginning to feel the pinch of fair competition. The price of sugar, as anticipated in 1905, fell from 16s. to 7s. 10d. showing that the Convention had nothing to do with the rise at that time.

Effect of the
Convention

The cost of refining sugar is about £1 10s. per ton, though this is perhaps a low estimate. Of this amount 20 to 25 per cent. is for labour and another 15 per cent. must be set down to coals. Jute is also a large item in the cost of refining. Our local taxation is a very heavy item, we in West Ham paying 10s. in the £, and this on a very high assessment of machinery which is also rated. Our firm paid last year over £3,000 in local rates.

Elements of Cost

We also suffer from preferential railway rates granted to exporters in Austria-Hungary, amounting to from 4s. 10d. to 11s. 7d. per ton, and from through rates granted to foreigners by our own railway companies.

Export Freight
Rates in Austria

Mr. Charles Lyle

121 Supply and Prices of Sugar

I append a table of statistics which I have drawn up and which shows the amount of the sowings of beetroot in the whole of Europe from 1900 up to the present time. It also shows the total sugar produced from the same countries during the same period and the highest and lowest prices ruling throughout these years. I have taken 88 beetroot sugar as a convenient standard for comparison—all other sugars move in direct proportion to this.

	1900.	1901.	1902.	1903.	1904.	1905.	1906.
Sowings of beetroot in Europe, in hectares	1,784,200	1,933,500	1,714,900	1,638,900	1,601,300	1,873,000	1,801,000
Increase or decrease from previous year	—	+ 8.3%	- 11.3%	- 4.4%	- 2.0%	+ 16.9%	- 3.8%
Production of sugar in Europe, in tons	6,046,518	6,760,361	5,552,167	5,850,000	4,708,000	6,970,000	6,570,000
Increase or decrease from previous year	—	+ 11.8%	- 17.8%	+ 5.4%	- 19.5%	+ 48.0%	- 5.7%
Prices per cwt. highest and lowest during the year of 88 beetroot sugar f.o.b. Hamburg	9/- to 12/6	6/6 to 9/9	6/- to 8/6	7/8 to 8/10	7/8 to 14/6	8/- to 16/1	7/10 to 10/4

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The prices stated are without the duty which was imposed in April, 1901, and which on the class of sugar under comparison would be 3s. 6d. per cwt.

Causes of High Price in 1904

The rise of 1904 when 14s. 6d. per cwt. was reached was undoubtedly due to deficiency in the supply, which as the table shows was 1,142,000 tons in statistical Europe. This deficiency arose from two causes, viz., from a bad crop of beetroot owing to the extraordinary drought which prevailed on the Continent, and from decreased sowings. Thus the production of sugar amounted to 19.5 per cent. less than the previous year, while 2.0 per cent. less acreage was sown. Confectioners and other opponents of the Convention argued that the short sowings were the result of the Convention. A study of the table will show that there is more connection between the amount of sowings and the prices ruling in the previous year than with the Convention, which came into force in September, 1903. Indeed there is a direct relation, as one would expect, between the price obtained and the amount sown, and this view is confirmed by the fact that at the time when prices were at their highest, sugar of the 1905 crop could be bought at 3s. 6d. per cwt. less than the spot value.

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Another argument put forward was that, under the Convention, sugar imports to this country are prohibited from Russia and the Argentine Republic, and therefore these sources of supply are cut off from us. Personally I was never in favour of prohibiting the entry of bounty-fed sugar; a better method to my mind being to impose a countervailing duty equal to the bounty, as was done in the United States of America and in India. Although sugar from these countries may not come here, it is still being consumed elsewhere, thereby relieving sugar which we should not otherwise get and which is thus made available for this market. The fact is that our opponents are attributing all the statistical position and the consequent rise in price to the Convention, whereas there is no doubt that it is due to natural causes, first to the reaction from abnormally low prices and second to the comparative failure of the European crop. Indeed it can be fairly argued that our present position could not have arisen, or at least would have been greatly ameliorated, if the Convention had come into force many years ago, as in that case we should not have been so dependent on European supplies but would have had larger supplies from our Colonies and other cane-sugar producing countries to draw from. Instead of that we have allowed bounties to crush out, or at any rate much lessen, this great source of supply.

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Remedial Measures

In view of all this it seems to me that in order to recover the huge trade we have lost it is necessary to have some protection to the home sugar refining trade, and as a matter of equity if 2s. 6d. per cwt. was deemed by the framers of the Convention to be a fair surtax allowed to the foreigner it would only be fair to grant a like preference to British refiners. At the same time less would be sufficient to very quickly restore the trade to this country, say £1 per ton surtax on foreign refined sugar—that is to say the excise should be £1 less than the Customs rates. The effect of this surtax would not ultimately be to raise the price to the consumer. No doubt the first effect would be to raise values by something less than this £1 per ton which would not amount to one-tenth of a penny per lb., but very soon increased capital would be invested in the trade and the home refiners enabled to overtake the demand and to supply all that is now derived from the foreigner. When that point has been attained the price will have fallen to its natural level and the result of the whole policy will be that the consumer will pay no more for his sugar, £1,500,000 will be spent in the country which now goes out of it, and the home refiner will find his profit through working at three times his present capacity and thereby greatly lessening his expenses.

If there were an assured policy somewhat on the foregoing lines and if the British sugar industry ceased to be the sport of party politics we might reasonably look forward to two important developments. In the first place there is good ground for anticipating the extensive cultivation of sugar beet in agricultural

England, and British refiners would, I believe, be ready to put capital into the enterprise if, as I say, some continuity of State policy were assured.* In the second place there are great potential supplies of cane sugar in the West Indies and elsewhere which would be developed under the stimulus of a continuous and reasonable British fiscal policy. This would obviously involve large purchases of sugar machinery from British manufacturers and both directly and indirectly bring great benefit to British labour.

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WITNESS No. 289

MR. L. A. MARTIN

126

(Director of Henry Tate and Sons, Ltd., Sugar Refiners, London and Liverpool).

A very large sugar factory was closed at Silvertown some time ago as a result of the bounties, and now there are only two refineries in London, Mr. Lyle's and our own. There are five Scotch refiners now and that is very few compared with what there were 20 years ago. They are all rather small, but they still manage to keep their heads above water. In 1885 something like 84 per cent. of the total consumption in this country was turned out by the British refiners. That had fallen in 1904 to about 40 per cent., whereas the imports of refined sugar had gone up enormously. In Scotland the refiners have kept up rather better.

State of Trade

In 1883 the total imports of sugar amounted to 1,182,000 tons of all kinds, of which 1,018,000 tons, or 86 per cent., were raw, the refined being only 164,000 tons, or 14 per cent. From that time, although the imports had risen in 1903 to 1,561,000 tons, the imports of raw sugar were only 632,000 tons or 40 per cent. whilst those of refined amounted to 938,999 tons or 60 per cent. The imports of raw sugar into this country may be taken roughly as the amount passing through the refineries. In 1904, the year after the Convention came into operation, it will be noticed that the total imports were 1,614,000 tons of all kinds of sugar, of which the raw amounted to 733,000 tons or 45½ per cent. whilst refined fell to 880,000 tons or 54½ per cent.

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Taxes, local rates, higher rate of wages, &c., all tend to increase the cost of manufacture in England, and these with the advantages obtaining in Continental countries, make it extremely difficult for the British manufacturer to meet the competition in his own market.

Rates and Taxes

We are suffering from the preference given to the carriage of foreign sugars at through rates by English railway and shipping companies from the Continent to towns in England. What we thought a great hardship in this country, and what we have tried to stop more than once, is preferential rates on our English railways on foreign goods. We were successful in two cases in putting a stop to that. Then it became such an important matter that the railway companies would not go before the Board of Trade, and the course now is to go before the Railway Commissioners, which is very expensive, and as the law stands it is very doubtful whether the trader could be successful. Further than this there are other gains, such as preferential rates given on the carriage of sugars in Germany and Austria, which of course also amount to a small indirect bounty. In the sugar trade the profits are so meagre that these small benefits which the foreigner receives seriously handicap the home manufacturers.

Freights

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The number of people employed in sugar refining has not varied very much during the last few years. But during the last six months there has been a tendency for a larger number to be employed among the refiners. On the Clyde and in Liverpool they report that there have been rather more men on the average working during the last six months. One firm gave 425 on the average as against 406. Our own men at Silvertown number 1,018 as compared with 961; in Liverpool, 673 as compared with 615; so that they are on the increase, and that is the commencement of the benefits which we are receiving from the Convention.

Employment

Up to September, 1903, the sugar refiners had been suffering for many years from the operations of the fiscal policies of the Continental countries which gave very great advantages to their manufacturers by means of direct State bounties on the exports of sugar. The position of the German sugar industry in its relation to the bounties and kartells is explained in the following calculations :—

Bounties and Kartells

The crop in 1902 was 2,200,000 tons of raw sugar, of which 800,000 tons were exported. Of the

* See Report of Agricultural Committee of Tariff Commission, vol. 3, paras. 218, 360, etc.

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remaining 1,400,000 which was refined in Germany the home consumption was about 700,000 tons, and the exports also 700,000 tons.

Official raw bounty, 2,200,000 tons @ 1s. 3d. per cwt.	.. .. .	£2,750,000
Kartell bounty, 800,000 tons @ 3s. 7½d. per cwt.	.. .. .	2,920,000
Total to Raw Factories		£5,670,000
		s. d.
Cost of Raws	.. .. . per cwt.	7 6
Kartell bounty	.. .. . " "	3 7½
Refining expenses	.. .. . " "	2 9
Excise duties	.. .. . " "	10 0
		s. 23 10½
Price charged to consumer	.. .. .	28 0
Profits, say £4 per ton on 700,000 tons	.. .. .	£2,800,000
Add official difference of drawback on raw (1s. 3d.) and refined (1s. 9d.), say 4½d. per cwt. on 700,000 tons exported	£262,000

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The preceding calculations are intended to show the combined effects of the kartells and the official bounties on sugar in Germany in the year 1902. They show that the raw factories received in bounties in that year £5,670,000. The refiners' profits on sugar consumed in Germany are estimated to be £2,800,000 and the bounty arising from the difference in the drawbacks on raw and refined sugar operating on the 700,000 tons of refined sugar exported is estimated to have amounted to £262,000.

These direct bounties during the two or three years previous to 1903 had been supplemented by indirect bounties which were the result of the refiners in Germany and Austria combining together in each country and forming a kartell or trust. Owing to the high protective import duties in force in those countries the manufacturers were enabled to raise their price for home consumption to such an extent that they were able to distribute large profits to the members of the trusts and could thus sell their sugar for export at a price considerably below the cost of production. The direct bounties in Germany and Austria amounted to 1s. 3d. on raw sugar and 1s. 9d. on refined sugar, and the kartell bounties gave them at least another 2s. to 2s. 6d. per cwt.; in France the bounties were considerably higher.

Sugar Convention

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The Convention has undoubtedly helped the British refiner, although it has not entirely done away with the benefits which his foreign competitors receive. Under the Convention foreign countries were allowed to impose a surtax of 6f. per 100 kilos., equal to about 2s. 6d. per cwt. If the foreign refiner could raise his price to this extent for home consumption the surtax would be the means of giving him a distinctly favourable position. The recent rise in the price of sugar has nothing to do with the abolition of bounties. The view of the refiners is that the direct result of the Convention could not do more than raise the price to 9s. 6d. a cwt.; that is to say the Convention would be the means of raising sugar to the natural cost of production; and that natural cost of production may be said to be 9s. 6d. to 10s. at the outside. The countries closed are Russia, the Argentine Republic, Santo Domingo, and Denmark. In the opinion of the British refiners the Brussels Convention will be the means of restoring confidence to the West Indies, and also of increasing the output of cane sugar all over the world. This will make us less dependent on Continental beet sugar, which under the bounty system was securing to itself the monopoly. Violent fluctuations in price will be less frequent than formerly, because a more regular supply of sugar will be assured. It must be borne in mind that the full effect of the Brussels Convention has only been felt during the last six months (1st Feb., 1905) as large quantities of bounty-fed sugar were sent into this country previous to September, 1903, and it was not until the middle of 1904 that those stocks were exhausted.

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It is principally from the confectioners of this country that objections to the Brussels Sugar Convention have arisen. They have had a protected trade for very many years, and they do not like their protected market being taken away from them. The phrase "a protected market" is justifiable because they were getting the sugar below the cost of production. If not actually protected, it was an artificially cheapened market. The profit upon sweets at the present time is said to be very large, but there are no means of telling. Only lately a mineral water manufacturer admitted to me that the present cost of sugar did not hurt him very much. Those who are complaining so bitterly are the men who have competed very much among themselves lately and previous to last year they had two very bad seasons and a large accumulation of stock of mineral waters.

Refining in Bond

In France the system of refining in bond, as understood in England and most Continental countries, is not carried out. The object of refining in bond is to prevent any profit on duty being obtained by the refiner, and in order to successfully guard against this the duty should be charged on the refined sugar when it actually goes into consumption. In England and most Continental countries this is done, but in France the duty is levied on raw sugar and drawbacks are given on exportation. Also by the system which is called "détaxe de distance," the Paris refiners are able to pay their duties in cash and sell their certificates of export to refiners in the South of France, and thus are enabled to get a profit which amounts to 1f. per 100 kilos., or about 5d. per cwt. [June, 1907.—The French Government now propose to abolish "the détaxe de distance."]

The system in France was looked upon as a very elaborate one, and it was thought that France could not alter her system quite in time for the other countries and she was allowed to continue, but a distinct reservation was made that if the system should give a bounty it was to be brought up again before the

Convention. Unfortunately our Government will not move in the matter. They raised it once; they were beaten and they will not raise it again, so the system continues. No doubt the French, German and Austrian Governments have each some advantage under the present system, and therefore they are not anxious to put a stop to one another.

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There is one point that we think was a mistake on the part of the Government, and that was in putting in force prohibition. The Act does not allow an alternative in England. Foreign countries put in force countervailing duties but in England there is prohibition only. That is merely what the Government have decided at the present moment. But under the Act they could put on duties if they chose by Order in Council.

Prohibition in
England

Our firm has never asked for protection pure and simple. All we have asked for is fair-play and to be put on the same level as our foreign competitors. We claim that in any fiscal changes made in this country any profit which the foreigner receives through the fiscal legislation of his country should be met by an equivalent countervailing duty on imports into the United Kingdom. A pound a ton on refined sugar would be more than sufficient.

Countervailing
Duties

[June 17th, 1907.—Since the above evidence was given the British sugar refining industry has been passing through a very anxious time. Foreign competition has been exceedingly severe, for although the stocks of bounty-fed sugar were exhausted by the middle of the year 1905, the foreign refiner was, for a considerable period, able to fall back upon the enormous reserve of money which he had accumulated during the time the kartells existed, and it is only lately that he has felt what competition on equal terms with the British refiner means. The position has been aggravated by the great increase in the manufacture of white sugars abroad and consequent over-production, so that the prices of refined sugars, as compared with the raw material, are at the present time so low that no margin of profit is left.

Foreign
Competition

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The British refiner is not afraid of competition on equal terms and therefore was looking forward to brighter times, provided there would be no return on the Continent to bounties or kartells. Unfortunately, at the moment there is uncertainty of the future, for the Government having declined to continue a party to the Brussels Convention unless they are relieved of the penal clause, it remains to be seen whether a continuance of the Convention is possible under the altered conditions. It is to be sincerely hoped, for all concerned, that the Convention will continue, for if not, a return to the kartell systems in Austria and Germany will inevitably follow and probably high duties would be put in operation against the imports of jams and confectionery in all foreign countries. A reduction in the growth of cane sugar would also follow and eventually lead to higher prices and great fluctuations in value. It is interesting to notice that in 1906 (the first normal year since the abolition of bounties) the average price of 88 per cent. beetroot sugar, f.o.b. Hamburg, was under 9s. per cwt. Every forecast of those who were in favour of the Brussels Convention has been fully justified and it is exceedingly unfortunate that, just when our Colonies and home industries were on the eve of better times, the whole position should be jeopardised.]

The Continuation
of the Convention

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WITNESS No. 290

MR. JAMES BOYD.

(James Keiller and Son, Limited, 27, Mincing Lane, E.C., and Dundee; Manufacturers of Marmalade, Jam, &c. Wholesale and Export Confectioners.)

Our business is confectionery, jam and marmalade making, peel preserving, chocolate and cocoa manufacturing.

Our trade in the United Kingdom was progressive until the duty was placed upon sugar. Since then it has remained stationary. The duty has increased the cost to the extent of 4s. 2d. a cwt. We cannot produce the same article at the price now, and there is consequently less demand. This year especially we have had to charge a good deal higher, because sugar has nearly doubled in price since this time last year. Prices have not gone up to the full extent to the public. If we take our goods to-day as against this time last year, we have only put on about half the extra cost; we are bearing the other half. The retailer is obliged to put up the price about a halfpenny a pound to the consumer. The sale of our goods is not much affected by the retailer having a fixed price and not being allowed to sell at a less price than we fix. Before we fixed this uniform price a large London store paid us 4s. 3d. a dozen less 2½ per cent.—that is the wholesale price and they sold the same thing at 4s. 6d., carriage paid to Brighton. Our selling prices are so fixed as to give a return to the vendor of 17½ per cent. as nearly as possible, and that we consider he requires to give him what you may call a living profit. Our trade suffered also from the fact that we had a very large fruit crop last year and at that time sugar was cheap so that many people made jam for themselves.

State of Trade

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Our trade in foreign countries has been practically stationary for many years. Our exports to France have slightly increased in spite of the duty against us; but our exports of jam to Germany have gone back. The duty on marmalade and jam in Germany is considerable—more than the surtax of 2s. 6d.—and they are now manufacturing very largely goods similar to ours. Tariffs have affected us materially in foreign

Export

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countries, including the United States. Formerly we did a very large trade with Australia and confectionery is still exported there but in a limited quantity compared with former years. This is due to their protective tariff and to the manufacture of confectionery in great variety. Men have gone from our works to Australia to take part in the trade there. We do a good trade with New Zealand, and our trade with the South African Colonies has increased. Trade with Canada has increased; any trade that is done there in our class of goods is more with this country than with the United States.

Profits

Our percentage of gross profit on the total sales has remained practically stationary. Our sales having increased, and the total gross profits have increased accordingly, but our net profits show little fluctuation, the increased gross profits being mainly absorbed by local and imperial taxation. In 1903 and 1904 we paid exactly three times the amount in local and imperial taxation combined than we did in 1893. Our factory is of course a good deal larger and the rateable value has considerably increased, but the bulk of the extra burden is due to increased local rates.

Employment and Wages

Prior to the imposition of a duty on sugar the trade was a steadily increasing one, but since then it has been diminishing and although my company have practically paid the same amount in wages this cannot be held to apply to the whole trade as many firms have failed and others have suffered by diminished output. The rate of payment of workers has gradually increased in recent years, owing to the fact that manufacturing has become more specialised. Continuous employment has been found for workpeople on practically the same work, and this has enabled them to maintain a higher rate of payment. We no longer employ casual labour to any great extent. Almost the whole of the labour on our list might be classified as skilled. The quality of the labour has also improved owing to the prevailing better education. Our work is mostly piece-work.

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Technical Education

The system of technical and commercial training is improving. In our own business we have an experienced chemist, whose services we require almost daily.

Raw Materials

Sugar is our chief raw material. We get very little of British origin, except what we buy from the British refiner. Our supply has hitherto been obtained almost exclusively from the Continent—refined sugar made from beetroot. It has not been so much a question of price as of quality and standard. From a manufacturer's point of view it is essential to have a standard raw material so that the manufactured produce may be turned out without any irregularity of quality. West India sugar, which was our Imperial supply hitherto, has been found unsuitable for the bulk of our requirements, owing to its irregularity. It does not compare with cane sugar manufactured in Egypt, Java, and Mauritius for quality. It is prepared in an inferior way but if it were passed through a British refinery, it would probably be better for our purpose. With refined sugar it is immaterial whether it is made from cane or beet. The Demerara sugar has always been good, and Barbadoes has improved, but none of it is suitable for our requirements at present. The total consumption of sugar in Great Britain is something like 1,500,000 tons per annum, of which 400,000 are used by confectioners and jam makers.

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We get our oranges entirely from Spain, though sometimes, when the Spanish crop is bad, we have to go to Sicily or elsewhere. We get none from Egypt. Syrian oranges are not of a high class. We have had samples of oranges from the West Indies, but found them quite unsuitable. We use a particular kind—the Seville, or bitter orange. We get none from California. We prefer English fruit for our jams, but sometimes in a bad season we have had to get it from where we could. If the season is good the home supply is more than sufficient.

Some of our paper is imported. We use a good deal of special cheap cardboard for packing jam-pots which nearly all comes from the Continent. Some of our glass bottles are made here, but we import a large quantity from Belgium, because they are finer than the English. White-ware marmalade jars are made in Newcastle.

Sugar Convention

The West Indian Colonies will not derive much benefit from the Brussels Sugar Convention unless they entirely revise their methods and produce a sugar suitable for our requirements. Undoubtedly any rise in price must help the West Indian and all sugar producers alike. Since the Brussels Convention, France has reduced the surtax on marmalade, the principal article we export there. But France talks of re-imposing the tax because Germany and Belgium and other countries, have not seen their way to give such liberal terms.

Freight Rates

Rates of transport have not affected our business to any great extent, but railway rates, which are abnormally heavy, might be reduced and canal traffic greatly improved.

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Comparative Advantages

In Switzerland they have mills propelled by water power, which go night and day at little cost. Aided thus they manufacture and largely export milk chocolate. We make a small quantity, using steam power, but it has not the same demand as the imported article.

Commercial Travelling Elements of Cost

No system of commercial travelling is superior to our own. We have travellers or agents all over the world.

Our administration charges are not heavier than those of our competitors abroad but the burden of local taxation is enormous. In our business labour amounts to 10 per cent. on our net sales.

Duties

Free imports of confectionery and kindred goods are to some extent detrimental to our trade, but if you put a duty on confectionery, there would also be a duty on articles such as glass bottles, paper &c. that we import largely from the Continent and the cost of manufacture here would be materially increased.

Preference and Bounties

The only advantage we have derived from Colonial preference is in South Africa; with no preference we might have been subjected to severe competition from Continental countries. There is a small preference in New Zealand and Canada where it enables us to compete with the United States. I personally was never in favour of the bounties, but consider it would have been better to have given a preference to our own Colonies than prohibit the importation of a cheap supply of sugar from the Continent, as long as they were inclined to give it to us. Now that the Convention has been in operation for so many years, there is the danger that if this country withdraws the Continental Powers might be inclined to raise the tariff on goods such as we manufacture.

MR. GEORGE E. DAVIES

(Champions, Davies & Co., Bristol; Confectionery Manufacturers).

I have been in the confectionery trade for 35 years and can speak on all branches of sugar confectionery though I do not know anything about jams or preserves and very little about chocolate.

There are no figures available to show the exact extent of the sugar confectionery trade in the United Kingdom, but from my intimate knowledge of the trade I should say that it had constantly increased in volume to the end of the year 1902, since which date the amount manufactured and sold has diminished. State of Trade

Before 1899 the Board of Trade Returns for confectionery included pickles, vinegar, sauces, condiments, preserved fruits and confectionery. In 1900 a new classification was adopted. Pickles, vinegar, sauces and condiments were made one item and confectionery, jams and preserved fruits another. From 1900 these require to be added together in order to make a comparison between the figures for the years up to 1899. Taking the years from 1899 to 1903 inclusive the exports of confectionery have remained practically stationary though the consumption has been constantly increasing. The area covered by our exports has been widening but the amount exported has not increased, owing to the tariffs of foreign countries, which vary very much and in many cases are quite prohibitive. Exports

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IMPORT DUTIES ON SUGAR CONFECTIONERY.

Country.	Per Cwt.	Country.	Per Cwt.
Russia	£4 0 5	Spain	£6 1 1
Sweden and Norway	1 8 3	Italy	2 0 8
Denmark	0 16 6	Switzerland	0 16 3
Germany	1 10 0	Greece	4 16 0
Holland	1 1 2	Turkey	8 % ad val.
Belgium	0 12 2	United States	18/8 and 15-50 % ad val.
France	0 13 5		

The average import duty charged by foreign countries works out at about 37s. per cwt., which is about equivalent to the value of the goods.

In the Colonies and British Possessions, the duties are much lower. South Africa, Canada and Australia charge the largest amount and their duties come to about 18s. 8d. per cwt. Other possessions charge much lower duties, on an average about 8 per cent. In our Colonies, where the duty is less than half that of foreign countries, the export trade is constantly expanding, while it is contracting in foreign countries where tariffs are used to shut out our goods. As far as we can reckon, about two-thirds of our exports are to British Colonies and Possessions. Exports to Colonies

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The Board of Trade Returns, beginning with the year 1899, show that the imports of confectionery, including fruits and vegetables preserved by sugar, have increased every year up to 1903. Judging by the returns the proportion of imports is about nine-tenths from foreign countries and one-tenth from Colonies and British Possessions. There is no duty on this confectionery as such, but a proportionate duty is charged according to the amount of sugar it contains. The principal complaint in the confectionery trade is the dumping by America of increasing quantities of cheap goods known as "A.B. Gums." The system in America is to keep large factories running at full capacity, and when their home market will not absorb their whole production, to make this cheap class of goods and dump them in England at a price at which it would not pay English manufacturers to make them. Imports

The net profits of our trade have declined since 1903, owing to the increased cost of sugar, our raw material, and although many attempts at combination amongst manufacturers have been made, they have never been entirely successful in getting such enhanced prices for the finished product as would compensate for the increased cost of the raw material. When we have raised prices the consumption has decreased; and in addition the import of over £750,000 worth of foreign confectionery to a great extent meets a demand that otherwise we should have supplied. This applies to all branches in the sugar confectionery trade. Profits

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The quality of cane sugar from the West Indies, is so irregular that it is not so suitable for the manufacture of sweets as the regular, refined beet sugar, which we receive from the Continent. Raw Material

It is of the utmost importance that we should be able to arrange for a supply of sugar which need not be tested, and the German granulated sugar has come to be used almost universally in the trade because it can be depended upon as being of uniform quality throughout. Within the past few months, for the first time for many years, we have used British refined sugar in consequence of the re-opening of a Bristol refinery. This sugar is being made much in the same way as the German refined sugar and is being sold at about the same price. [The British refiners largely use beet which they get from] the [Continent] and not from British Possessions.

The effect of the Brussels Convention has been to slightly stimulate sugar refining in this country and it must have largely increased the prosperity of the West Indian Colonies as the higher price of sugar The Sugar Convention

Mr. Davies

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must have made possible much larger profits. This state of affairs may possibly not continue as the high price of sugar was brought about by the increased consumption the Continent, the reduced yield of beet owing to unfavourable weather, and the enormous speculation which raised the price about 4s. per cwt., even taking into account this shortage in the crop. The area of cane cultivation in the world is gradually increasing and the beet cultivation on the Continent is being further developed so that there is every probability that the cost of sugar will soon not be very much above the level of past years.

Employment

Employment in our works has been regular, but the number employed in the trade in our district has considerably decreased, several factories having been closed. The number of unemployed in Bristol at the present time in consequence of the closing of confectionery works is not very great. There are more manufacturing confectioners in London and the North of England than there are in the West and the operative confectioners have gone there. The labouring classes have drifted into all sorts of work in the neighbourhood

Wages

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Wages vary very much in different districts as there is no trade union amongst the working confectioners. All firms have specialities in which they train up their own workmen. Most operatives are apprenticed and the earnings depend very largely upon the individual ability of the particular man. Wages have distinctly risen in recent years, especially under the system of piecework. In former years a good operative confectioner earned about £2 a week, now our best men under piecework, earn on an average something like £3 a week.

Comparative Advantages

Foreign countries have no material advantages in respect of processes of manufacture, and there can be no doubt that the English confectionery industry is better organised, so that a larger amount of ordinary goods is produced by the assistance of cheap labour working with the finished workman, than is the case on the Continent. In the United States, however, they have better developed the combined systems of English and Continental manufacture than in any other place, that is to say, while they have a certain number of high-class workmen making high-class goods, bearing heavy wages per cwt., they also have a system of devolution and organisation which enables them to make a cheaper class of goods probably as cheaply as in any other part of the world.

Technical Education

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The training received by German and French confectioners is of a higher class than that generally given to British workmen although English houses have in recent years given additional attention to the training of the best class of labour. The ordinary training which could be given at technical schools would not be of material advantage to workmen in our trade. Lads who are apprenticed to us and serve their time, and get accustomed to our methods of work, are as a rule the best workmen for us.

Elements of Cost

In general terms, wages would come to about 18 per cent. of the turnover.

Duties

We would suggest an import duty of 5s. a cwt., in addition to the equivalent of the sugar duty, on all confectionery of foreign manufacture. An ad valorem duty would simply encourage the importation of the commonest class of stuff. A duty of 5s. a cwt. would not raise the price of confectionery in this country 1 per cent. The competition among the English manufacturers is quite sufficiently strong to insure that they would not get any extra profit on account of the foreign stuff being excluded.

Preference

A large proportion, about two-thirds of the whole export trade, has been done with the British Colonies and Possessions, and a preferential tariff can only have the effect of increasing our trade with them.

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July 29th, 1907.—Since giving the above evidence, the Government have announced their intention to withdraw from the penal clauses of the Sugar Convention. This, of course, will have the effect of leaving any countries desirous of re-imposing bounties, at liberty to do so, but I am of opinion that there will be no general re-imposition of bounties, as France and Germany, who are the largest exporters, have largely increased their home consumption since bounties were abolished, and this, by increasing their demand, has made the necessity for a large export trade less pressing, and it is unlikely that in the present circumstances, these countries would be willing to find the money that would be necessary for a general return to the bounty system.

A more important matter to the confectionery manufacturers, is the present import duty which so largely raises the cost of the raw material, and which they have found themselves unable to get returned to them by obtaining an adequate increase in price of manufactured goods.

WITNESS No. 292

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MR. STANLEY MACHIN

(Batger and Company, 103, Broad Street, Ratcliff, London, E.; Wholesale Confectioners and Lozenge Manufacturers).

We do business in all branches of confectionery, jams and marmalades, preserved peels, fancy confectionery, Christmas crackers, bonbons, &c.

The volume of trade in confectionery showed a slight increase in the year 1904. Peel increased just over 7 per cent. but jam decreased 20 per cent. Our fancy trade showed a steady advance. Our experience is that the trade has suffered considerably during the last few years, owing to the advance in sugar, shortness of money, increased rate of taxation, and the want of opportunity amongst the working classes to earn regular and sufficient wages. **State of Trades**

Owing to prohibitive duties, and to the growth of foreign manufactories, our export trade has dwindled, and, except in a few cases where we have specialities, has almost ceased to exist. It decreased gradually. Before the last revision of the tariff in Germany we did a small trade; now there and in Austria and in the United States (since the McKinley tariff came into force) our trade has practically ceased. In France we have slightly benefited lately. They have adjusted their duties in a fair way, limiting duties to the 6 franc surtax, so that the duty there is now lower than before the Convention. Our trade there is a speciality. We are interested in a company which gives us a monopoly in certain things. If France went back to the old duties again the trade would suffer greatly. Our trade to Holland has diminished. **Exports**

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With the Colonies our trade has varied. South Africa is still in a very unsatisfactory state, and the trade has almost ceased, but with Canada it has increased considerably since the preference has been in existence and is expanding rapidly. Our trade with India has developed satisfactorily; Australia shows a slight improvement, and with other British Possessions our trade is not great but is improving. **Exports to Colonies**

Switzerland has become a very serious competitor in this market not only in milk chocolates but in other chocolates as well. In the preserved peel trade Belgium and Italy are competing severely at prices which the English maker cannot touch. This may be attributable to the fact that Italy can get an unfair advantage in the sugar market. It is exempt from the limited 6 franc surtax because it does not export sugar. But peel ready for consumption is 75 per cent. to 80 per cent. sugar. The peel is orange, lemon, and citron, the latter, being grown largely in Italy. **Foreign Competition**

Until 1904 our net profits were fairly regular and showed a slight advance, but in 1904 there was a considerable decrease, attributable to the exceptional advance in the price of sugar and to exceptional competition in two of our most important branches, peel and jam. In fact, the three chief branches of our trade, confectionery, peel and jam, have all become less remunerative, confectionery owing to the abnormal state of the sugar market, peel from over-production and increased competition from Continental markets, and jam owing to over-production and the exceptionally large fruit crop, which has caused apples to be largely used in the place of preserves, and has also enabled private householders to make their own jams. Peel and jam, have also been considerably influenced by the high price of sugar. Competition is keen, but the effect of sugar on our trade is of most importance. In recent years our profits have only been obtained by means of a larger turnover; in other words the percentage of profit to the business done has been less. **Profits**

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In our own business the continuity of employment has been fairly regular and our numbers have slightly increased, but in the trade generally in our district employment appears to have been unusually scarce owing to the large number of failures. The result has been that we have had no difficulty in getting all the labour we require, though skilled workmen are difficult to obtain. **Employment**

The rate of earnings of our own workpeople has increased during recent years, and still shows an upward tendency. The tone of the workpeople in this district has also visibly improved and we have found it desirable to pay increased wages for better class labour. Our usual system is to give a regular wage and a bonus upon the amount turned out. **Wages**

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A great deal requires to be done in the way of technical and commercial training and higher education generally. Men of sound knowledge, reliability and thoroughness in the trade of the confectioner are few and far between. As a nation of manufacturers we are severely handicapped by this want. **Technical Education**

We are more dependent on the foreigner than ever. Bottles that we used to obtain in England are bought from abroad. Gums come from Turkey or from Egypt. Many of our best and cheapest labels come from Germany, and wood from Sweden. Butter and condensed milk, raw peels, oranges, lemons, citrons, &c., all come from abroad. The quantities of fresh fruits we receive from abroad increase every year, but foreign strawberries we cannot get in first-class condition, equal to our home-grown. We use English raspberries when we can get them. Currants, plums and greengages are better from abroad. Dutch plums are larger, of brighter colour and in better condition than those from Worcestershire and we pay about £2 a ton more for them. Our sugar comes chiefly from the Continent. We have not yet found any sugar from the West Indies that we have been able to use in quantities as manufacturers, as the West Indian makers do not seem to lay themselves out to cater for our trade. We now use more English refined sugar of the better class than we have done for a long time but we shall never be able to find English refined sugar of the standard quality to compete in price with the foreign, unless beet can be produced here equally as well and

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as cheaply as abroad. It would appear to be impossible for English sugar-refiners to work under equal conditions with the foreigner who has his raw materials close at hand. Importers will not continue to pay freight upon raw unrefined sugar, when sugar can be refined with every facility abroad, with freights paid only on the finished and pure article.

**Sugar
Convention**

The West Indies should undoubtedly benefit under the Sugar Convention, but hitherto they have shown little inclination to adapt themselves to the necessities of the case and, to supply the class of sugar principally used in this country. Previous to the Convention ours was the only trade protected against foreign competition. I differ entirely from the way in which the Convention has been managed. So far as price is concerned that may adjust itself; but we shall not get out of the difficulty of having driven the foreigners to be large manufacturers in our particular industry where they could not previously compete with us. The Convention has undoubtedly stimulated foreign competition, while it has helped to curtail the supplies which had hitherto been sent to this country and to keep up the price of sugar. While this has been detrimental to the trade as a whole, the withdrawal of the United Kingdom from the Convention may have serious results. I do not believe the chief sugar-producing countries will ever consent to go back to the bounty system, and if this country withdraws they will carry on a Convention among themselves. The danger lies in the fact that, if we draw bounty-fed sugar from Russia, the Argentine Republic, and other bounty-giving countries, we may run a serious risk of retaliation from France where the trade in English confections has become of vital importance. The chief injury done by the Convention cannot be undone—that of forcing the foreigners to open up their own factories and compete in markets which they were previously prevented from touching.

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**Foreign
Advantages**

Foreign countries have an advantage over us in their labour conditions. They are allowed to work longer hours and have fewer restrictive factory regulations. The Swiss manufacturers are also assisted by cheap water power and by the Government supply of electrical power.

Freight Rates

Our railway rates are extraordinary, to put it mildly, and a preference is given by our English railway companies to imported goods. Generally speaking, the undeveloped state of the canals of this country is a great drawback to trade.

**Commercial
Travellers
Elements of Cost**

In our own trade our commercial travellers can hold their own with any foreigners.

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At our chief factory, where we manufacture the heavy goods, namely jams, peels and confectionery, the principal proportions to the value of goods sold are as follows:—Raw material, 54·4; wages and salaries, 18·2; boxes, tins, labels, 9·5; freight and insurance, 3·7; besides which we have our rents, rates, taxes and general charges consisting of coals, coke, repairs, alterations, trade utensils, &c., all of which have to be added before any margin of profit is shown. At our fancy factory the following are the proportions:—Raw material, 39·5; wages and salaries, 34·6 (it is very light work and requires delicate handling) freight and insurance 2·8; with similar expenses for charges, gas, coal, &c. Up to a certain point we make absolutely no profit; in fact we work at a loss for many months in the year when we cannot turn out a sufficient quantity. But when we reach a point where our expenses are covered the profits increase enormously. Our dead charges are 11 per cent. and that 11 per cent. is knocked off our expenses at once after we have passed a certain point (say £50,000) and any business done beyond that figure is done at 11 per cent. less than up to £50,000.

Duties

The foreign tariffs appear to be so arranged as to completely safeguard the interests of the manufacturing industries of the particular countries concerned. By allowing free imports Great Britain gives an immense advantage to the foreign manufacturer, who practically has two markets to our one, namely his own, protected by prohibitive tariffs, and the free one of this country. A sufficient duty should be placed on manufactured goods imported into this country to protect the British manufacturer against the invasion of the foreigner with his surplus manufactures. The rates of duty must depend upon the trade concerned, but in most cases 5 per cent. and in all cases 10 per cent. should be a sufficient margin. The effect of these duties upon prices would be quite inappreciable, home competition and the extra turn-out of our factories would keep them at a fair level, and such duties would enable British manufacturers to develop their business without the fear of being swamped by the surplus supplies from protected nations.

