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Minutes of Proceedings and Papers laid before the International
Conferences on the Sugar Question held in 1888.

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PART I.—CONFERENCES HELD IN APRIL AND MAY 1888.

(TRANSLATION.)

Protocol of December 19, 1887.

THE Undersigned, Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, the Netherlands, Russia, and Sweden, met at London on the 24th November, 1887, to consider the bases of an agreement relative to the suppression of bounties on the exportation of sugar.

In the course of the deliberations set forth in the Minutes of the sittings, an agreement was come to on the principles laid down in the Report of the Committee. In order to give to this agreement a practical application, the President of the Conference placed before them a draft Convention, which they have examined, and which they engage to submit to the consideration of their respective Governments, together with a request that those Governments will make known to the Government of Her Britannic Majesty, before the 1st March, if they give their adhesion to the principles of this draft Convention, which is subjoined to the present Protocol. Every Government replying affirmatively will communicate to the British Government before the above-mentioned date a draft statement indicating the bases of application of the system of taxation on the quantities of sugar produced. The draft shall state with what limitations and in what cases use would be made of saccharimetry. Each Government will, at the same time, declare whether, for the sake of uniformity, it would be disposed to admit what is known as the French method, generally employed in the commerce of several nations.

As regards Article III of the aforesaid draft Convention, the French Delegates, being of opinion that the system proposed for Belgium does not present those guarantees for the suppression of bounties with which the High Contracting Parties are bound to protect themselves, accept this Article with every possible reservation. The Delegates of Germany, Austria-Hungary, Spain, Italy, the Netherlands, and Russia support the reservations made by the French Delegates.

London, December 19, 1887.

(Signed)

HENRY DE WORMS.
ONSLow.
C. M. KENNEDY.
F. G. WALPOLE.
JORDAN.
JAEHNIGEN.
KUEFSTEIN.
GUILLAUME.
DU JARDIN.
D. DE SMET.
LANGE.

ANT^o. BATANERO.
DUPUY DE LOME.
CH. SANS-LEROY.
FLORIAN.
T. CATALANI.
PISTORIUS.
G. ESCHAUZIER.
B. REIGER.
C. VAN DE VEN.
G. KAMENSKY.
ROBERT DICKSON.

Annex to the Protocol of December 19, 1887.

Draft of Convention.

THE High Contracting Parties, desiring to bring about the total suppression of bounties, open or disguised, on the export of sugars, have resolved to conclude a Convention to this effect, and have appointed as their Plenipotentiaries the following, to wit :

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles :—

ARTICLE I.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, such measures as shall constitute an absolute and complete guarantee that no bounty, either open or disguised, shall be granted on the exportation of sugars.

ARTICLE II.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, a system of duty on the quantities of sugar produced and delivered for home consumption, as the only system by which the suppression of the bounties in question can be attained, and to place under the same régime glucose factories and factories for the extraction of sugar from molasses.

ARTICLE III.

As Belgium is not in the same condition with regard to the application of the system of duty on the quantities of sugar produced, the existing régime established in that kingdom may be maintained, subject to the following modifications:—

The amount of the duty shall be reduced from 45 fr. to 25 fr. from and after the day when this Convention shall come into force. The legal yield of contract factories shall be raised from 1,500 to 1,700 grammes.

ARTICLE IV.

There shall also be admitted in this Convention all such States or Colonies and foreign Possessions of the High Contracting Parties which, though not adopting the system described in Article II, do not impose duties on sugars, or who undertake not to accord to sugars for export, either raw or refined, any drawback, repayment, nor discharge of duties or quantities.

ARTICLE V.

In case any State which does not impose duties upon sugar should establish them, such State shall be bound to levy these duties upon the quantities of sugar produced and delivered for consumption, or to give no drawback, repayment, nor discharge of duties or quantities.

ARTICLE VI.

The High Contracting Parties shall communicate to one another the Laws which may have been already passed, or may in the future be passed, in their respective States, in relation to the purpose of the present Convention.

ARTICLE VII.

The States which have not taken part in the present Convention are permitted to join in it on application. Their accession shall be announced through the diplomatic channel to Her Britannic Majesty's Government, and by it to the other Signatory Powers.

ARTICLE VIII.

The stipulations of the present Convention shall be applicable to the Colonies and Possessions of Her Britannic Majesty, with the exception of those hereinafter named, to wit:—
India, Canada, Newfoundland, the Cape, Natal, New South Wales, Victoria, Queensland, Tasmania, South Australia, Western Australia, and New Zealand.

The stipulations of the present Convention shall, however, be applicable to any of the Colonies or Possessions above mentioned, from the date at which the Government of Great Britain shall notify the accession of such Colony or Possession to the other Contracting Powers.

Any one of the Colonies or Possessions above named which may have acceded to the present Convention retains the power of withdrawal in the same way as the Contracting Powers.

In the case of any one of the said Colonies or Possessions desiring to withdraw from the Convention, a notification to that effect will be made by the British Government to the Contracting Powers.

ARTICLE IX.

The present Convention shall come into force on and after

It shall remain in force for ten years from that date, and in the event of no one of the High Contracting Parties having given notice, twelve months before the expiration of this period of ten years, of its intention to bring it to an end, it shall continue in force for another twelve months, and so from year to year.

Should one of the Signatory Powers denounce the Convention, its denunciation will affect only the Power making it.

ARTICLE X.

The present Convention shall be ratified, and the ratifications shall be exchanged in London within _____ months at the latest, and sooner if possible.

Germany.

Translation of the Memorandum communicated by the German Government.

THE draft of a Convention between the States which took part in the Sugar Conference of London, laid before the said Conference at the sitting of the 16th December, 1887, and intended to bring about the suppression of export bounties (pp. 66-68 of the Minutes), has suggested the following considerations to the trade interested:—

The number of States who are to take part in the Convention, and the territories where the Convention is to be put in force, are not sufficiently large.

It will be of great importance that the United States of North America and Brazil should take part, and that the Convention should also apply to all the Colonies of the Contracting States.

In the text of the Convention, the provisions of Articles I and II must be made more precise, and must give greater detail in order to attain the desired end, the abolition, namely, of any privilege in the way of duty or tax in favour of sugar.

