

Record Sugar Crop in Australia

For the first time in the history of the Australian cane sugar industry an amount of sugar has been produced greatly in excess of the Commonwealth's requirements. The Queensland crop is expected to exceed 350,000 tons (70,000 tons above the record yield of 1913-14), and New South Wales will probably produce 20,000 tons, making an estimated total of 370,000 tons. As the consumption is unlikely to reach 270,000 tons, there will be a surplus for the current season of at least 100,000 tons; and even if the 20,000 tons of raw sugar stored at Mackay should be lost, there will probably still remain, at the end of the season, a surplus of not less than from 85,000 to 95,000 tons, for it is an open secret that the total production has been under-estimated.

"The official explanation of this season's immense increase in yield," says the Australian "Industrial and Mining Standard," "is (a) exceptionally favorable weather conditions, (b) the fact that a large quantity of cane was allowed to 'stand over' from last season. This explanation ignores the incitement offered growers—ever since the beginning of the war—to increase planting by the unprecedentedly high prices fixed, through the benevolent intervention of the Commonwealth Government, and it makes no mention of the circumstance that a considerable amount of the current season's cane is being allowed to 'stand over' until next season. It also fails to remark that the Commonwealth Government supplemented the stimulus of unparalleled prices by returning all its mesne trading profits to the growers and by involving itself in a definite responsibility to purchase at an exceedingly liberal figure the entire Queensland production, whatever should be the quantity produced. The weather may have been favorable; the quantity of cane standing over from last season may have been substantial; but we take leave to insist that the policy of the Commonwealth Government was an important factor of the surplus.

"NO MARKET FOR SURPLUS."

"As things are, the national taxpayer has to bear the burden of the surplus to the tune of upwards of £2,500,000, and to that extent the industry profits immediately from the excess production. Two questions arise hereabouts. What is to be done with the current surplus? and Should we encourage the production of further surplus crops. Under existing conditions any over-production of sugar lacks economic justification. The present season's surplus cannot be consumed here, and it cannot be sold abroad except at a ruinous loss, if at all, on account of the dearth of shipping. The proof of our latter statement is to be found in the fact that Java holds at this moment more than 850,000 tons of sugar, of which she is quite unable to dispose. In October last the Commonwealth imported 4,371 tons 8 hundredweight at a fraction over £15 11s per ton. The fixed price for 1A quality sugar in

Australia is £29 5s per ton. Why did the Commonwealth import, and why is it importing, foreign sugar when we hold so much locally grown sugar that cannot possibly be consumed? We put this query, however, merely by way of parenthesis. The importing anomaly is but a detail in a big sum of economic muddling.

"Prior to the war the average price of 1A sugar in Australia was about £18 per ton, or something more than £6 per ton above the ruling price for similar sugar in the world's markets. Sugar is much dearer in famine-stricken Europe to-day than even in Australia, owing to the war; but the European situation profits our industry nothing now, and it is unlikely ever to help us—for nothing is more certain than that the world's price will fall sharply as soon as the war ends, because Europe in normal times is self-contained with respect to sugar, and can produce illimitably. It may be that the world's price of sugar will not return to the low level of 1912-13, but we can be sure it will eventually reach an equilibrium well under £14 per ton.

QUESTION OF PRICES.

"Now the point is that the present price of Australian sugar—£29 5s per ton—is positively declared by the industry to be insusceptible of reduction. If this be true, it follows that the continued existence of the industry beyond the war depends on the problematical willingness of the Australian people to pay about twice as much for their sugar as any other people in the world, and to consent to the raising of the customs duty on imported sugar from £6 to the neighborhood of £16 per ton. It also depends (to a less extent) on the willingness of Australian citizens, while paying £29 5s per ton for the local article, to feed the foreigner at their expense by permitting any surplus production to be sold abroad at less than half the fixed Australian price. Is the nation capable of rising to such a pinnacle of unselfishness? If it is not, the sugar growers of Queensland must do one of two things; they must either contrive to produce sugar at a greatly reduced cost and to sell at a much lower price, or they must go out of business.

"There, in a nutshell, is the problem of the future of the Australian cane sugar industry. We have been moved to present the case (with unsparing candor) for public consideration by a deep sense of sympathy for all engaged in this great and most important national work. For far too long there has been a conspiracy of silence on the subject. The people of Australia have been kept in a condition of utter ignorance as to the actual facts, and sugar growers and others directly interested have been permitted to dwell in a fool's paradise. That sort of conduct is not kind, and it is not statesmanship. It should be abandoned, and the position should be squarely faced forthwith."

GRAIN IN STORE AT THE HEAD OF THE LAKES.

Fort William, April 6, 1918.

Statement of stocks in store in public terminal elevators at Fort William and Port Arthur on April 5th, 1918, with receipts and shipments during the week.

Elevator.	Wheat.	Oats.	Barley.	Flax.
C. P. R.	205,537	184,534	49,936	23,162
Empire.	122,900	564,340	116,581	79,625
Consolidated.	60,944	163,488	46,581	96,694
Ogilvie.	335,861	110,546	73,910	.....
Western.	38,978	57,898	31,646	103,046
Grain Grocers.	302,405	1,040,932	209,349	.....
Fort William.	61,288	327,351	91,809	38,757
Eastern.	38,178	63,081	13,379	.....
G. T. P.	353,817	1,012,466	211,537	185,665
N. Western.	102,450	73,517	45,909	.....
Can. Nor.	1,249,165	1,537,887	591,132	155,340
Horn & Co.	10,892	27,787	2,764	16,089
Can. Govt.	171,589	129,101	48,285	78,637
Thunder Bay.	300,002	745,941	153,225	23,603
Dav. & Smith.	77,729	294,758	78,130	.....
Sask. Co-Op.	347,620	344,357	79,024	167,285
Total.	3,779,360	6,677,992	1,843,206	967,907
A year ago.	22,969,841	10,163,451	1,295,776	1,629,415
Receipts.	630,634	656,007	241,590	133,669
Shipments—Rail.	986,001	240,168	54,763	12,797
Winter storage—				
Afloat.	2,691,868	.....	.....	.....
A year ago.	89,245	101,331	.....	.....