Preference

A decreasing foreign trade would be far more than compensated for if the markets of the Colonies and British Possessions could be secured to the British manufacturer. Our experience of Colonial preference with Canada has been most satisfactory. Our returns have shown a regular and substantial increase ever since the system was introduced. We are scarcely affected by the altered conditions of the new Canadian tariff. Whilst the cost of jams is slightly increased the rates on candied peels rather favour the exporter so that one almost balances the other.

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SECTION IV—REPLIES TO FORMS OF INQUIRY

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(A) IMPORTS COMPETING WITH BRITISH PRODUCTS

QUESTION 3 (FORM 1.): *What are the principal articles that you manufacture for the home trade in respect to which you experience foreign competition?*

Imports Competing
with British
Products

AUSTRIA :—

Sugar of all kinds and qualities, Refined, White,
Beet, &c.

BELGIUM :—

Candied Peel.
Citron, Lemon and Preserved Peel.

Sugar of all kinds and qualities, Refined, White,
&c.

CONTINENT OF EUROPE :—

Crystallised Fruits.
Fruit Pulp.
Glacé Fruits.

Preserved Fruits.
Refined Sugar.

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FRANCE :—

Beet Sugar.
Fruit Pulp.
Jam.

Sugar of all kinds and qualities, Refined, White, &c.
Sweetmeats.

GERMANY :—

Chocolate Liqueurs.
Chocolates.
Christmas Crackers.
Fancy Boxes of Confectionery.

Fourrés.
Sugar of all kinds, Beet, Refined, White, &c.
Sweetmeats.

HOLLAND :—

Chocolate.
Cocoa.
Cocoa Powder.
Jam.

Marmalade.
Pulped Fruit.
Refined Sugar of all qualities.
White Sugar of all descriptions.

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ITALY :—

Candied Citron, Lemon and Orange Peel.

RUSSIA :—Confectionery.

Sugar of all kinds and qualities.

SPAIN :—Fruit Pulp.

SWITZERLAND :—

Chocolate.
Chocolate Liqueurs.
Chocolates.

Fourrés.
Milk Chocolates.
Sweetmeats.

UNITED STATES OF AMERICA :—

Caramels.
Confectionery.
Creams.
Fondants.
Glucose.
Golden Syrup.
Gum Pastiles.
Gums.

Marshmallows.
Mixtures.
Molasses.
Pastiles.
Sauces.
Sweetmeats.
Syrup.
Treacle.

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UNSPECIFIED COUNTRIES :—

Cake Ornaments.
Chocolate.
Chocolates.
Cocoa.
Condensed Milk.
Confectionery.
Crackers.
Fruit Pulp.
Golden Syrup.

Marmalade.
Milk Chocolates.
Molasses.
Peel.
Sugar of all grades, Beet, Castor, Granulated,
Ground, Refined Cane, &c.
Syrup.
Treacle.
White Sugar.

161 Sources of Supply
of Materials

(B) SOURCES OF SUPPLY OF MATERIALS

QUESTION 3 (FORM 8): Give particulars of the principal supplies of the materials, raw and partly manufactured, used in your industry in 1903, and state from what countries they are derived?

QUESTION 4 (FORM 8): State if any of the above-mentioned materials, now imported from foreign countries, were formerly obtained in the United Kingdom, and if so, what has caused the change?

Sugar

Manufacturing Confectioners.

We got our refined sugar from Russia (till stopped by the Sugar Convention) and now we get it from Germany, Austria, France, Holland and Belgium. Our raw sugar came from the Argentine Republic (till stopped by the Sugar Convention). Now it comes from Jamaica and the West Indies generally, and a small quantity from Muscovada. Practically all our supplies of both refined and raw sugars have been imported for the past 25 years at least.

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Sugar Refiners.

Raw cane sugar comes from Brazil, British West Indies, Santo Domingo, Central America, Cuba, Egypt, French West Indies, Java, and Peru; raw beet sugar from Austria-Hungary, Belgium, France, Germany, Holland; jute sacks from Dundee, and India; animal charcoal from Belgium, France, Germany, and Great Britain; casks, tins, coal, filter-cloth, machinery, &c. are almost entirely from Great Britain. We used to receive raw sugar from the Argentine Republic, India, Mauritius, the Philippines, and Russia. Imports from the first and last are now forbidden, owing to the fact that they give bounties. We have received no sugar from the other three during the last few years.

Sugar Refiners.

Raw sugar comes from Germany and Austria, Belgium, Denmark, Holland and France; steel and iron goods, machinery, coal, charcoal, bags, twine, building materials, bricks, cement, brass, copper, cardboard boxes, tins, caustic soda, leather-belted, laces, oils, electric light fittings, rubber goods, lime, grease, water gas, tools, stationery, timber, &c., from the United Kingdom; case-wood from Scandinavia; brass and gun metal from Germany; machinery, &c., from the United States and France; nails from Germany, charcoal from Holland and France, paper from Holland and sundries from Germany, Holland and the United States. Machinery and charcoal are brought from abroad on account of prices being lower.

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Sugar Merchants.

(27th June, 1907.) No appreciable advantage can accrue to any trade in this country by the recent action of the Government with reference to the Sugar Convention. The only additional sources of supply which will become available are Russia and the Argentine Republics. As a portion of the sugar we used to receive from Russia came to us through German ports we are unable to state the maximum amount, but it is improbable that it ever exceeded 50,000 tons, a mere bagatelle in comparison with our consumption which now, expressed in raw, exceeds 1,700,000 tons per annum. Russia cannot afford to sell at the rates current here as she gets better prices in her natural markets of Central Asia, Persia and the Levant. Moreover her own consumption is increasing so rapidly that in the seasons 1903-4 and 1904-5 it exceeded her production. During the present season (1906-7) she has had an exceptionally large crop but her total exports to 31st May are only returned as 89,000 tons, part of which has gone to Finland and therefore should be reckoned as home consumption. The supply from this source cannot therefore be considered as ever likely to be of any importance. The extravagant bounties at one time given in the Argentine Republic have been reduced and the country is now an importing, not an exporting one. Since the Brussels Convention was signed the annual production of cane sugar has increased over 700,000 tons, a factor which is of much greater benefit to our consumers than the opening of our markets to the small amount obtainable from Russia, or the Argentine Republic. The effect of this increase of cane has been to prevent that monopoly which the beet producer was gradually acquiring when bounties existed, the danger of which was seen in the great advance in prices which took place in the winter of 1904-5, when the beet crop partially failed.

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Condensed Milk Manufacturers.

Our refined sugar we get from Germany and our caseboards from Sweden and Canada. Our fresh milk, tin plates, tin, lead and case boards are English. Sugar could formerly be bought in England, but for many years all orders have gone to the Continent, although recently we have been able to buy English refined. But as yet English refiners will not sell forward as the Continental refiners do.

Confectionery,
etc.

Manufacturing Confectioners.

Our sugar comes from Germany, Austria, France and Russia and a very small proportion from the West Indies. We also use a fair quantity of English refined sugar. Glucose we obtain from America. Our fresh fruits are chiefly from Kent, but some are from France and Holland. Plums are from Germany, Australia and New Zealand. Apricots in tins come from Spain, Italy, France and California. The Australians are also

endeavouring to supply this article but up and by British sugar refiners from Oranges and lemons in cases come from Mess. Brussels Convention. Some in brine from Sicily, Corsica and Italy. Guarded by the Convention as France and Belgium. Almonds are derived the subject to all the evils of gum from the Sudan, paper from England and so long in their refined paper were formerly made in England but owing can be obtained from Germany at a much cheap is yearly obtaining a larger share of the fresh fruit now; General Mer rates. We regret that the supplying of glass require by combining of the foreigner. Scarcely 20 per cent. of our total remainder coming from abroad, chiefly from France and

Cocoa and Chocolate Manufacturers.

(24th June, 1904.) 75 per cent. of our sugar comes from France and 25 per cent. from the Colonies. Our cocoa is foreign and our liquid glucose comes from America. Our sugar was formerly refined in Britain but foreign bounties caused many refineries to be closed. (13th July, 1907.) Our glucose is now obtained from London makers. We do not think the withdrawal of the British Government from the Sugar Convention will affect the price of sugar unless of course foreign countries again give bounties, in which case the few British refiners now at work would have to put up with losses or close their refineries.

Chocolate Manufacturers.

Our sugar comes from Germany and France; glucose from England and America; cocoa from the West Indies, Africa and Ceylon; cocoa-nut from Ceylon; cocos butter, raw material, from Ceylon and China, and manufactured from the cocoa-nut at home; Barcelona nuts from Spain; walnuts from France and Spain.

Chocolate Makers and Confectioners.

We get our sugar from Germany, Austria, Holland, France, &c., and our cocoa from Trinidad and Ceylon. Formerly we used to buy home-refined sugar for about 50 per cent. of our wants.

Cocoa and Chocolate Manufacturers.

Our sugar comes from Germany, our cocoa from Trinidad, Ceylon and Africa. Cocoa butter and cocoa butter substitutes are bought in this country. Foreign competition and bounties have made it impossible to refine sugar in this country.

Jam, &c., Manufacturer.

I buy the greater part of my glass jars and bottles from Germany, France and Belgium, on account of the same being cheaper and better glass.

(c) FOREIGN COMPETITION AT HOME

QUESTIONS 4 AND 5 (FORM 1): Are any articles similar to those manufactured by you imported into this country below your cost price? If so, please state particulars as far as you can. Have you any information leading you to conclude that such imported articles are placed upon the British market at or below the normal cost of production in the country of origin? If so, please state particulars as far as you can?

QUESTION 14 (FORM 2): Is it within your experience that foreign traders are injuring your trade by disposing of their goods in any of your markets at a less price than they obtain for similar goods in their home markets? If so, please give particulars as far as you can.

BRISTOL SUGAR REFINING CO., LTD., BRISTOL; Sugar Refiners.

During the existence of the bounty system refined sugar was imported far below our cost price from France, Germany, Belgium, Holland and Austria. This was done not only by means of the bounties, but also by the action of the heavy customs duties on the Continent, which enabled the foreigner to sell at a loss in this country, recouping himself by the higher prices obtained at home. This disadvantage to the British refiner is not yet entirely removed as there is still a protective duty under the Brussels Convention to the amount of £2 10s. a ton.

THE CARTSBURN SUGAR REFINING CO. LTD., 4, CRESCENT STREET, GREENOCK; Sugar Refiners.

Some forms of refined sugar are imported into this country below our cost price but lately only to a small extent. As far as we can see the operations of the Convention are expanding the margin between raw and refined sugar.

(2nd July, 1907.) We have closed our works and do not intend re-opening them. As far as we are concerned we did not find the Convention do us any good; no doubt our Colonies have benefited.

CROSFIELDS, LTD., 323, VAUXHALL ROAD, LIVERPOOL; Sugar Refiners.

(24th March, 1904.) All our products are subject to competition from imports into this country at less than the cost of production. This has been effected by European Government bounties, which have now been abolished to some extent by the Brussels Convention. A surtax of 6 francs per 100 kilos., equal to £2 10s. per ton, has been retained by the Continental parties to the Convention, a privilege which was refused to Great Britain and the Colonies. This surtax is in effect a bounty, enabling our Continental competitors to put their sugar on the British market below cost. In addition to this, the United States send us large quantities of syrup which has benefited by the incidence of their duties.

(25th June, 1907.) The denunciation of the Brussels Convention by H.M. Government will enable the other parties to the Convention to increase the surtax above the six francs agreed upon, and this

Foreign Competition at Home

Sugar

(B) SOURCES OF SUPPLY OF SUGAR
 increase will facilitate the formation of a cartel. Profits will also be increased, for the price, and the surplus will be distributed among the home consumer will be increased. Particulars of the principal supplies decreased in proportion to the increase of price, and state from what countries. Britain.

J. W. DE SILVA & Co., 7, RUMFORD STREET, LONDON, E.C.; Sugar and Sulphate of Copper Merchants.

(21st March, 1904.) Foreign sugar being sold to this country below the equivalent price (allowing for the home consumption) of the same consumers in Germany and Austria. The fact that the Brussels Convention is only in force checks the starting of new refineries. Should the Convention five years hence be renewed, the industry might gradually to revive.

(26th June, 1907.) The abolition of the Convention has deprived the Continental refiner of the direct extra bounty, over that of raw sugar, which he was enabled to obtain owing to the considerable excess of the import duty over that of the home consumption tax. The surtax of 6 francs per 100 kilos. still gives him a small indirect bounty but he does not secure the full amount of this as, excepting in Austria, the attempt to form a kartell of refiners has not succeeded. As the home consumption on the Continent has considerably increased, owing to the reduction of duties, the competition with our refiners is a little less severe, and the latter gradually secured a larger proportion of the home trade which however they are likely to lose again if the recent action of the Government leads to a break-up of the Brussels Convention. Under the influence of bounties the proportion of the United Kingdom consumption supplied by British refiners had fallen in 1902 to 38·07 per cent. The effect of the Convention was to raise the percentage last year to 43·13.

DUNLOP BROS. & Co., 49, FENCHURCH STREET, LONDON, E.C.; General Merchants.

At the present moment sugar is being sold at less than it costs to manufacture.

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

(17th September, 1904.) All qualities of refined sugar are imported from France, Germany, Austria, Belgium and Holland, and syrup and molasses from the United States, under the prices we can afford to sell at. Our foreign competitors are assisted by a protective surtax of 6 francs per 100 kilogrammes in the country of exportation, by kartells, by subsidised steamers and freights, and by reduced through railway rates in Great Britain, such as are afforded by British railway companies to no British manufacturers.

(10th July, 1907.) The withdrawal of England from the Brussels Convention would be directly disastrous to our sugar-growing Colonies, and the prospect has already checked progress and the ordering of new machinery from our engineers. The effect on British refining would be less direct but the re-establishment of kartells and bounties would mean the annihilation of the industry in the British Islands and the Colonies.

WM. GAMAN & SON, 90, THE ALBANY, OLD HALL STREET, LIVERPOOL; Sugar Syrup Merchant.

American syrup is sold at a lower price here and on the Continent than the article can be bought at in the States.

GLEBE SUGAR REFINING Co., GREY PLACE, GREENOCK; Sugar Refiners and Syrup Manufacturers.

(24th August, 1904.) All sugars imported have received a State bounty, and are presumably under cost price.

(28th June, 1907.) We are strongly of opinion that, in the event of this country withdrawing from the Brussels Convention, sugar bounties will immediately be re-instituted. This would mean the renewal of the unfair opposition to home refiners, and would undoubtedly lead to the ultimate destruction of a large home industry.

J. J. LANGLEY, BANK CHAMBERS, COOK STREET, LIVERPOOL; Ship Insurance Broker, &c.

(1st July, 1907.) It is not unreasonable to assume that one probable effect of our possible withdrawal from the Convention would be that Continental sugar would probably be placed on the British market cheaper than at present to the still further detriment of what remains of our sugar manufacturing industry. Our Colonial-grown sugar would probably compete with less success.

A. M. LEE & Co., 9, FENCHURCH AVENUE, LONDON, E.C.; Sugar Merchants.

In so far as raw beet competes with raw cane sugars, and in so far as the Brussels Convention left beet growers the benefit of a small premium on production, enabling them to compete in the British markets on favourable terms, some injury is done to the raw cane sugar growers and exporters of the British West Indies.

A. LYLE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C.; Sugar Refiners.

(23rd July, 1904.) Continuously increasing quantities of refined sugar have been imported into this country in the last 40 years. Foreign sugars have been favoured by bounties given by the Governments of the Continental beet-sugar producing countries. Kartells have been formed in these countries (notably in Germany and Austria) which have further artificially stimulated the import to this country, and from time to time huge quantities of such Government and kartell fostered refined sugars have been dumped in this country greatly to the injury and even in a great measure to the extinction of the sugar refining industry of Great Britain. The percentage of imports of foreign refined sugar as compared to the consumption in the United Kingdom for the last 40 years is:—1860, 2 per cent.; 1870, 11 per cent.; 1880, 15 per cent.; 1890, 33 per cent.; 1900, 58 per cent. The Brussels Convention has been established to abolish sugar bounties.

It is recognised in the sugar trade that the margin between raw (88 per cent. beet) and refined (first marks granulated) sugar at which Continental refiners can work without loss, is 2s. per cwt., whereas the margin in the last ten years has seldom been over 1s. 6d., has often been 1s. 3d., and occasionally has even dropped to 1s.

We greatly fear that the injury suffered by British sugar refiners from the action of hostile tariffs has not been ended by the establishment of the Brussels Convention. Some articles of importance to sugar refiners, for instance golden syrup, may be regarded by the Convention as not coming within its scope, and British refiners may find their trade in this article subject to all the evils of dumping, competition of bounty-fed products, &c., from which they have suffered so long in their refined sugar departments. (27th June, 1907.) This fear has since been realised.

D. MACCALMAN & Co., 150, HOPE STREET, GLASGOW; General Merchants.

The Continental kartells have hitherto injured us by combining to keep up their own home prices and dumping their surplus on the British markets.

MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

In 1884 the total amount of foreign-refined sugar imported into the United Kingdom was 213,334 tons. Owing to Continental bounties, over-production and "dumping," this amount rose to 928,679 tons in 1903, thus in 19 years replacing British enterprise and labour to the extent of 715,345 tons, the amount in 1906 was 905,392 tons. The following table shows the effect which the same causes produced on Colonial imports into this country :—

Years.	Percentage of imports (excluding molasses).		
	British Colonies.	Foreign Colonies.	European Beet (including refined).
1852-61	63.0	30.0	6.0
1884	21.0	26.0	47.0
1894	11.6	11.6	76.8
1902	5.7	5.6	88.7
1906	5.9	6.6	87.5

A small percentage of the imports including 4 per cent. from America in 1884 is unenumerated.

So-called "first marks" sugar for import into Great Britain was in 1904 bought at about 9s. 10d. f.o.b. Hamburg. The cost of production is 9s. for the raw sugar (taking the roots at their minimum value), plus about 2s. 6d. for the cost of refining—total, 11s. 6d. per cwt. Hence German refined sugar was sold in this country at a price 1s. 8d. per cwt. below the cost of production.

Countries adhering to the Brussels Sugar Convention have been allowed to give native refined sugar a protection of 6 francs per 100 kilos. (nearly 2s. 6d. per cwt.) in their home markets. In consequence, the surplus that they cannot consume, caused by the recent enormous over-production, has been sent to Great Britain and sold at a price below the cost of producing similar sugar in this country. The sugar refiners of the United States have so profitable a protection in their home market that they can "dump" their by-product syrup into Great Britain. British refiners have to meet this competition by parting with their syrup at unremunerative prices.

Great help was given to sugar refiners by the Government in the abolition on September 1st, 1903, of Continental bounties. These bounties have in fact ceased; but, in the long period during which they flourished, Continental production was artificially stimulated, and enormous stocks allowed to accumulate abroad. Thus even in 1907 we still suffer from the ill-effects, and are likely to do so for the considerable time, during which Continental production is allowed to regain very gradually its normal dimensions, or Continental consumption is fostered, until it equals the production. If we could devise a way to prevent dumping this period, which has been and will be a very trying one for British refiners, would be greatly shortened, and the return of prosperity to the trade equally accelerated.

G. K. PAPHILLON, KING'S CLIFFE, WANSFORD, NORTHANTS; Brewer.

My beers and stouts being brewed from English materials only the cost of production is considerably more than that of beers brewed from foreign sugar and other materials all of which are put on our markets at a cheaper rate than they can be produced here.

J. B. SHERRIFF & Co., LTD., 213, WEST GEORGE STREET, GLASGOW; Whisky, Rum and Sugar Merchants.

Beet sugar from Austria, Germany and France is placed upon our market below cost price. We find the beet sugar almost as low as the lowest it ever touched before the bounties were abolished. We understand the German Government have reduced the railway carriage on beet sugar to the various ports. We cannot get as good a price for our raw sugar here as in Canada.

J. SMITH & Co., LTD., STOCKPORT; Sugar, Butter, Provision and General Grocery Merchants.

(24th November, 1905.) Since the Convention we have bought much more English sugars and less foreign, because the former have been relatively cheaper than before. The Convention has undoubtedly increased the supply of cane, the new crop of which is estimated to reach 1,167,000 tons more than two years ago.

(4th July, 1907.) The effect of our possible withdrawal from the Convention would depend on whether bounties were resumed or not. If again granted the bounties would have the effect of lessening the production of cane through the unfair competition of beet.

G. DENNIS SWIFFEN, 26-28, QUADRANT CHAMBERS, BIRMINGHAM; Sugar and Glucose Importer.

(21st March, 1904.) Glucose is dumped here and sold at a lower figure than in America.

(13th July, 1907.) Two refineries in London have commenced to make glucose and appear to be able to compete with America.

H. TATE & SONS, LTD., 21, MINCING LANE, LONDON, E.C., AND EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

Germany, Austria, Belgium, Holland and France send here all descriptions of white sugar, including cubes, granulated, castor and crystal, at below our cost price. There are several reasons why this occurs. Foreign countries have a protective duty, under the Brussels Convention, in the form of a surtax on all sugar imported, amounting to six francs per 100 kilos., equal to about 2s. 6d. per cwt. This surtax enables the manufacturers in these countries to raise their prices for home consumption, and to sell their goods for export below their normal price. Further, there are very low special rates put into force in Germany and Austria for sugar in transit for export carried by the State railways, and our own shipping companies and railway companies give special preferential through rates from abroad to towns in the United Kingdom. Foreign competition should be less severe when we feel the full effect of the Brussels Convention, which abolished bounties. Owing, however, to the enormous stocks of bounty-fed sugars produced previous to the abolition of the bounties the effect of the abolition is not yet apparent.

J. WALKER & Co., GREENOCK; Sugar Refiners and Golden Syrup Manufacturers.

(22nd July, 1904.) The syrup trade is severely injured by the United States, which has flooded this country and the North of Europe with syrup sold at prices which would involve the sellers in loss, were it not for their high protective tariff which enables them to dump this article into other countries. With regard to sugar, we hope that in time the effect of the Brussels Convention may enable us to recapture the home market, lost through sugar bounties.

(28th June, 1907.) The effect of the Convention has undoubtedly been to increase the world's supplies of raw sugar, notably those from cane-producing areas. In the year ending September, 1906, the world's production reached a record of 11,834,000 tons, against 9,302,000 tons in 1905. Moreover, the belief that there would be continuity of the more equitable terms which have obtained during the past four years, has imparted fresh energy and has induced the British sugar refiner, and in greater degree the West Indian planter, to expend capital which otherwise they considered they were not justified in doing.

We are of opinion that the effect of the Government's proposed action in denouncing the Brussels Convention would be the renewal of Continental sugar bounties, in which event:—(A) Increased quantities of beet sugar, raw and refined, would be exported from Europe; the large subsidy on refined sugar would again enable the foreign sugar refiner to sell in the United Kingdom at a profit, and at such modified prices as would be sufficient to inflict a loss on the British sugar refiner. (B) The world's supplies of raw sugar would ultimately be depleted in respect that cultivation of cane sugar would be again rendered *hors de combat* as a result of unfair competition with foreign States. Areas of cultivation being thus restricted the price of the article to the consumer would be increased, and in the event of a failure of the beetroot crop, put up to a famine price, as has happened before.

THE WESTBURN SUGAR REFINERIES, LTD., GREENOCK.

(1st July, 1907.) Prior to the coming into operation of the Sugar Convention refined sugar was placed on this market greatly below cost of production. The 6 francs surtax allowed by the Convention still affords possible facilities to the Continent for the export of refined sugar under cost of production, but while Continental producers no doubt are favoured to some extent by their position in this respect, the original attempt which was recently made to utilise the surtax for an official kartell has for the time being broken down. Refiners in this country are, however, still suffering from the unnatural competition of refineries called into existence on the Continent during the bounty period, and we believe in many cases refined sugars are consequently still being sold here under cost. Four years has been too short a period to altogether restore the trade to a natural basis, after almost 50 years of artificial trading.

In our opinion one of the serious effects of a withdrawal by Great Britain from the Convention will be the lessening of supplies of cane sugar, which it is possible, taking a series of years, may even result in a higher average price being paid by consumers in Great Britain. Cane estates once abandoned are not likely to be brought into cultivation again and it is hardly to be expected that planters will equip themselves with the latest machinery, if their business is once more placed at the mercy of any bounty-giving country.

FIRM No. 2,339. Refiners of High-class Sugars, Crystals and Granulated, Syrup and Treacle.

All kinds of sugars are imported below our cost price from Germany, Austria and Hungary, France, Belgium, Russia, &c., and syrup and treacle from America. Owing to the very heavy stocks of bounty-fed refined sugar still in the United Kingdom, and also at foreign ports entered for exportation, we are unable as yet to give an opinion as to the practical results of the Brussels Convention. But in any case there will still remain the surtax, preferential railway and steamship through-rates from foreign ports to towns in the United Kingdom, and also preferential import dues, all of which enable the goods to be placed on this market at a price under cost.

FIRM No. 2,375. Sugar and Almond Millers.

We do not think that imported articles are placed on the British market at or below the cost of production in the country of origin. If so, it is only in very exceptional cases.

FIRM No. 2,760. Sugar Refiners.

(2nd July, 1907.) Our manufactures consist of sugar and syrup, but the foreign competition in recent years had been so excessive that sugar refining was, until the adoption of the Convention, on the verge of extinction. Sugar in a refined state had been imported in such quantities that whereas 20 years ago refiners in the United Kingdom supplied 82 per cent. of the total home consumption, at the present date, although the increase in consumption has gone up 58 per cent., the output of refiners has receded fully 40 per cent. This was due to the fact that foreign countries were enabled by bounties and kartells to sell their sugars in the British home markets at prices considerably under price of production.

Since September, 1903, we have been working under the regulations set forth in the Sugar Convention Bill. Were Britain to withdraw from the Convention the advantages which the foreigners previously possessed would be intensified, and the effect on our trade would be disastrous. If foreign countries were allowed to raise their surtax, which at present is £2 10s. per ton higher than the excise, or inland tax, kartells and bounties would doubtless again be re-established. By means of these kartells and bounties foreign refiners can sell at a price under our margin of working costs, and eventually we would be driven out of competition, with consequent loss of labour and employment of capital in this country. Great Britain would then become altogether dependent on Continental countries for supplies, and under such conditions there is nothing to hinder the foreign refiner raising the price of sugar without check. Besides, the foreign refiner escapes all local and other taxes which the home refiner has to pay. In conclusion it may be pointed out that the effect of the Convention has been to stimulate the demand for sugar-making and refining machinery for home and abroad, and a great expansion in these trades has developed. This expansion would, in all probability, cease were the Convention to be cancelled.

FIRM No. 2,954. Sugar Refiners and Manufacturers of Golden Syrup and Invert Sugar.

Since the abolition of European bounties, which has had the effect of largely increased supplies of cane sugar being offered in this market, we have nothing to complain of in the way of foreign competition.

FIRM No. 4,547. Sugar Refiners and Glucose Manufacturers.

We experience foreign competition in glucose, which is used largely by confectioners, jam manufacturers and brewers, and in golden syrup. There is a very large consumption of glucose in America. The duty on English glucose exported to America is 9s. per cwt. The duty on American glucose coming to England is 2s. 9d. per cwt. The American manufacturers are thus protected in their home trade to the extent of 6s. 3d. per cwt., and, having this protection, are enabled to keep their factories working night and day, knowing that they may at any time "dump" their surplus in this country regardless of cost. The effect is that they obtain from their own consumers very high prices, probably two or three pounds per ton more than they take in England, and although we can and do make glucose as cheaply as the Americans, yet they do sell in England at prices actually below our cost. We should charge the foreign manufacturer the same duty that he charges us.

FIRM No. 4769. Glucose, Invert Sugars, Flaked Rice and Caramel Manufacturers.

We have reason to believe that glucose is frequently imported here from the United States below the cost of production in the United States, and we have suffered greatly from the unrestricted import.

The glucose industry in the United States is very large, but we are unable to state its extent as no statistics are available. The market quotations in the United States are frequently higher than the figures at which they sell in the United Kingdom.

FIRM No. 6,194. Brewing Sugar Makers.

Glucose imported from the United States is sold here below cost of production. We are in a position to know that the dumping of American glucose in England during 1903 resulted in a very heavy loss, although prices to the London agents were based on strict cost.

FIRM No. 6,372. Sugar Refiners.

Free trade in this country and foreign bounty-fed competition prevent the possibility of anyone investing money in the production of beet sugar in the United Kingdom, although the climate and soil are quite as suitable as that of any Continental country.

FIRM No. 10,065. General Merchants.

Sugar is refined and milled nowadays cheaper on the Continent.

FIRM No. 10,389. Sugar Merchant.

Continental sugar is not now sold here under cost price. The Brussels Convention is just beginning to take effect and putting our home refineries on an equality with the Continental refineries.

FIRM No. 10,436. Sugar Merchant.

Before the home market was glutted by the bounty-fed sugar from the Continent, practically 100 per cent. of the produce of our sugar plantations in the Colonies came to this country. The abolition of the bounties has not yet had sufficient time to remedy the present state of affairs as regards sugar, but we hope shortly to see all our produce coming here again. Beet sugar has been, and is now, selling here below the

cost of production through the action of export bounties, and the kartells made it possible, on account of the heavy import duties levied on the Continent, for the German and Austrian manufacturers of beet to fix the prices in their own countries at a very high level, much above export prices.

FIRM No. 10,491. Sugar and Green Fruit Merchant.

(24th March, 1904.) The British refineries have gradually been obliged to close. Bristol, to our knowledge, had five refineries working at one time, the principal one being, at that time we believe, the largest in the world. Now we have none. The last refinery stopped work a few years ago, but there is a rumour of it restarting shortly. We have gradually but surely been selling less British sugar every year, until to-day we principally sell German granulated, French and Austrian crystals and Dutch lump. Of course the explanation is the bounties and kartells. The Jamaica shippers we should think are getting a smaller margin of profit than before the bounties were abolished.

(1st July, 1907.) The sugar refinery mentioned above, was started and continued working nearly two years, but closed down 18 months ago. We are selling even less sugar of British manufacture than we were when the above remarks were written.

FIRM No. 1,957. Condensed Milk Manufacturers.

Condensed milk is not placed on this market under cost, but it is of very inferior make and quality. It is condensed skimmed milk while ours is full cream; consequently it is sold much cheaper than our full cream English milk. The Admiralty, War Office and India Office purchase foreign condensed milk. These purchases could be made from the home manufacturers without any loss to the service and we think that in such tenders "British manufacture" should be specified.

FIRM No. 10,487. General Merchant.

(23rd March, 1904.) The English market for sugar from the Argentine Republic is lost to us through the operation of the regulations of the Brussels Convention.

(18th July, 1907.) Under the terms of the notice recently given by the British Government we suppose the disability is likely to be removed, but latterly the production of sugar in the Argentine Republic has not been sufficient to meet the requirements of the country, owing to the increase in consumption.

Confectionery

AITON AND McCONNOCHIE, DUNNIKIER PRESERVE AND CONFECTIONERY WORKS, KIRKCALDY; Preserve and Confectionery Manufacturers.

Cheap fondants and pastilles are imported into this country from the United States at a price we consider under cost.

BATGER AND Co., BROAD STREET, RATCLIFF, LONDON, E.; Manufacturing Confectioners.

(22nd July, 1904.) We have experienced very slight competition from abroad. Owing to the existence of foreign bounties on sugar our trades have practically enjoyed indirect protection. As a result we have become the jam makers and confectioners for every open port in the civilised world. The abolition of bounties having cheapened sugar abroad should enable the foreigner in the near future to compete with us, not only in our home markets but abroad, with the great advantages of cheaper labour, less drastic restrictions, and preferential freights. We are informed that large confectionery and preserve works are now being organised abroad especially in Germany. The only article in which we have experienced foreign competition is preserved peels. Candied orange peel, lemon peel and citron peel from Belgium have been sold on our market in increasing quantities during recent years below our cost price. Our inquiries tend to show that there is a system of drawbacks allowed by the Belgian Government which works out very greatly to the advantage of the manufacturer. Peel preserved with glucose, which pays no duty in Belgium, has been shipped as being prepared with invert sugar for which the full drawback is allowed by the Belgian Government. Attention having been drawn to this we believe the regulations have recently been altered. Belgian customs now assess the drawback on peel taken to contain an average of 80 per cent. of sugar. As samples of this foreign peel on analysis have been shown to contain only 63 per cent. of cane sugar the gain to the manufacturer would account for the low price at which these goods are offered on the English market.

(15th July, 1907.) While at present foreign competition in our home market has not developed in general confectionery, the competition from foreign chocolate manufacturers has greatly increased during the last three or four years, as has also the competition in preserved peels, which is now quite a serious factor.

FIRM No. 4,956. Chocolate, Confectionery and Cracker Manufacturers.

The present duty of 2d. per lb. imposed upon imported chocolate, was levied when the duty of 1d. per lb. on raw cocoa was the only duty on the raw materials used in the manufacture of chocolate, but though in recent years a duty of 1d. per lb. has been imposed on imported cocoa butter and ½d. per lb. on sugar, no corresponding increase has been made in the duty on chocolate coming into this country. As an example of other advantages which our foreign competitors have over us, we may mention that Switzerland, which in 1902 sent to England £350,000 worth of milk chocolate (see Consular Report No. 3,111) has the enormous advantage of water power which advantage is being rapidly and materially increased by its transference to electrical power. To show that she made full use of these benefits she sent to England in 1902, £350,000 worth of chocolate, in 1903, £430,000 worth, in 1904, £450,000, and in 1905, £465,000 worth.

CLARKE, NICKOLLS AND COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E.; Manufacturing Confectioners.

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The foreign goods imported have hitherto been imported because of the "fads and fancies" of certain people who regard foreign chocolates as something superior and this will always go on whatever tariffs may be. On the whole this sort of competition is useful seeing it puts British manufacturers on their mettle and compels them to cater for the faddy sort of people. But quite recently we have evidence of Continental competition in this country with articles having no merits but imitation of English home-made goods and we more than suspect Continental countries give their confectionery exporters excessive drawbacks, cheap freights and other advantages. Of course this was to be expected from the senseless way Britain entered into the Brussels Sugar Convention. By that foolish undertaking our raw materials have been made dearer to us and cheaper to our foreign competitors. Several millions annually have been lost to sugar consumers in this country and corresponding benefits bestowed on foreign countries. As anyone who understood the subject knew, the West India sugar growers, in whose interest the Convention was negotiated, have derived no benefit from it. They have simply to contend now with cane sugar producers better equipped than themselves, instead of with beet sugar growers. The British negotiators of the Sugar Convention deliberately allowed the Continentals to give preferences to their sugared products to allow them to unfairly compete with us in this and neutral markets, and these Continental manufacturers would be fools if they did not take advantage of the fact. So long as they make a profit whether out of preferences or out of natural advantages, it would be no case to them of selling below cost, otherwise of dumping. There is no silly sentiment in business. When the Sugar Convention expires and Great Britain regains freedom in the sugar trade some of what Continentals are now wresting from it may be regained. Meantime we must suffer and wait till perchance we get a Government with some glimmering perceptions as to what is best for British trade.

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DUNDEE AND ARBROATH CO., LTD., JAMES STREET, ARBROATH; Makers of Confectionery, Jam, Jellies, &c.

Soft, creamy varieties of confectionery are imported from the United States in wooden pails, and also drained orange, lemon and citron peels. Italy also imports peel under our cost price. The foreign method of manufacture however has been hitherto inferior, with the result that the quality of the article is impaired and consequently commands an inferior price on our market. This peel of foreign manufacture finds its way into the large cake and biscuit factories which cater for a secondary working class trade.

A. T. MURATORI, 13A, ELLINGFORD ROAD, HACKNEY, LONDON, N.E.; Confectioner and Chocolate Manufacturer.

(27th June, 1904.) Chocolate liqueurs and highly flavoured fourrés, similar to those made by us are imported below our cost price from Germany and Switzerland. From Germany also are imported some classes of goods flavoured so that it is impossible for us to compete, as our cost of flavouring is three times as heavy as it is abroad.

(13th July, 1907.) The only competition we feel is that of the Swiss milk chocolate which has taken the place of our chocolate cream. Our customers do not require anything like the quantity they formerly did and they tell us that people ask for the foreign milk chocolates instead of our assorted chocolates as before. They can manufacture cheaper abroad, having the motive power for practically nothing, while we have to pay very dearly for electricity.

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R. S. MURRAY AND CO., LTD., FLEET WORKS, TURNMILL STREET, LONDON, E.C.; Confectionery and Chocolate Manufacturers.

Sweetmeats of various kinds are imported from the United States and chocolates and sweetmeats from Germany and Switzerland below our cost price. The surplus stocks are sent to this country at prices much below those charged at home. I will not say below the cost of production, but I do say without a profit.

PATTISON AND GEAR, ISLINGTON ROW, BIRMINGHAM; Confectioners and Chocolate Manufacturers.

We do not think that any articles similar to those we manufacture are imported below our cost price. But we hear that Germany, owing to the advantage accruing from the Brussels Sugar Convention, is preparing to compete with British confectioners in all the markets which the latter have hitherto almost monopolised. The confectionery trade in Great Britain was generally prosperous till (1) the duty for war purposes was imposed in 1901, and (2) the Brussels Sugar Convention was ratified and the free market for sugar taken away. There have been numerous failures and retirements from the confectionery business since these events and a great many more are impending. By the Convention the raw materials—foreign refined sugar—of the British confectionery industry has been made dearer to them and cheaper to their foreign competitors. By this impolitic Convention millions of pounds annually have been permanently lost to British sugar consumers and not the slightest benefit conferred on the out-of-date West Indies sugar growers, for whose benefit Great Britain was drawn into such a suicidal course. In the result the West Indies lose the United States market and meet up-to-date cane sugar producers such as Java instead of up-to-date beet sugar producers. They will be crying for further doles before long as is the custom of all industries favoured by artificial Government assistance.