The nature of the tax on sugar to be established under Article II by the Contracting Parties in their respective territories is not laid down with sufficient precision to prevent one or other of the Contracting States adopting measures which, without being in flagrant violation of the Convention, would, nevertheless, insure to the trade of such State greater or less advantages to the injury of the trade of other Contracting Powers, who placed a stricter interpretation on the obligation of the Convention, and carried it out more scrupulously. In order to prevent such differences of execution, the Convention should bind Contracting States to introduce into their Sugar Tax Laws certain provisions to be agreed upon beforehand.

In this view it is necessary that certain precautions should be taken to prevent one or other of the Contracting States taking measures which would relieve it from the obligation of not granting any export bounties on sugar, whether open or disguised.

For this purpose an international body might be created to record every open or disguised violation of the Convention, and measures might be agreed upon with regard to a State failing to abide by its obligations.

Similar measures might be taken against any State not taking part in the Convention, or leaving it after having acceded to it.

In return for the obligations undertaken by the Contracting States to abolish export bounties on sugar, it would be just that in the Colonies of the Contracting States beet-root sugar should, on exportation, be guaranteed the same treatment as cane sugar.

It is of great importance that the same system of taxation should be established by all the Contracting States, namely, a tax levied on the sugars on their going into consumption (manufacturing and refining in bond). The exception granted to Belgium by Article III of the draft Convention does not, therefore, appear to be acceptable, especially as Belgium cannot, as long as she maintains the tax on juice, avoid all bounty on export. The bounty would not cease even on the adoption of the alterations of the existing Belgian Law, which are provided by the second section of Article III.

Saccharimetry does appear to be a sufficient means of control for securing with absolute certainty the collection of the whole of the tax. So long as saccharimetry is not the principal means of control, any State thinking it might derive advantages from it would be at liberty to use it as a secondary control.

Law of July 9, 1887, coming into force August 1, 1888.

(Communicated by the German Delegates.)

§ 2. HOME-GROWN beet-root sugars pay:—

(1.) A tax on the raw material ("Matérielsteuer") on the weight of the beet-root worked.

(2.) A tax on consumption ("Verbrauchsabgabe") on the weight of sugar going into home consumption.

For the purposes of taxation, are considered as home-grown all sugars manufactured or afterwards transformed in the factories of this country and made from beet-roots or the residues from sugar factories (syrup, molasses), independently of any addition of other sugar-producing substances. "Transformation" of sugar is intended to designate refining, dissolution, mixture of melted sugars and of residues, inversion, &c.

§ 3. The tax on consumption will, after the 1st August, 1888, be levied at the rate of 12 marks per 100 kilog. of home-grown beet-root sugar of whatever kind or quality. Residues from sugar factories (syrup, molasses) are alone exempt from the tax. The Federal Council is authorized to levy the whole or a part of the consumption tax on residues which, by their nature or by their being raised in quality, can be used in the manufacture of finer sugar wares, and to take the necessary measures for the collection of the tax, and especially to extend to syrup refineries the undermentioned system of control. (§§ 11-38.)

The Orders issued by the Federal Council as to the rate of the consumption tax to be levied on residues from sugar factories are to be submitted to the Imperial Parliament immediately, if in session, otherwise at its next meeting. The said Orders shall be cancelled in so far as the Imperial Parliament may require.

§ 4. The consumption tax is payable as soon as the sugars, which have been under control during manufacture and refining, are liberated from control. It is payable by whomsoever first receives the sugar when liberated from control. The sugar itself is responsible for the tax without regard to the rights of any third party.

Payment of the consumption tax may be postponed on a guarantee being given therefor. It may be so postponed for three months, without guarantee, if there is no reason to fear that the tax will not be paid.

§ 7. On the produce, including sugar solutions made from sugar of classes *a*, *b*, *c* (§ 6), on such produce being deposited in public or private warehouses, under official lock and key, the tax on the raw material and the consumption tax may be repaid, pursuant to the decision of the Federal Council, according to the quantity of sugar they may contain.

§ 8. On prescribing the proper measures of control, the Federal Council may authorize the tax on the raw material, if repayable (§ 6), and the consumption tax, if paid, to be repaid on home-grown sugars on which the tax is repayable, and which are used as cattle food or for the manufacture of uneatable articles. Produce containing less than 90 per cent. of sugar, used for the above-mentioned purposes, is not subject to the consumption tax.

§ 9. Sugars in bond, on which the tax on the raw material was to be repaid, may be withdrawn by calculating the sum repaid on the weight of the sugars when placed in bond. Credit may be granted to sugar refiners for the repayment of the sums due on sugars withdrawn from bond for the purpose of being refined.

On produce containing sugar which has been placed in bond (§ 7) being withdrawn for trade, the amount of the tax on the raw material and the consumption tax, which was repaid, shall be paid back.

Sugars placed in bond, and produce containing sugar placed in bond, are responsible to the revenue authorities for the amount of tax repaid without regard to the rights of any third party.

§ 10. More detailed Regulations regarding the bonding of sugars or produce containing sugar, when involving the repayment of the tax, and regarding especially the obligations incurred by the owners of bonding warehouses, shall be issued by the Federal Council.

§ 11. This control extends to all establishments manufacturing or refining home-grown beet-root sugars (§ 2), especially to establishments where sugar is extracted, not directly from the beet-root, but from beet-root juice, syrup, or molasses.

Such establishments are, by the present Law, included in the term "sugar factories."

§ 12. Sugar factories shall be so constructed as to enable the revenue authorities to watch the process of manufacture and the produce up to the moment when the same leave the factory, and as to give a guarantee against any sugar being surreptitiously taken out. In this respect owners of factories must satisfy the requirements of the revenue authorities, made in pursuance of the present Law and of the Regulations for carrying out the same which shall be issued by the Federal Council.

Before the 1st August, 1888, the revenue authorities shall inform the owners of existing factories of the structural alterations and of the arrangements which they will have to carry out in order to comply with the present Law.

The same shall be carried out in consultation with the revenue authorities.

§ 13. The following provisions are to be especially observed ;—

1. The factory must be inclosed in accordance with the instructions of the revenue authorities, should the latter so require.

