

The Decline of the West Indian Sugar Industry

The Second of a Series of Articles Dealing With the Sugar Question.

(Specially Contributed)

At the point at which we terminated our previous article, the life and customs of the West Indian sugar trade, with its fascinations, profits and adventures, might have been compared with those of such contemporary institutions as the East India Company in the Orient, or the Hudson's Bay Company in the north. These sleepy sugar merchants were now pitted against a more modern hustling rival, and as usually happens, they crumbled away under the strain. Germany, jealous of the world power of Great Britain in the sugar business, through her control of the West Indies, of India, Fiji and other islands, determined to "cut a melon" of her own growing, and to this end established a beet sugar industry in Silesia. This was the most serious of the three chief causes of the decline of the West Indian sugar trade.

The second was the result of labor troubles consequent upon the freedom granted to slaves. In England the agitation for the abolition of the slave trade commenced in 1776, and, as the outcome of a vigorous campaign conducted by Wilberforce Clarkson, and others, the traffic in human beings was suppressed by Act of Parliament in 1807. The long drawn out agitation for the abolition of slavery itself followed, and in spite of the protests of the powerful men interested in the great sugar industry, the abolitionists won their hard fought battle, and by the famous Act of 1833, slavery was abolished throughout the British Empire. In the West Indies the labor question now became acute, the erstwhile slaves, glorying in their freedom, showed a total disinclination to work, and a serious crisis resulted. Various experiments were made by bringing laborers from Madeira, Sierra Leone, and the East Indies, but no satisfactory results were obtained until coolies were introduced from India in 1845, under a system of indenture. This trade has continued ever since, but has been largely under the control of the Indian and Imperial Governments.

The third cause of decline was the remarkable indifference displayed by those chiefly interested. No modern improvements were introduced, no business-like methods considered. In fact, no effort was made to keep pace with the times and cope with the beet sugar opposition.

German Bounty Sugar Question.

In course of time, due largely to scientific study of conditions and economic methods, the Germans and Austrians were able to place an excellent substitute for cane sugar on the world's markets at a lower price. Thus began in Great Britain that all-absorbing discussion on bounty sugar. Thus were formed the two parties, the one loudly proclaiming that if the German Government wished to give them a present of the bounty which they placed on all their export sugar, they should be more than foolish not to accept it. The other party looked at their empty bank accounts and demanded a countervailing tariff. In the United States a very heavy duty was placed on German refined sugar to protect the home grown product.

In face of this, nothing more thrilling happened than the steady growth of the German beet sugar, followed by a similar expansion in the United States. Between the years 1882 to 1894 the increase in the European production of beet sugar was from 1,730,200 tons to 3,840,256 tons. The demand for the cane product, however, was also increasing, and from the beginning of the twentieth century the two industries were nearly neck and neck in the race, or varying in turn from 49 to 51 per cent. The growth of the cane sugar production may be illustrated by the fact that in 1869 the world's totals were 2,794,729 tons, and in 1911 were 17,665,304 tons, an increase of almost seven times in forty-two years, thereby becoming one of the leading industries of the world.

Conditions in West Indies.

During the last twenty years the rivalry between the producers of cane and beet sugar has constantly become more intense. It developed into a strife for commercial supremacy between the luxuriant conditions of growth and the low priced labor of the tropics on the one hand, and the highly developed agricultural lands and the higher priced labor of the central temperate zone on the other. It was in-

deed a contest between ignorance and intelligence, the former reinforced with specially favorable natural conditions. Intelligence, however, was bound to win in the long run, and in 1895 when the reduced demand for cane sugar had forced a crisis upon the West Indies, representations were made to the Imperial Government, pointing out how impossible it was for the island colonies to provide for their government and administration without external aid. On the recommendations of the late Joseph Chamberlain, then Secretary of State for the Colonies, a Royal Commission was appointed in December, 1896, to obtain full information regarding the causes of the depression and the general conditions of the colonies. In 1897 this commission made its report, drawing special attention to the risk of financial disaster that these colonies incurred in their dependence on a single means of livelihood, and recommended the establishment of other and alternative industries. This advice was followed and many new products have been introduced. Grenada exports cacao and spices, Trinidad grows cacao very largely, Dominica cacao and limes, Montserrat has developed its famous lime juice industry, while Jamaica has turned to bananas.

At this time the United States was held to be the natural market for the West Indies, due to their proximity, and the frequent communication with the ports of the Republic. In 1898 at the close of the American-Spanish war the United States acquired the control of Cuba and the Philippines to which they naturally accorded preferential tariff rates on raw sugar. This, coupled with the fact that a 90 per cent ad valorem countervailing tariff had been raised against all bounty sugars, and a high tariff against all ordinary sugar, made the American market anything but attractive to the West India growers. In the United Kingdom the German sugar had successfully crowded out all rivals, leaving Canada as the only available market.

Second Era of Prosperity.