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C. SOUTHWELL AND CO., 5, IDOL LANE, LONDON, E.C.; Manufacturing and Export Confectioners.

Candied peels manufactured on the Continent with bounties on sugar and manipulated drawbacks, combined with cheaper labour, expenses, and low freights, are sold in London, lemon peel at 22 per cent. and orange at 20 per cent. less than our actual net cost and citron at our cost. Of these three items we are one of the largest English makers, turning out quantities varying from 700 to 800 tons per annum. A large trade used to be done in preserved, crystallised and glacé English fruits, which of late years has been entirely in the hands of Continental makers.

FIRM No. 3,059. Chocolate Manufacturers.

In consequence of the duty on ingredients being less than the duty on the finished article the home manufacturer is at present protected. On the lower grades of chocolate the protection is very adequate, but as we reach the very highest grades the protection approaches vanishing point. Hence we get foreign competition in the higher grade class of chocolates only, and a higher import duty on the higher class of finished article is certainly required.

W. ROBERTSON AND SON, 71, ROYAL HOSPITAL ROAD, CHELSEA, LONDON; Wholesale Manufacturing Confectioners.

Imitation gum of very inferior quality closely bordering on being unfit as an edible article and fondants are imported from America below our cost price. Italy and the adjoining countries send preserved orange, lemon and citron peels of inferior quality, and Russia and a few other countries a few kinds of confectionery of no importance so far as we are concerned. These goods are sold in many instances below our price or cost of production, on account of inferior quality, the goods having a deceptive appearance. Further we are severely handicapped here by London County Council actions as to works and Building Acts, and petty actions on their part and excessive rates and taxes.

I have no positive information as to imported goods being sold under cost of production in the country of origin. I have no doubt the lowness of price is brought about by large drawbacks given by the country of origin. The interference of our own statesmen and councillors creates great expense and loss in production, so preventing the home manufacturer from competing.

A. C. SHLEHOVER, 3, HAMMERSMITH ROAD, LONDON, W.; Chocolate, Confectionery and Preserve Manufacturers.

Fancy boxes of all kinds of goods used in the chocolate and confectionery trades are imported from Germany below our cost price.

E. SKUSE, LTD., ASHMORE WORKS, HARROW ROAD, PADDINGTON, LONDON, W.; Manufacturers of Confectionery and Patent Medicines.

We do not think that any of our manufactures have been seriously affected by foreign competition, except as sharing in the general depression of this trade which must be largely due to the gigantic business now being done in this country with foreign "milk chocolates." Patent medicines are not affected.

FIRM No. 3,839. Chocolate Makers and Confectioners.

Cocoa powder and chocolate are imported from Holland, and chocolate from Switzerland under our cost price and sugar boilings are coming. In America gum pastilles are made from glucose and starch. There is no gum in them but they are called A. B. gum goods and dumped here at about 20s. a cwt. They cannot be made at the price they sell at; if they could our manufacturers would make them. We cannot see how pure cocoa powder can be sold at a profit at 10½d. and if you watch the public sales it is even sold at less. We believe this article is made in a free port. It is our opinion that shortly, owing to the duty on sugar and the bounty system being at an end, we shall see large quantities of manufactured confectionery entering this country and so far as we know there is no arrangement made for stopping it. Certainly this country ought to be prepared for such a contingency.

FIRM No. 5,393. Confectioner and Preserve Manufacturer.

Caramels and creams are imported from America under our cost price. Perhaps glucose, more than sugar, enters into the manufacture of confectionery in America, hence they can undersell the British confectioner who uses sugar chiefly and only a small percentage of glucose.

FIRM No. 6,099. Chocolate Manufacturer.

Mixtures, gums (so-called) and marshmallows are imported from America. We cannot say positively they are below cost price, but in our opinion they are.

Jams

GILMOUR AND SMITH, 45, LOW GLENCAIRN STREET, KILMARNOCK, N.B.; Preserve Manufacturers.

We know of no foreign competition in manufactured goods but large quantities of pulped fruit are imported, chiefly from Holland, cheaper than it can be put up the same way from home-grown fruit.

NORTHERN COUNTIES' MANUFACTURING CO., WEST HARTLEPOOL; Jam Makers, &c.

The manufacture of jam is not subject to foreign competition at present but there is nothing to prevent the foreigner being a severe competitor providing he gets his sugar cheap enough. Large quantities of fruit pulps—apple, gooseberry, raspberry, strawberry, black currant and plum—are exported from the Continent, largely from Holland, in casks; and raspberry and black currant from Australia, Tasmania and New Zealand in tins. Fruit growers here could have most of this trade and might save a lot of waste when crops are large as jam-makers would prefer English fruit pulps; but few fruit growers do this kind of trade. All jam-makers who use fruit pulps make their own. Our experience of foreign fruit pulps is very limited. We have never found them satisfactory.

FIRM No. 3,740. Jam and Marmalade Manufacturers.

(24th June, 1904.) We were not aware of any foreign competition in our trade until 1903 when a quantity of jams and marmalade manufactured in Holland was put on the market.

(13th July, 1907.) We have not heard of any more being sent from the Continent. A quantity of jams has been sent into London from Ireland, and we understand that the Board of Agriculture has been

giving a bounty to Irish manufacturers to help the Irish industry. We have no reliable information as to the form the bounty takes, or the amount given, but they have been enabled to quote a very low price, freight and carriage paid.

FIRM No. 4,058. Fruit Preservers.

Foreign competition is practically nil, except in the form of fruit pulps used by home manufacturers, which compete with home-grown fruit. But this is sometimes valuable to the preservers when English fruit is scarce and they run out of English fruit stock of jams. Fruit pulps come chiefly from Australia, New Zealand, Holland, France and Spain. The quantity of English fruit pulp offered is not large and is often inferior to Colonial pulps in quality.

FIRM No. 5,839. Fruit Preservers.

The making of jams and jellies from home fruits is considerably affected by importation of fruit pulps, both foreign and Colonial. This principally affects the growers of home fruits by keeping down the prices of fruits. Many jam manufacturers grow a considerable portion of their own fruit requirements.

[Four firms of jam and marmalade manufacturers state that they do not at present experience any foreign competition in the articles they make.]

(D) FOREIGN COMPETITION ABROAD

QUESTION 9 (FORM I.): *What is your experience in respect of foreign competition in the Colonies in your trade?*

QUESTION 8 (FORM II.): *Is the proportion of foreign-made goods to British-made goods in any branch of your trade increasing or diminishing? If so, please say to what extent, and give reasons for the change if you can.*

QUESTION 12 (FORM VIII.): *Have the trades similar to yours in Germany, the United States, Belgium or other foreign countries made any inroads on any markets, hitherto largely supplied from the United Kingdom, in any branch of business in which you are engaged? Give such particulars as you can.*

H. AUTRAN, LTD., 21, MINCING LANE, LONDON, E.C.; Foreign Produce Importers.

The Customs duties on articles with sugar had the result of suppressing the trade in many articles for export, which are now shipped direct from abroad to the Colonies and other places.

CROSFIELDS, LTD., 323, VAUXHALL ROAD, LIVERPOOL; Sugar Refiners.

Sugar

(24th March, 1904.) The export trade has never been of any great extent, because the refiners of this country have never been able to compete with their State-aided rivals. There has however been a good trade from time to time with Italy, Portugal and the North of Europe and also with India, the latter due to countervailing duties imposed for a short time, in anticipation of the Brussels Convention.

(25th June, 1907.) The effect of the withdrawal of Great Britain from the Convention, which step is avowedly proposed with the view of enabling the British consumer to enjoy the benefits of the bounties given to producers in Russia, the Argentine Republic and other countries, will be that if the other parties to the Convention chose to continue it as an international agreement it will be within their power to treat Great Britain as a bounty-giving country, as it would be impossible to differentiate between bounty-fed and non-bounty-fed sugar products, and they could consequently prohibit or countervail, under the terms of the Convention, all imports of confectionery or preserves coming from Great Britain.

J. W. DE SILVA & Co., 7, RUMFORD STREET, LIVERPOOL; Sugar and Sulphate of Copper Merchants.

(24th March, 1904.) Sugar exports to British possessions are now trifling, the trade not having yet recovered from the competition of bounty-fed Continental refined sugar.

(27th June, 1907.) According to the Board of Trade Returns the exports from the United Kingdom during 1906 of sugar and articles containing sugar were of the value of £1,598,000. If we cease to be members of the Brussels Convention we jeopardise a large portion of this trade.

FAIRBIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

Bounty-fed sugar from the Continent of Europe still renders all trade with our Colonies impossible.

The strange "Free Trade" anomaly exists that protection in the United States encourages imports of raw sugar, but "Free Trade" in the United Kingdom drives our supplies of raw material elsewhere.

WM. GAMAN & SON, 90, THE ALBANY, OLD HALL STREET, LIVERPOOL; Sugar Syrup Merchant.

The bulk of our export trade in English refined syrup has been very much diminished owing to American competition, and in consequence of adverse tariffs.

GLEBE SUGAR REFINING Co., GREY PLACE, GREENOCK; Sugar Refiners and Syrup Manufacturers.

We did a large business with India when bounty-fed sugar was countervailed.

J. J. LANGLEY, BANK CHAMBERS, COOK STREET, LIVERPOOL; Ship Insurance Broker, &c.

(24th March, 1904.) At one time we shipped great quantities of sugar, but now this is brought direct from the Continent to Newfoundland. This sugar is beet and I presume bounty-fed, and therefore cheaper than British-manufactured cane sugar.

A. M. LEE & Co., 9, FENCHURCH AVENUE, LONDON, E.C.; Sugar Merchants.

The whole of our exports are directed to the Islands of Antigua and St. Kitts. For the past 10 years the trade had been diminishing, owing to the fall in the value of the products of the sugar cane. But for the past two years we have done a larger export trade with the above islands, more especially with Antigua,

where confidence has been restored sufficiently in the sugar industry, as a result of the Brussels Sugar Convention, to induce some proprietors of estates to substitute modern economic methods of manufacture for the wasteful methods still generally employed in these islands, and to improve cultivation by the introduction of steam ploughs. Belgian-made rails, cane-wagons, &c., for light railways on some of the sugar estates in Antigua have increased, the price quoted for these goods being considerably below the British price; the articles are well made and suitable for the purpose.

A. LYLE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C.; Sugar Refiners.

Our trade to the Colonies and to India has suffered from foreign competition artificially fostered by bounties.

MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

We exported a large amount of sugar to India; but since the removal of the Indian countervailing duties Austria, having a reduced freight and a protection of 2s. 6d. a cwt. in her home market, has been able to shut us out completely. In spite of a preferential tariff we have not been able to recover our export trade to Canada, lost during the days of Continental bounties; and our export of refined sugar to Peru, and of syrup to Scandinavia, have similarly ceased.

FIRM No. 2,760. Sugar Refiners.

Trades similar to ours in Germany, France, Austria and other Continental countries, have made inroads on markets hitherto largely supplied by the United Kingdom. Our trade with the Colonies has been reduced to a small compass, and it has been further adversely affected by subsidies granted by the German, Austrian and French Governments, not only by low rates of carriage to shipping ports on sugar destined for export, but also by the subsidies granted on the rates of freight for sugar to our Colonies, principally Canada, South Africa and India and to Japan.

G. DENNIS SWIFFEN, 26/28, QUADRANT CHAMBERS, BIRMINGHAM; Sugar and Glucose Importer.

(21st March, 1904.) Since the Brussels Convention in 1903 British made sugar is being largely sold in lieu of foreign. My trade is principally distributing sugar amongst sugar boilers and jam makers. Both trades have suffered to an enormous extent since the duty was re-imposed, and the higher price through the Convention is making this much worse. My opinion is we shall now lose a tremendous amount of export trade in sweets, biscuits and jam through the foreigner getting his sugar at the same price as we do.

(13th July, 1907.) After the Brussels Convention came into force three refineries commenced to work again, after being closed for some time, viz., one each in Liverpool, Bristol and Greenock, and during the last fifteen months these three have all closed up again, being unable to compete with the foreigner. It is only old established refineries with a large capital at stake that appear to be able to hold their own. During the last five years sugar boilers have suffered to a very great extent, many large manufactories having worked at a continual loss since the duty was re-imposed. The Brussels Convention came into force soon after the duty was re-imposed; therefore it is difficult to realise what actual differences the Convention has made, but, taking the Convention and the duty jointly, the effect has been most detrimental to sugar boilers and jam makers, and the opinion that I gave that we should lose a large export trade in sweets, biscuits and jam has undoubtedly been justified by events. I am now selling nearly all foreign sugar. Since the refineries above mentioned have been closed, the out turn of those remaining is largely consumed where the different refineries are situated. Speaking generally, I am selling about 10 per cent. more English sugar than before the Convention.

H. TATE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C., AND H 15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

Competition in the Colonies in respect to foreign sugar is very similar to that in the United Kingdom, that is to say, we have been considerably handicapped by bounties in the past, and adverse tariffs in some of the Colonies. There is no doubt that for many years owing to the bounty system refiners in Germany, Austria, Russia, France, Belgium and Holland have been enabled to undersell us in nearly all parts of the world, but we hope that owing to the abolition of bounties we shall recover some of the trade we have lost.

FIRM No. 2,339. Refiners of High-Class Sugars, Crystals and Granulated, Syrup and Treacle.

The export of English refined sugar to the Colonies is almost nil. This has been brought about by bounties, steamer subsidies and preferential rates on Continental railway lines on goods entered for exportation.

FIRM No. 4,769. Glucose, Invert Sugars, Flaked Rice and Caramel Manufacturers.

In all our Colonies the manufacturers of glucose in the United States have driven out English made glucose. It is difficult to compete profitably with the American product, for the reason that in the Colonies, as in the United Kingdom, they are enabled to sell below cost of production, owing to their being protected in their own markets against outside competition.

FIRM No. 6,194. Brewing Sugar Makers.

America does a large trade with Canada and practically all the business in our trade in the other British Colonies.

FIRM No. 6,372. Sugar Refiners.

Dutch, German, Austrian, and Belgian sugar refiners have swamped our home markets with their sugar and destroyed our export trade to Italy, France, Norway and Sweden, Malta, Gibraltar, Spain, Portugal and India.

FIRM No. 10,237. General Merchants in West Indian Produce.

Our trade is all to the British West Indies, and has decreased of late years, owing to the depression caused by the action of foreign sugar bounties and combinations.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchants.

We now buy for our estates more machinery in the United States, and more manures and railway material on the Continent of Europe than formerly. A great deal of machinery that used to be made in Scotland is now obtained in the United States. In the latter country the cultivation of sugar has been carefully fostered and the manufacture of the machinery required has been largely increased, while in this country, owing to the Continental sugar bounties, sugar machinery has not had a chance. As regards manure, we get a larger proportion from the Continent than formerly, because it is cheaper there. Why it is so, we have no means of knowing. We think that the Brussels Convention, even if it is continued, will have very little effect upon the total European sugar production. What we anticipate is, that the increased requirements of the world in the future will be met to a larger extent by an increased cane sugar production, than by an increased beet sugar production.

FIRM No. 10,436. Sugar Merchants.

All our exports are sent to Jamaica and British Guiana. They have greatly suffered in volume during recent years in consequence of the depression in the sugar trade.

FIRM No. 10,549. General Merchants.

Our exports are all to British possessions, and trade is diminishing, particularly in exports of sugar owing to foreign manufactured articles coming in at cheaper prices and passing through Continental firms trading direct with buyers in British possessions.

FIRM No. 1,957. Condensed Milk Manufacturers.

Foreign traders are not making any inroads on our markets except in Madagascar, which has been practically closed since France took it over, and to some extent in Cuba where American condensed milk enjoys a preferential tariff of 3½d. per case. The foreign article cannot be made cheaper, but in order to get the business they compel us to sell for little and in some cases no profit. In our own Colonies they enjoy the same tariff and privileges as our British made goods. The same applies to our War Office, Admiralty and India Office; no preference is given to British condensed milk, the pendulum apparently swings in the opposite direction. The School Board for London and our local boards act in the same manner. We have no preference in New Zealand or South Africa. By some arrangement we cannot understand in the latter country our English condensed milk enjoys no preference and foreign goods are admitted on same terms and are carried by steamship companies at lower rates from New York than from London or Liverpool. The preference in Canada is a splendid help and enables us to compete.

CLARKE, NICKOLLS & COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E.; Manufacturing Confectioners.

Confectionery

With our former free market for sugar we defied foreign competition in our Colonies. The Sugar Convention puts foreigners in a position equal to us and factories are being built in Germany and Austria to invade our Colonies with their produce. We have seen samples and the competition will be dangerous as such foreign manufacturers are in many respects now in a better position than we are. Labour is cheaper and more efficient; railways are often in the hands of foreign Governments and cheap rates are fixed for exports; freights to our Colonies are lower than from London, and freights are an enormous item in the case of confectionery, not only because of subsidised lines of steamers, but our own subsidised lines carry goods at lower freights from the Continent and America than from London. This last is a very serious thing and Government might prevent tricks like this being practised on British industry by penalising any subsidised Company which gave advantages to foreigners over their own countrymen. Working in bond they will save the duty and waste inevitable in manufacture as our Customs allow drawbacks only on the sugar contents of confectionery and preserves exported. An allowance of 5 or 10 per cent. in excess would be necessary and a further allowance (in our case £200 to £250 a year) for necessary clerical work required in dealing with a dutiable article. Duties, or forcible interference with the natural flow of the materials of any sort of industry, tend to strangle that industry. Perfect freedom from the red tape essential to Government interference is the only stable condition for conducting an industry.

R. S. MURRAY & Co., LTD., FLEET WORKS, TURNMILL STREET, LONDON, E.C.; Confectionery and Chocolate Manufacturers.

We find Germany and America doing some dumping in the Colonies to our disadvantage.

PATTISON & GEAR, ISLINGTON ROW, BIRMINGHAM; Confectioners and Chocolate Manufacturers.

Before the Brussels Sugar Convention the Colonial market, so far as it was accessible against the abominable Colonial protectionist duties, was in our hands; but there can be no doubt we shall gradually lose it and in a few years' time the German and other competitors, whom our misguided and ignorant politicians have endowed by the Sugar Convention, will take our place. They are now in a position superior to our own, and only need the necessary organisation to secure the market. We know for an absolute fact that several of our largest confectioners have been pressed by German and Austrian sugar refiners to take partnerships in confectionery factories already erected to secure the British Colonial confectionery trade. Hitherto they have refused, but under stress of competition we doubt if they will hold out. Switzerland being outside the Convention is now buying cheap Russian sugar and being splendidly equipped and working cheaply it will without doubt oust British confectionery very speedily in Colonial markets. The Swiss are most formidable competitors even here. Through gross ignorance of the sugar business the negotiators of

the Convention threw away all chances of British confectioners in foreign countries, members of the Convention, and gave opportunities for foreign competitors to invade markets till now securely ours. The Government seem to have consulted only the West Indies' interest and those of British sugar refiners, both sets of people to a large extent carrying on their businesses on obsolete methods and unfitted in open competition to hold their own. These interests got the ear of the Government, and it would always be the case that the interests of British sugar consumers were completely ignored. It will be always the same. The mendicant interests who make the most noise but are the least deserving are likely to succeed best when protection is in the air. It is the over-capitalisation, the obsolete methods and the too much laziness in many British industries that have made some of them howl for protection. The rising generation is too much devoted to "week ends" and frivolity generally to be fit to carry on the tradition of their fathers who put mind and body wholly into their work. The latter were successful, the former never will be till they mend their ways. No Government assistance is needed in any British industry if those employed in it will be diligent. "Hands off" as regards industry is the best policy for all Governments.

W. ROBERTSON & SON, 71, ROYAL HOSPITAL ROAD, CHELSEA, LONDON; Wholesale Manufacturing Confectioners.

Many of the Colonies and America have established their own factories; and further, those that have not soon will.

FIRM No. 3,839. Chocolate Makers and Confectioners.

From our foreign agents we are told that milk chocolates and other descriptions of confectionery are coming to the front. On making application at the Customs House we are told that we cannot get the rebate on cocoa. This clearly places us at a great disadvantage as against the foreign made stuff, especially if it is manufactured in a free port or no duty is charged on the raw cocoa.

Jams

MIDGLEY & PARKINSON, PUDSEY, LEEDS; Fruit Preservers.

(24th June, 1904.) Since the Brussels Sugar Convention, trades similar to ours in foreign countries have made inroads on markets hitherto largely supplied from the United Kingdom.

(15th July, 1907.) The jam trade on the Continent has increased tremendously since the Brussels Convention. They can now get sugar as cheaply as we can and so can make for themselves and for export. Before the Convention by their bounties they gave us an advantage. We can compete now because we get the rebate on the sugar tax on exports, but any reduction made would, of course, make it better.

[In addition, four firms make no complaint of foreign competition abroad.]

(E) FOREIGN TARIFFS AND THEIR EFFECTS

QUESTION 7 (FORM I.):—*Has your export trade suffered in recent years by the operations of the tariff of any country? If so, please state your experience?*

QUESTION 8 (FORM I.):—*What amount of reduction of the tariff of any country would enable you to compete successfully within that country with commodities made therein similar to those you manufacture?*

QUESTION 9 (FORM II.):—*Please give any instances of loss or partial loss of any foreign markets through the operation of foreign tariffs and regulations.*

QUESTION 10 (FORM II.):—*What general conclusions have you arrived at as to the effect of the Customs Regulations and tariffs of the foreign countries with which your principal trade is carried on?*

Sugar

BRISTOL SUGAR REFINING CO., LTD., BRISTOL; Sugar Refiners.

Considering the many advantages possessed by the United Kingdom such as cheap coal, central position for the supply of raw material, &c., we ought to be able to export refined sugar to those countries which do not produce their own. But it is scarcely possible that we could do so to the great beet-growing countries of Europe whilst the protective duties remain in force.

THE CARTSBUEN SUGAR REFINING CO., LTD., 4, CRESCENT STREET, GREENOCK; Sugar Refiners.

Our loss, through foreign tariffs, has been greater than in former years.

J. W. DE SILVA & Co., 7, RUMFORD STREET, LIVERPOOL; Sugar and Sulphate of Copper Merchants.

(24th March, 1904.) The exports of British refined sugar to Holland, Belgium, Portugal and Italy have fallen off, owing to measures taken by the Governments of those countries to prevent its interfering with their home manufacture. Our experience is that foreign Governments, having no fear of retaliation on the part of this country, owing to our too rigid adherence to a system of free imports, have been ever ready to prevent the importation of British manufactured goods, whenever they interfered with their home manufacturers or merchants.

(27th June, 1907.) Through the recent action of the Government there is a serious risk of injury to our export business in sugar and articles containing sugar, our sugar-refining industry and the cane productions of our Colonies. It is improbable that our withdrawal from the Convention will lead to a renewal of bounties, but if it did so the loss of trade by the extinction of our sugar-refining industry, which would become inevitable, and the cessation of the demand for British machinery from cane countries and refiners, would far outweigh any advantage gained, especially as this advantage would only last until the beet grower had secured that monopoly of our markets, for which he has been long striving.

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

About 50 years ago and after, we shipped largely to Canada, which trade was stopped by increased duties on our sugar. During recent years our sugar has been excluded from Italy, France, Belgium, Portugal,

Spain, Algiers and Holland by hostile tariffs. We have also been shut out of the Indian markets by the sudden abolition of the countervailing duties on bounty-fed sugar.

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WM. GAMAN & SON, 90, THE ALBANY, OLD HALL STREET, LIVERPOOL; Sugar Syrup Merchant.

(15th April, 1904.) We have suffered loss of trade with Holland and Germany in English refined syrup in consequence of alterations in customs duties. It is extremely unfair that such barriers should have to be faced by us, while none exist here.

(5th July, 1907.) Twenty years ago we used to sell thousands of barrels of syrup to Germany; now, owing to new Customs Regulations, we sell next to nothing to Germany and probably not more than 20 per cent. of what we formerly did to Holland. The same applies to sugar. We used to ship thousands of bags to Italy where we now ship scarcely anything owing to unfavourable tariffs for British produce.

GLEBE SUGAR REFINING Co., GREY PLACE, GREENOCK; Sugar Refiners and Syrup Manufacturers.

The tariff in most foreign countries precludes us exporting sugar. As this tariff is now fixed by the Sugar Convention Act no reduction meantime can be made on sugar.

A. M. LEE & Co., 9, FENCHURCH AVENUE, LONDON, E.C.; Sugar Merchants.

A large trade in West Indian vacuum pan molasses used to exist between the United Kingdom and the Continent making it profitable to send molasses from the West Indies to this country for sale on the Continent, but the raising of the tariff some years ago, put a stop to this industry. The recent reciprocity treaty between Cuba and the United States would appear to have practically closed the United States markets to the products of the sugar cane of the British West Indies.

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A. LYNN & SONS, LTD., 21, MINCING LANE, LONDON, E.C.; Sugar Refiners.

Except for a small and diminishing trade in syrup confined almost entirely as regards foreign countries to Belgium, Denmark, and Sweden, and as regards the Colonies to the Cape, our export trade is practically non-existent owing to hostile tariffs. In former years Canada and Australia took considerable quantities of refined sugar from us, but now prohibitory tariffs in both Colonies have shut our manufactures out. We have lost export business, not through any country supplanting us but through the countries to which we formerly exported, having developed a trade of their own under a system of high protective tariffs. If the whole amount of the surtax on sugar, syrup, &c. were taken off by foreign countries and the Colonies, in other words if their tariffs were put upon a free trade basis, we could do a large trade and successfully compete with their manufacturers.

D. MACCALMAN & Co., 150, HOPE STREET, GLASGOW; General Merchants.

Foreign tariffs have shut all markets to our principal produce, sugar; and foreign bounties have seriously injured us in the only market left open, the home market.

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MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

(24th August, 1904.) Foreign tariffs have nearly destroyed our export business. The large trade we used to do with the Mediterranean has declined. That this is not due to any inferiority in our goods, but solely to the protective action of tariffs, is proved by the fact that our name has been adopted into the Italian language to mean a certain quality of sugar, and that Italian refiners now brand their sacks "Macfie Nazionale." Under the Brussels Sugar Convention, Italy, as a non-exporting country, is allowed to give direct bonuses on the production of sugar, and is not limited to the surtax of 2s. 6d. per cwt. If we had the same advantages in exporting to foreign countries as foreign countries have in exporting to the United Kingdom, we could compete successfully.

(9th July, 1907.) One or other of two results will follow the withdrawal of Great Britain from the Brussels Convention:—(1) The Convention will be dissolved; in which case excessive protection will begin again on the Continent, under which kartells will be re-established and over-production accentuated. Thus, not only our export, but also our home trade, will be ruined by dumping and the sugar-refining industry will cease in Great Britain. (2) The Convention will continue and British refined sugar, as well as confectionery, will be penalised abroad on account of the admission of bounty-fed raw material into the country. Thus no export trade to countries which adhere to the Convention will be possible.

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H. TATE & SONS, LTD., 21, MINCING LANE, LONDON, E.C., AND H15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

Our export trade during recent years has been reduced to a minimum, owing to the excessive bounties given by Continental sugar-producing countries, which gradually absorbed the trade to non-producing countries, notably Norway, Sweden, Denmark, Spain, Italy, Portugal, where previously British refined was used to a considerable extent. We do not think that we could successfully capture the markets of those countries which produce sugar, but the abolition of bounties ought to increase the exports of British refined to non-producing countries, though in many cases the tariffs are hostile. The surtax successfully prevents the importation into the countries where it is imposed; if this were abolished there would be a greater opportunity for the British manufacturers to compete.

J. WALKER & Co., GREENOCK; Sugar Refiners and Golden Syrup Manufacturers.

If it were not for the surtax of 2s. 6d. per cwt. on sugar we would no doubt do a large trade in refined sugar with the Continent of Europe. We are also debarred from the American market by reason of high tariffs. Previous to the McKinley tariff a large business was done with America in Clyde pieces.

WESTBURN SUGAR REFINERIES, LTD., GREENOCK.

British refined sugar is shut out of nearly all foreign countries by hostile tariffs. We do not think anything short of the abolition of the surtax would enable us to compete successfully.

FIRM No. 2,339. Refiners of High-class Sugars, Crystals and Granulated; Syrup and Treacle.

The export trade in English refined sugar has been practically killed owing to the prohibitive tariffs of foreign countries, preventing the import of refined sugar. In those countries where English refined could have entered, the sugar from those countries giving bounties and preferences have crushed it out. Last year India placed a countervailing duty on bounty-fed sugars, and as a result considerable business was done in English refined sugars on that market. When however the duty was taken off the trade in English sugars instantly ceased.

FIRM No. 2,760. Sugar Refiners.

Formerly we exported sugar to North and South Europe and to Mediterranean ports, but latterly the high tariffs ruling in these spheres, combined with the bounties and kartells enjoyed by Continental sugar-producing countries, have ousted us from these markets. We cannot state precisely the reduction necessary in foreign tariffs to enable us to successfully resume competition, but when the surtax, viz., the higher import duty as against the internal duty, exceeds one pound per ton we are debarred from competing.

FIRM No. 4,547. Sugar Refiners and Glucose Manufacturers.

We manufacture golden syrup, which is a by-product of sugar refining, chiefly for export to Germany, Belgium and other parts of the Continent. The duty on this article when imported to this country is 2s. When our syrup is exported to the countries named it has to pay a duty of 10s. per cwt. Consequently our trade is handicapped and curtailed enormously. The duties should be equalised.

FIRM No. 4,769. Glucose, Invert Sugars, Flaked Rice and Caramel Manufacturers.

We could not compete with the United States manufacturers, who are almost our sole competitors in our main product, glucose, in their own country if there were no tariff against the importation of our product into the United States, as the cost of carriage on the raw material one way, and the cost of the finished product back again would make our product dearer than they could make it themselves.

FIRM No. 6,194. Brewing Sugar Makers.

The tariff duties practically prohibit exportation of caramels to Canada and Australasia.

FIRM No. 10,394. Sugar Refiner.

The export of refined sugar from the British Colony of Hong Kong to Japan has almost entirely disappeared, owing to the protective duties imposed on imported refined sugar. Prior to the creation of the new tariff sanctioned by Great Britain, which became specific on 1st January 1899, a large and increasing export from Hong Kong to Japan was in progress. Shortly before Great Britain sanctioned the new tariff, a few native-owned refineries were opened in Japan and it was to assist them that the preferential scheme of duty was provided. All raw sugars used by Japan refineries, save a very small proportion from Formosa, are imported from foreign countries. Raw sugar up to No. 14 standard, so used, is free from any duty, i.e. the duty charged upon its import is returned or allowed, from the consumptive or excise tax levied upon the refined sugars out-turned, thus forming a bounty to the Japanese refiner of say Yen 34.27, about £3 11s. 5d. per ton. Japan's enactment for this system dates from 1st October 1902. The duty upon imported refined is the same as the excise levied upon refined out-turned in Japan, but without reduction for the bounty above specified. The Japanese Government on submitting their tariff scheme to our Foreign Office dealt only with duties upon refined sugar, omitting raw sugar altogether. Doubtless the latter was considered a negligible quantity, as Great Britain had no neighbouring Colonies producing raw sugar that was likely to be exported to Japan, and up to the date of the negotiations no imports from British Colonies had been made to Japan. After the British Government's sanction to the tariff was obtained, some time elapsed before the duty upon raw sugar was fixed by Japan, and in spite of many inquiries from Hong Kong refiners, who anticipated trouble from the omission of raw sugar from the British Treaty, no information was obtainable. It is evident the Japanese Government desired to safeguard their home industry, when constructing their tariff agreement with Great Britain, by omitting raw sugar from the schedule, for if it had been included, no preferential return of the duty thereon to anyone would have been sanctioned. Japan was careful to stipulate that any change in the excise on their home refined should apply to import duties on the foreign article and duties have been advanced since their first imposition in accordance with this proviso. It is difficult to obtain actual figures of Hong Kong's export to Japan, but the following may be considered approximate. It would have been considerably increased, had the import duty on raws not been returned to the Japanese refiner:—

Year.	Tons.	Year.	Tons.
1897	72,000	1901	24,000
1898	62,000	1902	8,500
1899	48,000	1903	5,500
1900	45,000		

The exports of 1904-5-6 were on an extremely small scale. A time will arise when the Japanese industry must increase beyond Japanese powers of consumption, for it is steadily advancing, owing to the erection of new refineries, when it will become necessary to dump over-production, which surplus will compete with Hong Kong manufactures in other markets, and the assistance of the bounty may turn the scale in favour of Japan, and against Hong Kong. The capacity of the Hong Kong refineries may be taken at 300,000 tons output per annum.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchant.

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We have been almost driven out of the English market for the sale of our sugar in consequence of the low prices resulting from over-production on the Continent due to foreign export bounties, and by the over-stock resulting therefrom being dumped in the United Kingdom, and from the check to Continental consumption caused by the operation of kartells. Twenty years ago we used to sell cargoes of West Indian cane sugar for Sweden, Norway and Finland, but this trade had now been destroyed by protective tariffs. Customs regulations and tariffs in Europe have put a stop to our West Indian exports, while in the United States recent legislation is producing the same effect.

FIRM No. 10,425. Merchants.

(2nd July, 1907.) Up to two or three years ago we shipped a large quantity of our Peruvian cane sugar to New York, and we regarded that market as the principal outlet for our produce; but when the preferential tariff was granted by the United States to Cuban sugars we found the American market closed to us and we were compelled to divert our sugar elsewhere. With the advent of the European Sugar Convention we found it possible to resume shipments of sugar to the United Kingdom, but if the British Government carries out its expressed intention of ignoring the penal clause we fear this will be regarded by the other members as tantamount to a withdrawal of our Government from the Convention. The result will be to weaken the Convention and probably sooner or later to bring about its termination as we think it was only the dread that bounty-fed sugar would be shut out from the British market that compelled the other Governments to join the Convention. We are of the opinion that to endanger the existence of an arrangement, which was only brought about after infinite difficulties had been surmounted, would be very bad policy indeed, from a truly national point of view. As a direct result of the Convention we have experienced very steady prices of sugar without inflation, and this condition of things has encouraged us personally to increase our production of sugar as well as place large orders for machinery in the United Kingdom. This has meant a considerable addition to the amount of work provided for British labour and had it not been for the existence of the Convention we should never have increased our production of sugar, nor invested our money in new machinery. The benefits resulting from this increased expenditure ought in fairness to be taken into consideration as against the comparatively trifling benefits derivable from the importation of a little bounty-fed sugar from Russia. As our production of sugar is about 25,000 tons per annum we think we are entitled to form and express an opinion on the subject, and we sincerely trust that His Majesty's Ministers will on further consideration come to the conclusion that they will best serve their country by allowing the Convention to continue as it now exists.

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FIRM No. 10,436. Sugar Merchant.

Bounties and tariffs have interfered considerably with our trade all round, and have closed markets to us. We are quite prepared to manufacture cane sugar on equal terms with the Continental beet growers and can compete successfully. The bounties on beet sugar had nearly killed the West Indies as sugar producers and had led to such a sense of insecurity, that capitalists were afraid to embark on improvements and new processes, as sometimes they would have desired. Some years ago we were in the habit of shipping cargoes of sugar to the North of Europe, but owing to Customs tariffs, this trade has been knocked on the head for some time. The United States Cuban Reciprocity Treaty seems likely to shut us out of that market also.

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FIRM No. 10,549. General Merchants.

The withdrawal of the countervailing duty on Continental beet sugar to India has made a great difference in our turnover and exports of sugar refined in the United Kingdom. Exports from the United Kingdom have been lessened considerably. Foreign tariffs on jute bags manufactured in India and Great Britain curtail business in these goods to Continental and foreign ports generally.

FIRM No. C 3,490.

In spite of a preferential tariff we have not been able to recover our export trade to Canada, lost during the days of Continental bounties. Our export of refined sugar to Peru and of syrup to Scandinavia have similarly ceased.

GALLON & SON, GREAT WILSON STREET, LEEDS; Grocers and Provision Merchants.

Sugar is our only commodity affected by foreign tariffs. When the bounty was abolished the price advanced but it is now nearly as cheap as ever.

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AITON AND McCONNOCHE, DUNNIELL PRESERVE AND CONFECTIONERY WORKS, KIRKCALDY; Preserve and Confectionery Manufacturers

Our export trade suffers by the operations of the tariff of most foreign countries and also the Colonies.

BATGER & Co., BROAD STREET, RATOLIFF, LONDON, E.; Manufacturing Confectioners.

Our trade on the Continent and in America has practically been killed by high tariffs. We are practically excluded from Russia, Italy, Germany, Norway, Sweden, Spain, Portugal, Greece, Finland, United States and South America by prohibitive tariffs. Our trade with Holland is also a diminishing quantity owing to the cultivation of home industries. While we might do a certain trade in specialities for which our country is noted we are of opinion that no portion of the heavy bulk trade can be secured by this country unless our goods are treated as sugar, which would appear to have been the intention of the Government when the Brussels Convention was carried through the House of Commons. The following is a list of the present duties on confectionery:—

Austria, Fl. 35-per 100 kilos. =£1 15s. 7d. per cwt. =3½d. per lb.

Denmark, 14⁷/₁₆ths Ore per Danish lb. =16s. 6d. per English cwt. =1½d. per lb.

Italy, Lire, 100 per 100 kilos. =£2 0s. 8d. per cwt. =4½d. per lb.

France, Frs. 33 per 100 kilos. = 13s. 5d. per cwt. = $1\frac{7}{10}$ d. per lb.
 Belgium, Frs. 30 per 100 kilos. = 12s. 2d. per cwt. = $1\frac{1}{4}$ d. per lb.
 Germany, Marks 60, per 100 kilos. = £1 10s. 6d. per cwt. = $3\frac{1}{4}$ d. per lb.
 Norway, 40 Ore per kilo. = £1 2s. 5d. per cwt. = $2\frac{1}{4}$ d. per lb.
 Sweden, 50 Ore per kilo. = £1 8s. 3d. per cwt. = 3d. per lb.
 Holland, Fl. 25 per 100 kilos. = £1 1s. 2d. per cwt. = $2\frac{1}{4}$ d. per lb.