2. The number of entrances into the inclosure and into the parts in which are situated the places where it is intended to manufacture or warehouse sugar, and likewise the number of entrances into the said places and the number of communications between them, are not to be more than are actually marked. The said entrances into the inclosure, and, if the revenue authorities so require, the entrances in the interior, are to be furnished with strong doors capable of being closed by the revenue authorities.

3. The windows and other openings in the said places shall be efficiently secured in so far as the revenue authorities may require.

4. Rooms for enabling all traffic with the factory to be properly watched shall be put up, if so required.

The cost of the first execution of these arrangements (§ 12 and § 13, Nos. 1 to 4) will, in the case of existing factories, be repaid out of Imperial funds.

§ 14. In every sugar factory there shall, if required, be placed at the disposal of the authorities maintaining the permanent control a room fit for use both by day and by night; the said room shall be paid for at a rate which, in the event of no agreement being come to, shall be fixed by the administrative authorities under whom the local authorities are placed.

§ 15. Every owner of a sugar factory is bound to find a proper office for the revenue authorities, to supply the necessary furniture therefor, and to light and heat it when necessary.

In factories where sugar is extracted from beet-roots, the office shall be so placed and arranged as to enable the revenue authorities to watch the weighing of the beet-roots.

§ 16. The owner of the factory is bound to find secure warehouses capable of being closed under official lock and key (factory warehouses) for the warehousing of sugar in the factory.

§ 17. Owners of factories are bound to provide the scales and weights for the official weighing of the beet-roots and of the sugar, in accordance with the requirements of the revenue authorities. The scales are to be erected in conformity with the instructions of the revenue authorities.

§ 18. The revenue authorities may forbid the working of a factory until such time as their requirements in regard to the arrangements mentioned in §§ 12-17 have been complied with.

§ 19. Any person wishing to build or rebuild a factory must submit the plans, before they are carried out, to the revenue authorities, and must request the approval of the plans in so far as they affect revenue interests.

§ 20. Six weeks at least before a newly built or rebuilt factory begins to work the owner shall hand to the district revenue authorities a list of the places forming the establishment, and of those in communication therewith which are immediately adjacent thereto, and of the machinery to be used in the factory, in conformity with the instructions which will be issued on the subject. This list must contain a description of the places, and must show the situation of the fixed machinery, and must give the capacity (in litres) of the vessels to be used for the production of the juice, for fermentation, and for receiving the syrup and molasses, or for other similar purposes.

There shall be attached to the lists a plan of the places indicated therein, and a plan showing the situation of the fixed machinery.

Owners of existing factories are to hand in similar descriptions of places and machinery six weeks at least before the first operation of working taking place after the 31st July, 1888.

§ 21. The revenue authorities may place an official mark on the machinery, and ascertain its capacity. The number and capacity shall be indicated by the marks in such manner as shall be indicated in the instructions of the revenue authorities.

§ 22. Any alteration in the said places or machinery shall be notified to the revenue authorities not later than three days after it has been carried out.

§ 23. None of the said places and machinery may be used until the certificate to be issued by the revenue authorities in regard to places and machinery (§ 20), or to alterations (§ 22), has reached the factory.

§ 24. Every change in the ownership of a sugar factory shall be announced in writing by the new owner to the Revenue Office within the week following such change; and when the change has been voluntary the change shall be announced by the previous owner as well.

§ 25. Companies and Corporations owning sugar factories, and other owners of such

factories, who do not themselves superintend the working thereof, shall signify to the Revenue Office the name of the person who will superintend the working in their name and under their orders.

§ 26. Owners of sugar factories where beet-roots are worked must, for each separate period, signify in writing, seven days beforehand, to the Revenue Office the day when work will be commenced.

The owners of other sugar factories shall make a similar declaration before work begins for the first time, or before the first continuation of work taking place before the 31st July, 1888.

These declarations shall further state whether work is ever suspended, and what are the regular periods of suspension, and for how long work will be continued each day. Any alterations are to be signified in writing, and in good time, to the Revenue Office.

§ 27. Together with the declarations required by § 26, the owner of the sugar factory shall remit to the Revenue Office a description of the technical process used in manufacture; this description will be drawn up in accordance with special instructions to be issued on the subject.

It shall, in particular, be stated what kinds of sugars will be produced. Should any change take place, the description is to be amended, or a fresh one sent in.

§ 28. While sugar factories are working, entrances and passages in the interior thereof not ordinarily in use shall be closed, and if the Revenue Office thinks proper, they shall be closed conjointly by the revenue officials, and by the management of the factory, and they shall only be open for the time required for their ordinary use.

The Revenue Office will decide what and how many entrances may remain open during the night.

The revenue officials may lock any part of the apparatus temporarily out of use, or shall, by any other fit means, make it impossible for it to be used.

§ 29. Such breaks in the working of the factory as are stated in the declaration (§ 26) not to be regular must be announced without delay to the Revenue Office, to which must also be announced beforehand the date of the work recommencing. The Office in question will in each case order such measures as may be necessary in the interests of the revenue.

During the time working is suspended the apparatus used in the manufacture of sugar must, according to rule, be locked by the officials.

§ 30. The declarations provided for under §§ 20, 22, 26, and 27 are to be sent in in duplicate; one copy will be returned and will be deposited according to the instructions of the revenue officer in the factory, and will be there held at the disposal of the officials.

§ 31. The officials charged with the control of the sugar factories have the right to inspect them at any hour whilst they are working, and, when not working, between 6 in the morning and 11 at night, and to be admitted immediately if the factory is closed. Such right to inspect extends to such places as are in communication with the factory or are immediately adjacent to it. The restriction in regard to time ceases if there would be danger in delay.

§ 32. Owners of sugar factories must give, or cause to be given, all necessary help for the weighing of the beet-roots or the sugar, for the official closing of any parts, and for all other official acts connected with the control or the clearing of the produce, in order that the officials may carry out their duty to the whole extent prescribed; they are to supply the necessary lighting and the necessary apparatus for the official closing of the various parts required to be closed.

§ 33. Not only the owner of a factory, and the Director of a Company taking his place, but also all persons employed or present in the factory, are to abide by the provisions of the present Law regulating the control, and by the administrative Regulations which will be issued under the Law in question.