STOCKS BY GRADE.

Wheat.		Oats.	
No. 1 Hard.	14,302		
1 Nor.	1,011,004		
2 Nor.	411,575	1 C. W.	2,258
3 Nor.	379,702	2 C. W.	54,423
No. 4.	191,624	3 C. W.	452,706
No. 5.	126,896	No. 1 Feed.	975,766
No. 6.	691,913	1 Feed.	1,756,509
Feed.	205,296	2 Feed.	1,523,107
Others.	747,545	Others.	1,423,220
Total.	3,799,360	Total.	6,677,992
	Barley.		Flax.
3 Ex. C. W.	3,776		
3 C. W.	459,964		
4 C. W.	1,061,810	1 N. W. C.	734,511
Rejected.	77,823	2 C. W.	170,350
Feed.	165,096	3 C. W.	35,635
Others.	74,734	Others.	27,410
Total.	1,843,206	Total.	967,907

other powers have been supplied. The victors must be the first to eat. We thus get our goods through the State. These goods are given over to our industrial, to our farmers, traders, etc. In this way the State would fructify all necessary channels in a way hitherto unimagined and, besides, in this way we gain a good start over all competitors among foreign nations."

Prince Loewenstein shows how Germany in this way could re-establish its national economics and avoid the catastrophe of unemployment, exorcise the spectre of want, and banish all danger. The manufacturer gets his material, the farmer his fodder, the trader his goods, the workman his earnings, the people their food, and the State its indemnity.

"England must supply tin and wool, and as for colonies like Canada, it must yield us copper, nickel, cobalt and leather. Australia must produce spelter, wool, grain and frozen meat, and other colonies jute, leather, fats and oils, rubber, rice, tea, cocoa, etc. South Africa will supply us with gold, and Egypt, should it still remain under British rule, with cotton. France will give us olive oil, other oils, and wine, and Algeria will give us cork and phosphates. Italy will supply vegetables, sulphur, raw silk, hemp and oil, and from Russia, wheat, barley, flax, oilcake, leather, eggs, platinum and bismuth."

This process of indemnification must be continuous until the entire indemnity, as far as possible, has been paid. "It is only in this way and by such means that the war and its consequences can be changed for us into a source of blessing which will again raise our land and people to their old heights, which will save them from the abyss of want, from crushing taxation, from mass emigration. Destiny compels us to these steps, and we must take them or perish. It would be a crime were we to allow false magnanimity or a palsied will to prevent us utilizing our victory to the full. If we neglect this opportunity all eternity will never give us such another chance."

Germany will Want Raw Material for War Indemnity

Evidence of Germany's pressing need for raw materials continues to accumulate. Prince Du Loewenstein Wertheim Frendenburg, writing in "Die Wirklichkeit," strongly urges the desirability of the German Empire demanding raw material as war indemnity.

After the war is over, he says, the German Empire will resemble a great store which has sold out its stocks. In the first three years of war goods, most of them raw material, to the value of \$4,000,000,000 were prevented from entering Germany. There is an absolute shortage of everything "from cotton to sulphur, from seal bacon to platinum." That shortage is a serious danger, for its stands to reason that just as a man out of breath cannot run, a pumped-out State cannot engage in a new war. She must first of all get her breath.

The Prince thinks it probable that a new war will follow the close of the present war. "Does anyone imagine," he asks, "that the peace will bring with it sudden quiet? Out statesmen cannot tell. Hitherto they have not been very reliable augurs. This war has surprised them, notwithstanding a hundred warnings. Our statesmen had dreamed of work-brotherhoods, and then war came. One lesson we have to learn — to be on our guard. We must cast away our amazing sentimentality — this dangerous inheritance of the Teutonic race. We must see things as they really are."

Prince Loewenstein points out that at the conclusion of peace things will be no better so far as

raw material is concerned unless steps are taken beforehand to make necessary provision for supplying German wants. "Peace will not bring us supplies. Even should peace open every market in the world, it would not prevent the wildest competition for raw material and food supplies. Every cotton spinner will struggle to obtain a quick supply of cotton, every gardener will strive for seeds, every farmer for oilcakes. English and German, French and Austrian, all will madly struggle for supplies. And those who in war were Allies will be economic enemies on the markets.

"The spinner must have cotton if the homecoming textile workers are to have employment and if he is to pay his burden of taxation. What will happen when these millions return from the front and cannot be employed because of the lack of raw material? We must not rely on the possibility of obtaining supplies simply by paying for them. Money will not bring in the goods, and will foreign countries accept our paper? Besides, tonnage will have almost disappeared, and our exchange will have sunk to the very lowest. Against these inevitable economic catastrophes, which in certain circumstances can be almost as destructive as war itself, there is only one possible course — prevention."

The scheme of "prevention" is thus developed. "The victors in the great war, that is to say, the Central Powers, must insert this condition in the peace instrument: 'We demand a portion of the war indemnity in raw material, and this immediately and before