United States, Confectionery valued at 15 cents per lb. = 18s. 8d. per cwt. = 2d. per lb. and 15 per cent. *ad valorem*.

Russia, 12 Roubles 24 cop. per pound gross = £4 0s. 5d. per cwt. gross = $8\frac{1}{2}$ d. per lb. gross = 11d. per lb. net.

Switzerland, Fr. 40, per 100 kilos. = 16s. 3d. per cwt. = $1\frac{1}{4}$ d. per lb.

Spain, 3 Pesetas per kilo. = £6 1s. 11d. per cwt. gross = 1s. 1d. per lb. gross or as near as possible 1s. 5d. per lb. net.

Portugal, 200 Reis per kilo. gross = £2 5s. 9d. per cwt. gross = $4\frac{9}{10}$ d. per lb. gross or as near as possible 6d. per lb. net.

Greece, 3 Oke per 2·8 lb. = £4 16s. per cwt. = $10\frac{1}{4}$ d. per lb.

Rumania, 35 per cent. *ad valorem* ordinary sweets including packing = about $1\frac{1}{4}$ d. per lb.

Turkey, 8 per cent. *ad valorem* on ordinary sweets including packing = about $\frac{3}{4}$ d. per lb.

Finland, 40s. 6d. per cwt. = $4\frac{3}{4}$ d. per lb.

In Germany there is a proposed increase to 70M instead of 60 which would equal 35s., instead of 30s. 6d. or $3\frac{1}{4}$ d. per lb. instead of $3\frac{1}{4}$ d. Finland will probably soon have Russian duty.

FIRM No. 4,956. Chocolate, Confectionery, and Cracker Manufacturers.

Being a comparatively young house we cannot say that our export trade has actually suffered, but we have found it virtually impossible to obtain a footing, in spite of our efforts to do so, in the markets of the United States and Europe, owing to the heavy tariffs imposed on chocolates entering those countries. In addition to these tariffs we are further heavily handicapped in consequence of our inability to obtain a drawback on the cocoa and cocoa butter (drawback on sugar being allowed) used in the manufacture of chocolate, consequently when quoting to any of these foreign countries we have to allow for the payment of the duty both on our own raw cocoa and cocoa butter, and the import duty imposed by the purchasing country on the finished article. A substantial reduction of the tariffs on chocolate and confectionery aided by a drawback on the raw cocoa used in the manufacture of chocolate would greatly assist us in competing in Holland, France, Germany, Austria and the United States.

CLARKE, NICKOLLS & COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E. ; Manufacturing Confectioners.

Foreign tariffs have always been against us, but so long as we had a free market wherein to buy our raw materials, we could afford to smile at them. This free market has been taken away by the Brussels Sugar Convention and our trade harassed by the continuance of the war-duty on sugar. It should be removed at once.

R. S. MURRAY & CO., LTD., FLEET WORKS, TURNMILL STREET, LONDON, E.C. ; Confectionery and Chocolate Manufacturers.

Our export trade has suffered very much through the protective tariffs of foreign countries.

FIRM No. 3,059. Chocolate Manufacturers.

We have attempted to do business in Holland, Belgium, Denmark, Norway and Sweden, but tariffs have made it impossible.

W. ROBERTSON & SON, 71, ROYAL HOSPITAL ROAD, CHELSEA, LONDON ; Wholesale Manufacturing Confectioners.

Our export trade has suffered in recent years principally to the Colonies many making our manufactures themselves. The rate of duties on all our manufactures has always been very high in all countries, and it has been considerably worse since the sugar tax was imposed. There is great difficulty in getting the drawback here. The quantities being in small parcels the expense and trouble is more than the drawback is worth so causing our smaller buyers to abandon our manufactures.

PATTISON & GEAR, ISLINGTON ROW, BIRMINGHAM ; Confectioners and Chocolate Manufacturers.

Confectioners had no occasion to trouble themselves about foreign tariffs (which have always been against them) so long as they had a free market for their raw materials. The Brussels Sugar Convention took this away and conferred favours on their foreign competitors. Cheap Russian sugar, against which this market is closed, will now reach us in the form of confectionery, and entry cannot be denied it under the terms of the Convention.

FIRM No. 3,839. Chocolate Makers and Confectioners.

We ship to British Colonies and India. Twenty years ago we shipped to Holland ; now it is impossible to send our goods to any foreign country in competition. What might be sent would be a fancy or fashionable article.

FIRM No. 5,393. Confectioner and Preserve Manufacturer.

We cannot export any goods to America or the Continent on account of the high tariffs imposed by these countries.

FIRM No. C 724.

The duties in Spain are most disastrous, on some articles coming to about 600 per cent. of the invoice value. Preserves invoiced at £3 11s. 3d., and weighing 155 kilos. had to pay 3 pesetas per kilo. or 445 pesetas and the octroi or town duties and shipping charges brought this up to 544 or £19 18s. Raspberry vinegar costing 12s. 4d. had to pay £4 1s., which is nearly 400 per cent. and the duty on sugared almonds, biscuits and mince-meat comes to more than 300 per cent. on the invoice price.

C. SOUTHWELL & Co., 5, IDOL LANE, LONDON, E.C.; Manufacturing and Export Confectioners.

Jams

Our export trade has suffered by the heavy and increased tariff on English goods sent to the United States of America. For example in the years 1888-91 we shipped on an average to New York, jams to the value of sixteen thousand pounds per annum, but owing to increased tariff since 1892, the annual shipments have only averaged about £1000. The duty in the United States is 35 per cent. on jams and 40 per cent. on glass packages. With 10 per cent. against us we might recover our position.

R. & W. SCOTT, CLYDESDALE PRESERVE WORKS, CARLUKE, N.B.; Makers of Jams, Jellies and Marmalades.

(24th July, 1904.) We do very little export trade. Some years ago we did business with a New York house, but some time after the imposition of the McKinley tariff rates our buyer informed us he would have to discontinue purchasing as he could not get a paying price owing to the high tariff.

(13th July, 1907.) Our business with the United States has now practically ceased.

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T. G. TICKLER, PASTURE STREET, GRIMSBY; Jam, &c., Manufacturer.

We do very little export trade except to the Colonies because of the tariffs of nearly all foreign countries.

FIRM No. 5,120. Jam and Marmalade Manufacturers.

Our export trade has suffered by the almost prohibitive tariffs imposed on British jams by our own Colonies, the United States and the Continent generally. The Canadian preference has helped us a little.

FIRM No. 10,389. Sugar Merchant.

Our experience of the Preferential Tariffs, otherwise bounties, paid on sugar by the Continental countries dates back practically to the commencement of the influx of beetroot sugars into the United Kingdom, and we have seen as the result, the gradual and almost total extinction of the sugar-refining industry in Greenock. We own a sugar refinery in Greenock where we were forced to cease work a dozen years ago owing to Continental opposition, and have not since seen a sufficiently profitable opportunity to resume work.

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(F) EMPLOYMENT.

QUESTION 6 (FORM I).—*Is your trade subject to adverse competition from foreign countries in consequence of any difference in the rates of wages, in the hours of labour, or in other respects? If so, please give such particulars as you can.*

QUESTION 10 (FORM VIII).—*Taking 1903 as an example, can you give any particulars and figures as to the loss of employment in your establishment due to the importation of goods you could have manufactured?*

FIRM No. 2,272. Manufacturing Confectioners.

Sugar

The difference in the cost of sugar in our market and that of other countries has far more than counteracted the benefits they enjoy from cheap labour, but how the abolition of the bounty will affect this it is impossible to say.

BRISTOL SUGAR REFINING Co., LTD., BRISTOL; Sugar Refiners.

The wages paid abroad are much lower than in this country, whilst the hours of work are longer. Owing to the operation of the foreign bounty system our refinery was closed during 1903.

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

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The loss of employment due to the import of goods we could have manufactured is difficult to estimate, but we could double the number of men employed and wages paid if no foreign refined sugar were imported into Great Britain.

A. LYLE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C.; Sugar Refiners.

Generally speaking, we should say our trade is adversely affected by differences in the rates of wages and hours of labour abroad. The employment of cheap female labour and Sunday work gives foreign-made sugars an unfair advantage. We were on full employment in 1903 according to our capacity, but we would probably have largely increased our capacity and therefore have greatly increased employment but for foreign importation.

MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

The import of Continental refined sugar compelled us to close our refinery at Goole in 1896 and now in 1907 it is still standing idle, but in a condition ready for starting at any moment. Had this refinery been working now it would have employed at least 80 men, and the weekly wages would not have amounted to less than £90. Even in Liverpool our refineries are subject to similar vicissitudes, although the age of

our business, and the claims of a large staff of old servants, have hitherto prevented us from closing the works completely, even when they were running at a serious loss. The following table will illustrate this:—

Year ending Oct. 31.	Tons sugar refined.	Wages and Salaries.
1884	63,769	£40,077
1900	36,355	27,638
1903	56,325	32,082
1906	62,453	34,614

In 1894, at the Elsdorf Refinery, Rheinland, Germany, unskilled labourers received 1s. 2½d. per diem less than they did in our Liverpool refineries, and skilled sugar boilers 2s. per diem less than we paid. Even at our country refinery, near Goole in Yorkshire, we had to pay 1s. 0½d. more per diem for unskilled labourers than the German Company at Elsdorf. Another of the causes that combined to necessitate the closing of the Goole refinery was the through rates allowed by steamship and railway companies in conjunction, in order to enable foreign manufacturers to supplant their British rivals. For instance we had to pay 17s. 6d. for the carriage of our sugar from Goole to Manchester, while German sugar could be sent from Hamburg to Manchester *via* Goole for 15s. This scandalous form of adverse competition still exists.

W. SHIRLEY, 6, GLOUCESTER STREET, SHEFFIELD; Late Cutlery Manufacturer.

Fifty years ago we had three sugar refineries in Sheffield, now not one remains. One-sided free trade is the cause of this displacement of labour.

G. DENNIS SWIFFEN, 26—28, QUADRANT CHAMBERS, BIRMINGHAM; Sugar and Glucose Importer.

(21st March, 1904.)—The Brussels Convention is very much against us as a nation. It will provide work for one in sugar refining, and displace seven to ten now engaged in the manufacturing confectionery and jam trades.

(13th July, 1907.)—Undoubtedly as a nation, from the point of view of both the consumer and the public, we are much better off with cheap sugar. In my opinion the Convention and the duty jointly have displaced ten workpeople in the United Kingdom to every one extra now engaged in the sugar refining industry. I could name several large manufactories which have been closed or will be closed during the next year or two entirely owing to dear sugar which means an enormous loss of capital and many hands thrown out of work.

H. TATE & SONS, LTD., 21, MINCING LANE, LONDON, E.C., AND H 15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

The consumption of sugar in 1903 was about 1,700,000 tons. Of this total nearly 1,000,000 tons came in the form of refined sugar from abroad. The quantity turned out by the British refiner was probably under 600,000 tons. It is therefore evident, that had the foreign refiners not received the protection they enjoyed for so many years owing to their high protective duties and to their large direct and indirect bounties, that twice the number of men at least would have been employed in the home industry, with double the consumption of coal and other material used in the manufacture of refined sugar.

In the season 1881–2 before the bounty and kartell system had fully developed, the total import of sugar was 1,123,000 tons, which consisted of:—

Raw cane and beet	981,000 tons, say about 87½ per cent.
Foreign refined	142,000 " " 12½ "

That is to say that whilst the proportion of sugar refined in Great Britain in 1881–2 was 87½ per cent. of the total consumption, through the operation of the bounties during 20 years it had dropped to about 35 per cent. in 1903. If comparison is made with earlier dates the contrast is still greater. There is no doubt that the rate of wages is lower and the hours of labour are much longer in Germany, Austria, Belgium, France, Russia and Holland, from which places we receive refined sugar in various forms. Local taxes in this country especially London also tend to handicap the British refiner.

J. WALKER & Co., GREENOCK; Sugar Refiners and Golden Syrup Manufacturers.

(28th June, 1907.)—We affirm that in the year 1903, had the import of foreign refined sugars which were then manufactured below cost in the country of origin been debarred we could have found a market for an increased output and provided employment for a greater number of men.

WESTBURN SUGAR REFINERIES, LTD., GREENOCK.

(1st July, 1907.) We are not in possession of actual information regarding the rates of wages paid in foreign countries, but believe them to be lower than with us. In one very important particular we are certainly open to adverse competition, namely Sunday labour. The system of working seven days a week gives to any refinery adopting it a very important advantage. Sugar refining is more or less a continuous process, and the interruption of one day in seven causes a comparatively higher oncost and to some extent irregularity of finished article. We are not to be taken as desiring the introduction here of the Continental system, but it affords a justification for the imposition of a small surtax on foreign refined sugar produced under conditions which would not be countenanced by public opinion in Great Britain.

FIRM No. 2,375. Sugar and Almond Millers.

The loss of employment due to the import of goods we could have manufactured has been very small. The cheap raw material we enjoy, more than counteracts any harm experienced.

FIRM No. 2,760. Sugar Refiners.

Our trade is not materially affected by lower rates of wages or longer hours of labour abroad. During the year 1903 fully 25 per cent. of labour was displaced by the importation of goods which we could have produced.

FIRM No. 4,769. Glucose, Invert Sugars, Flaked Maize, Flaked Rice and Caramel Manufacturers.

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The loss of employment due to the import of goods we could have manufactured is not appreciable, as we have added another branch to our manufacture, which has enabled us to retain all our staff.

[In addition four firms state that wages abroad are lower and two firms state that hours of labour abroad are longer.]

FIRM No. 4,956. Chocolate, Confectionery and Cracker Manufacturers.

Confectionery

Our trade is subject to adverse competition from foreign countries in consequence of the difference both in rate of wages and the hours of labour. It is impossible to obtain absolutely accurate information of the wages paid and the hours worked by our foreign competitors, but using the figures found in the "Second Abstract of Foreign Labour Statistics" (Cd. 720) as a basis, we have calculated that taking the rates of wages and the hours of labour together our foreign competitors have the following advantage over us:—Where our company pays in wages £100 (men and women), Switzerland pays in wages, 78.33; France, 71.32; Germany, 69.40; and Austria, 41.34. The hours of labour in France were reduced in 1902. It must be borne in mind that these figures refer only to the wages we expend in our own works. In addition to what we manufacture we use many manufactured articles bought in England, such as boxes, cases, descriptive labels, &c., of which the variety used is very large. The conditions of labour probably in all these branches approximate to our own and therefore it is evident that the foreigner has a considerably greater advantage over us than appears from our figures.

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CLARKE, NICKOLLS & COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E.; Manufacturing Confectioners.

There has been a good deal of employment lost owing to the sugar duty, but not much as yet through foreign competition. But that is coming owing to the Brussels Sugar Convention having reduced the cost of sugar to our foreign competitors and greatly enhanced the price to us. Our business which was a rapidly growing one up to April, 1901, has since been nearly stagnant. Many businesses similar to ours have failed since 1901 and many more are likely to close, so we reckon ourselves fortunate in having maintained our position. Some estimates have been made showing that manufacturing confectionery businesses doing among them over £350,000 yearly, and employing many thousands of workpeople, have closed down in bankruptcy or voluntarily since the beginning of 1903.

DUNDEE & ARBROATH CO., LTD., JAMES STREET, ARBROATH; Makers of Confectionery, Jam, Jellies, &c.

Hitherto the confectionery and preserve trades have not been subject to adverse competition from foreign countries in consequence of any difference in the rates of wages or hours of labour, but the abolition of the bounty system and the imposition of a tax on sugar will give the foreigner an advantage in the future, and put him in a position to compete successfully with British manufacturers.

A. T. MURATORI, 13A, ELLINGFORD ROAD, HACKNEY, LONDON, N.E.; Confectioner and Chocolate Manufacturer.

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I have had several years' practical experience abroad, in Italy, Belgium and France, and I find that labour in those countries, in our trade, is dearer than in England, but rent and some materials are cheaper. They work about 60 hours a week, but are not so hustled as in England.

R. S. MURRAY & Co., LTD., FLEET WORKS, TURNMILL STREET, LONDON, E.C.; Confectionery and Chocolate Manufacturers.

As far as the labour is concerned we are able to compete with foreign countries.

A. C. SHLEHOVER, 3, HAMMERSMITH ROAD, LONDON, W.; Chocolate, Confectionery and Preserve Manufacturers.

(24th June, 1904.) We are subject to adverse competition owing to lower wages and longer hours of labour on the Continent, but chiefly because of the scarcity of skilled labour.

(22nd July, 1907.) During a recent visit abroad I noticed a marked increase in wages and a shortening of the hours of work.

C. SOUTHWELL & Co., 5, IDOL LANE, LONDON, E.C.; Manufacturing and Export Confectioners.

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It is well known that wages, hours of labour, &c., are generally to the advantage of the foreign manufacturer. This is indicated by the fact that English manufacturers have removed, and are removing their works abroad, to avail themselves of such advantages.

FIRM No. 3,839. Chocolate Makers and Confectioners.

The Factory Acts compel us to restrict employment. We doubt if any other country is so handicapped. Swiss and German wages are lower and longer hours are worked: our hours are 54 per week. German chocolates are sold at a price at which we cannot produce at a profit, displacing labour for manufacturing, packing, making wooden boxes, printing, packing case manufacture, &c. These items work out at say 25 per cent. of the cost, which of course would have been earned by British labour.

FIRM No. 5,120. Jam and Marmalade Manufacturers.

The lower the wages on the Continent the cheaper our sugar.

W. ROBERTSON & SON, 71, ROYAL HOSPITAL ROAD, CHELSEA, LONDON; Wholesale Manufacturing Confectioners.

Our trade is subject to adverse foreign competition owing to the difference in the rate of wages and the hours of labour.

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MIDGLEY & PARKINSON, PUDSEY, LEEDS; Fruit Preservers.

The loss of employment in our factory is due to the sugar duty and the abolition of the bounty on sugar from the Continent, which has caused the price of sugar, our raw material, to rise. Owing to these two things the price of the finished article has increased so much that consumption is considerably less, and we find it now much more difficult to get a profit, or a profit at the same rate that we could before.

(g) DIFFERENTIAL RAILWAY AND SHIPPING RATES

QUESTION 15 (FORM II.) :—*Please give any information you have showing the effect on your trade of the differentiation in foreign countries of railway rates and shipping charges on goods exported to the United Kingdom, or other countries?*

Sugar

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

Tons of bounty-fed, subsidised German, Austrian and Dutch refined sugar were imported into the United Kingdom during 1906 and distributed by the British railway companies at through preferential freights not allowed to British sugar refiners, which is illegal. No other Government in the world would ever allow such injustice to exist.

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BRISTOL SUGAR REFINING Co., LTD., BRISTOL; Sugar Refiners.

Foreign competition in all descriptions of refined sugars is aided by the action of the carrying companies, who combine to offer the foreign producer advantages which they refuse to us. We wish particularly to draw attention to the system pursued by the railway companies, who, in conjunction with the shipping companies, grant special preferential rates from abroad to our natural markets at home, and in addition allow free warehouse room, as well as free distribution of the goods to the customers. The foreign refiner has these considerable advantages, which are refused to us and also the protective duty of £2 10s. per ton still in force.

CROSFIELDS, LTD., 323, VAUXHALL ROAD, LIVERPOOL; Sugar Refiners.

It is believed that in spite of the abolition of bounties, certain States assist their manufacturers by giving more favourable railway rates on sugar for export, as compared with those given for home consumption, and also by subsidising steamers sailing under the national flag.

FIRM No. 2,760. Sugar Refiners.

The preferential through rates granted by British railway companies to foreign merchandise give the foreign goods an additional advantage in competing with us in the home market.

J. SMITH & Co., LTD., STOCKPORT; Sugar, Butter, Provision and General Grocery Merchants.

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Sugar from Hamburg to Stockport through Hull, Goole or Grimsby is 14s. 7d. per ton. From any of these ports to Stockport it is 15s. 10d. and from London to Stockport 20s. This is a decided preference to foreign trade given by our railway companies.

G. DENNIS SWIFFEN, 26-28, QUADRANT CHAMBERS, BIRMINGHAM; Sugar and Glucose Importer.

The rate for sugar in bags from Greenock to Cheltenham is 40s. a ton, and from Hamburg or Rotterdam or Antwerp to Cheltenham 20s. a ton.

H. TATE & SONS, LTD., 21, MINCING LANE, LONDON, E.C.; AND H15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

We consider that the question of preferential rates on carriage of goods, both in foreign countries and in the United Kingdom, is of vital importance to all home industries. We may look forward to a much larger share of the trade in the United Kingdom, when the abolition of bounties is fully felt, but the effect of low through rates from abroad, cheaper than we can get our own goods carried between towns in the United Kingdom, and advantages given for storing &c., which are refused to us, will continue to handicap us in competition with foreign sugars.

FIRM No. 10,389. Sugar Merchant.

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The through rates of carriage on Continental sugar to all the leading points of consumption in the United Kingdom are very detrimental to our home industry, as against the rates on raw sugar taken to a refining centre, such as Greenock, Liverpool, London and Bristol, and after refining, sent to the same leading points of consumption, giving an average of 1s. per cwt., or fully 10 per cent. on the f.o.b. value of the raw material in favour of the Continental refiner. As illustrating this, we mention the through rates from Hamburg, the leading Continental export port, to leading points of consumption within the United Kingdom as being less, sometimes 50 per cent. less, than the rates from Scotland to same points of consumption. The result of these through rates is to gradually localise the distributing area of the home refining centres. In fact until the inland rates are greatly reduced, the refining industry cannot successfully compete in the heart of the Empire. We may add that the Germans and Austrians have captured an unduly large proportion of the Irish trade by the low rates accepted by the shipping companies to all the leading Irish sea ports.

FIRM No. 10,394. Sugar Refiner.

The granting of subsidies by several European nations to vessels under their flag trading between their own home ports and foreign ports is common knowledge, also the closure to British shipping by some nations of the trade between their colonies and the mother countries, and also between their own seaboard ports; both of these obstructions come under the denomination of "Coastal voyages." More recently the subsidy system has extended to vessels of other nations than Great Britain, trading between ports alien to the flag of the subsidised vessels. In many instances the ports of loading and discharge, either or both, are

those of the British Empire or its Concessions. It is unnecessary to enlarge upon the baneful effect of these subsidies. The following subsidised lines running on the various routes mentioned, are greatly detrimental to British shipping interests concerned in the trade:—

French Line	between Hong Kong and Canton.
do.	" Canton and West River Ports.
do.	" Shanghai and Yangtze River Ports.
Japanese Line	" Hong Kong and the Philippines.
do.	" Hong Kong, Formosa and Chinese Ports.
do.	" Hong Kong, Japan and San Francisco.
do.	" Shanghai and Yangtze River Ports.
do.	" Various Yangtze River and Lake Ports.
do.	" London, Colombo, Straits, Hong Kong and Japan.
do.	" Japan, Hong Kong and Australian Ports
German Line	" Shanghai and Yangtze River Ports.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchants.

It is very difficult to state whether differential railway rates in foreign countries have any effect on West India sugar. We believe the cheap railway rates and the very cheap freights on goods going from Austria to the East have largely resulted in Austrian sugar displacing other sugar in the Indian markets, but this is probably more an injury to Mauritius than the West Indies.

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FIRM No. 10,549. General Merchants.

At present freights from Hamburg and Liverpool to Eastern ports are about alike for say sugar but sometimes Austria offers freights for sugar to the East Indies at rates which neither Liverpool nor Hamburg can accept, and in consequence Austrian sugar can find a market in India when Liverpool refined sugar has no chance against it. The cheap freights referred to above are offered by foreign-owned vessels, or vessels sailing under foreign flags. Trieste and Fiume are presently injuring the trade in sugar from the United Kingdom to Indian ports.

FIRM No. 2,272. Manufacturing Confectioners.

Confectionery

The English manufacturer is at present severely handicapped by the advantage the Germans and Americans have by way of cheap freights to our various Colonial markets. Not only do the English carrying companies give preferential and special facilities to the foreign manufacturer to bring his goods into this country at exceptionally low rates, but we find in certain cases a difficulty in competing in Colonial markets with the Continental manufacturers owing to the specially low rates charged and the special facilities given by the foreign shipping companies especially through Hamburg and Antwerp. We are also of opinion that the decimal system in vogue with Continental nations is of great assistance in cultivating trade in foreign parts, and if adopted in this country and the Colonies the result would be very beneficial.

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(H) INDUSTRIAL COMBINATIONS.

QUESTION 13 (FORM II).—*Has the growth of combinations in the United States, Germany and other foreign countries affected your business either at home or abroad, and if so, in what manner?*

CLAIRMONT BROS., 7, MINCEING LANE, LONDON, E.C.; Colonial Produce, &c., Merchants.

Motors and Cycles

The Sugar Trust in America has very prejudicially affected the price of sugar in the British West Indies, the Trust being virtually the only buyer in America, and therefore able to make its own terms to a great extent. Since the Cuban Reciprocity Bill has passed the West Indies are at a further disadvantage, so that probably more produce will be diverted to the United Kingdom, but having then to compete with cheap freights on beet sugars lower prices will have to be accepted.

J. W. DE SILVA & Co., 7, RUMFORD STREET, LIVERPOOL; Sugar and Sulphate of Copper Merchants.

The kartells in the sugar trade in Germany and Austria were a greater danger to the sugar refining trade of this country than even the bounties themselves; they were becoming aggressive and must have brought about a crisis in the trade had their operations not been checked by the Brussels Convention. The protective duty of about 2s. 6d. per cwt. allowed by the Brussels Convention still leaves room for the formation of kartells in those countries, giving the trade there an extra profit equivalent to a bounty of 1s. per cwt. on the quantity exported.

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A. LYLE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C.; Sugar Refiners.

The Sugar Convention aimed at suppressing bounties including those due to surtaxes and kartells, and it does so, except to the extent of the surtax allowed, viz., £2 10s. per ton.

D. MACCALMAN & Co., 150, HOPE STREET, GLASGOW; General Merchants.

(24th March, 1904.) The American Sugar Trust and the German and Austrian kartells have seriously injured our business, the former by combining to keep down the price of raw West India sugar, and the latter by combining to keep up their own home prices and dumping the balance on the British market.

(10th July, 1907.) There are many possible effects which may result from our withdrawal from the Convention, but there is one certain effect, and that is the destruction of any confidence in the future of the industry with the corresponding withdrawal of capital and credit.

G. DENNIS SWIFFEN, 26-28, QUADRANT CHAMBERS, BIRMINGHAM; Sugar and Glucose Importer.

Combinations in the States are for their benefit and entirely against the United Kingdom.

A. M. LEE & Co., 9, FENCHURCH AVENUE, LONDON, E.C.; Sugar Merchants.

The combination of sugar refiners in the United States known as the Sugar Trust has prejudicially affected the growers of raw sugar in the British West Indies by suppressing all competition for raw sugars consigned to the American market. In past years, before the Cuban Reciprocity Treaty had practically closed the United States markets to sugar from the British West Indies, importers had often suffered in consequence of the Sugar Trust owning and controlling large quantities of Cuban sugar, rendering the Trust independent of supplies from elsewhere, and compelling consignees to incur heavy storage charges, or as an alternative to accept a price below the official quotations.

FIRM No. 10,237. General Merchants.

Owing to the foreign sugar bounties and combinations on the Continent, our import of sugar and molasses to this country has almost ceased, and we fear the preference given by the United States to Cuban sugar, may greatly injure the sale of British West Indian sugar in the United States.

FIRM No. 10,248. General Merchants.

Combinations have discouraged the cultivation of sugar and the industry has been more or less ruined by the bounty system.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchants.

We were seriously injured by the effect of the German and Austrian kartells while they lasted. They have now been stopped by the Brussels Conference. Whilst the kartells on iron and steel goods in Germany and the United States are in no way prejudicial to our company, they have resulted in our purchasing United States and German rails instead of British rails. Until these kartells were established, we always shipped British rails to the West Indies. Since they have been established, during the last three years, we have practically shipped no British rails. We may mention a curious circumstance with regard to the kartell bounties on steel rails in the United States and Germany. We had in 1903 to ship some steel rails to Porto Rico, duty paid, was obtained from Germany, and this in spite of the fact that the German rails had to pay a duty of 7/10ths of a cent per lb.—over 60 per cent. in Porto Rico, while United States rails were free of duty in Porto Rico. About the same time we had an order for steel rails for Antigua, a British Colony, in which there is no duty on steel rails, either from Germany or the United States. In this case the cheapest tender was from the United States, the explanation being that in the case of Porto Rico the United States were precluded from selling cheap by their own home kartell, whilst Antigua being an external country they were enabled to sell at the external prices.

FIRM No. 10,436. Sugar Merchant.

Continental kartells and the Sugar Trusts in the United States have practically controlled prices, and the growers of Colonial sugar have thereby been placed at an enormous disadvantage.

(I) REMEDIAL MEASURES AND EFFECT AND INCIDENCE OF IMPORT DUTIES

QUESTION 8 (FORM VIII.):—*What minimum duties, if any, on the articles imported, similar to those you manufacture, do you suggest as sufficient to safeguard the interests of your trade?*

QUESTION 9 (FORM VIII.):—*If such duties were imposed what, in your opinion would be the effect (a) upon prices in the Home Market, (b) in securing greater continuity and security in the Home Trade, (c) in reducing cost of production, (d) in increasing employment, and (e) in increasing wages?*

QUESTION 11 (FORM VIII.):—*Do you think that in the interests of your trade, special measures are required to prevent the importation of foreign manufactures below cost in the country of origin; and if so, of what character should such measures be?*

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

The present duty on all refined sugar imported and manufactured in this country is 4s. 2d. per cwt. A duty of 8s. 4d. on imported foreign refined sugar should be the minimum excess of duty to counteract the remaining bounties, which consist in reduced Continental railway rates, subsidies to foreign shipping, &c., also preferential through rates granted by British railway companies, local rates and Imperial taxation. The imposition of such a duty would occasion very little rise in price, as increased home competition would keep down prices, but it would secure greater continuity and security in the home trade. The increased output would much reduce cost of production, and there would be a large increase in employment and wages.

A. LYLE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C.; Sugar Refiners.

On refined sugar and fine syrups, a duty of £1 per ton (under 10 per cent. *ad valorem*) would be sufficient, but in view of the fact that the Brussels Sugar Convention allows a surtax of £2 10s. per ton, which has been levied by the other contracting Powers, we may fairly claim the same. The effect of the imposition of such a duty upon prices in the home market is a matter of opinion on which our directors are divided. The first effect would be to occasion a rise in the price of nearly the full amount of the duty, but while some think this would be maintained, others are of the opinion that the increased production which would be stimulated, would soon reduce the price again to the normal. The imposition of such a duty would secure greater continuity and security to the home trade. It would probably treble the home production, and therefore greatly reduce

the cost of production, and greatly increase employment, but the question of wages would depend on conditions of the labour market generally.

MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

(24th August, 1904.) Countries that adhered to the Brussels Sugar Convention are allowed to give their own Colonial and native-refined sugar a protection of 6 francs per 100 kilos. (nearly 2s. 6d. per cwt.) in their home markets. We consider that a smaller surtax than this would suffice to protect our home trade, say 1s. 6d. to 2s. per cwt. on refined sugar, and 1s. per cwt. on golden and table syrups. A surtax of 2s. 6d. per cwt. which we consider unnecessarily large, is equivalent to a rise in price of about a farthing a pound. We do not believe that even this increase in the retail price would necessarily occur; but, assuming that it would, the additional burden to be borne by consumers would be only 2s. 0½d. per head per annum—an insignificant sum which might easily be exceeded in consequence of the variations of an insecure market. (The consumption of sugar in the United Kingdom is about 98 lb. a head.) We believe that with very slight protection the growing of beetroot and the manufacture of sugar therefrom would become a remunerative industry in the United Kingdom. This would not only relieve agricultural depression, but also add to the continuity and security of the home sugar trade by rendering the nation, at least partly independent of supplies from abroad at times when, owing to crop-failure abroad, or war, such supplies might fail. Sugar refining in Britain has been for so long a precarious and unprofitable industry, that a large majority of British refineries have disappeared altogether, and those that have survived have been unable to introduce many needful improvements.

(9th July, 1907.) It is a melancholy comment on the above statement that, since it was written, the old-established firm of Messrs. Crosfield, in Liverpool, have abandoned the unequal struggle against Continental Powers and closed their great refinery which, after fifty years of activity, has now been placed on the scrap-heap.

Were the industry remunerative, these improvements would be made at once and the cost of production reduced. The consumption of sugar in Great Britain is about 1,550,000 tons per annum, and about 900,000 tons of this is foreign refined. The refining of this at home would give direct employment to about 7,000 persons.

In addition it would be necessary to refine a large amount of sugar for the Colonial export trade that would arise, and there would be a great demand for labour if the cultivation of sugar-beet were introduced. The French crop of 1902-3 (776,158 tons of sugar) needed 3,530,769 work days. During the long period of difficulty through which the British sugar refining industry has passed, it has been necessary for economical reasons to keep wages at the lowest possible level. This has been possible owing to the fact that men trained to sugar-house work from childhood have very great difficulty in adapting themselves to other employments. Were the industry flourishing, wages would certainly rise.

We consider that special measures are urgently required to prevent dumping. The cost of production of sugar is well known, depending as it does on the prices of beetroots, fuel and labour, all of which are given annually in the Continental trade publications. A board established to inquire into these matters from time to time, with power to determine the minimum value, and to impose duties on sugars imported at a lower price, might in our opinion succeed in suppressing the evil.

(9th July, 1907.) In order to secure a reliable supply of sugar, a market free from violent fluctuations, the prosperity of the Colonial planters, the survival of the British refining industry and the introduction of beet culture into the country, three things are, in our opinion necessary:—(1) The maintenance of the Brussels Convention, (2) countervailing duties to prevent dumping, and (3) a small surtax on imported sugar.

J. B. SHERIFF & Co., LTD., 213, WEST GEORGE STREET, GLASGOW; Whisky, Rum and Sugar Merchants.

(16th November, 1905.) The only remedy we see is to increase the duty on foreign sugar and thereby revive that almost defunct industry of refining in this country. Beet sugar should be sold as such in the shops, and when mixed with cane sugar it should be sold as a blend.

(27th June, 1907.) Since the ratification of the Convention we have spent a large amount in improved machinery and we have bought some more land in Jamaica. The cultivation of cane sugar has also increased. Should this country withdraw from the Convention we fear we shall not be justified in spending any more money and we think that the increase in cultivation of cane would very soon be converted into a decrease, and the sugar market would, as formerly, be at the mercy of the beet sugar manufacturers.

H. TATE & SONS, LTD., 21, MINCEING LANE, LONDON, E.C., AND H15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

Since the Brussels Convention we are at a disadvantage as compared with the foreign sugar refiners on account of the surtax of 6 francs on 100 kilos. which they are allowed. This operates against us inasmuch as it really amounts to a small bounty. We have no wish to have our industry protected in the sense of higher duties on refined sugar than raw, but we have a right to ask that we should have an equality of treatment, and that any unfair advantage the foreign refiner has, should be rectified in the manner by which duties are levied upon us in bond. The Brussels Convention has bound the present system for five years, so that it would be impossible to correct the difference until the expiration of that period; but in our opinion such a small increased duty would have no effect on prices in our home market, but it would secure greater security to the home trade. It would not reduce the cost of production nor would it increase employment or wages. In other words the position would be unaltered with the exception of placing the British manufacturer on an equality with his foreign rivals. Now that the Brussels Convention is operative, we do not think special measures are required to prevent the importation of foreign manufactures below cost price in the country of origin.

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J. WALKER & Co., GREENOCK ; Sugar Refiners and Golden Syrup Manufacturers.

We are of opinion that the enforcement of the terms of the Brussels Convention on foreign sugar bounties, will ultimately enable the British sugar refining industry to compete on more equitable terms for the home market ; but we would point out that the surtax of 50s. per ton which is levied on imported sugars &c. by Continental Governments, gives protection to the foreign refiner sufficient to enable him if necessary to export his surplus produce below cost price.

FIRM No. 2,760. Sugar Refiners.

All descriptions of sugar for consumption should be taxed 5 per cent. on their entry into Britain. Were such a duty imposed although prices upon the home market would not be affected greater continuity and security would be afforded to the trade ; increased output would reduce cost of manufacture ; greater and more regular employment would accrue, and with full employment, wages would be maintained and probably enhanced.

We are strongly of opinion that steps ought to be taken to prevent the displacement of home trades by imports of foreign goods at below cost prices whether aided by bounties or otherwise, and we suggest the imposition of an *ad valorem* duty on such goods.

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FIRM No. 4,769. Glucose, Invert Sugars, Flaked Maize, Flaked Rice and Caramel Manufacturers.

There should be a duty on imported glucose equal to £1 a ton more than the home manufacturers pay. By the imposition of such a duty prices would be more remunerative than at present, but the demand for the home-made product would be increased and more continuous, the cost of production would be diminished by larger demand, employment would be increased, and we could afford to pay higher wages.

We certainly think measures should be adopted to prevent selling below cost price in this country in cases where, owing to the immunity from foreign competition in their own country, foreign manufacturers are enabled to sell to their own consumers at higher prices than would prevail, if they were not protected against foreign competition in their own markets.

FINLAY & Co., 42, POWERSCOURT STREET, BELFAST ; Aerated Water Manufacturers.

We should be glad to hear of the duty coming off the sugar, so as to enable us to live. The price we get now is a very low one.

HALL & Co., LTD., 25, ALBION ROAD, NORTH SHIELDS ; Mineral Water Manufacturers, &c.

We suffer because of the tax on sugar and because of the action of the late Government with regard to the Convention with foreign countries in respect of sugar bounties. Free trade is the keynote of British progress and the best guarantee of a united world-wide Empire.