The owner of a factory is prohibited from permitting any persons other than those employed therein to enter the places mentioned in § 34. Any persons belonging to the management, or any workmen in a sugar factory who have been punished for fraud, shall be dismissed if the Revenue Office so require, and they may not be employed in any other sugar factory if the revenue authorities object.

§ 34. Finished sugar remaining in a factory shall, not later than the day after it is finished and until it is disposed of in the manner prescribed in § 37, be deposited in warehouses under the lock and key of the revenue authorities. The Federal Council will issue Regulations with regard to any exceptions to be permitted, and the special systems of control to be adopted in such cases, as well as with regard to any exception under which sugar may be disposed of before being warehoused.

Sugar once presented to the authorities must be warehoused as soon as possible, excepting, for instance, syrup, molasses, &c.

For the purposes of drying and cutting up sugar prepared in the factory, and for any other finishing process, for packing the finished sugar and for keeping it until it is warehoused, or for depositing it otherwise than in the warehouse, no places shall be used other than such as have been sanctioned therefor in writing by the Revenue Office.

§ 35. All sugar intended to be brought into the factory must be declared in writing to the Revenue Office, stating kind and quantity, and must be presented to the authorities for inspection. Controlling registers must be kept of all sugar prepared in a factory and admitted to the warehouse belonging to the factory, and of all sugar removed from such warehouse and brought into the factory to be worked. In this view the sugar must always be officially weighed on going into and coming out of the warehouse. The weighing of sugar entering under bond may be omitted, particularly in the case of its having been once before officially weighed. The Federal Council will issue special Regulations for the case in question.

§ 36. Syrup and molasses leaving the factory may be freed from control on a declaration being made, such declaration to be presented in duplicate to the Revenue Office, and to indicate the quantity and the name of the person to whom it is delivered. If thought necessary, the contents of the packages shall be officially weighed and examined.

§ 37. If sugar other than syrup or molasses is freed from control, the consumption tax must be paid or credit allowed therefor, unless there be no need to exempt such sugar, as being used for feeding cattle or for the manufacture of uneatable articles.

If sugar leaving a factory is not intended to be freed from control, it may be taken under the control of the revenue authorities—

1. To another sugar factory.
2. To a factory where articles containing sugar and intended for exportation are permitted to be made without payment of the consumption tax.
3. To a public bonded warehouse or to a private bonded warehouse under the joint lock and key of the revenue authorities, whether such private bonded warehouse be a special bonded warehouse or one intended for the storage of un-duty paid foreign goods.
4. Beyond the Customs frontier.

The factory-warehouse may be used under No. 3 and under § 6, para. 1, as a warehouse for un-duty paid sugar, if the revenue authority consent thereto.

All further provisions regarding the clearing of sugar on its being freed from control, and regarding the cases provided for under Nos. 1 to 4, especially respecting the manner in which sugar is to be afterwards treated by the officials under case No. 3, will be issued by the Federal Council.

The revenue authorities may order an increased number of officials to be placed in a factory at the expense of the owner thereof, if, after a penalty has been inflicted on account of a fraud committed therein, the authorities suspect that sugar has been surreptitiously removed therefrom.

The Federal Council may issue Regulations in order to facilitate the delivery, to persons living in the immediate neighbourhood of the factory, of sugar the consumption tax on which has been paid. The Council is further empowered to order that the amount of sugar in the houses of such persons shall not exceed a certain quantity per head.

§ 38. Owners of sugar factories are bound to keep accounts, in accordance with the instructions of the revenue authorities, of the whole process of manufacture, especially of the quantity and quality of the saccharine materials worked and of the resulting produce, as well as of the quantity of sugar remaining in the factory on the 31st July of each year. They shall hold these accounts open to the inspection of the revenue authorities, and they shall, at stated intervals, submit extracts from these accounts to the said authorities.

The further and special registers showing the amount of saccharine materials used, and the amounts of sugar produced and delivered, must at all times be shown to the superior revenue authorities, should the latter so require.

Austria-Hungary.

Translation of Memorandum communicated by the Austro-Hungarian Government.

THE draft of a Convention for the suppression of export bounties on sugar, drawn up by the International Conference of London, has been communicated to us by our Delegate at the Conference and by the Government of Her Britannic Majesty through its Ambassador.

According to the desire expressed by that Government, and in fulfilment of the stipulations of the Protocol of the 19th December, 1887, the Governments of both parts of the Monarchy have attentively examined the draft in question; the results of this examination are given in the present Memorandum.

The Protocol asks whether Austria-Hungary accepts the principles of the draft Convention. We can, generally speaking, answer this question affirmatively.

Our Delegate at the Conference has already declared that we are ready to suppress the bounties on exported sugar if all other States, important either as producers or consumers, adhere to the Convention, and if the latter be so drawn up that no suspicion can arise that sugars exported by other States enjoy any bounty of whatever kind.

As the Austro-Hungarian Delegate said several times, we believe that this end can only be attained by adopting everywhere the system of levying the tax on the finished produce destined for internal consumption, and of exempting from all taxation, and consequently from all repayment, sugar for export; manufacturing and refining in bond ("Zollausschluss") gives, in our opinion, the best guarantees for the effectual application of this system.

According to these general principles, and according to their logical development, the present text of Article II can but partly meet our wishes, for manufacturing and refining in bond, essential elements of taxation on consumption, are not mentioned in it. It appears to us manifest that a system of taxing the finished produce where such tax is levied on sugar for exportation implies a drawback, which latter the Conference desires particularly to avoid, and may easily be used to produce a bounty.

We must therefore repeat that the system of refining and manufacturing in bond should be accepted as a fundamental principle, and as the only one which can give the Contracting States a complete guarantee for the real suppression of all favours whatsoever granted on the exportation of sugar.

But in order to show that we do not wish to wreck the chances for the formation of the Union on the question of this principle—which, however, received the adhesion of a majority of the Delegates—we should be ready, if the case became inevitable, to consider whether we could accept a tax on the whole produce, whether for consumption or exportation, *i.e.*, simple taxation on manufacture, provided the tax were at one rate only, which condition would involve less danger of the reappearance of bounties through repayment on exportation. We could not, however, in any case admit a tax at several rates; it would necessarily introduce a system of bounties.