In 1903 at the Sugar Convention of Brussels, the Imperial Government was successful in prevailing upon Germany and Austria to remove the bounty on sugar. This immediately brought a revival of confidence in the West Indian sugar trade, with the result that capital was available for the improvement of machinery and the establishment of new central factories. In 1898 an Imperial Department of Agriculture for the West Indies was created, which carried on experiments in the cultivation of sugar which have been of great benefit. It is estimated that fully one-half of the canes now growing are new canes yielding from 5 to 10, and even up to 25 per cent higher than the other varieties.

In 1909 a Royal Commission was appointed to inquire into the commercial relations then existing between Canada and the West Indies, and the steps that might be taken to secure and develop facilities for mutual trading. The deliberations of this commission resulted in a treaty between Canada and certain of the West India Islands, which affords a favorable market in the Dominion for their sugar. Sugar is still the chief mainstay of the colonies, the total exports of which have of late years been growing steadily.

Effect of the War on the Sugar Industry.

The outbreak of war in August, 1914, had, perhaps, more immediate effect on the sugar industry, than upon any other single trade. The enemy countries of Austria and Germany being the world's largest producers of beet sugar, had between them supplied about two-thirds of the refined sugar requirements of the United Kingdom. Shortly after the outbreak of hostilities, a Royal Commission was appointed by the British Government to take entire charge of the sugar question. Their first act which has been severely criticized in many quarters, was to buy up all the raw sugar in sight, which they did at constantly increasing prices, mainly in the New York market. Buyers for other countries also rushed in to buy, as the action of the British commission made them nervous lest they should be left without supplies. The result was that the prices of Cuba 96 deg. test crystals, which on July 30, 1914, were quoted on the New York market at 2 1/4c per

lb., c.i.f., had risen to the middle of August to 5 1/4c per lb. These high prices brought out sugars from all over the world and by November 4, the price had receded to 3 1/4c per lb. or practically a normal basis. From that date the price steadily advanced up to 4c, from which price there has been considerable fluctuation, based mainly on supply and demand, but influenced at times by operations of speculators in New York, which since the outbreak of the war has become the central sugar market of the world.

The beet crops of Germany, and Austria are, thanks to the British Navy, unable to find an outlet, but cane cultivation has been largely extended and record crops are expected this year in most cane producing countries. The United States exports of sugar show a remarkable increase since the beginning of the war, approximately \$75,000,000 worth of sugar being exported in the twenty months since August 14, as compared with about \$2,000,000 in the preceding twenty months. Hitherto the United States has never been an exporter of sugar in any considerable quantities, although the greatest cane sugar producing countries lie at her doors and she has the greatest sugar refining facilities of the world. Practically all of the \$75,000,000 worth of sugar exported since the beginning of the war has come in the raw state from Cuba, Porto Rico or Hawaii, passed through the refineries of the United States and thence to Europe in a form ready for consumption. Nearly all of it has gone to Great Britain, France and Italy, which have in the past obtained practically all of their sugar supply from the beet fields of Europe.

The question of the moment is, nevertheless, whether the supplies on hand will suffice until the next crop has been harvested. England at present is curtailing consumption by placing a limitation upon the quantities allowed to all buyers. The British Government controls the sugar situation in the United Kingdom, commandeering the whole supply, and doling it out under specific rules. It is estimated that the consumption in Great Britain this year will not exceed 75 per cent of that of 1915. France, taking advantage of the machinery created by the British Government, has recently placed her sugar consumption in their hands, Great Britain thereby controlling the consumption of sugar in both countries — a remarkable proof of the confidence of France in her powerful ally. Doubtless, the proposed taxation of sugar on the British Budget of last week will also tend to curtail the consumption in the United Kingdom.

WHY DO BOYS LEAVE THE FARM?

The Commission of Conservation during the year 1915 conducted an agricultural survey on over 400 farms throughout the Dominion. Various phases of farm life were investigated, and some interesting conditions presented.

Social conditions, and other incentives to keep the young people on the farms are to a great extent neglected, as may be seen from the following report of the survey:

Ten per cent of the farmers visited have had boys leave and go to the city. Seven per cent have sons married who are farming. Nineteen per cent stated that they were following some form of book-keeping, but only one was man following a complete method. Sixty-seven per cent take agricultural papers, seventeen per cent take story magazines, and seventy-seven per cent take a daily paper.

In 53 per cent of the families visited there were young people over 14 years of age while 31 per cent had a horse and buggy or an automobile for the young people. Sixty-one per cent of the farmers attended some kind of community event or events during the past year, chiefly church socials and picnics.

Here it may be stated that the rural churches have a great opportunity to develop the social side of their activities, to reach more of the young people in the country and interest them in clean amusements, sports and recreations. The local fairs also are prominent among the community events attended by the farmer. Only one of the 400 farmers visited mentioned attending a literary society. Twenty-five per cent of the home had no musical instrument of any kind; 39 per cent had pianos.

THE RESULT OF ECONOMIES.

Savings amounted to \$450,000,000 a year, through economies in the British civil service, are suggested by the government committee on retrenchment.