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PORTEOUS, MURRAY & Co., MUIRHALL, LARBERT ; Aerated Water Manufacturers.

We would benefit by the removal of the sugar tax. Any interference in the form of protection would seriously affect our trade.

SOULBY SONS & WINCH, LTD., WEST STREET, ALFORD, LINCS. ; Brewers, &c.

In the event of legislation if an extra tax is put on imported sugar &c., I trust it will be remitted if used for brewing purposes as we are taxed up to the hilt already and disgracefully so after the promises held out by our own party. We are taxed now on the raw material and on the manufactured article.

WM. WHARTON, CUMBRIAN AERATED WATER FACTORY, FLEMING STREET, MARYPORT, CUMBERLAND ; Aerated Water Manufacturer.

The sugar duty and the abolition of bounties have done considerable injury as the majority of consumers will only pay the present price, and an attempt to raise the price in this district when the sugar duty was imposed had to be abandoned on account of the great reduction in sales.

WM. VICKERS, CARLTON BREWERY, NEAR NOTTINGHAM ; Brewer.

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The tax on sugar manufactured in this country ought to be reduced as in the brewery trade there is a very large percentage of glucose bought from the United States which could be made here with the assistance of a tax.

FIRM No. 117. Aerated Water Manufacturers.

Abolition of sugar bounties has given the home refiners a chance to look in.

Confectionery

FIRM No. 2,272. Manufacturing Confectioners.

At present we have little competition from abroad in our general trade. A 10 per cent. minimum duty on all general goods would be sufficient and should keep out the foreigner. The effect of such a duty on prices would be practically nil, but at present foreign competition is not a serious factor in our trade. No special measures are required to prevent the import of goods at prices below the cost in country of origin with the exception perhaps of peel from Belgium but a few years hence the position is likely to be very much changed. If special measures have to be adopted the 10 per cent. minimum duty should be effective.

Between 50 per cent. and 60 per cent. of the cost of Christmas crackers is labour and if these goods are made abroad under conditions of sweated labour nothing less than a duty of 25 per cent. would keep them out. As the import of Christmas crackers is but small, coming chiefly from Japan and Germany, the effect of a duty on the home market would be practically nil. The making of Christmas crackers and paper hats by prison labour should be prohibited.

CLARK & NICKOLLS & COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E. ; Manufacturing Confectioners.

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Export trade has not the importance supposed by some people. We doubt if it amounts to 10 per cent. of the total trade of the country. The main thing is to be able to import raw materials (whether wholly raw, partly manufactured, or according to some folks' ideas fully manufactured) at a low price. We know perfectly well that those who supply these imports must take our productions in payment for them (perhaps their own goods in a further developed state) seeing there are no gold mountains in Great Britain wherewith to liquidate our debts in metal.

There should be no protective duties. The duties on sugar, cocoa, or other materials used in manufacture should be charged at the same rates as in British tariffs. Precautions should be taken that the Russian and other sugar prohibited by us is not used by foreigners in the manufacture of preserves, confectionery, &c., and sent into this country. Practically however this is impossible under the Sugar Convention, as bounty-fed and non-bounty-fed sugar is the same analytically and by taste, and foreign manufacturers are likely to use both and would be prepared to declare that the latter only is exported. If protective duties were imposed for the benefit of confectioners the same thing would happen here as elsewhere. Manufacturers would go to sleep and instead of exerting themselves would wait on the Government door-steps for more and more assistance, exactly like the West Indian sugar growers. Once on the paupers' roll it is easy enough to "ask for more"; self-help and self-respect are lost.

As regards local rates, what is most urgently needed in London is equalisation. The City and West End should be rated in same way as the rest of London (machinery is exempt except in the East End) and Government buildings the same way as factories, on actual value and cost and not at the fanciful figures of Government officials. A still more equitable plan here and throughout the country would be for all buildings (excluding schools, places of worship, museums and other such places free to the public), private houses and their contents, factories and their machinery and contents to be valued on exactly the same basis, also land in urban districts (especially when held for pleasure or against building requirements) and rated accordingly. As it is now manufacturers in this country pay far more than their fair share of rates (and taxes too) as every local Assessment Committee assesses them in full while assessing at so-called "letting value" private houses, &c. The drones and sybarites should be taxed fully and the industrious should pay least. The insurances effected on contents of private houses would be a fair test of value.

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JOHN HILL, IRBY IN THE MARSH, BURGH, R.S.O. ; Mineral Water Manufacturer.

(24th June, 1904.) Foreign countries have nothing to do with my trade, which is a purely local one. The only grievance I have is that the duty laid upon the chief ingredient used in my trade (sugar) was laid upon me by my own Government.

(15th July, 1907.) I think it is a burning shame that our scheme for making our own sugar should be nipped in the bud, as it is likely to be. At the worst the foreigner ought to pay the 4s. duty himself, instead of the duty being put upon us who use the sugar.

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R. S. MURRAY & CO., LTD., FLEET WORKS, TURNMILL STREET, LONDON, E.C. ; Confectionery and Chocolate Manufacturers.

As we are not able to produce goods cheaper than other countries, any tariff imposed must stop the sale of our goods.

E. SKUSE, LTD., ASHMORE WORKS, HARROW ROAD, PADDINGTON, LONDON, W. ; Manufacturers of Confectionery and Patent Medicines.

We consider that raw materials should be imported under the most favourable conditions possible, but that foreign manufactured goods should most certainly bear an import duty. We cannot see, except by this means, how the workers of this country can reasonably expect to compete with cheap foreign labour and maintain a fair rate of wages.

FIRM No. 3,059. Chocolate Manufacturers.

There should be an import duty on cocoa and chocolate of 3d. per lb. to 6d. per lb., according to quality. Such a duty would make no advance in prices, but would increase trade, and so reduce cost of production. There would be corresponding increases in employment and wages.

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FIRM No. 3,839. Chocolate Makers and Confectioners.

There should be a duty on manufactured chocolate of 25 per cent. ; on cocoa butter and cocoa powder of 3d. per lb., on refined sugar, 10 per cent. Such duties would not occasion any advance in prices, there being enough competition to keep prices at the lowest. The cost of production would be reduced, more labour would be wanted and the earnings of the worker would increase. We get rebate on sugar, but cannot get it on cocoa for export trade to our Colonies, &c. We mentioned this at the Customs and they informed us it could not be entertained. If other countries give this they naturally can undersell us as on raw cocoa there is a duty of 1d. per lb. and this is equal to 2d. per lb. on the cocoa when roasted and cleaned. There should be a duty on the manufactured article where it is proved other countries dump, or are working under different conditions, viz., longer hours, cheaper labour or better natural or assisted conditions. A firm working its hands 64 hours per week can naturally produce at a cheaper rate than a house working 64 hours per week. We believe the longer hours are worked in Germany and Switzerland.

FIRM No. 5,393. Confectioner and Preserve Manufacturer.

Inasmuch as America and other foreign countries impose a heavy duty on exports of confectionery from this country, it is surely reasonable that this country should protect home industries by imposing a

corresponding duty on manufactured goods imported from such foreign countries. We should, I contend, apply this rule to all manufactured products, but I am in favour of admitting food and raw material free of duty.

FIRM No. 6,099. Chocolate Manufacturer.

Many men who have recently earned from 30s. to 40s. weekly regular wages are now earning 18s. to 20s. and that irregularly. One need not ask these men if they would prefer their old work and wages and pay some odd few pence for anything extra. A duty should be imposed on foreign confectionery and chocolates, especially Swiss-made chocolates which are imported into England in tons, consequently there is scarcely a chocolate manufacturing firm that has worked full time during 1903. The loss of wages must have been enormous, besides reduced numbers of hands were employed, and many firms were working for scarcely any profit. Something like 20 large manufacturing firms in the above trades, representing enormous capital, have been compelled to either liquidate or retire during the last three to four years. Many of the workmen employed by these firms at good and regular wages, have never been employed at their trade since on account of there being no market for their services, and many skilled workmen are now doing any kind of labourers' work to keep body and soul together. Others drift away to drink and the workhouse, through sheer despair and hopelessness. The chocolate and confectionery trades in England ought to at least employ half the number again that are at present employed. With proper protection other trades would improve and if ours were protected as suggested there would be a living profit for the masters, a good market for sound investment for capital and employment for a much greater number of workmen.

C 1,551.

We have been shipping preserves "under drawback" since the introduction of the sugar duties, and we find that it involves very considerable trouble and expense. If this system was extended to other goods it would add materially to our working expenses, and would mean an increase of selling prices of our products that have to compete with the manufactures of foreign countries and our Colonies. We do not consider that manufacture "in bond" would be suitable to our business, which includes a majority of goods beneficially sold in our home trade and not affected by duties.

C 1,553.

We have had considerable experience of the systems of both drawbacks and warehousing in bond. It would be absolutely imperative for the export trade for one of these systems to be adopted if import duties were imposed. It is hard to say which system would suit us the better as there are objections to both. The introduction of the sugar duty necessitating the system of drawback caused us serious expense for the additional clerks required, for which we do not obtain any compensation. Then again the loss of interest on our money paid for duty on bulk stock (afterwards recoverable by drawback) before it is re-shipped as the manufactured article and before you can recover same from the Customs, is of considerable moment. The serious objection to manufacturing in bond is that the Customs officers do not work the recognised hours of the factory; they work shorter hours and extra hours have to be paid for at an increased rate of pay, which is a serious handicap. We certainly think that if manufacturing in bond were allowed it should be compulsory for the officers to work the hours of the trade without extra pay, overtime after this of course to be paid for as usual, no extra charge to be made for officers over and above the present heavy expenses, the extra expense the manufacturer incurs in his clerical staff being considered to be his share.

C 3,587.

Quite a quantity of confectionery was imported into Honolulu from England previous to its annexation to the United States, but since the United States tariff came into operation there, foreign confectionery is practically barred out. Tariff reform in England is the only way to change these conditions.

C 8,050. Jam Manufacturer.

The remedial measure that would most immediately benefit the jam trade would be the abolition of the sugar duty. This duty falls with especial severity upon the manufacture of cheaper jams, that is to say, jams for the million. In the case of cheap jams the sugar duty may amount to 25 per cent. of the total value, whereas in the more expensive jams, selling at 30s. per cwt. or more, the sugar duty would amount to 10 to 15 per cent. only of the total value.

W. G. CORNICK, 16, EAST STREET, BRIDPORT; Fruit Grower, Jam and Marmalade Manufacturer.

The foreign production of sugar at a low price is a decided advantage to me, and an increased price of this raw material would destroy my trade, as my business as jam and marmalade manufacturer depends entirely upon cheap sugar.

MIDGLEY & PARKINSON, PUDSEY, LEEDS; Fruit Preservers.

(24th June, 1904.) We know from experience that it is disastrous to have the raw material taxed in any way. We can still do the foreign and Colonial trade in competition with foreigners as we get the rebate (sugar tax) on what we export, which then gives us the advantage of still having cheap sugar; but we pay the sugar tax on what we sell at home, and that has considerably reduced sales. This could not possibly be otherwise when we are paying a tax of about 50 per cent. on what might be termed our raw material. Ours might be classed as a new industry and therefore should have been encouraged; instead of that we should think this tax of 50 per cent. on raw material is a greater blow than was ever given to any trade making an article considered a necessity.

(15th July, 1907.) They have now sugar at the same price as we have, and so we find more competition from them for foreign and Colonial trade; in fact there was no competition before. We are anxiously looking for the time when the Brussels Convention will be ended and the duty taken off.

JOHN SMITH (SHIPLEY), LTD., SHIPLEY; Preservers of Fruits, Marmalade and Jellies.

When the duty was put on sugar and the bounty system discontinued, both caused us a loss, seeing they took place between seasons, but the season after prices readjusted themselves and we have felt no disadvantage since.

T. G. TICKLER, PASTURE STREET, GRIMSBY; Jam, &c., Manufacturer.

Although sugar is a very heavy article of consumption in my business, yet I have not suffered any inconvenience or loss of trade owing to the imposition of the duty, for although the bounty has been taken off, and duty imposed we are buying sugar at practically 1s. 4d. per cwt. above the price paid before the duty was levied, proving that the foreigner is paying at least half the duty.

FIRM NO. 3,723. Manufacturers of Jams, Confectionery, Pickles and Sauce.

(24th July, 1904.) We should like the sugar bounties abolished.

(16th July, 1907.) The Convention may have prevented our securing Russian sugar, occasionally cheaper than other sugar, but we consider its effect is to encourage the growth of cane sugar and thereby make us less dependent on beet sugar and prevent these violent fluctuations which occur when there is a deficient beet crop.

FIRM NO. 5,839. Fruit Preservers.

We have a sufficient home trade. We suffer from a home duty of 7s. per cwt. on greengage pulp, Apricot pulp which is very similar is not liable to duty.

A. LAIRD & SONS, 122, HOWARD STREET, GLASGOW; Commission and Foreign Produce Merchants.

(30th March, 1904.) Duties on foodstuffs would reduce the demand in the United Kingdom. There is a 7s. duty on dried fruits the average value of which is about 20s. a cwt., so that the duty is equal to 35 per cent.

(13th July, 1907.) The sugar duty, when it is put on sugar used for preserving canned fruits, pine apples, plums, pears, peaches, apricot, &c., adds about 2½ per cent. to the value of the fruit. The duty causes a good deal of trouble to customers in analysing and to the trade through the delay in examining, and cannot be worth the revenue derived from it.

G. C. WILLIAMS, 72, MARK LANE, LONDON, E.C.; Dried, Preserved and Canned Fruit, &c., Merchant.

The 3s. cwt. sugar duty on preserved ginger, with the consequent increased charges, is hampering trade.

(J) COLONIAL PREFERENTIAL TARIFFS

QUESTION 13 (FORM VIII.):—*What is your experience with regard to the effect of Colonial or other Preferential Tariffs? If benefit has arisen to your trade, please give specific details and illustrations.*

FAIRRIE & Co., LTD., 21, VICTORIA STREET, LIVERPOOL; Sugar Refiners.

The only preferential tariff we know of is in Canada, where British refined sugar is admitted at a reduced duty, but the sugar must be refined from British Colonial raw material. As the American Government has so legislated as to secure almost all the British Colonial raw sugar the British sugar refiners are unable to benefit by the Canadian preferential tariff, as British Colonial raw sugar finds a better market in protected America. Hence the desire of many to be affiliated to America. Preference to our own Colonies is the remedy for this, as British-grown sugar would be attracted to the British Isles and could be refined for export to Canada under their preferential tariff.

JONAS BROWNE & SON, 37, MINCEING LANE, LONDON, E.C.; West India Merchants.

Our imports from British possessions are diminishing, because the United States take more sugar, owing to tariff arrangements.

A. M. LEE & Co., 9, FENCHURCH AVENUE, LONDON, E.C.; Sugar Merchants.

The rebate of 33½ per cent. of the Customs duty on the produce of the British West Indies on entering Canada, has been of little pecuniary benefit to sugar growers in the islands of Antigua and St. Kitts, but must have been of great benefit to the Canadian sugar refiners. Practically the whole of the rebate is deducted from the price offered by the refiners. Almost the sole benefit of this concession is to be found in an arrangement entered into yearly between the refiners and the principal importers and agents whereby the former undertake to purchase on arrival all sugars from the British West Indies consigned to the Canadian market; on the parity of the New York bonded price (less the one-third rebate allowed by Canada on imports from British possessions) on the day of the ships' arrival, thus saving the importer storage charges and the risk which importers might otherwise incur in shipping to a small market like Canada, where, in years of large sugar crops, supplies might greatly exceed the ability of the refiners to deal with them on arrival.

In consequence it is stated, of competition of refined sugar from the Liverpool and Clyde sugar refiners, the Canadian sugar refiners have done a smaller business in the past twelve months in Canada, and in view of the large imports of raw Muscovado sugar from the British West Indies, the Canadian refiners have now cancelled their agreement to purchase on arrival this grade of sugar; but although at present under no contract to buy, we have not heard of their refusal to do so on the parity of the New York bonded price (less the one-third rebate as above). The Canadian sugar refiners can buy raw sugar cheaper from the growers in the British West Indies than from any other source, cheaper in fact than the British refiners can obtain it, as most of the reciprocal advantage which the Cuban growers enjoy in the United States markets is deducted from the price in America, and in addition the whole of the benefits of the one-third rebate of the Canadian duty is now deducted from the price in Canada.

Sugar

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A. LYLE & SONS, 21, MINCING LANE, LONDON, E.C. Sugar Refiners.

We find that our Colonies protect themselves so highly that we can do no trade with them, the small preference given to this country being not nearly sufficient.

D. MACCALMAN & Co., 150, HOPE STREET, GLASGOW; General Merchants.

Our only experience of preferential tariffs is in connection with the countervailing duty on bounty-fed sugar imposed by the United States. This acted practically as a preferential tariff on British West India sugar, as being bounty-free it escaped the countervailing duty.

MACFIE & SONS, 34, MOORFIELDS, LIVERPOOL; Sugar Refiners.

(24th August, 1904.) The only preferential tariff likely to have affected us is that adopted by Canada, but we have not been able to recover our exports to that country lost during the days of the Continental bounties. It has been practically inoperative as far as we are concerned, because to take advantage of it, sugar must be not only refined in Britain but also grown in a British Colony, and raw sugar of this description has been almost unobtainable for many years owing to direct Canadian demand and the preferential treatment given by the United States to sugars that have received no bounty.

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(9th July, 1907.) Recently some British refiners have imported British-grown cane sugar for the purpose of taking advantage of the Canadian tariff, and there seems a probability that Colonial preference may ultimately lead to results important alike to the Colonial growers and the home refiners.

FIRM No. 2,760. Sugar Refiners.

(29th July, 1904.) Our experience is rather limited, but we find that a benefit has accrued to our trade from the Canadian preference on sugar, refined from raw sugar produced in our sugar-growing Colonies. South Africa also makes an exemption in their import duties, provided a certain percentage of British labour is expended in the manufacture of the goods in question.

(2nd July, 1907.) Following upon the preference accorded by Canada to British-grown sugar the Greenock sugar trade has exhibited considerable improvement. In support of this it may be stated that in the year 1904 there was exported to Canada 5,211 tons, in 1905, 10,296 tons, and in 1906, 15,011 tons.

H. TATE & SONS, LTD., 21, MINCING LANE, LONDON, E.C.; AND H15, EXCHANGE BUILDINGS, LIVERPOOL; Sugar Refiners.

We do not think Colonial or other preferential tariffs have benefited us in any way. The preference in South Africa is too small to have much effect, whilst the Canadian preference is given only to refined sugar produced from raw sugar grown in British possessions and the quantity of the latter sugar coming into this market is very small.

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THE WESTBURN SUGAR REFINERIES LTD., GREENOCK.

(1st July, 1907.) Our experience hitherto has been that we cannot compete in the Colonies against foreign competition except by means of a preferential tariff. During the past few years we have been able to export considerably to Canada, no doubt entirely owing to the operation of the Preferential Tariff. The new Canadian tariff does not alter the amount of preference for British-grown sugar, but it slightly adjusts the scale as between refined and raw and such adjustment should operate in favour of importers of our sugar.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchants.

We have hitherto received no advantage from preferential tariffs, but we are just beginning to reap some little advantage therefrom in Canada. With regard to any suggestions for the future, we need only point out that if any preferential treatment were afforded to West India sugar in the British market, there would probably be a very large increase in the production of West India sugar, in which case the demand for Scotch and English machinery would become very great and there would also be an increased demand for all other sugar estates' requirements, such as manure, bags, stores of all kinds, &c.

FIRM No. 10,436. Sugar Merchant.

Since Canada gave a preference to British-grown sugars he has obtained sugar which formerly was shipped to the United States market, and the manufacturers have found a corresponding advantage.

FIRM No. C 1,154.

We find that our Colonies protect themselves so highly that we can do no trade with them, the small preference given to this country being not nearly sufficient. The new tariff in Canada seems to be slightly improving the very small trade done by us with that country, while, on the other hand, the already trifling business we do to Australia seems, under the tariff, to be further dwindling.

FIRM No. C 2,009.

Canadian preference at present might benefit British Colonies but not British sugar refiners. All British refined sugar should have a preference, though the raw material is not British Colonial. Canada encourages imports of raw sugar but the United States secures almost all British Colonial raw sugar and the British sugar refiners are unable to benefit by the Canadian preference as they are unable to buy British-grown raw sugar. The Canadian tariff gives a preference simply to the other British Colonies. To enable British refineries to avail themselves of the reduced duty it would be necessary for the Canadian Government to allow all British refined sugar to come in at the preferential duty although the raw material is not British Colonial.

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FIRM No. C 5,716.

The new Canadian duties have not affected our trade except that there is a slight increase in preference to British Guiana sugars. That is an advantage more apparent than real inasmuch as the bulk of our crop is available at a time when Canada is well stocked with sugar, and consequently the refiners pocket most of the preference. As Canadian consumption increases we shall get a larger share. When Canadian refiners are out of the market some United Kingdom refiners buy cane sugar and export it to Canada as "refined" under preference. This enables them to pay us a premium on such sugar over and above the market value for cane, as compared with beet.

FIRM No. C 7,290.

We are receiving considerable advantage from the preferential tariff in the sales of our British West Indian sugars to Canada. As regards our Trinidad crop we have, for the past two years, received practically the whole of the preference. But for our Demerara sugars we have had to be content with a very much smaller proportion, in fact, so overstocked with sugar is Canada during the time of the Demerara crop that we often have the greatest difficulty in obtaining even a small fraction over the New York price. This is not as it should be but the remedy appears to lie with the Demerara proprietors. As soon as the Canadian consumption exceeds the West Indian supply no doubt the whole of the preference will be obtained by the West Indies, which will prove an immense advantage to the trade between these Colonies and Canada. Beyond a slight increase in the preference allowed to our sugars by the new Canadian tariff it appears to us that, so long as no other sugar is admitted under the Intermediate Tariff, the present position will not be altered.

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FIRM No. 2,272. Confectioners.

Confectionery

(22nd July, 1904.) In our opinion the preferential tariff has been decidedly beneficial, and has enabled us not only to hold our own but in some cases to increase our business. We attribute an increase in our trade in Canada, South Africa, and New Zealand mainly to the operation of the preferential tariff.

(15th July, 1907.) While our commercial relations with Canada have continued to increase satisfactorily we regret to report that in other quarters, especially in South Africa, the position is just the reverse. No doubt this latter fact is mainly owing to the position of the whole Colony; but we also regret to note that local laws and regulations there tend to hamper rather than assist development of trade in English manufactured goods. The same remark applies to Australia. The recently passed Australian Commerce Act, which imposes peculiar restrictions as to duty &c. on catalogues and other trade papers, has a tendency to retard development in these centres.

FIRM No. 4,956. Chocolate, Confectionery and Cracker Manufacturers.

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The only Colony in which chocolates receive preferential treatment at present is Canada, where we obtain a rebate of 33½ per cent., though now we are charged with a duty of 22½ per cent. *ad valorem* as against 35 per cent. charged to the foreigner. The rebate only just neutralises the amount of duty we pay on the raw cocoa, consequently it does not constitute any real preference, it just enables us to compete on level terms with the foreigner. Nevertheless we believe that if a preference were extended to British chocolates in all the Colonies it would have a most stimulating and beneficial effect, as it would in those Colonies neutralise, in the same manner as in Canada, our tax on raw cocoa. In South Africa and New Zealand, there is a preference of 25 per cent. on *ad valorem* duties, but unfortunately, the duty on most chocolate is levied on weight, not on value, in which case there is no preference. Although our foreign competitors at present are not doing a trade in any way commensurate with our own, yet the increasing trade, as shown by the detailed returns of imports into the several Colonies, proves that their competition is becoming greater every year.

CLARKE, NICKOLLS, & COOMBS, LTD., CONFECTIONERY WORKS, VICTORIA PARK, LONDON, N.E.; Manufacturing Confectioners.

The advantages of Colonial preferential tariffs are very problematical. The duties have generally been fixed so high on confectionery that even with the preference the wall is insurmountable except for special lines and we rather think these would go over the fence anyhow. On an article so close cut, the freight and packing are handicap enough against British manufactures without protective duties. Practically all our Colonies enormously protect confectionery (India excepted). But if we had free sugar and free imports of sugar as formerly we would not despair of doing a fair business with the Colonies in spite of the coddling of their industries. The sugar duty, in spite of the drawback on export, is a very serious hindrance to trade, but the Sugar Convention by depriving us of an open market has been a ruinous blow to the British confectionery industry. It deprives us of our weapons and puts them in our opponents' hands. Not the slightest thought was given to it by the British delegates. Evidently they had but one thought "how can sugar be made dearer to the British consumer (who had no interest whatever in it but to buy it cheaply) and cheaper to the foreign competitor?" They have succeeded, and not only we as manufacturers lose by their success but every family in the country is now poorer by a considerable sum yearly, while the Convention exists.

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FIRM No. 3,059. Chocolate Manufacturers.

There are strong indications that the Canadian tariff will help us considerably in the future.

FIRM No. 1,957. Condensed Milk Manufacturers.

Canada is the only Colony which gives us a preference and thus enables us to compete successfully.

(K) MOST-FAVOURED-NATION CLAUSE.

QUESTION 12 (FORM II.) :—*What is your practical business experience as to the working and value of the most-favoured-nation clause in regard to your industry ?*

J. W. DE SILVA & Co., 7, RUMFORD STREET, LIVERPOOL; Sugar and Sulphate of Copper Merchants.

We are of opinion that the Most-Favoured-Nation Clause prevents this country retaliating when foreign tariffs stop shipments from this country, for fear that the offending country may place us at a disadvantage with our rivals.

THE NEW COLONIAL COMPANY, LTD., 20, EASTCHEAP, LONDON, E.C.; Sugar, Rum, Molasses and Cocoa Merchants.

The West Indies have never derived any benefit from the Most-Favoured-Nation Clause in any of our treaties. In the treaty between Great Britain and the United States, the West Indies are distinctly excluded, but even had they not been so, the construction placed upon the Most-Favoured-Nation Clause by the United States would have prevented the British West Indies deriving any benefit from it. Speaking generally, we do not believe the Most-Favoured-Nation Clause has been of much practical advantage to this country.

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SECTION V—STATISTICAL TABLES

The tables throughout this report have been compiled, except where otherwise stated, from the Board of Trade Returns, the Colonial and Foreign Statistical Abstracts, and the official returns of foreign countries. All quantities relating to foreign countries given in the various returns have been converted from metric tons to hundredweights, thus facilitating comparison with the British figures.

TABLE 7.—IMPORTS OF RAW AND REFINED SUGAR INTO THE UNITED KINGDOM AND Table 7
PERCENTAGE OF REFINED TO TOTAL.

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	Refined.	Unrefined.	Molasses.	Total in equivalent of raw.	Percentage of refined to total.
	Weight in thousand cwts.				
1885	5,329	19,417	393	25,609	23·4
1886	6,372	16,134	430	23,578	30·5
1887	6,996	18,010	305	26,034	30·2
1888	6,872	17,857	346	25,761	30·0
1889	8,978	17,550	391	27,846	36·3
1890	9,977	15,717	564	27,223	41·2
1891	11,332	16,202	559	29,231	43·6
1892	10,621	16,296	616	28,553	41·8
1893	11,551	16,032	585	29,320	44·3
1894	13,945	14,306	853	30,421	51·6
1895	14,145	17,010	904	33,375	47·7
1896	14,777	15,744	777	32,757	50·7
1897	15,831	13,554	1,166	31,947	55·7
1898	16,520	14,693	1,353	33,955	54·7
1899	17,809	13,122	1,610	33,962	59·0
1900	19,248	13,235	1,348	35,563	60·9
1901	21,257	13,387	1,710	38,156	62·7
1902	18,365	13,221	1,382	34,573	59·8
1903	18,589	12,649	1,631	34,378	60·8
1904	17,606	14,684	1,942	35,462	55·9
1905	14,696	14,657	2,538	32,459	50·9
1906	18,096	15,258	2,656	36,944	55·1

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Averages.

1887-91 ..	8,831	17,067	433	27,219	36·5
1892-96 ..	13,008	15,878	747	30,886	47·4
1897-01 ..	18,133	13,598	1,437	34,717	58·8
1902-06 ..	17,470	14,094	2,030	34,763	56·5

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Table 8

TABLE 8.—IMPORTS OF REFINED SUGAR INTO THE UNITED KINGDOM.

	Russia.	Germany.	Holland.	Belgium.	France.	U.S.A.	Total from all Countries.	Russia.	Germany.	Holland.	Belgium.	France.	U.S.A.	Total from all Countries.
	Weight, in thousand cwts.						Value, in thousand £.							
1885	231	974	1,269	74	499	2,281	5,329	207	839	1,166	75	476	2,071	4,836
1886	819	1,830	1,180	110	1,007	1,423	6,372	670	1,495	1,007	100	816	1,230	5,321
1887	117	2,833	1,501	217	1,549	776	6,996	86	2,206	1,185	181	1,187	622	5,469
1888	462	3,180	1,422	206	1,560	42	6,872	368	2,771	1,286	195	1,369	39	6,028
1889	489	4,142	1,353	237	2,604	10	8,978	461	4,109	1,350	248	2,489	10	8,839
1890	13	5,003	1,785	176	2,702	293	9,977	11	4,049	1,488	157	2,186	246	8,141
1891	45	6,572	1,752	269	2,156	537	11,332	35	5,367	1,492	232	1,775	451	9,353
1892	343	6,043	2,033	360	1,790	16	10,621	281	5,120	1,790	316	1,512	15	9,062
1893	1	6,634	1,760	505	2,523	24	11,551	1	5,994	1,671	475	2,332	28	10,603
1894	130	8,595	1,909	337	2,953	15	13,945	103	6,608	1,585	275	2,227	22	10,824
1895	37	9,382	2,021	702	1,981	16	14,145	22	6,100	1,451	484	1,325	24	9,410
1896	601	10,059	2,014	635	1,452	10	14,777	398	6,715	1,453	433	1,019	13	10,035
1897	31	10,119	1,739	752	3,172	14	15,831	17	6,144	1,160	467	1,923	14	9,728
1898	45	11,424	2,298	466	2,258	8	16,520	25	6,956	1,484	292	1,390	8	10,169
1899	83	11,812	2,311	448	3,120	9	17,809	47	7,359	1,525	285	1,947	10	11,190
1900	60	11,869	2,263	603	4,333	2	19,248	34	7,581	1,495	391	2,760	2	12,339
1901	—	13,240	2,608	442	4,953	3	21,257	—	8,009	1,683	273	2,974	2	12,949
1902	—	13,466	2,387	149	2,269	0	18,365	—	6,998	1,371	87	1,195	0	9,693
1903	80	14,392	2,207	142	911	0	18,589	45	7,597	1,302	83	519	0	9,967
1904	—	11,073	3,166	541	2,638	5	17,606	—	6,800	2,001	331	1,555	4	10,789
1905	—	9,821	1,778	313	2,440	14	14,696	—	7,364	1,362	232	1,673	13	10,913
1906	—	12,458	2,830	554	2,250	0	18,096	—	7,135	1,719	325	1,278	0	10,461
Averages.														
1887-91	225	4,346	1,563	221	2,114	332	8,831	192	3,700	1,360	203	1,801	274	7,566
1892-96	222	8,143	1,947	508	2,140	16	13,008	161	6,107	1,590	397	1,683	20	9,987
1897-01	44	11,693	2,244	542	3,567	7	18,133	25	7,210	1,469	342	2,199	7	11,275
1902-06	16	12,242	2,474	340	2,102	4	17,470	9	7,179	1,551	212	1,244	3	10,365

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TABLE 9.—IMPORTS OF UNREFINED SUGAR INTO THE UNITED KINGDOM.

Table 9.

(A) BEETROOT.

	Germany.	Holland.	Belgium.	France.	Austria-Hungary.	Total from all Countries.	Germany.	Holland.	Belgium.	France.	Austria-Hungary.	Total from all Countries.
	Weight, in thousand cwt.						Value, in thousand £.					
1885	7,323	169	543	14	—	8,051	4,705	111	384	11	—	5,213
1886	5,662	195	750	32	—	6,672	3,386	115	446	20	—	3,989
1887	7,647	327	1,062	50	—	9,114	4,516	179	636	31	—	5,379
1888	5,307	220	694	32	—	6,282	3,485	136	437	22	—	4,099
1889	5,775	277	1,290	472	1	7,899	4,464	218	829	297	1	5,895
1890	6,869	404	1,302	1,378	43	10,005	4,200	231	785	876	29	6,126
1891	6,401	365	818	1,404	34	9,104	4,056	220	500	941	22	5,788
1892	6,680	259	690	586	44	8,512	4,380	158	446	413	28	5,579
1893	6,279	165	1,095	796	179	8,563	4,503	119	742	610	146	6,158
1894	5,334	152	711	1,054	68	7,745	3,040	80	376	607	38	4,340
1895	6,801	260	1,081	830	30	9,154	3,236	112	475	404	14	4,310
1896	5,003	100	1,109	1,411	80	8,064	2,553	47	552	787	43	4,168
1897	4,362	203	1,163	2,688	59	8,695	1,902	82	495	1,280	24	3,878
1898	5,619	317	1,489	1,843	143	9,566	2,562	135	690	910	64	4,431
1899	5,068	381	1,885	1,681	308	9,399	2,522	174	903	874	161	4,672
1900	3,193	429	2,073	4,286	187	10,240	1,567	201	996	2,227	94	5,121
1901	4,390	302	1,725	3,476	72	10,009	1,913	123	760	1,688	30	4,533
1902	6,604	322	660	1,518	341	9,451	2,330	104	240	583	126	3,385
1903	5,779	164	676	467	1,681	8,833	2,452	61	280	201	706	3,726
1904	6,279	475	1,010	384	741	8,889	3,106	260	562	203	346	4,476
1905	5,851	166	1,055	614	442	8,182	3,118	84	554	298	274	4,369
1906	8,800	494	1,259	196	243	10,992	3,855	231	571	85	101	4,844
Averages.												
1887-91	6,400	319	1,033	667	16	8,481	4,144	197	637	433	10	5,457
1892-96	6,029	187	937	935	80	8,408	3,542	103	518	564	54	4,911
1897-01	4,526	326	1,667	2,795	154	9,582	2,093	143	769	1,396	75	4,527
1902-06	6,663	324	932	636	690	9,269	2,972	148	441	274	311	4,160

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Table 10

TABLE 10.—IMPORTS OF UNREFINED SUGAR INTO UNITED KINGDOM.

(B) CANE AND OTHER SORTS. (QUANTITIES.)

	France.	Egypt.	Java.	Philippine Islands and Spanish West India Islands.	Mexico.	Peru.	Chili.	Brazil.	Argentine.	Total from Foreign Countries.	Mauritius.	British East Indies.	British West India Islands.	British Guiana.	Total from British Possessions.	Total from all Countries.
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Weight, in thousands of cwts.

1885	12	250	3,709	1,141	15	612	126	1,305	—	7,420	253	850	1,425	1,317	3,946	11,366
1886	6	247	3,909	578	55	477	85	597	—	6,213	292	877	646	1,322	3,249	9,462
1887	18	275	3,200	637	32	439	70	870	—	5,716	105	829	756	1,382	3,180	8,896
1888	10	381	3,612	1,026	29	497	69	2,269	—	8,128	256	1,007	984	1,132	3,447	11,575
1889	81	317	2,337	1,119	10	697	78	726	—	5,673	308	1,721	780	1,104	3,978	9,651
1890	15	150	1,377	608	4	607	51	431	—	3,378	250	711	579	759	2,335	5,713
1891	33	237	2,309	1,025	4	422	44	502	—	4,737	223	953	402	693	2,362	7,099
1892	5	298	1,994	1,507	4	718	35	398	—	5,094	245	815	714	774	2,690	7,784
1893	16	332	1,505	1,911	7	523	13	406	—	4,877	245	1,053	598	627	2,592	7,469
1894	23	291	584	1,418	9	332	15	470	—	3,276	267	1,268	818	876	3,285	6,561
1895	11	491	1,252	1,596	2	724	59	658	—	4,961	132	1,062	757	936	2,895	7,856
1896	10	355	1,148	1,403	13	837	53	395	171	4,576	35	1,620	766	680	3,104	7,680
1897	64	199	448	833	3	848	12	325	336	3,180	49	571	555	503	1,679	4,859
1898	196	90	563	913	—	1,002	71	443	302	3,743	63	413	370	537	1,384	5,127
1899	412	56	150	408	—	329	65	127	435	2,103	139	581	567	295	1,619	3,722
1900	448	56	164	216	—	240	70	107	218	1,618	167	379	491	341	1,378	2,995
1901	335	53	209	50	—	96	46	342	666	1,833	437	175	683	246	1,545	3,378
1902	189	53	—	50	—	161	61	578	809	1,963	324	203	845	435	1,807	3,770
1903	77	85	544	520	160	385	54	79	418	2,545	305	286	453	223	1,271	3,815
1904	103	37	1,878	86	184	1,018	24	84	—	4,009	524	211	705	341	1,785	5,795
1905	116	56	2,447	9	408	1,138	93	173	—	4,621	173	457	778	421	1,854	6,475
1906	54	31	358	112	44	538	29	997	—	2,299	127	251	1,265	323	1,967	4,266

Averages.

1887-91	31	272	2,567	883	15	532	60	960	—	5,526	228	1,044	700	1,014	3,060	8,587
1892-96	13	353	1,297	1,567	7	627	35	465	34	4,557	185	1,164	731	779	2,913	7,470
1897-01	291	91	307	484	1	503	53	269	391	2,495	171	424	533	384	1,521	4,016
1902-06	108	52	1,045	155	159	648	52	332	245	3,087	291	282	809	349	1,737	4,824

TABLE 11.—IMPORTS OF UNREFINED SUGAR INTO UNITED KINGDOM.

Table 11

(B) CANE AND OTHER SORTS. (VALUES.)