On the other hand, we cannot accept the stipulation regarding Belgium. A majority of the Delegates have already declared that the equivalents offered by Belgium are insufficient and unacceptable; we can but approve this opinion; we think, indeed, that the Belgian system is as little able to guarantee the suppression of bounties as any other system, excepting, however, the above-mentioned consumption tax.

As a new and hitherto untried state of things is to be established, it appears to us absolutely necessary—and we think that this is also the idea of the other Powers—that the Contracting Parties should communicate to each other not only (as is said in the draft of Convention) the Laws relating to the subject, and the amendments intended to be introduced into them, but also equally necessary to give the Contracting States some opportunity of pronouncing against amendments which would either violate the fundamental principles of the Convention or render them inoperative.

It appears, therefore, to us that ten years is far too long a duration for the first period of the Convention. During such a period circumstances might change so often and so completely as to render it impossible for us to engage ourselves to a measure which, at the beginning at any rate, would be but a trial, although a trial on an extensive scale. We think it would be better not to fix any term at all, and not to go beyond the power of denouncing the Convention from year to year.

We cannot, indeed, hide from ourselves the thought that the Convention submitted

to us will remain without effect as long as sugar producing and exporting States have no powerful motives to induce them to adhere to it. Even supposing that a greater or less number of States united, and supposing that all the States represented at the Conference came to an agreement, there would yet remain outside the Convention a great number of countries whose production is important, some of whom, like the United States of North America, give bounties; the competition of such countries might oblige the States forming the Union to return to the bounty system.

The proposal of the Spanish Delegates, whereby a countervailing duty is imposed, appears to be the best if not the only way of inducing neutral countries to adhere to the Convention, and of freeing beet-root sugar from the deadly competition which it will have to withstand from colonial sugar on the production of the latter increasing through the suppression of bounties; such countervailing duty would have to be fixed at an amount that would prevent its becoming inoperative, and should be levied not only on sugar actually receiving a bounty, but on sugar from all countries not parties to the Convention.

This is the only means of making the Convention possible. For if we are to assume that the Conference held that such a Convention could not be called into life without the co-operation of the principal States that have already adhered to its principles, we think it would be necessary to go further still to maintain its life; for, from the first day of its existence, it will be in constant danger so long as the United States, Brazil, and not only nearly all the British Colonies, but also those of France, Spain, and the Netherlands, the competition of which would at once acquire new strength, and reach a stage of development which cannot be at present foreseen, remain outside the Union.

We are therefore constrained to attach the greatest importance to the adhesion of the above-mentioned States and Colonies, but we should not, on the other hand, raise any serious objections to the admission of countries the production and exportation of which affects us in a minor degree, even in the case of their legislation not being in complete harmony with the principles we have enunciated.

At a moment when we are on the point of adopting the system of taxing the finished produce, we cannot acknowledge any value in the system of saccharimetry, even as a means of control. Our new Bill involves no *prise en charge* at all, and we think that the measures we are about to adopt will give a far better guarantee against fraud than the uncertain and ill-secured system founded on saccharimetry.

But if all the other Powers demanded saccharimetry, we would, so as not to break the accord existing on the point, consider whether saccharimetric evaluation could be adopted for sugars entering independent refineries. It would be absolutely impossible to adopt such a system for refineries united to factories producing raw sugar.

It appears to us that the question whether the so-called French method or some other is to be adopted is not to the point, as they appear to us to be all equally deceptive.

We have the honour to annex to the present Memorandum a French translation of the Bill presented to the respective Parliaments by the Governments of both parts of the Monarchy; this Bill has been passed by the Chamber of Deputies of the Austrian Reichsrath, and adopted by the Committee of the Hungarian Chamber.

It will be perceived on reading this Bill that we are on the point of adopting the above-mentioned principle of taxation on consumption combined with working in bond ("unter Zollausschluss"), and that we have therefore fulfilled the first principle requisite for the abolition of bounties. Such abolition will now be the easier to suppress. We await the adhesion of the other Powers to the principle we have enunciated, and to its logical consequences as developed in the present Memorandum; we are thoroughly convinced that, if these consequences are not borne in mind, the end proposed will not be attained in a manner satisfactory to all the interests concerned.

ANNEX.

1.—*Fundamental Provisions.*

§ 1.—(1.) SUGARS extracted from raw material or from the residues of previous extractions, are subject to the following taxes on consumption:—

Beet-root and other similar sugars (cane sugar) in all degrees of purity (excepting: syrups not fit for human consumption), at the rate of 11 fl. per 100 kilog.

(2.) Other sugars:—

Solid ..	..	..	..	..	..	..	Fl.
Liquid	..	..	..	..	..	..	3 per 100 kilog.
							1 „

§ 2. From the 1st August, 1888, the sugars specified under No. 1 of § 1 shall, on exportation, receive the following bounties:—

- (a.) 2 fl. 30 kr. on sugar polarizing $99\frac{5}{8}$ and above.
 (b.) 1 fl. 60 kr. „ below 99 to 93.
 (c.) 1 fl. 50 kr. „ below 93 to 88.

The Minister of Finance will specify at what Customs office sugars entitled to the above bounties may be exported.

§ 3. In case the bounties granted to sugars exported from Austro-Hungarian territory during any one season (from the 1st August of one year to the 1st July of the next) should exceed 5,000,000 fl. (Austrian value), all manufacturers producing sugars specified under No. 1 of § 1 are jointly responsible for the restitution of the excess.

The repayment will take place in accordance with the following provisions:—

(1.) The amount of the bounty payable on the exportation of all sugars having left the factory shall be first ascertained. Therefrom shall be deducted the bounties corresponding to the foreign sugars introduced into the factory.

(2.) The results thus obtained for each factory shall be added together, and on such total shall be calculated the amount which each florin of such sum represents of the total to be repaid to the Treasury.

(3.) On the amount thus corresponding to each florin of bounty will be calculated, on the basis of the results obtained under No. 1, the amount which each factory will have to contribute to such repayment.

This sum is payable thirty days after it has been officially demanded.