France.	Egypt.	Java.	Philippine Islands and Spanish West India Islands.	Mexico.	Peru.	Chili.	Brazil.	Argentine.	Total from Foreign Countries.	Mauritius.	British East Indies.	British West India Islands.	British Guiana.	Total from British Possessions.	Total from all Countries.
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Value, in thousand £.

1885	11	160	2,858	764	11	442	95	807	—	5,341	184	446	1,106	1,135	2,932	8,273
1886	4	166	2,853	292	40	338	57	378	—	4,319	181	432	428	1,128	2,233	6,553
1887	10	155	2,086	320	20	279	44	480	—	3,506	57	398	494	1,058	2,070	5,576
1888	8	278	2,704	568	20	369	44	1,427	—	5,603	173	484	728	977	2,408	8,010
1889	69	270	1,994	674	9	561	63	517	—	4,436	294	1,170	780	992	3,284	7,720
1890	11	105	980	333	2	412	37	259	—	2,240	158	368	421	598	1,569	3,809
1891	26	159	1,629	559	—	298	31	307	—	3,135	136	497	312	572	1,581	4,715
1892	4	202	1,368	834	3	524	24	244	—	3,305	150	401	545	634	1,824	5,128
1893	13	255	1,186	1,151	5	395	11	267	—	3,414	167	622	508	544	1,888	5,301
1894	15	190	390	749	6	215	11	271	—	1,935	155	563	643	676	2,073	4,008
1895	6	264	676	685	1	388	31	288	—	2,440	54	381	492	593	1,525	3,965
1896	6	221	678	658	8	478	30	190	100	2,481	17	638	558	470	1,685	4,166
1897	32	95	218	322	1	426	6	143	162	1,470	21	201	335	318	875	2,345
1898	117	42	279	407	—	513	39	210	141	1,846	32	178	229	335	776	2,622
1899	259	28	87	192	—	187	36	64	253	1,182	67	293	420	214	1,016	2,197
1900	288	30	89	98	—	129	39	55	108	908	82	187	367	253	889	1,797
1901	194	29	87	23	—	42	21	155	308	881	203	79	509	171	964	1,845
1902	76	24	—	15	—	57	21	191	305	713	111	74	496	258	940	1,654
1903	37	37	262	241	73	157	21	31	185	1,146	109	106	274	130	622	1,769
1904	51	21	917	31	102	508	11	32	—	1,987	199	87	465	246	999	2,986
1905	81	37	1,549	5	264	720	54	81	—	2,926	93	250	598	305	1,264	4,190
1906	25	15	175	42	21	244	13	392	—	988	48	102	666	186	1,003	1,991

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Averages.

1887-91	25	193	1,879	491	10	384	44	598	—	3,784	164	583	547	839	2,182	5,966
1892-96	9	226	858	815	5	400	21	252	20	2,715	109	521	549	583	1,799	4,514
1897-01	178	45	152	208	0	259	28	125	194	1,257	81	188	372	258	904	2,161
1902-06	54	27	581	67	92	337	24	145	98	1,552	112	124	500	225	966	2,518

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TABLE 12

TABLE 12.—IMPORTS OF UNREFINED SUGAR INTO THE UNITED KINGDOM.
(c) ALL KINDS.

	Germany.	Holland.	Belgium.	France.	Austria-Hungary.	Egypt.	Java.	Philippine Islands and Spanish West India Islands.	Mexico.	Peru.	Chile.	Brazil.	Argentina.	Total from Foreign Countries.	Mauritius.	British East Indies.	British West India Islands.	British Guiana.	Total from British Possessions.	Total from all countries.
Weight in thousands of cwt.																				
1885 ..	7,332	287	543	26	—	250	3,709	1,141	15	612	126	1,305	—	15,471	253	850	1,425	1,317	3,946	19,417
1886 ..	5,672	281	751	38	—	247	3,909	578	55	477	85	597	—	12,885	292	877	646	1,322	3,249	16,134
1887 ..	7,658	407	1,063	68	—	275	3,200	637	32	439	70	870	—	14,830	105	829	756	1,362	3,180	18,010
1888 ..	5,329	285	694	41	—	381	3,612	1,026	29	497	59	2,269	—	14,411	256	1,007	984	1,132	3,447	17,875
1889 ..	5,797	420	1,290	552	1	317	2,337	1,119	10	697	78	726	—	13,572	308	1,721	730	1,104	3,978	17,550
1890 ..	6,888	430	1,302	1,394	43	150	1,377	608	4	607	51	431	—	13,383	250	711	579	759	2,335	15,717
1891 ..	6,422	418	818	1,437	40	237	2,309	1,025	—	422	44	502	—	13,841	223	953	402	693	2,362	16,202
1892 ..	6,707	295	693	591	44	298	1,994	1,507	4	718	35	398	—	13,606	245	815	714	774	2,690	16,296
1893 ..	6,304	230	1,099	812	183	332	1,505	1,911	7	523	13	406	—	13,440	245	1,053	598	627	2,592	16,032
1894 ..	5,403	179	713	1,076	68	291	584	1,418	9	332	15	470	—	11,021	267	1,268	818	876	3,285	14,306
1895 ..	6,328	313	1,085	841	30	491	1,252	1,596	2	724	59	658	—	14,115	132	1,062	757	936	2,895	17,010
1896 ..	5,036	106	1,109	1,421	80	355	1,148	1,403	13	837	53	395	171	12,640	35	1,620	766	680	3,104	15,744
1897 ..	4,384	211	1,173	2,752	59	199	448	833	3	848	12	325	336	11,874	49	571	555	503	1,679	13,554
1898 ..	5,642	337	1,489	2,040	143	90	563	913	—	1,002	71	443	302	13,309	63	413	370	537	1,384	14,693
1899 ..	5,097	411	1,887	2,093	308	56	150	408	—	329	65	127	435	11,503	139	581	567	295	1,619	13,122
1900 ..	3,212	444	2,073	4,734	187	57	164	216	—	240	70	107	218	11,857	167	379	491	341	1,378	13,235
1901 ..	4,402	311	1,728	3,811	72	53	209	50	—	96	46	342	666	11,843	437	175	683	246	1,545	13,387
1902 ..	6,606	337	667	1,706	341	53	—	50	—	161	61	578	809	11,414	324	203	845	435	1,807	13,221
1903 ..	5,784	208	685	544	1,688	85	544	520	160	385	54	79	418	11,378	305	286	453	223	1,271	12,649
1904 ..	6,293	751	1,011	487	741	37	1,878	86	184	1,018	24	84	—	12,899	524	211	705	341	1,785	14,684
1905 ..	5,860	204	1,055	729	442	56	2,447	9	408	1,138	93	173	—	12,803	173	457	778	421	1,854	14,657
1906 ..	8,817	523	1,259	251	243	31	358	112	44	538	29	997	—	13,291	127	251	1,265	323	1,967	15,258
Average.																				
1881-91	6,419	392	1,033	698	17	272	2,567	883	15	532	60	960	—	14,007	228	1,044	700	1,014	3,060	17,067
1892-96	6,056	225	940	948	81	353	1,297	1,567	7	627	35	465	34	12,964	185	1,164	731	779	2,913	15,873
1897-01	4,547	343	1,670	3,086	154	91	307	484	1	503	53	269	391	12,077	171	424	533	384	1,521	13,598
1902-06	6,672	405	935	743	691	52	1,045	155	159	648	52	382	245	12,357	291	282	809	349	1,737	14,094

TABLE 13.—IMPORTS OF MOLASSES INTO THE UNITED KINGDOM.

Table 13

	United States.	Cuba.	Total from Foreign Countries.	Total from British Possessions.	Total from all Countries.	United States.	Cuba.	Total from Foreign Countries.	Total from British Possessions.	Total from all Countries.
	Weight, in thousand cwt.					Value, in thousand £.				
1885 ..	300	—	315	78	393	101	—	105	34	139
1886 ..	376	—	384	46	430	118	—	121	17	138
1887 ..	230	—	237	68	305	77	—	80	22	102
1888 ..	279	—	284	62	346	85	—	87	22	109
1889 ..	326	—	339	52	391	120	—	125	19	144
1890 ..	519	—	522	42	564	169	—	170	14	184
1891 ..	400	—	545	15	559	138	—	169	6	175
1892 ..	481	—	581	35	616	146	—	169	12	181
1893 ..	542	—	560	24	585	163	—	168	9	177
1894 ..	733	—	823	31	853	198	—	213	13	227
1895 ..	789	—	883	21	904	192	—	204	9	213
1896 ..	483	—	769	8	777	132	—	167	3	169
1897 ..	996	—	1,151	15	1,166	224	—	242	4	246
1898 ..	1,153	—	1,335	18	1,353	310	—	342	5	347
1899 ..	1,417	—	1,593	16	1,610	351	—	383	6	389
1900 ..	1,108	—	1,335	13	1,348	305	—	343	5	348
1901 ..	1,381	—	1,706	3	1,710	309	—	364	0	365
1902 ..	1,008	123	1,370	12	1,382	215	14	267	3	270
1903 ..	1,041	285	1,578	53	1,631	210	37	288	14	302
1904 ..	1,065	628	1,906	36	1,942	243	77	351	12	363
1905 ..	1,751	597	2,517	21	2,538	386	82	494	8	502
1906 ..	1,391	1,028	2,605	52	2,656	327	145	504	14	518
	Averages.									
1887-01 ..	351	—	385	48	433	118	—	126	17	143
1892-96 ..	606	—	723	24	747	166	—	184	9	193
1897-01 ..	1,211	—	1,424	13	1,437	300	—	335	4	339
1902-06 ..	1,251	532	1,995	35	2,030	276	71	381	10	391

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Table 14

TABLE 14.—IMPORTS OF GLUCOSE, SOLID OR LIQUID, INTO THE UNITED KINGDOM.

	Weight, in thousand cwt.					Value, in thousand £.				
	Germany.	U.S.A.	Total from Foreign Countries.	Total from British Possessions.	Total from all Countries.	Germany.	U.S.A.	Total from Foreign Countries.	Total from British Possessions.	Total from all Countries.
1885 ..	404	17	461	—	461	284	13	326	—	326
1886 ..	441	25	503	—	503	293	19	336	—	336
1887 ..	466	40	537	—	537	291	26	337	—	337
1888 ..	393	34	481	—	481	267	24	324	—	324
1889 ..	253	429	729	—	729	177	278	483	—	483
1890 ..	375	316	737	—	737	239	180	446	—	446
1891 ..	106	546	708	—	708	76	345	458	—	458
1892 ..	35	842	918	0	919	24	516	566	0	566
1893 ..	65	1,153	1,236	—	1,236	43	640	695	—	695
1894 ..	99	937	1,062	—	1,062	58	470	542	—	542
1895 ..	69	1,229	1,316	—	1,316	38	558	606	—	606
1896 ..	51	1,469	1,539	—	1,539	29	584	623	—	623
1897 ..	38	1,514	1,577	33	1,610	21	536	569	12	581
1898 ..	36	1,718	1,773	114	1,887	20	659	688	44	732
1899 ..	36	1,670	1,731	94	1,826	20	647	679	35	715
1900 ..	31	1,736	1,774	68	1,843	18	696	719	27	746
1901 ..	31	1,406	1,449	48	1,497	18	606	630	22	652
1902 ..	184	937	1,141	7	1,148	98	463	571	3	574
1903 ..	69	1,218	1,304	—	1,304	39	570	616	—	616
1904 ..	20	1,256	1,285	43	1,328	14	566	584	20	604
1905 ..	9	1,335	1,357	53	1,411	7	572	586	22	609
1906 ..	19	1,332	1,399	59	1,457	12	580	614	26	640
Averages.										
1887-91 ..	319	273	638	—	638	210	171	410	—	410
1892-96 ..	64	1,126	1,214	—	1,214	38	554	606	—	606
1897-01 ..	34	1,609	1,661	71	1,733	19	629	657	28	685
1902-06 ..	60	1,216	1,297	32	1,330	34	550	594	14	609

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TABLE 15.—EXPORTS OF SUGAR, REFINED AND CANDY, FROM THE UNITED KINGDOM. Table 15
(QUANTITIES.)

	Norway.	Denmark.	Holland.	Portugal.	Italy.	U.S.A.	Total to Foreign Countries.	British East Indies.	British North America.	Total to British Possessions.	Total to all Countries.
Weight, in thousand cwt.											
1885 ..	65	129	67	84	297	9	864	18	18	130	994
1886 ..	91	146	110	94	143	1	726	—	19	127	853
1887 ..	77	112	78	79	99	1	560	13	29	145	705
1888 ..	80	103	93	74	93	14	548	—	39	136	684
1889 ..	95	141	102	88	108	—	634	—	28	121	755
1890 ..	64	132	93	73	72	—	554	37	25	156	709
1891 ..	86	150	88	64	42	54	593	16	33	132	725
1892 ..	89	185	92	77	71	112	810	4	23	92	902
1893 ..	94	189	98	93	53	291	1,005	3	38	117	1,122
1894 ..	94	187	105	85	60	219	937	2	33	101	1,038
1895 ..	104	189	108	81	56	178	866	2	28	100	966
1896 ..	137	146	112	117	58	225	872	3	37	122	994
1897 ..	105	142	117	96	50	145	762	10	28	112	874
1898 ..	106	132	118	70	39	15	569	21	70	167	736
1899 ..	73	168	108	61	19	4	501	47	34	147	648
1900 ..	65	143	92	44	11	5	397	92	66	210	606
1901 ..	42	97	54	18	5	14	260	194	42	296	556
1902 ..	40	138	72	8	24	2	313	307	29	403	716
1903 ..	32	99	70	6	8	3	253	668	52	776	1,029
1904 ..	32	112	71	17	4	6	277	143	110	312	588
1905 ..	22	99	83	16	19	7	284	88	221	364	647
1906 ..	17	95	80	29	34	11	327	210	288	570	897
Averages.											
1887-91	80	128	91	76	83	14	578	13	31	138	716
1892-96	104	179	103	91	60	205	898	3	32	106	1,004
1897-01	78	136	98	58	25	37	498	73	48	186	684
1902-06	29	109	75	15	18	6	291	283	140	485	775

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Table 16

TABLE 16.—EXPORTS OF SUGAR, REFINED AND CANDY, FROM THE UNITED KINGDOM.
(VALUES.)

	Norway.	Denmark.	Holland.	Portugal.	Italy.	U.S.A.	Total to Foreign Countries.	British East India.	British North America.	Total to British Possessions.	Total to all Countries.
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Value, in thousand £.

1885 ..	51	100	52	63	225	5	659	16	13	103	762
1886 ..	70	96	82	66	98	1	513	—	12	94	607
1887 ..	56	66	53	48	65	1	362	8	21	103	465
1888 ..	67	76	67	53	69	9	408	—	28	107	515
1889 ..	81	104	82	67	89	—	507	—	21	102	609
1890 ..	48	82	66	49	49	—	385	32	17	121	506
1891 ..	66	96	63	45	31	36	420	13	24	102	522
1892 ..	71	121	69	57	55	84	609	5	18	76	684
1893 ..	81	143	79	71	44	220	803	4	30	100	903
1894 ..	72	134	73	56	41	140	655	2	23	74	729
1895 ..	63	119	63	45	31	93	509	1	16	65	574
1896 ..	86	80	68	70	35	129	517	3	23	80	597
1897 ..	62	72	64	51	26	73	409	6	16	66	475
1898 ..	63	68	67	38	21	8	318	12	35	97	414
1899 ..	46	98	68	36	12	2	304	29	19	92	396
1900 ..	42	86	58	26	7	3	246	57	40	136	382
1901 ..	29	60	31	10	3	7	161	122	21	189	351
1902 ..	22	69	38	4	11	1	161	175	14	238	399
1903 ..	16	54	37	3	4	2	137	406	31	477	615
1904 ..	18	60	42	10	2	4	159	93	70	209	367
1905 ..	16	65	62	11	11	5	199	62	179	293	492
1906 ..	10	48	50	15	17	7	190	133	185	371	562

Averages.

1887-91	64	85	66	52	61	9	416	11	23	107	523
1892-96	75	119	70	60	41	133	619	3	22	79	697
1897-01	48	77	58	32	14	19	288	45	26	116	404
1902-06	16	59	46	9	9	4	169	174	96	318	487

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TABLE 17.—EXPORTS OF MOLASSES, TREACLE, SYRUP, AND GLUCOSE FROM UNITED KINGDOM. Table 17

	Sweden and Norway.	Total to Foreign Countries.	Cape of Good Hope and Natal.	Total to British Possessions.	Total to all Countries.	Sweden and Norway.	Total to Foreign Countries.	Cape of Good Hope and Natal.	Total to British Possessions.	Total to all Countries.
	Weight, in thousand cwts.					Value, in thousand £.				
1885 ..	101	419	—	16	435	49	163	—	14	177
1886 ..	85	428	—	12	440	40	151	—	10	162
1887 ..	100	446	—	19	465	45	154	—	15	168
1888 ..	183	407	3	12	418	87	173	3	10	183
1889 ..	168	404	4	15	419	81	172	4	15	186
1890 ..	189	394	7	17	411	96	176	8	16	192
1891 ..	221	392	9	14	406	112	181	9	14	194
1892 ..	202	422	12	21	443	100	182	13	20	202
1893 ..	192	370	16	21	391	88	148	47	21	169
1894 ..	208	343	19	22	365	84	126	18	21	148
1895 ..	239	325	20	23	348	92	127	19	21	148
1896 ..	221	307	28	31	338	84	121	28	30	151
1897 ..	185	275	28	31	306	65	104	28	31	134
1898 ..	165	236	27	29	265	65	93	26	29	121
1899 ..	163	210	28	31	241	64	85	23	26	110
1900 ..	162	198	35	41	239	61	79	35	40	119
1901 ..	134	171	52	57	229	58	79	51	57	136
1902 ..	149	193	70	77	269	67	93	66	72	166
1903 ..	162	201	56	70	271	73	98	53	63	162
1904 ..	189	243	47	59	302	76	102	47	57	159
1905 ..	185	273	52	66	340	82	119	52	63	182
1906 ..	228	279	48	60	339	99	136	48	58	194
	Averages.									
1887-91 ..	172	409	5	15	424	84	171	5	14	185
1892-96 ..	212	353	19	24	377	90	141	19	23	164
1897-01 ..	162	218	34	38	256	63	88	33	37	124
1902-06 ..	183	238	55	66	304	79	110	53	63	173

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Table 18

TABLE 18.—IMPORTS OF CONFECTIONERY, INCLUDING FRUITS AND VEGETABLES
PRESERVED IN SUGAR, INTO THE UNITED KINGDOM.*

	Belgium.	France.	U.S.A.	Total from Foreign Countries.	Straits Settlements.†	Hong Kong.	Total from British Possessions.	Total from all Countries.
Value, in thousand £.								
1888 ..	3	81	37	152	17	30	51	204
1889 ..	3	78	14	125	10	18	40	165
1890 ..	5	93	23	168	16	51	72	240
1891 ..	5	89	51	206	40	38	99	305
1892 ..	1	85	66	200	51	32	87	287
1893 ..	4	92	84	234	60	42	106	340
1894 ..	5	100	101	269	43	37	85	354
1895 ..	18	100	85	257	52	53	113	371
1896 ..	31	98	88	255	27	54	89	344
1897 ..	36	98	122	303	26	60	92	394
1898 ..	47	94	176	370	82	43	140	510
1899 ..	49	101	231	448	36	41	89	536
1900 ..	49	117	66	283	9	50	67	350
1901 ..	50	96	206	400	129	37	169	569
1902 ..	78	122	164	427	172	64	242	669
1903 ..	65	138	315	583	165	59	238	821
1904 ..	46	132	442	682	209	72	296	978
1905 ..	43	126	483	713	176	45	230	943
1906 ..	25	144	407	642	180	61	250	892
Averages.								
1888-91 ..	4	85	31	163	21	34	66	229
1892-96 ..	12	95	85	243	47	44	96	339
1897-01 ..	46	101	160	361	56	46	111	472
1902-06 ..	51	132	362	609	180	60	251	861

* The principal items included in this table, in addition to Confectionery and Fruit preserved in Sugar, are as follows: Candied and Drained Peel; Cherries, Drained, imported in bulk; Ginger, preserved in Syrup or Sugar; Marmalade, &c.; and Marzipan. Confectionery containing more than 50 per cent. of chocolate has been excluded throughout, as prior to April 19th, 1901, such confectionery was included in cocoa or chocolate, ground or prepared. There is thus excluded a large quantity of chocolate sweetmeats, amounting in 1904 to 1,450,000 lbs. (valued probably at about £100,000) according to an estimate in the Board of Trade Returns.

† British East Indies, prior to 1898

TABLE 19.—IMPORTS OF CONFECTIONERY,* EXCLUDING FRUITS AND VEGETABLES PRESERVED IN SUGAR, INTO THE UNITED KINGDOM.

Table 19

	Holland.	Belgium.	France.	U.S.A.	Total from Foreign Countries.	Total from British Possessions.	Total from all Countries.
Value, in thousand £.							
1888	3	1	17	15	40	—	40
1889	3	1	11	10	29	—	29
1890	8	1	13	12	41	3	44
1891	13	—	11	17	50	12	62
1892	14	1	9	22	53	19	72
1893	20	1	10	43	78	19	97
1894	18	2	9	79	121	4	125
1895	14	14	8	67	114	5	120
1896	6	25	9	45	91	2	93
1897	4	29	8	70	120	1	120
1898	3	40	9	90	151	2	153
1899	3	42	10	62	124	1	125
1900	5	41	10	52	120	1	121
1901	2	43	20	65	148	1	148
1902	2	65	15	42	134	0	135
1903	5	54	14	43	131	1	132
1904	5	35	15	51	117	2	119
1905	6	27	13	68	125	2	128
1906	6	12	15	60	106	1	107
Averages.							
1888-91	7	1	13	14	40	4	44
1892-96	14	9	9	51	91	10	101
1897-01	3	39	11	68	133	1	133
1902-06	5	39	14	53	123	1	124

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* Confectionery containing more than 50 per cent. of chocolate has been excluded throughout, as prior to April 19th, 1901, such confectionery was included in cocoa or chocolate, ground or prepared. There is thus excluded a large quantity of chocolate sweetmeats, amounting in 1904 to 1,450,000 lbs. according to an estimate in the Board of Trade Returns, the value being probably about £100,000.

Table 20

TABLE 20.—EXPORTS OF PICKLES, VINEGAR, SAUCES, CONDIMENTS, PRESERVED
FRUITS, AND CONFECTIONERY FROM THE UNITED KINGDOM.

	Holland.	Belgium.	Egypt.	U.S.A.	Total to Foreign Countries.	Cape of Good Hope and Natal.	British India.	Australasia.	Canada.	Total to British Possessions.	Total to all Countries.
Value, in thousand £.											
1885 ..	32	33	20	178	446	96	147	462	54	879	1,325
1886 ..	35	23	10	177	417	63	137	370	58	735	1,152
1887 ..	35	23	6	210	443	75	142	357	60	751	1,194
1888 ..	34	37	5	250	497	85	117	498	52	872	1,369
1889 ..	38	21	7	236	489	135	133	383	59	830	1,319
1890 ..	41	27	7	301	553	130	155	403	65	890	1,443
1891 ..	43	27	8	236	475	110	158	434	66	898	1,373
1892 ..	42	29	8	213	454	108	148	361	58	810	1,264
1893 ..	40	23	11	179	421	114	143	236	53	682	1,103
1894 ..	40	30	10	198	447	116	138	251	52	687	1,133
1895 ..	45	34	12	186	465	157	144	288	54	772	1,237
1896 ..	44	31	17	172	461	194	138	327	52	843	1,304
1897 ..	43	26	18	181	477	194	164	290	60	842	1,319
1898 ..	48	32	29	157	470	192	152	321	67	872	1,343
1899 ..	49	37	22	179	506	164	159	356	84	923	1,429
1900 ..	45	42	24	127	458	241	157	341	83	971	1,429
1901 ..	38	37	31	139	453	376	150	342	88	1,098	1,551
1902 ..	32	31	27	147	438	422	123	279	111	1,079	1,517
1903 ..	34	22	26	152	452	239	115	285	141	926	1,378
1904 ..	32	27	33	169	515	205	118	329	132	928	1,443
1905 ..	35	34	50	180	642	210	182	344	160	1,059	1,702
1906 ..	33	35	60	189	725	193	225	381	199	1,198	1,923
Averages.											
1887-91	38	27	7	247	491	107	141	415	60	848	1,340
1892-96	42	29	12	190	450	138	142	293	54	759	1,208
1897-01	45	35	25	157	473	233	156	330	76	941	1,414
1902-06	33	30	39	167	554	254	153	324	149	1,038	1,593

TABLE 21.—EXPORTS OF CONFECTIONERY, JAMS, AND PRESERVED FRUITS FROM THE UNITED KINGDOM.* Table 21

	Holland.	Egypt.	U.S.A.	Total to Foreign Countries.	Channel Islands.	Cape of Good Hope.	Natal.	British East Indies.	Australasia.	Canada.	British West India Islands.	Total to British Possessions.	Total to all Countries.
Value, in thousand £.													
1900 ..	32	17	19	165	14	107	46	80	124	21	11	442	607
1901 ..	29	23	23	180	14	153	86	99	131	33	12	569	750
1902 ..	24	20	36	196	21	200	91	99	133	47	14	651	847
1903 ..	26	22	39	218	21	123	59	109	144	64	15	583	801
1904 ..	25	29	46	250	20	93	51	113	157	64	13	562	812
1905 ..	25	42	39	299	22	83	61	136	150	78	14	596	894
1906 ..	27	58	48	364	24	76	51	167	175	101	15	674	1,038

* Included in pickles, vinegars, sauces, condiments, preserved fruits, and confectionery prior to 1900.

TABLE 22.—EXPORTS OF AERATED WATERS* FROM THE UNITED KINGDOM. Table 22

	France.	U.S.A.	Chile.	Total to Foreign Countries.	Cape of Good Hope and Natal.	Total to British Possessions.	Total to all Countries.	France.	U.S.A.	Chile.	Total to Foreign Countries.	Cape of Good Hope and Natal.	Total to British Possessions.	Total to all Countries.
Quantity, in thousand dozens of bottles. Value, in thousand £.														
1900	96	448	40	845	133	260	1,105	12	67	7	131	20	42	173
1901	83	344	41	646	130	261	907	10	56	7	101	21	44	145
1902	74	207	42	504	198	325	829	9	35	8	81	29	51	132
1903	89	258	53	583	140	286	869	11	42	9	92	22	45	137
1904	90	310	55	675	129	250	925	10	52	10	110	20	41	150
1905	91	424	63	851	117	258	1,109	13	67	13	139	19	42	181
1906	83	509	120	1,064	78	227	1,290	11	82	22	173	12	37	211

* Included in "Goods, Manufactured, unenumerated," prior to 1900.

TABLE 23.—AREA UNDER SUGAR BEETS IN THE UNDERMENTIONED FOREIGN COUNTRIES,
AS FAR AS AVAILABLE (in thousand acres).

	Russia.	Holland.	Belgium.	France.	Germany.	Austria- Hungary.
1880	—	—	81	—	426	—
1881	—	—	—	—	426	—
1882	—	—	—	587	—	—
1883	—	50	—	643	811	—
1884	—	53	—	578	—	693
1885	—	42	—	478	—	446
1886	—	45	—	527	—	540
1887	—	47	—	480	—	464
1888	—	54	—	497	—	584
1889	—	58	—	559	—	692
1890	—	69	—	590	—	767
1891	—	56	—	643	—	789
1892	—	61	—	627	—	814
1893	—	70	—	640	976	871
1894	829	83	—	663	1,085	935
1895	866	87	134	586	1,005	697
1896	875	113	—	667	1,049	799
1897	993	95	—	666	1,080	700
1898	1,086	107	—	648	1,053	703
1899	1,197	115	—	690	1,054	785
1900	1,310	116	157	814	1,106	818
1901	1,323	122	152	837	1,182	850
1902	1,431	82	118	624	1,056	711
1903	1,333	98	133	698	1,030	748
1904	1,182	85	109	503	1,029	764
1905	1,330	120	176	649	1,156	918

TABLE 24.—SUGAR BEETS PRODUCED IN EACH OF THE UNDERMENTIONED FOREIGN COUNTRIES (in millions of cwts.) Table 24

	Russia.	Holland.	Belgium.	France.	Germany.	Austria-Hungary.
1880	—	—	22	—	—	—
1881	—	—	22	—	123	—
1882	—	—	22	165	172	—
1883	—	11	22	178	176	—
1884	—	12	21	139	205	107
1885	—	8	17	108	139	62
1886	—	8	22	136	163	77
1887	—	9	20	101	137	58
1888	—	7	13	107	155	95
1889	—	15	25	141	193	121
1890	—	14	20	127	209	128
1891	—	8	17	129	187	132
1892	—	15	20	120	193	135
1893	—	15	23	119	193	128
1894	—	15	21	150	247	161
1895	—	20	19	126	220	108
1896	113	34	21	167	248	147
1897	117	23	31	153	249	125
1898	118	25	30	130	228	122
1899	144	32	36	142	245	160
1900	126	30	43	169	261	142
1901	161	36	43	177	315	167
1902	174	18	27	124	222	131
1903	152	19	29	155	250	146
1904	127	20	23	85	198	112
1905	155	28	46	159	302	191

Table 25

TABLE 25.—PRODUCTION OF SUGAR (in thousands of cwts.).

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	Russia * (excluding molasses).	Holland † (excluding molasses).	Belgium.*	France.†‡	Germany.*	Austria Hungary
1880-1	3,995	453	1,259	5,589	—	—
1881-2	5,116	413	1,358	6,632	11,807	—
1882-3	5,628	472	1,397	7,143	16,373	—
1883-4	6,061	689	1,889	7,990	18,498	—
1884-5	6,730	728	1,200	5,372	22,099	—
1885-6	9,328	413	1,397	5,215	15,900	—
1886-7	8,344	649	1,771	8,541	19,403	—
1887-8	7,635	669	2,066	6,848	17,927	—
1888-9	9,131	649	1,830	8,166	18,596	—
1889-90.. ..	7,911	1,122	3,562	13,775	23,890	—
1890-1	9,151	1,240	3,227	12,142	25,267	—
1891-2	9,524	767	2,952	11,374	22,512	—
1892-3	7,832	1,102	2,775	10,292	23,063	—
1893-4	11,355	1,220	3,739	10,134	25,917	—
1894-5	10,372	1,399	3,244	13,863	35,972	18,462
1895-6	13,332	1,774	4,292	11,682	32,215	13,916
1896-7	12,472	2,822	3,933	13,155	35,839	16,420
1897-8	12,841	2,204	4,293	14,367	36,295	15,344
1898-9	13,395	2,640	3,700	14,521	33,895	18,397
1899-00.. ..	15,576	3,011	4,816	17,105	35,332	19,403
1900-01.. ..	15,814	3,158	6,023	20,471	38,946	19,329
1901-02.. ..	18,804	3,518	5,378	20,700	45,305	22,812
1902-03.. ..	20,636	1,879	3,642	15,274	35,206	19,124
1903-04.. ..	20,379	2,214	3,740	14,312	37,805	20,053
1904-05.. ..	18,313	2,451	3,297	11,074	31,593	15,612
1905-06.. ..	19,445	3,561	6,175	18,061	47,119	25,994

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* Total production, expressed in terms of *raw* sugar.
† Total production, expressed in terms of *refined* sugar.
‡ Including molasses.

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TABLE 26.—EXPORTS OF SUGAR FROM GERMANY (in thousands of cwts.).

Table 26

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	To All Countries.			To United Kingdom.		
	Raw Sugar.	Candy Sugar, Loaf-Sugar, &c.	Total. †	Raw Sugar.	Candy Sugar, Loaf-Sugar, &c.	Total. †
1880	3,896*	1,043	4,939	1,417*	59	—
1881	4,959*	1,082	6,041	3,424*	118	3,542
1882	5,707*	1,161	6,868	—	—	4,743
1883	8,600*	1,496	10,095	6,809*	246	7,055
1884	10,331*	2,243	12,575	7,694*	276	7,970
1885	8,737*	1,692	10,430	6,120*	236	6,356
1886	8,895	2,292	11,187	5,677	453	6,130
1887	9,170	3,011	12,181	6,573	984	7,557
1888	7,045†	3,227	10,272	4,073†	1,102	5,175
1889	6,868†	3,404	10,272	3,995†	1,673	5,667
1890	10,745†	4,929	15,674	6,651†	2,588	9,239
1891	10,528	4,900	15,428	5,264	3,690	8,954
1892	7,399	4,565	11,965	4,821	3,444	8,265
1893	8,619	5,274	13,893	4,959	4,152	9,111
1894	10,292	6,022	16,314	5,175	4,841	10,016
1895	9,406	8,186	17,593	6,209	6,366	12,575
1896	11,511	7,950	19,462	4,113	6,081	10,194
1897	13,421	9,032	22,453	4,654	6,602	11,256
1898	10,174	10,154	20,328	4,762	7,832	12,594
1899	9,721	8,757	18,478	4,162	7,232	11,394
1900	11,079	8,737	19,816	3,227	6,888	10,115
1901	9,308	12,102	21,410	4,703	8,895	13,598
1902	9,741	11,394	21,135	5,628	8,403	14,031
1903	9,072	11,000	20,072	4,939	8,186	13,126
1904	6,317	9,032	15,349	4,900	7,320	12,220
1905	6,335	8,275	14,609	5,081	6,277	11,359

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* Raw sugar of at least 88 per cent. polarisation.
 † Raw sugar of at least 90 per cent. polarisation and refined sugar of under 98 per cent., but at least 90 per cent. polarisation.
 ‡ Excluding molasses, starch-sugar, &c.

TABLE 27.—EXPORTS OF SUGAR FROM GERMANY TO CANADA AND U.S.A. (in thousand cwts.).

Table 27

	Canada.	U.S.A.
1894	270	2,329
1895	312	1,603
1896	239	6,223
1897	431	7,405
1898	902	4,320
1899	792	3,631
1900	427	6,966
1901	746	2,420
1902	1,437	1,708
1903	294	58
1904	3	771
1905	—	176

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TABLE 28.—EXPORTS OF SUGAR FROM AUSTRIA-HUNGARY (in thousands of cwt.).

	To all Countries.			To United Kingdom.		
	Raw Sugar.	Refined Sugar.	Total (including Molasses).	Raw Sugar.	Refined Sugar.	Total.
1880	—	—	4,880			
1881	3,601	1,830	5,490			
1882	2,440	2,047	4,506			
1883	2,597	2,519	5,136			
1884	3,591	2,785	6,376			
1885	2,479	2,263	4,802			
1886	1,948	2,814	4,782			
1887	1,043	3,345	4,388			
1888	2,361	2,263	4,644			
1889	2,479	3,582	6,159			
1890	2,637	5,254	7,911			
1891	5,254	4,644	9,898	230	1,470	1,700
1892	3,227	4,546	7,773	92	1,236	1,328
1893	2,834	6,081	8,973	817	2,391	3,208
1894	1,318	7,340	8,659	433	3,719	4,172
1895	1,614	7,025	8,639	502	3,631	4,133
1896	3,532	6,681	10,213	1,771	3,542	5,313
1897	1,122	8,324	9,446	600	4,201	4,801
1898	620	9,062	9,682	512	4,300	4,811
1899	2,952	9,918	12,870	1,761	4,044	5,805
1900	2,657	10,292	12,949	1,437	4,959	6,396
1901	1,496	12,299	13,795	787	5,510	6,297
1902	1,181	12,220	13,401	748	4,733	5,480
1903	905	13,057	13,962	610	7,379	7,989
1904	394	9,642	10,036	234	3,755	3,989
1905	1,745	9,552	11,299	1,354	3,397	4,750

TABLE 29.—IMPORTS OF SUGAR INTO FRANCE (in thousands of cwts.).

Table 29

	From all Countries.				From United Kingdom.			
	Raw Sugar.	Refined Sugar (including vergoises).	Molasses.	Total.	Raw Sugar.	Refined Sugar (including vergoises).	Molasses.	Total.
1880 ..	4,087	59	1,177	5,323	26	31	47	104
1881 ..	4,335	114	864	5,313	2	89	10	100
1882 ..	4,569	124	860	5,553	1	92	87	181
1883 ..	3,918	126	1,045	5,089	4	92	71	167
1884 ..	3,977	362	1,411	5,750	1	181	98	280
1885 ..	5,297	153	3,038	8,489	5	37	98	140
1886 ..	3,052	93	2,298	5,443	0	49	187	236
1887 ..	3,038	71	1,992	5,101	0	26	106	132
1888 ..	4,091	35	2,424	6,551	0	4	71	76
1889 ..	3,123	39	1,694	4,857	1	3	98	102
1890 ..	2,785	49	1,090	3,924	0	4	94	98
1891 ..	2,995	43	1,718	4,756	0	0	67	67
1892 ..	3,166	28	2,257	5,451	0	1	71	72
1893 ..	2,814	12	3,076	5,902	0	1	109	110
1894 ..	3,332	20	1,891	5,242	0	9	54	64
1895 ..	2,704	24	1,177	3,904	0	3	4	7
1896 ..	3,113	8	1,120	4,241	0	2	16	18
1897 ..	2,464	2	462	2,928	0	0	3	3
1898 ..	1,950	12	53	2,015	—	10	0	11
1899 ..	2,086	8	10	2,104	—	6	0	6
1900 ..	1,864	2	2	1,868	—	0	0	0
1901 ..	1,984	2	2	1,988	—	0	0	0
1902 ..	1,964	2	2	1,968	—	0	0	0
1903 ..	2,568	4	2	2,574	—	—	0	0
1904 ..	1,600	6	2	1,608	0	1	1	1
1905 ..	1,590	12	22	1,623	0	0	1	1

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TABLE 30.—EXPORTS OF SUGAR FROM FRANCE (in thousands of cwts.).