The Minister of Finance may, before the beginning of the season, require guarantees for these repayments.

Liability of Persons.

§ 4. The tax on consumption will be paid by—

(1.) The owner (“entrepreneur”) and, in case of fraud, the manager of the factory, under the direct responsibility of the owner.

(2.) The person on whose account the produce leaves a bonded warehouse, under the direct responsibility of the owner of such warehouse.

(3.) Any such person as becomes possessed of sugars well knowing payment of the duty on the same to have been illegally avoided.

§ 5. Several persons responsible for any one payment are jointly responsible for the same.

Liability of Goods.

§ 6. All sugars, so long as they remain in the factory or refinery, in a bonding warehouse, or in an official depôt, or on the road to a bonding warehouse, or to the warehouse of a factory, or in process of exportation, are liable for the tax—the tax has precedence of all private debts.

In no case can sugar be free from control by reason of any right founded on a private claim without having paid the tax or obtained credit.

§ 7. Provision respecting the cases in which the tax can be claimed from a third party.

§ 8. Respecting sugars pledged on account of civil liabilities.

§ 9. Sugars on which the tax due has not yet been paid will be left in possession of the holder thereof on payment of the tax.

In case of non-payment they will be taken into an official depôt and sold by auction at the risk and peril of the owner, if the tax is not paid within three months.

§ 10. Questions concerning the liability for and the assessment of the tax cannot be taken into Court.

§ 11. The tax will be levied under the same conditions as other taxes.

§ 12. Mayors of Communes are bound to assist the authorities in the execution of this Law.

Railway and Navigation Companies are to give to the Minister of Finance the information for which he may ask with regard to sugar forwarded by them.

§ 13. Liability of officials.

II.—General Provisions respecting the Collection of the Excise.

§ 14. Whosoever intends to manufacture or refine sugar shall, each year, and four weeks before work begins, hand to the revenue authorities:—

(1.) A description of the site, with a plan thereof, and of the internal and external communications, showing the ways by which the produce will be carried away.

(2.) A list of the apparatus and receivers.

(3.) A description of the technical processes to be used, and of the kinds of sugar to be produced, as well as a description of the trade-mark.

(4.) Statement of the hours per day the factory will be run, and of the name of the Manager.

§ 15. The following parts of the factory must be described:—

(1.) The places where the work takes place, that is, the places where the actual process of manufacturing and refining sugar takes place.

(2.) The places where the produce is stored.

(3.) All other buildings within the inclosure.

§ 16.—(1.) The factory must be inclosed by a wall or fence not less than 2 metres high.

In existing factories the inclosure may be formed by buildings, but without ways into or out of the same, the openings in which are to be secured by iron gratings of a gauge not greater than 5 centim.

In places where the work is carried on, and in the depôts and in buildings in contact therewith, all openings and windows less than 5 metres away from the surrounding fence, &c., shall be similarly secured.

(2.) In factories that may be built in the future the distance between any buildings and the inclosing fence shall be not less than 5 metres, and in those already existing any new buildings shall be at the same distance.

(3.) There shall not be in the surrounding fence more ways in and out than are absolutely requisite (of which not more than four shall be open by day or not more than two by night).

§ 17. After receiving the information required under § 14, the revenue authorities will inspect the factories and the apparatus.

They will see especially that § 16 is strictly observed.

Ways of communication between places where work is carried on and the exterior, if pronounced by the authorities to be more than necessary in number, shall be forthwith rendered impassable.

The apparatus and receiver shall be officially stamped and numbered.

The record, which shall be signed by the manager, shall mention the gates in inclosure and the ways by which the produce will be removed from the factory.

The manager will give notice forty-eight hours beforehand of the day on which he means to begin work.

§ 18. After the inspection of the various parts of the factory, the use to which each is to be put shall be written up thereon.

Every change in the persons employed in the factory, and every change in the method of working, shall be announced within twenty-four hours to the resident inspector.

§ 19. The manager shall announce the termination of work to the authorities within twenty-four hours thereof.

The said authorities shall then make the inventory of the finished and unfinished produce.

The manager ("entrepreneur") may pay the excise at once on the finished produce, or may have it carried to his account.

In either case the manager ("entrepreneur") may freely dispose of the quantities taxed, and must remove them before work begins again.

Finished untaxed produce shall be weighed and kept in secure warehouses under official lock and key.

It may only be removed therefrom in presence of the authorities and with their permission.

Unfinished produce shall remain, during the time the works are closed, in warehouses under official lock and key.

Eight days' notice shall be given of work beginning again.

During the eight days in question the authorities shall again take stock of the finished produce.

§ 20. During the time the factory is closed the authorities may put their official seals on the apparatus, receivers, &c.

The manager ("entrepreneur") is responsible for such seals remaining intact.

§ 21. When a sealed apparatus is to be again put in use the manager shall make the necessary request six hours beforehand.

§ 22. Every factory shall have, and shall produce when asked for —

1. A certified pair of scales.
2. A Réaumur thermometer.
3. A densimeter.

§ 23. The manager ("entrepreneur") shall put at the disposal of the revenue authorities charged with the control of the factory the apartments and other rooms that may be required.

§ 24. The manager ("entrepreneur") shall cause the sugar finished and ready for sale to be weighed and to be at once stored in locked rooms. He will give notice of the same to the revenue authorities the day before, so that they may be present at the operation.

Sugars officially weighed may not be reworked without being weighed again in the presence of the revenue authorities.

III.—*Provisions respecting Marks.*

§ 25. Every factory shall have a trade-mark, which shall be attached to its finished produce.

§ 26. An official mark shall also be affixed to such produce as soon as it has paid the excise and before it leaves the factory. The Minister of Finance shall decide as to method of packing, minimum weight, manner of affixing, &c.

All taxable produce found in the country must be furnished with the marks in question, as long as it is in the packing in which it goes into consumption. In the contrary case it will be considered as not having paid the tax.

§§ 27, 28. Provisions in regard to vendors of sugar, on the subject of marks, punishment for infractions, and precautions to be taken.

Control of Factories.

§ 29. Factories are placed under the permanent control of the Financial Authorities of First Instance, during the season of work and for as long after as the latter may think necessary. The said authorities shall have access to all places within the inclosure, excepting to dwellings having no interior communications leading to the places where work is carried on and to the warehouses. They shall have access to such dwellings only when accompanied by a delegate of the Communal Council or of the Administration.

The manager ("entrepreneur") is bound to hand to such authorities, on their demand, registers, books, and other documents (§ 33).

The financial authorities are to keep under control the means of communication between the interior and the exterior of the inclosure, and will make the inspections ("révisions") necessary therefor.

They will also have access to the sale-rooms and warehouses of sugar vendors and of all persons using sugar in their trades.

§ 30. Besides the general stock-taking at the end of a working season (§ 19), the Financial Authorities of First Instance will weigh the produce after having first caused an account to be prepared from the registers and entries (§ 33). This extraordinary stock-taking shall, as a rule, be made but once a-year, at the time when there is the least amount of produce in the warehouses.

If the registers and entries show an excess, the same shall be carried to account.

If produce is shown to be missing to an extent exceeding $\frac{1}{4}$ per cent. [for sugars of $99\frac{1}{2}$ per cent. of polarization at least], and 4 per cent. (for other sugars) on the quantities received since the last stock-taking, the excise shall be paid on such missing quantities, unless the manager ("entrepreneur") can show that they have been legally removed or destroyed by a natural occurrence, notice of which he gave to the authorities within twenty-four hours of the event.

Missing quantities are to be paid for within twenty-four hours.

The manager ("entrepreneur") shall be officially proceeded against.

Removal of Produce.

§ 31. Produce may only be brought in, taken out, and carried from one building to another, or across open yards, between 6 in the morning and 7 at night, or from 7 to 5, according to the season.

§ 32. The removal may only take place by ways designated for the purpose by the revenue authorities.

§ 33. In every establishment there shall be kept:—

- (1.) A register of the weight of finished produce (§ 24).
- (2.) A register of sugar received from other establishments or from warehouses without payment of duty. Such register shall show the use made of the sugar.
- (3.) A register of sales.

§ 34. Entries under No. (1) shall show the produce finished between 7 in the morning of one day and the same hour next day, and shall be made before 8 o'clock.

Register (2) shall show the quantity of sugar received immediately after the weighing, and the quantities sent each day to the refinery.

(3.) The register of sales shall show exactly the quantity and weight of the sugar sold, the name of the buyer, &c.

(4.) Each of these entries shall be signed by the manager ("entrepreneur") and by the revenue authorities.

(5.) When sent by rail or steamer the way-bills shall be added to the entry.

(6.) The registers shall be closed every month and submitted to the revenue authorities; a receipt will be given for them.

§ 35. The financial authorities may have access to all the books kept in the factory.

Payment of the Tax.

§ 36. Removal of produce from a factory or from a bonded warehouse, whether with payment of tax or not, involves the intervention of the authorities.

§ 37. Notice shall be given to the financial authorities of the removal of any quantity whatsoever, such notice to be in writing, and in duplicate, and to show:—

- (1.) Day of dispatch.
- (2.) The quality and net weight of the sugar.
- (3.) Place to which sent.
- (4.) Amount of the tax.
- (5.) Number, numbering, and marks of the contents.
- (6.) Quality, gross and net weight of each parcel, and number and total weight of loaves.
- (7.) Hour of dispatch and means of conveyance.

The tax is assessed on the net weight of the produce removed.

§ 38. 500 kilog. is the smallest amount that may be sent out at once, samples excepted.

§ 39. Sugars intended for the use of the manager and persons in his employ in the factory may not be removed until the tax has been paid in the same manner as for other sugar.

§ 40. The tax is to be paid before notice of removal is given.

The manager ("entrepreneur") may deposit a sum in advance sufficient for several parcels.

But the authorities may allow a credit so that sums due one month shall not be paid until four months after.

Managers ("entrepreneurs") who fail to pay at the end of the term of credit are debarred from asking a credit.

Payment in advance gives right to a discount of $1\frac{1}{3}$ per cent.

§ 41. Produce may not be removed until the receipt given by the Administration for the money paid, or the credit note, have reached the hands of the manager, until the weight has been verified, and until the official marks have been affixed.

§ 42. With the necessary precautions for guaranteeing the revenue, the following may be removed without payment of the tax:—

(a.) Sugar for consumption and raw sugar going from a factory ("établissement") to a bonded warehouse, or being exported from a bonded warehouse or from a factory ("établissement").

(b.) Raw sugar and sugar in powder being taken from a factory or from a bonded warehouse to a refinery.

If they do not reach their destination within the time fixed by the authorities, such sugars will pay the tax.

§ 43. The Minister of Finance may grant exceptions in favour of samples.

§ 44. Provisions as to bonded warehouses shall be issued in the form of Regulations.

IV.—*General Provisions for the Collection of the Tax on Produce coming under § 1, No. 2.*

§ 45. The provisions of §§ 14-41 and 42 (a) are also applicable to the produce coming under § 1, No. 2.

V.

§ 46. Special arrangements between Austria and Hungary.

VI.—*Penal.*

§ 47. The ordinary Law and the Law on infractions of the Excise Laws.

§ 48. For beginning work without previous notice, or before the day stated, is punishable by a fine of from 100 to 10,000 fl.

§ 49. The punishment for unlawful removal of produce is incurred—

(a.) If produce is removed by an unauthorized road.

(b.) When produce is found in buildings within the inclosure other than the factory or the warehouse.

A fine of from 5 to 500 fl. is inflicted in cases where produce is found in the yards at an improper time.

§ 50. Penalties for non-observance of the provisions of the law respecting marks.

§ 51. Definition of cases constituting fraud on exportation and on demand of drawback.

§ 52. Amount of fines.

§ 53. Minimum of 200 fl.

§ 54. Punishments for frauds committed in regard to declarations of exportation for obtaining the bounties, &c.

§§ 55-59. Penalties, procedure, and "prescription."

VII.—*Temporary Provisions.*

Extract from a Memorandum prepared by the Chemical Section of the Central Society for Sugar Industry in Austria-Hungary.—Communicated unofficially by the Austro-Hungarian Delegate.

BEFORE examining the principles of saccharimetry, it may be useful to recapitulate the different ways in which it has hitherto been applied.