	To all Countries.				To United Kingdom.		
	Raw Sugar.	Refined Sugar.	Molasses.	Total.	Raw Sugar.	Refined Sugar.	Total.
1880	468	2,552	31	3,052	431	1,226	1,657
1881	736	2,269	39	3,044	602	907	1,509
1882	781	2,326	39	3,147	614	880	1,494
1883	923	2,415	41	3,379	758	368	1,625
1884	411	2,237	26	2,674	356	706	1,063
1885	61	1,401	12	1,474	53	445	498
1886	427	2,306	10	2,743	155	683	838
1887	100	3,029	14	3,143	65	421	486
1888	907	2,281	10	3,198	848	643	1,492
1889	2,617	2,749	10	5,376	2,243	767	3,011
1890	3,961	3,023	10	6,994	3,182	978	4,160
1891	3,227	2,405	10	5,642	2,885	754	3,639
1892	1,936	2,513	10	4,459	1,606	1,703	2,308
1893	3,052	2,269	4	5,325	2,334	1,110	3,444
1894	3,221	2,629	4	5,854	2,720	1,379	4,099
1895	1,864	2,409	8	4,280	1,643	1,208	2,851
1896	2,454	2,212	6	4,672	1,940	939	2,879
1897	6,706	2,832	6	9,544	4,831	1,366	6,197
1898	3,613	2,511	4	6,128	3,123	1,047	4,170
1899	4,550	2,952	2	7,503	3,814	1,202	5,016
1900	7,864	3,688	2	11,553	6,994	1,785	8,779
1901	9,278	3,763	4	13,045	7,183	1,755	8,938
1902	3,963	3,221	4	7,189	2,912	1,094	4,007
1903	1,385	2,802	6	4,194	864	1,685	1,549
1904	2,770	2,908	6	5,685	2,472	1,732	3,204
1905	3,027	2,847	4	5,878	2,694	653	3,347

TABLE 31.—IMPORTS OF SUGAR INTO BELGIUM (in thousands of cwts.).

Table 31

	From all Countries.				From United Kingdom.			
	Syrups* and Molasses.	Raw Sugar (excluding vergoises).	Refined Sugar (including vergoises).	Total.	Syrups* and Molasses.	Raw Sugar.	Refined Sugar.	Total.
1880 ..	295	242	205	742	67	20	65	152
1881 ..	305	348	201	854	93	41	71	206
1882 ..	301	315	205	821	75	53	79	207
1883 ..	299	232	238	769	67	47	94	209
1884 ..	378	222	226	826	77	39	91	207
1885 ..	470	199	132	801	108	35	73	216
1886 ..	355	185	71	611	51	87	49	187
1887 ..	416	238	45	698	49	100	33	183
1888 ..	389	234	33	656	39	78	28	145
1889 ..	401	209	33	643	81	73	26	179
1890 ..	142	244	31	417	45	81	26	152
1891 ..	55	226	31	313	39	29	25	93
1892 ..	114	231	45	391	29	29	27	85
1893 ..	47	197	35	280	32	52	21	105
1894 ..	47	157	33	238	28	28	28	83
1895 ..	45	175	28	248	31	29	23	83
1896 ..	45	167	26	238	37	26	22	85
1897 ..	43	181	24	248	37	31	18	87
1898 ..	12	222	26	260	12	24	18	53
1899 ..	10	226	22	258	11	11	15	36
1900 ..	10	224	22	256	9	9	11	30
1901 ..	6	239	28	323	6	8	11	26
1902 ..	4	230	24	258	4	4	12	20
1903 ..	4	220	30	254	3	2	14	19
1904 ..	0	205	18	222	0	13	13	27
1905 ..	1	76	16	93	1	14	12	27

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* In 1898 title changes to "Syrups and molasses obtained in the manufacture or refining of sugar."

Table 32

TABLE 32.—EXPORTS OF SUGAR FROM BELGIUM (in thousands of cwts.).

	To all Countries.				To United Kingdom.		
	Syrups and Molasses.*	Raw Sugar (excluding vergoises).	Refined Sugar (including vergoises).	Total.	Raw Sugar (excluding vergoises).	Refined Sugar.	Total.
1880	344	1,194	201	1,740	311	108	419
1881	331	1,255	226	1,812	525	140	665
1882	289	1,238	277	1,805	482	169	651
1883	370	1,881	191	2,442	1,250	102	1,352
1884	506	1,149	185	1,840	354	79	433
1885	453	1,224	173	1,850	388	83	470
1886	203	1,732	205	2,139	622	116	738
1887	340	1,866	331	2,537	956	211	1,167
1888	220	1,344	388	1,952	618	203	821
1889	360	2,767	449	3,576	1,340	220	1,560
1890	83	2,708	447	3,237	1,322	181	1,503
1891	71	2,123	500	2,694	807	262	1,069
1892	30	1,972	606	2,607	728	337	1,065
1893	89	3,296	801	4,186	1,151	484	1,635
1894	73	1,862	573	2,507	722	333	1,055
1895	1	2,424	964	3,389	1,120	671	1,791
1896	1	2,499	1,043	3,542	1,106	645	1,751
1897	2	3,520	1,128	4,650	1,116	732	1,848
1898	65	2,399	1,006	3,469	1,470	464	1,934
1899	33	3,607	1,033	4,674	1,938	521	2,509
1900	47	4,788	1,132	5,967	2,165	610	2,775
1901	4	3,483	1,106	4,593	1,848	537	2,385
1902	0	1,822	823	2,645	563	248	811
1903	0	1,612	683	2,295	616	238	854
1904	0	2,558	1,080	3,639	1,004	698	1,702
1905	10	1,856	860	2,725	1,033	417	1,450

* In 1898 title changes to "Syrups and molasses obtained in the manufacture or refining of sugar."

TABLE 33.—AREA UNDER SUGAR CANE AND SUGAR PRODUCED IN QUEENSLAND.

Table 33

	Number of Sugar Mills.	Acres of Sugar Cane Crushed.	Quantity of Sugar Manufactured.	Quantity of Molasses Manufactured.
			Tons.	Gallons.
1881-82.. ..	103	15,550	19,051	753,658
1882-83.. ..	120	16,874	15,702	663,825
1883-84.. ..	152	25,792	36,148	1,071,413
1884-85.. ..	166	29,951	32,010	804,613
1885-86.. ..	166	40,756	59,225	1,784,266
1886-87.. ..	160	36,104	56,859	1,510,308
1887-88.. ..	118	34,821	57,960	1,421,430
1888-89.. ..	106	30,821	34,022	722,162
1889-90.. ..	125	31,241	44,411	942,837
1890-01.. ..	110	39,435	69,983	1,640,662
1891	68†	36,821	51,219	*
1892	72†	40,572	61,368	1,343,281
1893	61†	43,670	76,146	269,162
1894	62†	49,839	91,712	956,276
1895	64†	55,771	86,255	1,730,591
1896	63†	66,640	100,774	2,195,470
1897	63†	65,432	97,916	2,364,020
1898	62†	82,391	163,734	3,998,286
1899	58†	79,435	123,289	3,092,571
1900	58†	72,651	92,554	3,534,832
1901	52†	78,160	120,858	3,679,952
1902	43†	59,102	76,626	2,217,738
1903	39†	60,375	91,828	2,407,652
1904	53†	82,741	147,688†	4,491,407
1905	51†	96,093	152,722‡	5,106,865

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* Not ascertained.
 † Exclusive of juice mills.
 ‡ 94 per cent. net titre.

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Table 34

TABLE 34.—SUGAR PRODUCTION IN AND EXPORTS FROM THE BRITISH WEST INDIES
AND GUIANA (in thousand cwts.).

	Production.			Exports to			
	West India Islands.	British Guiana.	Total.	Canada.	United Kingdom.	United States.	Total.*
1900 ..	2,861	1,895	4,756	116	855	3,301	4,315
1901 ..	3,565	2,114	5,679	332	845	3,860	5,089
1902 ..	3,628	2,403	6,031	687	1,041	3,610	5,401
1903 ..	3,296	2,519	5,815	1,886	842	2,113	4,877
1904 ..	3,135	2,134	5,269	2,076	1,162	1,728	5,027
1905 ..	2,782	2,331	5,113	2,246	1,225	1,123	4,642

* Including from 30,000 to 60,000 cwts. to other countries.

Table 35

TABLE 35.—IMPORTS OF SUGAR INTO CANADA AND UNITED STATES FROM THE BRITISH
WEST INDIES AND BRITISH GUIANA (from Canadian and United States Official Returns).

Year ending June 30.	Canada.	United States.
	Thousand cwts.	Thousand cwts.
1897	—	4,447
1898	119	3,304
1899	140	3,625
1900	65	3,125
1901	250	3,714
1902	416	3,358
1903	854	3,250
1904	2,773	1,241
1905	2,443	1,223
1906	2,829	—

TABLE 36.—HIGHEST AND LOWEST PRICES OF SUGAR (88 per cent. Beet f.o.b. Hamburg) AND
CRYSTALS (from Dunn's Annual Review of the Sugar Trade).

	88 per cent. Beet.		Crystals.	
	Highest.	Lowest.	Highest.	Lowest.
	s. d. per cwt.	s. d. per cwt.	s. d. per cwt.	s. d. per cwt.
1881	24 0	20 9	33 0	31 6
1882	22 9	19 9	32 3	30 3
1883	21 7½	18 0	31 0	29 9
1884	18 4½	9 9	29 6	20 6
1885	16 9	10 0	23 3	19 3
1886	15 9	10 1½	22 0	17 3
1887	16 0	10 6	21 6	17 0
1888	16 3	12 6	21 9	18 6
1889	28 4½	11 1½	29 0	17 9
1890	14 3	11 4½	19 6	16 0
1891	14 9	12 4½	19 3	16 6
1892	15 0	12 6	19 6	17 0
1893	19 3	12 3	23 0	17 4½
1894	13 1½	8 6	17 9	14 6
1895	11 1½	8 6	16 9	12 3
1896	12 9½	8 7½	16 6	12 0
1897	9 6½	8 3	14 9	12 6
1898	10 4½	9 0	14 6	13 0
1899	11 6	9 0½	14 4½	12 3
1900	12 6½	9 1½	16 0	12 4½
1901	9 9	6 7½	16 6	12 0
1902	8 5½	5 10½	15 3	12 9
1903	7 9 6	7 8	16 0	13 6
1904	14 6	7 8	21 6	14 6
1905	16 3½	8 0	23 4½	14 9
1906	10 2½	7 10	17 3	14 9

(A.)—THE BRITISH WEST INDIAN SUGAR INDUSTRY.

BY THE WEST INDIA COMMITTEE (INCORPORATED BY ROYAL CHARTER).

This Memorandum shows that the effect of the export bounty and kartell principle of protection, as applied by Germany, Austria and other Continental States in connection with the sugar industries, has been to restrict the natural production of sugar throughout the world, by tending to limit its supply to the bounty-aided zone of Europe, thus causing instability of market price, because the supply was thus made dependent upon the variable climatic conditions of central Europe. These arbitrary interferences with the natural course of industry and trade operated to reduce year by year the competition of tropical cane sugar. The Brussels Sugar Convention was the outcome of many years of international efforts to stop this protectionist system, and it has succeeded; and if allowed to continue unimpaired as to its penal provisions, will gradually tend more and more to place the sugar industries of the world on their natural foundations.

394 Effect of Bounties on West Indian Production

The cane sugar industry of British Guiana and the British West Indies has suffered for over twenty years from the effects of foreign State sugar bounties; these gave the Continental sugar producer an artificial and unfair advantage over the British West Indian sugar producer in British markets. The obvious result of this unfair competition was to compel every sugar planter in our British tropical colonies to provide the equivalent to the preferential advantage of the foreign bounty, out of his own pocket; this exaction produced a complete loss of confidence in the West Indian sugar industry. There was also the constant fear that the bounties might be increased, and the greatest uncertainty prevailed as to the future. The credit of the industry was practically destroyed, and it became impossible for West Indian planters to raise the necessary capital to carry on production and maintain their factories in an efficient condition. This loss of confidence and consequently of credit affected not only the sugar industry, but other industries also. In the then existing state of affairs, capitalists could not be persuaded to invest money in the West Indies, and settlers were quite unwilling to select those colonies as the scene of their operations. As available funds became exhausted, estates went out of cultivation, and the distress—especially among the peasantry—became widespread. In 1885 the West Indies sought to enter into a reciprocity treaty with the United States of America, but they were forbidden to do so by Her late Majesty's then Government, mainly on the ground of treaties between England and the very countries whose bounties were driving West India produce out of British markets, treaties in the negotiation of which our Colonies had no part, as to which they had never been in any way consulted, and from which they had never derived, and were never likely to derive, the slightest benefit.

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The position became aggravated in 1896, by Germany doubling her bounty. From 1 mk. 25 (1/3) per 100 kilos. on raw, and 2 mk. (2/-) on refined, it was raised to 2 mk. 50 (2/6) on raw and 3 mk. 55 (3/64) on refined sugar. France then added to an enormous indirect bounty, a direct bounty equivalent to the direct bounty in Germany. The West Indian sugar industry was at this time only saved from extinction by the American market. By the United States tariff law of July 24th, 1897 (55th Congress, Session 1, Cap. 2, 1897), special countervailing duties were levied on bounty-fed sugar, and thus West Indian sugar was accorded equality of opportunity with bounty-fed sugar in the markets of the United States, which was denied to it in the markets of Great Britain.

The kartells in Austria and Germany were inaugurated in 1898 and 1900 respectively. These rings were enabled, by reason of the customs duties largely exceeding the excise duties, to keep the prices of sugar to home consumers at such a high level, that they could export their surplus production at prices below the cost of production, and yet realise a profit. In the case of Austria, the difference between the customs and excise duties was 13 florins (25/-) per 100 kilos., while in Germany it amounted to 20 marks (20/-).

These kartells served to increase still further the disadvantage to which the West Indian producer was already subject. The effect on the West Indian sugar industry was disastrous, and its collapse appeared imminent. Indeed, matters became so serious that even when eventually the Convention was agreed to at Brussels, a free Imperial grant of £250,000 had to be made to enable the industry in the West Indies to tide over the period until the Convention became operative.

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Cost to the British Exchequer

The letter from the Anti-Bounty League to the Right Hon. J. Chamberlain, the then Secretary of State for the Colonies, signed by Lord Stanmore, President, Sir Nevile Lubbock, Chairman of the Executive Committee, and Mr. Mayson M. Beeton, Secretary, dated January 9th, 1902, which is appended, contains a carefully compiled estimate as to the cost to the British Exchequer which the collapse of the West Indian sugar industry would have involved.

The Brussels Convention

On March 5th, 1902, a Convention was signed at Brussels by the principal sugar-producing Powers, by which they agreed to abolish bounties and to render the existence of kartells impossible, by limiting the *écart* or difference between the customs and the excise duties. A penal clause in this Convention provided that the high contracting Powers should impose a countervailing duty on, or prohibit the importation into their territories of, sugars from countries which granted bounties either on production or export. Thus equality of opportunity in British markets was once more restored to the West Indian producer, with the result that considerable development took place in the West Indian sugar industry.

Beneficial Effects

This Convention came into force on September 1st, 1903, and beneficial effects became immediately apparent. Credit was restored, and the sugar estates in the West Indies at once began to make up the ground which they had lost. In British Guiana the value of the sugar machinery imports rose from \$160,000 per

annum for the four years preceding the settlement of the Convention, to \$300,000 for the four years after the Convention had been agreed to. During the years 1904-6, one firm alone spent \$432,000 in machinery, and another \$192,000. In Trinidad, besides the general rehabilitation of cultivation and improvements and renewals in the factories, as well as the installation of steam ploughing and a new process of extraction, a considerable development of cane farming took place. Two central factories were erected in Antigua, and in Jamaica three central factory schemes were formulated, two of which have already assumed practical shape, and to quote the report of Sir Alexander Swettenham, "increased confidence has characterised the sugar industry as a whole, both in the operations of the planter and in the introduction of capital. Considerable activity in extension of cultivation is recorded, and also in cheapening of production by means of machinery and by the amalgamation of estates as central factories."

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From the reports of the principal engineering firms in Great Britain which have been submitted to the West India Committee, it appears that since the Brussels Convention came into force, there has been a very large increase in the manufacture of sugar machinery for the British West Indies, and from the figures submitted it would appear that this exceeds by fully 50 per cent. the work undertaken in the years immediately preceding the Convention.

Increased Demand
for British Sugar
Machinery.

The United States, by countervailing the bounties, provided a market in which West Indian sugar could compete on even terms with beet, and it was due to a foreign Power and to no act of the British Government, to whom the Colonists naturally looked for assistance, that the West Indian sugar industry was able to survive. The later kartell bounties were not, however, countervailed, although at the time of the Brussels Convention coming into force, steps were being taken in that direction. Since the Convention became operative, however, the supply of preferential sugar going into the United States has frequently lowered the market below European parity. The United States, moreover, at the present moment, only requires about 300,000 tons of non-preferential sugar to make up their sugar supply, and this quantity is being rapidly decreased by their own internal beet production, by cane sugar from Porto Rico, and the extension of cultivation in Cuba, and the Philippines, in consequence of preferential treatment.

The United States
Market.

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Canada has given preferential terms to the West Indies since 1898. This has proved of advantage, and sufficiently explains why so little West Indian sugar has come to Great Britain. Canada has, however, established an intermediate tariff by which she hopes to secure reciprocity with other countries, and this will diminish the benefit which at present accrues to the West Indies. Moreover, the consumption of sugar of Canada has not yet reached the figure of the West Indian production, and she has recently extended the British preferential treatment to a limited quantity of beet sugar.

The Canadian
Market.

It is impossible to overestimate the importance of the sugar industry to the West Indian Colonies. There is no agricultural industry which does so much for labour. It affords work throughout the year. Large quantities of expensive stores are also required, which mean an important contribution to the revenue of these Colonies. The spending powers of the population are thus proportionately increased, and a good or bad year for sugar means a good or bad year for all concerned. In British Guiana and Trinidad the labouring population has increased, and is increasing, by the introduction of East Indian immigrants for sugar cultivation, and to them is largely due the establishment of the rapidly extending rice industry of British Guiana and the cane-farming industry of Trinidad. The abandonment of sugar cultivation would mean a most serious blow to the prosperity of all classes in the West Indies.

Labour Benefit.

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Given competition on the basis of natural advantages, the cane sugar of the West Indies can compete successfully with foreign beet sugar. All that the West Indies have asked for is "a fair field and no favour." For many years past every successive British Government has agreed that bounties are obnoxious and bad, and yet it was not until 1902 that by means of the Sugar Convention effective measures were adopted to stamp them out.

The West India Committee consider that the effects of the Brussels Sugar Convention of 1902 have been:—

Summary.

1. To increase the total supply of sugar from all sources by the revival of the world's liberty of production.
2. To restore to market prices the influence of natural supply and demand.
3. To produce stability in market price.
4. To guarantee the development of the British tropical sugar industries, by making them dependent upon the natural and customary incidents of commerce and industry, and independent of the caprice and manipulation of foreign Governments.
5. To isolate the bounty question as being distinct and independent of all other international commercial questions, whether of tariff, reciprocity, preference or otherwise.

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In conclusion, it is proper to mention that the views of the West India Committee in favour of the continuance of the Convention are supported by the Chambers of Commerce and kindred associations of:

Karachi	Singapore	Nelson	Hamilton
Madras	Penang	Auckland	Victoria
Cawnpore	Sierra Leone	Pietermaritzburg	Montreal
Benga.	Geelong	Durban	Halifax
Bombay	Cairns	Inanda (Natal)	Toronto
Ceylon	Charters Towers	Orange River	Canterbury (N.Z.)
Mauritius	Maryborough	Vancouver	Invercargill (N.Z.)
Hong Kong	Newcastle	Regina	

besides those in British Guiana and the West Indian Colonies.

The West India Committee Rooms, 15, Seething Lane, E.C.
July 25th, 1907.

ALGERNON E. ASPINALL,
Secretary.

G

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[Enclosure.]

Prospects of the West Indian Industry and some consequences of its failure.

ANTI-BOUNTY LEAGUE,

BILLITER SQUARE BUILDINGS, E.C.

January 9th, 1902.

The Right Hon. J. CHAMBERLAIN, M.P., &c., &c.
Secretary of State for the Colonies.

SIR,

Letter to
Mr. Chamberlain.

In view of the reassembling of the Brussels Conference on the Sugar Bounty Question, and of the satisfactory assurances which have been given as to the attitude of His Majesty's Government and their desire to adopt such measures, in co-operation with the Bounty-giving Powers, as will secure the general abolition of the Bounties by means of an International Convention, we feel some hesitation in respectfully submitting for your consideration the following observations, in which we venture to forecast the situation, which will have to be faced in our West Indian sugar-producing Colonies, and the nature of the responsibilities which will thereby be entailed on the Imperial Government—and especially on the Imperial Exchequer—in the event of the failure of the Brussels Conference and a continuance of the policy of non-intervention hitherto pursued by this country in regard to the foreign Sugar Bounties.

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In the existing position of the Sugar Industries of the world, and in view of the unprecedented fall in prices, we wish, first of all, to state our firm conviction, based on the considerations detailed below, that, unless credit and stability are restored to the British West Indian sugar industry—a result which can only now be attained either by the total and immediate abolition of the Bounties in every shape and form, or by their neutralisation in British markets—the practical extinction of that industry must necessarily ensue within a very short period.

That we are taking no exaggerated or alarmist view of the present situation may be shown by a comparison of the data on which the Royal West India Commissioners based their forecast of the future of the industry in 1897 (*vide* pars. 38 and 541 of their Report), with the data available for making a similar forecast to-day. In 1897, the Commission reported that “looking to the prices now prevailing and to the probabilities as to the future of prices . . . the sugar cane industry of the West Indies is threatened with such reduction in the immediate future as may not, in some of the Colonies, differ very greatly from extinction.”

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Since this forecast was made, the prospects have grown immeasurably worse, for the following reasons:—

1. The price of sugar has fallen from an average of 8/- to 9/- per cwt. (88% Beet), the prices then prevailing, to 6/6, the present Market quotation.
2. The supply of sugar, through the artificial stimulus of the Continental Bounties, now so greatly exceeds demand that on the basis of present “visible supplies” it is estimated that the surplus stocks will amount in 1902 to more than 2,000,000 tons as against 1,000,000 tons in 1896/7, a then unprecedented and phenomenal quantity. (*Vide* F. O. Licht's Monthly Report, December 15th, 1901.)
3. The temporary advantages derived from the imposition of countervailing duties by the United States in 1896 will—for reasons which we have previously submitted for your consideration—very shortly cease to be enjoyed by British West Indian sugar.
4. The operation of the recently inaugurated Cartel System in Germany and Austria, whose annual surplus production of sugar constitutes the dominating factor in the world's supply, will, unless checked, ensure the continuance of the present “glut” in the open markets of the world and consequently a continuance of the present low range of prices, previously never even approached.

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In connection with this, we would refer you to the letter recently forwarded by us to the Marquess of Lansdowne, copy of which is enclosed. It will be seen that the Cartel has doubled the German Bounty, which was £1 5s. per ton. It is now £2 10s. and can, with the consent of the German Government, be increased to £3 15s. without any alterations of the existing Customs and Excise Duties. Thus, if the Cartel is allowed to continue, the German Government can well give up its official Export Bounty and still leave the industry with double the Bounty it enjoyed last year. The price paid by the German “Fabricants” for roots for the current crop was from 1 mk. to 1.25 mks. per quintal and it is expected that for the coming crop the price will be fixed at 80 pfgs. to 85 pfgs. per quintal. This will reduce the cost of the output of sugar to the Factories by £1 per ton. With this reduction in the price of roots, it is believed that next crop they will be able to sell for export at £6 per ton, or about £3 per ton below the cost of production, and yet realise a profit on their output on a whole.

In view of the considerations above summarised and of the fact that sugar cannot be produced in the West Indies, taking the average cost of production (which compares favourably with the average of the other sugar-producing districts of the world, whether of Cane or Beet), at less than £8 10s. to £9, it is evident, even without the further fall in price which experts confidently anticipate, that the sugar industry of the West Indies must be completely extinguished in the immediate future, if matters are allowed to take their course. If this were a passing phase, and the present low prices were due to natural causes, it would

bring about its own cure. Badly managed estates, and those carried on with insufficient capital, would change hands and no loss to the community would occur. But the present case is entirely different. The low price is due to artificial causes alone, and if the artificial causes remain unchecked, even lower prices must be anticipated. What inducement is there to any capitalist to continue the contest? Those who have no capital must be ruined. Those who have capital will give up, and, after the bitter experience of the last 40 years, will cease their hopeless struggle against impossible odds.

It remains for us to consider the consequences and count the cost of such a catastrophe.

The consequences of the failure of the sugar industry, as set forth in pars. 39—43 of the Report of the Royal Commission may be tabulated as follows:—

1. Great want of employment for the labouring classes with a corresponding fall in the rate of wages and a lamentable reduction in the standard of living.
2. Falling off of the public revenues concurrent with additional outlay in providing for the population by emigration or otherwise, and the consequent "inability of some of the Governments to meet their absolutely necessary expenditure, including interest on debt."
3. The repatriation of the coolies engaged on the sugar estates in British Guiana, which might involve a large expenditure, "which under the circumstances must fall upon the public funds."

From the consequences grouped under the first heading no large direct call on the British Exchequer need perhaps be anticipated beyond the additional expense incurred in the use of the naval and military forces of the Crown for the preservation of law and order among an unemployed and, in some cases, starving population

Very large and immediate calls, however, would have to be met in connection with the second and third heads, the nature of which it may be possible to estimate, though but roughly, from a consideration of the following points:—

- (a) The number and population of the Colonies, which would be most seriously affected.
- (b) The amounts of their respective public revenues, expenditures and debts.
- (c) The number of years during which Subventions or Grants-in-aid from the Imperial Exchequer would have to be continued until the Colonies concerned became once more industrially and financially self-supporting.

With regard to (a), "while none of the Colonies (except Grenada) would escape," all would not suffer in the same degree. The degree of the distress which will be entailed may be roughly measured by the percentages of the products of the sugar cane, in the total exports of the respective Colonies.

For convenience of reference, we quote the percentages worked out in the Report of the Royal Commission, which are materially the same to-day as in 1896-7, appended to a table of the Colonies affected:—

Colony or Island	Population.	Expenditure.	Public Debt.	Percentage of Sugar Cane Products in Total Exports.
British Guiana	287,000	£525,000	£928,000	94½*
Trinidad	260,000	672,000	911,000	57
Tobago	18,000	7,000	9,000	35
Barbados	192,000	207,000	414,000	97
St. Lucia	47,000	63,000	187,000	74
St. Vincent	44,000	47,000	15,000	42
Antigua	36,000	51,000	137,000	94½
St. Kitts-Nevis	46,000	47,000	69,000	96½
Dominica	26,000	25,000	59,000	15
Montserrat	11,000	16,000	11,000	62
	967,000	£1,660,000	£2,740,000	

* Excluding gold.

It will be seen that in the case of four of the Colonies, viz.: British Guiana, Barbados, Antigua and St. Kitts-Nevis, the products of the sugar cane practically constitute the whole of the exports. Bearing in mind that any savings which could be effected by reducing official salaries, etc., or by cutting down Government expenses on Public Works, Education, Hospitals, Asylums, etc., must be more than counter-balanced by the cost of feeding or relieving the unemployed population and organising either a system of settlement on the abandoned estates, or an extensive scheme of emigration (or whatever other schemes of relief may be decided on), it may safely be assumed that the extinction of the sugar industry in these four Colonies would, by extinguishing the sole source of the Public Revenue, entail on the British tax-payer an annual burden, for some time to come, at least equivalent to their present annual expenditure, in addition

to the capital charges of the public debts, which, it may be assumed, would have to be taken over by the Imperial Exchequer. Estimated on these lines, the burden thrown on the British tax-payer will amount to the following totals:—

	Annual Expenditure.	Public Debts.
British Guiana	£525,000	£928,000
Barbados	207,000	414,000
Antigua	51,000	137,000
St. Kitts-Nevis	47,000	69,000
	<u>£830,000</u>	<u>£1,548,000</u>

In the case of the three above islands, it is difficult to place a limit of time to the heavy annual expenditure which would be required in face of the fact that there is no industry or industries which can completely replace the growth and production of sugar and afford the requisite employment for the population, especially in crowded Barbados. In British Guiana, the necessity for expenditure on the above scale would cease comparatively quickly.

In the case of the other Islands, where sugar exports form a smaller percentage, it must be remembered, that, while Trinidad has rich resources in its cacao industry and entrepot trade, it is burdened with a heavy liability in connection with the repatriation of the Indian coolies, and that St. Vincent and Dominica are already practically bankrupt, and have only been enabled to carry on with the help of Grants-in-aid from the Imperial Parliament. Under these circumstances it is, we think, a fair estimate to assume that, while it may not be necessary for the Imperial Exchequer to take over the capital charges of their public debts, the revenues will fall off, taking the average of the six colonies, by at least one-half, should the sugar industry fail, and that the burden of the deficit (for some time at least—though for a shorter period than in the case of the other four Colonies) would fall on the British tax-payer. Estimated on these lines, the total annual charge will amount to £420,000, thus:—

	Half Annual Expenditure.
Trinidad	£336,000
Tobago	3,500
St. Lucia	36,500
St. Vincent	23,500
Dominica	12,500
Montserrat	8,000
	<u>£420,000</u>

With regard to the third item above we have assumed in the case of Trinidad that the liabilities for the repatriation of the coolies will be met with the help of the subsidiary resources of the Colony without any further call on the Imperial Exchequer than that above estimated. British Guiana possesses no such subsidiary resources (except gold mining, which cannot be regarded as an important revenue-producing industry), and the whole of the liability (as to which it is noted by the Royal Commissioners, that "if there were any general abandonment of sugar cultivation, the whole condition of affairs in the Colony would so change it is possible there might be a general desire among the immigrants to return to India"), would fall on the Imperial Exchequer. It is estimated that the cost of such repatriation would not amount to less than £1,000,000.

The total liabilities, therefore, which will accrue, if the above estimates and assumptions, based on the Report of Royal Commission, and the special observations of Sir Henry Norman, its Chairman, are to be accepted, will be as follows:—

Public debts taken over.	Current expenditure.	Cost of repatriation of Coolies from B. Guiana.
£1,548,000 ..	£830,000 ..	£1,000,000 ..
	<u>420,000</u>	
	£1,250,000	

We honestly think that the above figures represent a fair estimate. It will be observed that we have omitted any reference to Jamaica, in whose case it is more than probable that the failure of the sugar industry (which constitutes 20 per cent. of the exports and affords employment to probably not less than 40,000 of the population), would so aggravate her already serious financial embarrassments as to necessitate the grant of a considerable subvention from the Mother Country, in addition to the £20,000 a year which is now being paid on account of the direct steamer service.

We have set forth in previous paragraphs the reasons which lead us to believe that, if matters are allowed to take their course, the abandonment of the sugar estates and the extinction of the sugar industry in the West Indies will be at once rapid and universal. You are aware, Sir, that the first steps towards abandonment have already been taken in the instructions sent out by many proprietors to their managers to reduce expenditure in field and factory to the barest minimum, pending the present uncertainty of affairs. We are firmly convinced that, given a continuance of the present prices, the conclusion of the next crop-season will see at least one-half of the industry extinguished, and the season after, the practical extinction of the whole.

We have ventured, not without much hesitation and reluctance, as we have pointed out, to attempt the unpleasant and extremely difficult task of estimating carefully and dispassionately the financial results of a catastrophe, the imminence of which—so sharp and sudden has been the recent break in prices—is, we believe, hardly yet realised even in the West Indies, much less in this country.

In conclusion we can only beg that you, Sir, and the Government, will give the matter your most earnest consideration, and that, should the Brussels Conference prove abortive, as in 1898, before asking this country to acquiesce in the policy of non-intervention hitherto pursued in regard to the Bounties, you will use your powerful influence in laying before your colleagues and before Parliament as clear an estimate as possible of the cost which such a policy must inevitably entail, not merely on the Colonies directly interested, but on the people of this country.

We have the honour to be, Sir,

Your most obedient humble servants,

STANMORE, *President.*
NEVILLE LUBBOCK, *Chairman of Executive Committee.*
MAYSON M. BRETTON, *Secretary.*

(B.)—THE GERMAN SUGAR KARTELL, 1900—1903.

By GEORGE MARTINEAU.

The law of 27 May, 1896, says: "The indigenous beetroot sugar is subject to a consumption duty. . . . The duty is fixed at 20 marks per 100 kilogrammes net. . . . The import duty for solid or liquid sugars of all kinds is 40 marks per 100 kilogrammes."

The basis of the Sugar Kartell was, therefore, the difference between the consumption duty of 20 marks and the import duty of 40 marks; that is, a surtax of 20 marks per 100 kilos. on imported sugar.

This surtax, which it will be more convenient to call 10 marks per 50 kilos., because 50½ kilogrammes are equivalent to the English hundredweight and we may therefore regard 50 kilos. as, roughly speaking, a cwt., and a mark as equal to a shilling, continued until the 1st September, 1903, when, in accordance with the terms of the Brussels Convention, the surtax was reduced to an amount which rendered the Kartell impossible.

Germany produces much more sugar than it consumes. The importation is, therefore, practically nil. Production, consumption and exports were as follows from 1st August, 1898, to 1st September, 1903, in metric tons.

1st August—31st July.	Production.	Consumption.	Exports.	
			Raw.	Refined.
1898-1899	1,722,429	755,898	499,602	456,611
1899-1900	1,795,478	849,064	485,934	438,627
1900-1901	1,979,118	773,968	533,270	547,316
1901-1902	2,302,246	743,520	517,049	627,268
1st August—31st August.				
1902-1903	1,762,461	728,610*	453,622	650,078

} Kartell period.

The excess of production over consumption shows that the large surtax of 10s. per cwt. on imported sugar was useless for any other purpose than that of enabling the industry to raise the price to the consumer and thus obtain a Kartell bounty. It is surprising, therefore, that they did not do it earlier.

The Kartell came into force on the 1st June, 1900, and lasted till 1st September, 1903, when the Brussels Convention came into force, which reduced the surtax to Frs. 5.50 per 100 kilos on raw sugar and Frs. 6 on refined, so that the German surtax was reduced from 10s. to 2s. 6d. per cwt. The following figures show the result:—

I.—PREVIOUS TO THE KARTELL.					
Season.	Price of raw sugar without duty, per 50 kilos.	Price of refined sugar without duty, per 50 kilos.	Difference.		
			Marks.	Marks.	Marks.
1896-7	9.80	13.55	..	..	3.75
1897-8	9.95	13.35	..	..	3.40
1898-9	10.78	14.09	..	..	3.31
1899-1900	10.55	14.18	..	..	3.63
II.—KARTELL PERIOD.					
1900-1901	10.34	18.53	..	..	8.19
1901-2	7.88	18.73	..	..	10.85
1902-3	8.77	19.19	..	..	10.42
III.—AFTER REDUCTION OF SURTAX.					
1903-4	8.36	12.16	..	..	3.80

* Consumers waiting for reduction of the Consumption Duty on 1st September, 1903, from 20 to 14 marks.

This remarkable success of the Kartell was the result of a very complete and elaborate agreement among the various branches of the German sugar industry for the purpose of exploiting the surtax.

The industry consists of two distinct branches, (1) the producer of the raw sugar from the beet-root, and (2) the refiner who supplies the home consumer. The second branch is further divided into (a) the refiner whose industry is confined to converting raw sugar into refined sugar; (b) the raw sugar producer who also produces refined sugar direct from the beetroot; and, (c) an industry devoted entirely to the extraction of sugar from the molasses of the beetroot factories and converting it into refined sugar.

The basis of the Kartell was the maintenance of a fixed price which raw sugar should receive when sold for supplying the home market. The home consumption is supplied from the three sources (a) (b) and (c), and, therefore, those industries had to guarantee to the producer of the raw sugar a fixed price for all the raw sugar delivered by him to the refiner for home consumption. This price was fixed at 12 marks 75.*

To maintain that price the makers of refined sugar for home consumption had to make up to the raw sugar producer the difference between the world's price and 12m. 75 on all the sugar delivered by him to be refined for home consumption. If the world's price went above that figure no further payment was to be made to the raw sugar producer.

In order to carry out this arrangement it was necessary that the makers of refined sugar should raise the price to the consumer to such an extent as to enable them, first, to pay the guaranteed price, secondly, to obtain their own normal profit, and, thirdly, to obtain as much extra profit out of the Kartell for their own share as they could. This the 10 marks surtax on imported sugar enabled them to do.

The calculation which they put forward as the basis of this arrangement was as follows:—

		per 50 kilos.
Fixed price of raw sugar for home consumption..	.. ..	M.12.75
Margin for refining .. .. .	.. .. .	4
Kartell profit for the refiner..	.. .. .	50
Duty .. .. .	.. .. .	10
		<hr/>
Fixed duty-paid price for refined sugar for home consumption..	.. ..	M.27.25

This appears a very modest arrangement on the part of the refiners. But the margin of 4 marks left a very good profit of probably more than a mark. Their profit was, however, greatly increased, for though this price of 27m. 25, i.e., 17m. 25 without the duty, was indicated as a minimum, the maximum to which the syndicate was authorised to raise the price of refined sugar for home consumption was 2 marks more, that is, M.29.25, or M.19.25 without the duty. The figures given (para. 416) show that during the period of the Kartell the price always exceeded the minimum by more than a mark, and, in 1902-3, nearly approached the maximum. The refiners therefore really got a very large share in the Kartell profits. This became still larger during the years 1901-2 and 1902-3, when the world's price of raw sugar fell to an exceptionally low figure. For although M.12.75 was fixed as the Kartell price of raw sugar for home consumption, it was agreed that if the world's price fell below M.9.35 the refiners should not be called upon for any further contribution towards making up the difference. The maximum contribution from the refiners to the raw sugar producers was therefore fixed at M.12.75—M.9.35=M.3.40.

When prices fell to 8 marks (export bounty included) the account stood as follows:—

		per 50 kilos.
Market price of raw sugar for home consumption .. .. .	.. .. .	M.8
Contribution from refiners .. .. .	.. .. .	3.40
Margin for refining .. .. .	.. .. .	4
Kartell profit for refiners .. .. .	.. .. .	50
Duty .. .. .	.. .. .	10
		<hr/>
Price of refined, duty paid, for home consumption or M.15.90 without duty	25.90	or 15.90 without duty

But, as shown on page 3, the refiner obtained in 1901-2, when raw sugar was at M.7.88, an average price of M.18.73, and in 1902-3, when raw sugar was at M.8.77, an average price of M.19.19. His real profit therefore was:—

		per 50 kilos.
Kartell profit credited to him .. .. .	.. .. .	M.0.50
Say 1m. out of the 4 marks margin .. .. .	.. .. .	1
Difference between M.16 and M.19 .. .. .	.. .. .	3
		<hr/>
Total Kartell profit to the refiner .. .. .	.. .. .	M.4.50
against M.3.40 Kartell profit to the raw sugar producer.		

To carry out this scheme it was necessary to have two syndicates, one of the raw sugar producers and the other of the refiners. The first bound themselves to sell for home consumption only to the other

* This price includes the Government export bounty of 1m. 25, because, of course, the raw sugar producer always received for home consumption the world's price plus the export bounty.

syndicate. The second bound themselves to buy only from the raw sugar syndicate. This precluded all possibility of outside competition.

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The method by which the refiners' syndicate subsidized the raw sugar producers was simple and effective. Each raw sugar producer declared, and verified by the books of the Excise, the quantity of sugar he had supplied for home consumption during the year 1897 or 1898; on that quantity his percentage of the consumption for the current year was based, and on that percentage he received his subvention. He was not tied down in any way as to quantity of production. He merely knew exactly how much sugar he was permitted to deliver for home consumption, and that on that quantity he would receive his Kartell allowance.

In the same way with regard to the refiner, or the raw sugar producer who also produced refined sugar. His amount of refined sugar for home consumption was fixed in a similar manner, and that quantity he had the right to contribute. But he was free to produce and export as much as he pleased.

As the raw sugar producer received during a great part of the Kartell period a bonus on home consumption of M.3.40, and the refiner a bonus of about 4 marks, it is clear that they were both able to export their surplus not only without loss but even with some considerable profit as far as the refiner was concerned. The raw sugar manufacturer had to face, during part of the period, owing to bounty-fed over production and excessive stocks, an outside price which was, on the average, at least 3 marks below his cost of production, and therefore, if he made a large excess over his home consumption contingent he barely made both ends meet. But the refiner, to whom the low price of sugar was not only of no consequence but was of great advantage, exported his surplus with a light heart and made an excellent profit on balance.

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No wonder that the leading man among the refiners endeavoured to impress upon his colleagues the advantage of maintaining the low prices and thus crushing outside competition in the world's market.

Calculation of the German Kartell bounty per ton of *sugar consumed*, and the equivalent counter-vailing duty per ton of *sugar exported*.

						Marks per 50 kilós.
Prices of 15th January, 1902.						
Granulated for Export (Magdeburg)	..	..	..	..	..	8 30
Export bounty .. .. .	..	..	..	..	..	1.75
Consumption duty .. .. .	..	..	..	..	..	10
						<hr/>
Normal price for home consumption	..	..	..	..	..	20.05
Actual price (crystallizé acquitté)	27.95
						<hr/>
Artificial increase (i.e., Kartell bounty)	7.90

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or £7.90 per ton of SUGAR CONSUMED.

703,507 tons × £7.90 = £5,558,495 total Kartell fund.

To find the proper duty to countervail this ON THE EXPORTS the total Kartell fund must be divided by the total exports.

$$\begin{array}{r} 5,558,495 \\ \hline =£5.41 \\ 1,027,259 \\ \text{or } 5s. 4\frac{1}{2}d. \text{ per cwt. of refined EXPORTED.} \\ \text{or } 4s. 10\frac{1}{2}d. \text{ per cwt. of raw EXPORTED.} \end{array}$$

This figure of M.7.90, as the Kartell bounty, is not so high as those given in the table, namely, M.8.19 in 1900-01, M.10.85 in 1901-02, and M.10.42 in 1902-03, because I have debited the normal price for home consumption with the Government export bounty of M.1.75 on refined sugar.

This brief history of the German sugar Kartell bounty is as good and conclusive an instance as could well be found of the effect of foreign excessive import duties in enabling producers to obtain a bounty and undersell all comers in neutral markets. The Brussels Convention shows the remedy.

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(C.)—CONTINENTAL KARTELL AND BOUNTY SYSTEMS.

By A. D. STEEL-MAITLAND.

The following memorandum consists of four sections:—

- I. A summary of the elements of the question.
- II. A statement, as simple as possible, of the principal Kartells and Bounty Systems.
- III. Effects of each system, so far as it affects the practical problem before the country.
- IV. A summary of the considerations to be borne in mind in forming a conclusion.

I.—SUMMARY OF THE ELEMENTS OF THE QUESTION.

The ordinary sugar that we use may be produced from either of two substances, sugar cane or the sugar beet root. Sugar cane is grown in tropical climates, and the chief producing countries are India, the West Indies, and Queensland within the British Empire; and Java, South America, and the United States among foreign countries. Of countries where sugar beet is grown that concerns the present problem, the principal are Germany, Austria, and France; and, in a secondary degree, Russia, Holland, and Belgium. Sugar of both kinds is of course grown in other countries, but does not so vitally concern us.

Of the large quantity of sugar they produce, the great Continental countries mentioned consume about one-third, while they export the remainder. Of the West Indies, the production is preponderantly for export. The United Kingdom, on the other hand, is the great importing country and produces none.

In the matter of cultivation, the sugar neither from cane nor from beet can be considered alone. Sugar from cane is bound up with rum and molasses, which are concurrent products. In the case of beet the complication is greater. After sugar has been extracted from the beet, the residuum is of use for making cattle foods. Not only so, but beet forms one course in a rotation of crops, and its value must consequently be estimated not in itself alone, but also in its effect on the rest of the agriculture of the country.

The parties to the production of beet sugar, and the stages of production, are three. The agriculturist grows the sugar beet; the manufacturer extracts the raw sugar from the beet, and the refiner makes the raw sugar into the refined and finished product; it being calculated that about 110 tons of raw sugar make about 100 tons of refined. Sugar may be of any degree of fineness, but the standard type is "88% German beet": i.e., German raw sugar having a content of 88 per cent. of actual sugar, and the world's market price may be said to be that of 88% German beet free on board ship at Hamburg.

II.—CONTINENTAL KARTELLS AND BOUNTY SYSTEMS.

A *Kartell* is an arrangement between the various parties who assist in and can control the production of an article. A *bounty* is a premium given by the State. The object of the bounty with reference to any article may be to stimulate either the general production, or a particular branch of the trade, such as the Export. Again, the bounty may be direct, by giving an open premium, or indirect, by providing peculiarly favourable conditions for the conduct of the industry.

The arrangements in force in Germany and in Austria before the conclusion of the Brussels Convention in 1902 were similar in character. In France the position was different. With reference to other countries, only a few words will suffice.

GERMANY.

Both a Bounty and a Kartell existed in Germany.

The *Bounty* was given on the export of sugar, and was intended to help German producers in competing with their rivals in foreign markets. It amounted nominally to about 1s. 2½d. per cwt. (2 marks 50 per 100 kilos.) on raw sugar, but was, in reality, somewhat less than this amount. On refined sugar the bounty was more than proportionately higher, amounting, nominally, to about 1s. 9d. per cwt. (5 marks 55 per 100 kilos).

The *Kartell* deals primarily with the Home Trade. The manufacturers and the refiners each form a syndicate, and the two syndicates enter into an agreement. The refiners agree to buy the raw sugar from the manufacturers at a price considerably above the cost of production, while the manufacturers' syndicate bind themselves, so far as sugar for Home consumption is concerned, only to sell to the refiners. Thus the manufacturers get as their profit in the Home Trade the difference between the cost of production and the agreed price at which their sugar is bought by the refiners. The refiners make the sugar into the finished product. They are then able, not only to recoup themselves for what they have paid the manufacturers, and for the expense and wastage involved in refining, but, further, to get a handsome profit through the high price at which they can sell. This high price they are enabled to get since they are safeguarded by the Import duty, which exceeds the Excise duty by nearly 10s. per cwt. (excise duty 20 marks per 100 kilos., import duty 40 marks per 100 kilos.).

The above is a statement, in its simplest form, of the German Bounty System (which enables the German exporter to sell sugar in a foreign market, like the United Kingdom, at or below cost price), and of the *German Kartell*. The export trade is, however, further stimulated, and fresh complications introduced, by other regulations existing with regard to the trade.

A total amount was fixed each year of the sugar that could be produced, and this total was increased each year by double the amount of the increase of the average yearly home consumption as based on the two preceding years. Of the total so fixed, a proportionate share or "contingent" was allotted to each factory, calculated on its previous output, and on any sugar produced in excess of the contingent the factory had to pay an additional excise duty equal to the export bounty of 1s. 2½d. per cwt. (2 marks 50

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per 100 kilos.). The effect of this system was two-fold. Owing to this last-mentioned duty, the net sum expended by the State and received by the exporters in export bounties, would be rather less than the nominal bounty alone would have caused in any one year. So, too, unlimited production by any firm beyond contingent in any one year for the purpose of export would be checked. But, looked at over a series of years, the result was different. Each year the total amount allowed to be produced free of the additional excise duty was gradually increased, and with it the contingents of the individual firms. Each firm also would feel constrained to produce its full contingent whenever possible. For even if prices were low in the given year yet to let its production fall below the full extent would perhaps involve a diminution of its contingent in a subsequent year, when business might be more profitable. Granting, however, that the full allotted amount was produced, it was not always likely that the home market would absorb the whole of an increase which, *ex hypothesi*, was double that of preceding years, and hence a pressure on producers to increase their exports by this unabsorbed margin.

The extent to which prices for home consumption, and for export, mutually affected one another should also be noted. The price which the refiners' syndicate agreed to pay the manufacturers for raw sugar was about 12s. 6½d. per cwt. (25 marks 50 per 100 kilos.). The export bounty on raw sugar was about 1s. 2½d. per cwt. Hence, 12s. 6½d. per cwt. formed a minimum price, and whenever the manufacturers could get anything more than 11s. 3½d. for export an increased home price would be demanded, or else, with the bounty, it would pay him better to export.

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To the above statement, however, there is one modification. When the export price fell below 9s. 2d. per cwt. (before payment of bounty), the refiner got the benefit in fixing the price for home consumption. The agreed price that is to say was reduced proportionately. In other words, a maximum limit of about 2s. 4½d. (12s. 6½d. less 9s. 2d.) was placed on the bonus received by the manufacturer for sugar sold for home consumption.

The extent of the German trade in sugar, and of the amounts involved in the Kartell and Bounty Systems based on the estimates of M. Guyot for 1901-2 were as follows:—

Production of raw sugar, Germany, 1901-2.

(A) Home consumption	770,000 tons.
(B) For export	1,430,000
Total	<u>2,220,000</u>

Of the exports 650,000 tons were exported in a refined state, representing 715,000 tons of the raw sugar produced.

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Profits under the Bounty System.

(A) Manufacturers.. .. .	£1,787,500
(B) Refiners	260,000

Profits under the Kartell.

(A) Manufacturers.. .. .	£2,618,000
(B) Refiners	2,170,000

There is some reason to doubt the accuracy of some of M. Guyot's estimates but in any event the totals show the great volume of the industry and of the effect that must be produced by it, in a neutral market.

AUSTRIA.

Both the Kartell and Bounty Systems existed in Austria. The principle is closely analogous to that which prevailed in Germany, and which was, as a matter of fact, formed on the Austrian model.

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The bounties of the export on sugar varied in nominal amount from 1s. 3½d. to 1s. 10½d. per cwt. (1 florin 60 to 2 florins 30 100 kilos.). In reality, however, the net amount was considerably less. In 1899 it was enacted that the total amount that should be so given in the form of export bounties should not exceed £375,000 (9 million florins) annually. Hence, at the end of each year any excess above that sum was repaid to the State, proportionately by the firms who had received it. Thus, the net bounty amounted to only about two-thirds of the nominal bounty.

The Kartell was similar to the German, consisting of an agreement between the respective syndicates of manufacturers of raw sugar, and of refiners. The refiners guaranteed a price almost exactly the same as in Germany to the manufacturers. They then sold the refined product in the home market at as high a price as possible. In this operation they were assisted by the import duty which exceeded the excise duty by 9s. per cwt. (Excise, or home consumption duty, 19 florins, Customs "surtaxe" 11 florins.)

It is thus calculated by M. Guyot that the combined profit for the year 1901-2 given by the kartell and the bounty together amounted to about 2s. 10½d. per cwt. (7 crowns per 100 kilos.) on a total pro-

duction of 1,300,000 tons of raw sugar. In the same calculation it is shewn that the profits are divided among the manufacturers and refiners in the following proportions:—

<i>Export bounty.</i>										£
(A) Manufacturers..	..	..	..	..	..	..	..	..	..	600,000
(B) Refiners	..	..	..	..	..	..	..	..	..	150,000
<i>Kartell.</i>										
(A) Manufacturers..	..	..	..	..	..	..	..	..	..	1,320,000
(B) Refiners	..	..	..	..	..	..	..	..	..	1,740,000
Total										3,810,000

FRANCE.

Both a direct and an indirect bounty existed in France before the date of the Convention of 1902. There was, however, no Kartell. The direct bounty was given on sugar exported from France, and was instituted as a reply to the German direct export bounty. The nominal amount varied from about 1s. 4½d. to 1s. 9½d. per cwt. (3 fr. 50 to 4 fr. 50 per 100 kilos.). Actually, the amount so paid in 1901-2 only reached half this sum, as the full amount given under the bounty was limited by law to a total equal to that produced by a tax on refining of 1s. 7d. per cwt. (4 fr. per 100 kilos.).

The indirect bounty was modelled on a system previously in force in Germany, and was so devised as to stimulate the production of sugar beet both in quantity and in quality. The nature of the system is as follows. An excise duty amounting to £1 3s. 7½d. per cwt. was imposed on French-grown sugar that enters the home consumption. A repayment warrant was, however, granted each manufacturer on the extent to which his beet yielded an amount of sugar in excess of an arbitrary standard of 7.75 per cent. of the weight of the beet. Up to 10 per cent. the repayment warrant represented half the amount of the duty that would have otherwise been payable; above 10 per cent. a quarter.

The effect of the above system in practice was as follows. The weight of the beet used, and of the sugar produced by, the manufacturer was first calculated and repayment warrants given to him. These he could negotiate, while the precise sugar, in respect of which the warrants had been given, would be subsequently mingled indiscriminately with the general bulk produced. The sugar thus manufactured might either be consumed at home or exported. In the first case it generally would pass through the hands of the refiner and before entering the home consumption the excise duty of £1 3s. 7½d. per cwt. would be paid upon it. If, on the other hand, it was exported, no excise was chargeable. In the first instance, therefore, the amount repaid under the warrants acted *pro tanto* as an additional protection against foreign sugar which would already have paid the full £1 3s. 7½d. on import. In the second case, viz. of exported sugar, as repayment had been made in advance of part of a tax that was never, in this case, levied, the system acted as a heavy indirect export bounty in addition to the direct bounty already mentioned. This combined bounty was estimated, in 1898, to amount to a sum varying from £4 8s. 9d. to £4 11s. per ton. Lastly, it will be seen that as the bounty increased in proportion to the percentage yield of sugar from the beet, it acted as a great stimulus for the cultivation of beets that were rich in sugar.

For a full comprehension of the French system additional details must be understood. There is a tax of 4 francs per 100 kilos., or 1s. 7½d. per cwt., on refining, and the amount given in direct bounties on export is limited to the sum received from this tax. Thus the nominal amount received in export bounties is actually reduced by one half. Again, an elaborate system is in force for the purpose of giving equality of treatment to sugar produced in French colonies.

RUSSIA.

No Bounty or Kartell, properly so-called, existed in Russia. The quantity, however, of sugar which any manufacturer was allowed to place on the home market in excess of a certain limited amount, was regulated by the proportion of his output. Hence the high price in the home market (consequent on the heavy import duties), and the above system combined, both force the manufacture to export and to make it possible and desirable for him to do so even below cost price.

The *Belgian, Dutch,* and other systems do not need explanation in this memorandum.

III.—HOW THE CONTINENTAL SUGAR BOUNTIES AND KARTELLS AFFECT THE BRITISH EMPIRE.

1. *Improvement in the culture of beet.*—The first striking effect of the system of repayment warrants calculated on the basis of an unduly low yield of sugar from the beet, is the improvement in the quality of the beet grown. The quantity is slightly less, but the percentage of sugar yielded becomes much higher. The system was first adopted in Germany. The date of its adoption in France was 1884, while in 1888 it had

apparently served its purpose in Germany, and was replaced by a direct bounty. The following table shows the estimated increase in the yield of sugar in the two countries.

Average of four seasons.	German yield of sugar.	French yield of sugar.
1872-3 to 1875-6	8.6	—
1876-7 to 1879-80	8.9	—
1880-1 to 1883-4	9.75	5.2
1884-5 to 1887-8	11.22	8.1
1888-9 to 1891-2	12.6	10.0

2. *Great increase in production.*—Equally striking is the immense increase in production in the principal countries mentioned, due both to natural improvements of method and the artificial stimulus of the bounties.

3. *Great growth of the Continental export trade, especially of refined sugar.*—The reasons for both of the results mentioned will be clear from the preceding pages. The chief are the bounty on export, reinforced by the high price in the home market. The actual quantities are given in the following table, from which it will be seen that the increase in the export of refined sugar from France has not been commensurate with that from Germany and Austria.

SUGAR PRODUCTION AND EXPORTS FROM FRANCE, GERMANY, AND AUSTRIA (in thousands of metric tons).

	FRANCE.			GERMANY.			AUSTRIA.		
	Production.	Export.		Production.	Export.		Production.	Export.	
		Refined.	Raw.		Refined.	Raw.		Refined.	Raw.
1871-2 ..	287	145	97	186	88	—	213	124	—
1875-6 ..	396	188	43	358	9	58	277	44	78
1880-1 ..	284	115	37	556	55	252	511	93	183
1885-6 ..	265	117	22	838	116	452	370	143	99
1890-1 ..	616	154	201	1,336	249	535	710	236	267
1895-6 ..	594	112	125	1,637	403	585	706	340	180
1900-1 ..	1,040	191	471	1,979	615	473	1,000	625	76

4. *Fall in prices.*—Together with the immense increase in production has gone a fall in prices. This fall is due in part to the improvement in cultivation. It is claimed that cane sugar can now be produced for little more than 8s. and beet sugar for 9s. per cwt., although it is always hazardous to give an isolated figure for one among several joint products. In certain years, however, the world's price was reduced artificially below the cost of production. Of this result the causes are to be found in the incentive to over-production in the countries mentioned, the bounties on export and the high price in the home market, in consequence of which manufacturers could afford to cut down their profits on the export trade.

AVERAGE PRICE OF RAW SUGAR IMPORTED INTO THE UNITED KINGDOM.

	1880.	1885.	1890.	1895.	1900.	1902.	1904.	1906.
Average price* (per cwt.)	£ s. d. 1 1 3½	s. d. 13 10½	s. d. 12 7½	s. d. 9 8½	s. d. 10 5½	s. d. 7 7½	s. d. 10 2	s. d. 8 4½

5. *Injury to the countries producing cane sugar.*—The case of the West Indies is prominent. The results as regards the West Indies would have been ever more disastrous had not the position been alleviated by the existence of a market in Canada and in the United States where a system of countervailing duties placed them again on an equality in that market with bounty fed beet sugar. In England of course which had previously been their chief market, no such duties existed. The position is made clear by the Trade Returns :—

* The above are average prices for the whole year, c.i.f. England, and do not include the duty for the years, when in force (1902, 1904, 1906). The average price for beet sugar is lower than the above totals, which are based on the total of raw sugar, including cane.

EXPORTS OF SUGAR FROM BRITISH GUIANA, JAMAICA, AND OTHER WEST INDIAN ISLANDS (in thousand £).

	1880.	1885.	1890.	1895.	1900.	1902.	1904.
	£	£	£	£	£	£	£
BRITISH GUIANA—							
To United Kingdom ..	1,485	1,073	461	629	224	145	212
U.S.A.	579	305	949	593	890	777	536
British N. America ..	38	4	21	22	21	119	532
Other Countries	24	3	6	3	5	1	1
Total	2,126	1,385	1,437	1,247	1,140	1,042	1,281
TRINIDAD AND TOBAGO—							
To United Kingdom ..	679	282	359	327	303	249	442
U.S.A.	139	402	511	264	218	145	53
British N. America ..	28	1	4	3	16	6	221
Other Countries	12	—	1	2	13	10	6
Total	927*	710*	875	596	550	410	722
BARBADOS—							
To United Kingdom ..	499	332	120	62	17	15	36
U.S.A.	197	327	716	215	271	274	264
British N. America } ..	117	{ 37	25	5	6	8	132
Other Countries } ..		{ 4	8	1	16	5	8
Total	813	700	869	283	510	302	440
ST. LUCIA—							
To United Kingdom ..	158	60	35	10	14	6	40
U.S.A.	1	37	49	38	39	19	—
British N. America ..	—	—	—	1	—	1	10
Other Countries	—	—	—	—	2	—	—
Total	159	97	84	49	55	26	50
ST. VINCENT—							
To United Kingdom ..	—	—	—	—	1	1	1
U.S.A.	—	—	—	—	6	4	2
British N. America ..	—	—	—	—	—	1	6
Other Countries	—	—	—	—	—	—	1
Total	111	75	53	19	7	6	10
LEEWARD ISLANDS—							
To United Kingdom ..	332	75	19	9	8	9	19
U.S.A.	134	257	373	131	127	65	35
British N. America } ..	6	4	{ 4	33	22	100	149
Other Countries } ..			{ 1	1	1	3	8
Total	472	336	397	174	158	177	211
JAMAICA—							
To United Kingdom ..	362	69	14	27	11	18	20
U.S.A.	65	175	197	161	147	134	3
British N. America } ..	71	{ 53	21	5	2	9	87
Other Countries } ..		{ 11	4	2	6	6	6
Total	498	308	236	195	166	167	116
Totals to United Kingdom ..	3,515†	1,891†	1,008†	1,064†	578	443	770
U.S.A.	1,115†	1,503†	2,795†	1,402†	1,898	1,418	893
British N. America } ..	296†	117†	{ 75†	69†	67	244	1,137
Other Countries } ..			{ 20†	9†	43	25	30
Grand Totals	5,106	3,611	3,951	2,563	2,586	2,130	2,830

* For the years mentioned only the exports for Trinidad were separately distinguished. The totals, therefore, have been increased by £69,000 and £25,000 respectively, which are the exports of Tobago for the years in question.

† Not including St. Vincent or Tobago.

‡ Not including St. Vincent.

6. *The position of the United Kingdom.*—Four parties in the United Kingdom were affected. The first are the great body of consumers who bought sugar for direct use as an article of food. The second class are the manufacturers of aerated waters, jam, biscuits, and similar articles, into which sugar enters largely. To both of the above classes cheap sugar is a great advantage; to the first as a nutritious food, to the second as a raw material of industry. So far, therefore, as the bounties operated in providing cheap sugar, they were highly beneficial. But the advantage was, in its nature, most unstable, and it was doubted by many whether the temporary benefit was worth the risks involved in the instability of the supply. Thus, in a letter from a Committee of the Cobden Club,* with Lord Welby as Chairman, it was stated that . . . "The Committee "in arriving at this conclusion (i.e., of disapproval of the imposition of countervailing duties) has not been "animated by any selfish desire to obtain the benefit of cheaper sugar for the British consumer. They "believe that the policy of artificially reducing the price of any commodity by the grant of bounties is, in "the long run, injurious not only to the country giving the bounties but to the country which apparently "or temporarily benefits by them."

The letter of thanks from M. Yves Guyot in reply is also noteworthy:—"

"Je constate qu'il (the Committee of the Cobden Club) ne se place pas au point de vue des intérêts "des 'confectionnées jam and biscuit makers,' ni même des 'domestic consumers'". . . .

"Je remercie beaucoup le Committee of the Cobden Club des vœux qu'il fait pour la "suppression des 'bounties' sur le Continent. . . . mais j'aurais préféré un appui moins platonique."

This letter was written before bounties were abolished through the action of the late Unionist Government. At a later date the advantage to the English consumer given by the bounties was emphasized in a conference held by the same Club, Lord Welby again occupying the chair, in language equally emphatic. "We had given up the immense aid to our manufacturing trades and our working classes which came from "the large sums of money that the folly of foreign governments bestowed upon us. That was a loss "to this country of between £8,000,000 and £9,000,000 a year."† When views, therefore, of such divergence are held by the same body under different circumstances, it is evident that it is difficult to decide how far temporary and artificial cheapness is, or is not, an advantage to British consumers.

The third party affected were the refiners. Owing to the more than proportionate bounty given on the Continent to the export of refined, as contrasted with raw, sugar, an ever-increasing percentage of refined sugar was imported into England, and the refining industry, though still existing, was handicapped and crippled.

Fourthly, it is contended, with reason, that experiments on the cultivation of beet in England have demonstrated that greater excellence can be reached in this country than abroad. Thus, in Germany the best average yield is not expected to exceed more than 13½ tons of beet to the acre, containing 13 per cent. of sugar. In England it is claimed that an average yield of between 14 and 15 tons, containing 15 per cent. of sugar, would be well within possibility. On the other hand, a combination of two initial difficulties would have to be faced in this country, (1) the erection of a factory of sufficient size to manufacture economically—that is, with a capacity of working some 35,000 tons of beets annually and (2) the adaptation to the necessary rotation of crops of a large enough area to provide this quantity of beets. It is, therefore, difficult to obtain capital for the object of starting the industry if there would be the danger of being undersold by bounty-fed sugar imported below cost price.

IV.—CONCLUSIONS.

1. The position of the consumers in Continental countries where bounties existed has often been referred to in discussions on the subject. From the national point of view, therefore, it is well to recognise the limitation that the interests of the poor Continental consumer may be left to his own Government to safeguard, and that all we have to consider are the interests of the United Kingdom and the British Colonies.

2. British consumers gained a great, if unstable, benefit from foreign bounties. Consequently, this benefit should be preserved if possible, while guarding against the effects of the instability. The benefit derived from cheap sugar will, it will be remembered, be equally preserved (a) by the British consumer being able to buy his sugar at the lowest price, however caused, or (b) if the amount by which the artificially low price is below the natural price, should go into the national exchequer, thus enabling taxes to be reduced on other articles of general consumption.

3. Two classes of existing producers, the growers of cane sugar in the West Indies, and sugar refiners in the United Kingdom, should be protected from an unfair competition which has been condemned by politicians of all shades of opinion.

4. If sugar beet can be cultivated with economic success in this country, every encouragement should be given to the attempt to grow them. Hence the artificial effect of foreign bounties which have hitherto made the attempt impossible should be counteracted.

If these considerations are viewed together it will be seen that from the point of view of the classes under (3) and (4), to allow foreign bounties and Kartells to operate unchecked, as in the period preceding 1902, would be to invite ruin. On the other hand, from the point of view of the class of general British consumers,

* Letter from Lord Welby, Chairman of Committee of the Cobden Club, on behalf of the Committee to M. Yves Guyot, *Times*, March 1, 1902.

† Report of proceedings at the Cobden Club Conference. Remarks by the Chairman, Lord Welby. —*Times*, January 30, 1905.

there is everything to be said for allowing Continental nations to sell sugar here cheap at expense to themselves—in other words, foreign Bounties and Kartells should be allowed to continue. Are, therefore, the apparently conflicting interests reconcilable? It is not the place to discuss the questions of administration involved in any system of countervailing duties—import duties, that is to say, imposed in this country on an article coming from a foreign country, in which it enjoys an export bounty, and so calculated as to be equivalent to that bounty. Such a system however in the case of sugar would satisfy all interests. Every care would be taken not to induce foreign countries to stop the system of Kartells and Bounties. The British consumers would get the benefit, and British producers would be safeguarded from illegitimate competition. At the same time, by equality of treatment being secured for cane sugar, the instability would be avoided, which would, in the opinions of many, be the result of undue dependence on the beet crop only, for our supply of sugar.

(D.)—BRITISH REFINERS AND THE BRUSSELS CONVENTION.

The following letter was addressed by Mr. Edwin Tate on behalf of the British Sugar Refiners' Association to the Rt. Hon. DAVID LLOYD GEORGE (President of the Board of Trade), with reference to the Brussels Sugar Convention and its effects on the Consumers in this Country and Industries connected therewith:—

21, MINCING LANE,
LONDON, E.C.,
May, 1906.

SIR,—I am requested by the British Sugar Refiners to place before you their views in reference to certain statements which are continually being made regarding the Brussels Sugar Convention and its effects on the Consumers in this Country and the Industries connected therewith.

Two arguments are usually brought forward by those opposed to the Convention; firstly, that Sugar has become dearer owing to Russian and other Sugars having been shut out from this Country, and secondly, that serious injury has been caused to the Confectionery trade through the higher price.

With regard to the allegation that Sugar is dearer on account of bounty-fed Sugar being excluded from this Country under the conditions of the Brussels Convention, reference has been made to the quantity of Russian Sugar that would have come here under the conditions prevailing prior to September, 1903.

It is interesting, therefore, to refer to the Blue Book giving the statistical abstract for Foreign Countries in the years 1893 to 1902.

It will be seen that the exports of Russian Sugar have been very small as compared with the total exports from other European Countries, and in a report of "Russia, its Industries and Trade" issued by order of State Secretary, S. J. de Witte, published in 1901, the average exports of Raw and Refined Sugars for the previous 10 years were given as 103,905 tons, of which 25 per cent. or 25,976 tons were sent to Great Britain.

The British Refiners have never considered that the proper method of dealing with bounty-fed Sugar was by prohibition, but rather that a countervailing duty should be imposed equal to the amount of the bounty, and during the rise in price of Sugar last year, a considerable portion of Russian Sugar available for export would doubtless have come here, even after paying the penalty, though not sufficient to appreciably affect the price. On the other hand, if Sugar is prohibited from entering this country it is shipped to other countries, and displaces the Sugar which is usually sent there, and therefore does not decrease the world's supply. In the Consular Report of Odessa, No. 3480, for the year 1904, issued by the Foreign Office, on page 26 it is shown that of the total exports from Russia in 1903, 55,000 tons more Sugar was sent to Finland than in 1902, and the report states "the great increase in the Exports to Finland in 1903 is stated to be due to the Brussels Convention depriving the European Beet-producing Countries of the premiums hitherto available to enable them to compete against Russia in Finland."

This clearly proves the argument that the British Refiners have always used, and shows that the 55,000 tons of German and Austrian Sugar displaced in Finland by Russian Sugar was available for shipment to this and other markets. There was also an increase of 32,000 tons in the shipments of Russian Sugar to Germany and Austria-Hungary in transit to Japan, owing to the low rates of freight from those countries, and here again Russian Sugar must have displaced other Sugars.

It has been pointed out that whereas Raw Beetroot Sugar in 1902 touched 5s. 9d. per cwt., the price this year has varied from 8s. to 8s. 6d., and that if there had been no Convention the price of Sugar would have been as low this year as it was in 1902.

In order to come to the correct conclusion with reference to this statement it is necessary to look into the price of Sugar for a period of years previous to 1902, and the following figures show clearly the

fluctuations in the price from 1896-97 to 1904-05 in Germany (the largest and most representative market):—

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Crop.	Raw 88%.		Refined.		Diff. Mks.	per 100 kilos.
	Mks.	%.	Mks.	%.		
1896-97	19.60	..	27.10	..	7.50	per 100 kilos.
1897-98	19.90	..	26.70	..	6.80	do.
1898-99	21.56	..	28.18	..	6.62	do.
1899-00	21.10	..	28.36	..	7.26	do.
1900-01 (Kartell)	20.68	..	37.06	..	16.38	do.
1901-02 (do.)	15.76	..	37.46	..	21.70	do.
1902-03 (do.)	17.54	..	38.38	..	20.84	do.
1903-04 (Kartell abolished)	16.72	..	24.32	..	7.60	do.
1904-05	25.60	..	31.66	..	6.06	do.

(NOTE.—One Mark=1s., 100 Kilos=2 cwt., approximately.)

From 1896-97 to 1899-1900 it will be noticed that the price of Raw Beetroot Sugar varied very slightly, but in 1900-01 the German Refiners and Fabricants, taking advantage of the high import duty on Foreign Sugar, formed a Kartell or Trust, and it will be seen that the effect of this Kartell was to lower considerably in the three years, 1900-01 to 1902-03, the price of Raw Sugar, whilst a much greater margin of profit was obtained in the Home Market for the Refined Sugar.

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This increased margin for the quantity of Sugar which was consumed in Germany gave an additional profit on the quantity of Sugar available for Export of over 3s. per cwt., and after deducting the cost of the working expenses of the Trust, a very considerable profit was still left to the Exporter. The same conditions also prevailed in Austria.

The effect of these Kartells was to largely increase production in Germany and Austria, and through over-production and also through the increased profits that producers were getting for their Sugar for Home consumption, prices fell to under 7s. in 1901, and still further to 5s. 9d. in 1902. The price of 5s. 9d., therefore, was quite 3s. 3d. per cwt. below the cost of production, and not only were Exporters compelled to give away the direct Government bounty of 1s. 3d. per cwt., but also for a time, at least 2s. of their Kartell profits. The average price for the whole year 1902 was 6s. 7d., as against 8s. 6½d. in 1901, and 8s. 2½d. in 1903.

It is obvious, therefore, that if the price during the third year of the Kartell rose to an average of 8s. 2½d., it is unfair to argue that the exceptional price of 5s. 9d., touched in 1902, was likely to continue. As a matter of fact, had anything like such a price remained for a year or two, every other country would have been unable to compete, and as a consequence we should have been dependent almost entirely for our supplies of both Raw and Refined Sugars from Germany and Austria. In the year 1904-05, unfortunately, the Beetroot Crop on the Continent was a partial failure owing to drought, and the shortage of nearly 1,200,000 tons in the supply caused a rise in the price of Sugar, which was accentuated by wild speculation, principally by Paris Houses.

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A normal crop in 1905-06 has brought us to a price of from 8s. to 8s. 6d., which is far below the average price for 10 years previous to the Convention, and is based upon the natural cost of production (which is practically the same all over the world). Further, we are not now dependent for our supplies of Raw Sugar from a few countries, but the growth of Sugar has been encouraged in every part of the world where it can possibly be produced.

With regard to the second point, the effect upon the Confectionery trade, there is no doubt that those manufacturers who did not foresee the rise in Sugar caused through the shortage in the Crop of 1904-05, must have suffered like everybody else from the high prices to which Sugar was driven: firstly, through the failure of the Crop, and secondly, through excessive speculation; but according to the Report of the Confectionery Trade in the "Chamber of Commerce Journal" of January this year, the result was entirely different to the exaggerated statements that have been made from time to time in public. The following is an extract:—

"CONFECTIONERY: As will be seen from the following figures for the eleven months ended November, 1903, 1904 and 1905, the quantity and value of the Exports of confectionery, jams and preserved fruits was higher last year than in either of its predecessors:—

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" 1903.	1904.
" 294,886 cwts., £743,718.	289,841 cwts., £750,870.
" 1905.	
" 315,478 cwts., £824,221.	

"Our oversea trade in confectionery thus showed a fair improvement, in common with many other lines of business. Moreover, what is more satisfactory still, there is no doubt that there was even greater improvement in the home trade. Naturally, therefore, the state of employment in this industry has also brightened, although it has not altogether recovered from the failures of 1904."

The foregoing extract speaks for itself, and needs no comment, and is a complete answer to those confectioners who are continually stating that thousands of men have been thrown out of employment owing to the effect of the Brussels Sugar Convention. This statement has also been fully borne out by enquiries made through some of the largest confectioners.

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The British Sugar Refiners have undoubtedly been in a better position to compete with their Foreign Competitors, although there are many points in which the British Refiners are still handicapped, especially is this the case with regard to imports of Refined Sugar from France, where the Refining in-Bond is not so strictly enforced as in this Country. There are also many advantages still derived by the Foreigner through Preferential Rates, by rail and water, both abroad and in this country.

Under present conditions it has been proved that a very large Agricultural Industry might be developed in the United Kingdom through the growth of Beetroots for the manufacture of Sugar, but if His Majesty's Government does not renew the Brussels Convention, it is certain that no one would invest Capital in an Industry which was dependent for a profit under the conditions ruling before the abolition of Bounties.

Austria would then undoubtedly return to the Bounty System owing to the immense influence the Sugar Industry has in that country, and Germany would in all probability increase her import duty on Foreign Sugar to such a figure that Kartells or Trusts would be again formed, and as a consequence any Sugar growers in this country would have to compete with either the Exchequer of a Foreign Country, or with Trusts or Kartells such as existed in Germany and Austria in 1900 to 1903.

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The British Sugar Refiners have never asked for protection, but they contend that any unfair advantage derived by their Foreign Competitors, either from Government Bounties, or by the operations of Kartells or Trusts, should be met by a countervailing duty equal to the unfair advantage gained. This, in their opinion, is the surest way to encourage the growth of Sugar all over the world, so as to secure a continuance of cheap Sugar without the violent fluctuations that must take place when the production is fostered or discouraged by artificial means.

I am, Sir, Your obedient Servant.

(Signed) EDWIN TATE,

Chairman, British Sugar Refiners' Association.

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Abbreviations used in this Index:—

U.K. = United Kingdom.

U.S.A. = United States of America.

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THE TARIFF COMMISSION,
7, VICTORIA STREET, WESTMINSTER, S.W.
12th August, 1907.