The French Law of the 5th July, 1875, gave legal sanction to the so-called "theoretic" method which had already been in use for some time on the Paris market in the raw sugar trade, and by which five times the amount of the ash is deducted from the dextrorotatory sugar.

During the Conferences of 1875 M. Aimé Girard, speaking in the name of a Committee of which MM. Bardy, Luynes, and Riche were members, expressed the opinion that it was more accurate to deduct from the amount of sugar, found by polarization without correction, four times the amount of ash, and twice the amount of glucose, and in addition to allow $1\frac{1}{2}$ per cent. as waste in manufacture.

The amount of ash is ascertained by incineration of the sugar with sulphuric acid, and by diminishing the resultant weight by $\frac{2}{10}$. Fractions of a degree, after deduction of ash and glucose, are neglected. This method, as adopted by the French Law, reappears in the Law of July 1880; it has been retained by the Law of the 24th July, 1884, and has been adopted by French trade.

The Dutch Law of the 20th July, 1887, provides that the yield shall be ascertained in the same manner, with this difference, that in order to deduct the amount of four times the ash, the whole of such ash is not taken as basis, but only such part as is soluble in water, and that nothing is allowed for waste in manufacture.

The Italian Law of the 2nd April, 1886, adopted the same method, but with 2 as coefficient for ash and glucose, and $1\frac{1}{2}$ per cent. as deduction for loss in manufacture.

In England and the Netherlands merchants have adopted for raw sugar 5 as the coefficient for ash, and 1 for glucose. In Austria, and to a great extent in Germany, merchants have adopted 5 as the coefficient for ash, but without making any deduction for glucose, which indeed is hardly found in beet-root sugar. Sugars containing more than 0.05 per cent. of glucose are not considered to be saleable.

All these methods are founded, therefore, on the same idea, namely, that in the process of refinery, a part of the sugar is rendered uncrystallizable by the salts, the differences of application varying according to the difference of action attributed to the salts. This is, indeed, natural, for where the latter are held to be the only molasses-producing elements, their influence would necessarily vary according to soil, manure, nature of raw material (cane or beet), and the mineral parts found in the raw sugar.

Coefficient 5, the old basis of yield in France, maintained by trade in England, the Netherlands, and Austria, is of German origin. It is based on Sostman's experiments in 1866, showing that molasses from refining contains one part ash to five parts sugar. It is not, however, certain whether the various analyses, on which the coefficient in question is founded, were all made according to the same method; it is not, therefore, proved that the figures they showed can be properly compared the one with the other. Molasses analyses, which we consider trustworthy, have shown very different proportions between sugar and ash.

Thus K. Stammer found: 1 to 3·7, 1 to 3·8, 1 to 3·6, 1 to 4·1, &c.

Dubrunfaut calculated, some years ago, on the basis of a large number of molasses analyses, that the proportion was 1 to 3·73, and showed, moreover that the factors are variable instead of constant. The result is, therefore, that coefficient 5 is not exact, and further, that all methods of estimating the yield on the basis of the ash are without scientific basis.

Feltz and Scheibler showed that on adding ash from incinerated molasses to sugar solutions the latter yield on evaporation the whole amount of crystallized sugar corresponding to their capacity for dissolving sugar; thus, the ash does not diminish the capacity of the sugar for being crystallized, and, although certain kinds of ash may have a molasses-producing action, it can only be through the organic compounds in which they are found in the sugar, so that the organic elements must also be looked upon as playing a very appreciable part in the formation of molasses.

Marschall's experiments in 1870 showed that those salts only which crystallize not at all, or with difficulty, and which melt in air—such as potassium acetate, butyrate, citrate, &c.—can be positively placed among molasses-producing substances, whilst the greater number of the salts formed by the union of a base with a mineral acid, are neutral or negative with regard to the formation of molasses. This confirms Scheibler's theory that organic or inorganic bodies possessing the power of crystallization cannot be considered as molasses-producers, whilst those incapable of crystallization may be. It is therefore the colloids which prevent sugar from crystallizing, and the formation of molasses must be considered as a physical, not as a chemical, process. Concentration of the juice causes the colloids to become viscous, and prevents the sugar molecules from forming crystals.

The action of organic elements in the formation of molasses has long been recognized in practice. In many markets the yield of raw sugar obtained from molasses by osmosis is estimated by multiplying the amount of ash by a coefficient higher than that usually employed. As the nature of the salts cannot be other in sugars obtained by osmosis than in other raw sugars, such a calculation might appear incorrect, but the refiner knows by experience that such sugars yield less than others. This is easily explained by the fact that the former are those containing the larger amount of colloids.

From the old French estimate of yield being now in use among our merchants, raw sugar factories have a tendency to produce a sugar showing a very high yield, to obtain which result a high point of saturation of the juice has to be reached, with the result that high-yield sugars contain little ash but much organic substance. Raw sugars obtained in the usual manner contain 90 to 119 parts organic elements to 100 parts ash, but there are now in the market sugars in which the proportion of organic substances reaches 145 and 165. So high a proportion goes against the refiner, who buys on an estimate made according to the French method, and gives rise to a demand, which becomes louder from day to day, for the abolition among merchants of the method in question, which, in present circumstances, has ceased to fulfil its functions. In this matter we can refer to the discussions of the general meeting of the Central Society for Sugar Trade in Austria-Hungary, which took place at Prague, the 31st May, 1886.

It appears from what we have said that the determining of the yield by means of coefficients could approach to correctness only in case the action on sugar of all organic and inorganic molasses-producing substances were known, and it were possible to ascertain the existence of these elements in the raw sugar analyzed, which appears to us to be impossible. And even were this so, the desired end would not perhaps be obtained, "for," says Dr. Scheibler, "even if all the organic and inorganic substances were known—

which does not seem possible—no great progress would probably have been made, for, to say nothing of the difficulty of the process, it would be but natural to suppose that the total molasses-producing action of all the factors taken together would not be the arithmetic mean of their action taken separately. The ascertaining of a mean coefficient is of no real utility, as sugars from factories working different processes and the different kinds of sugar produced in the same factory vary appreciably with regard to the mass of crystalloids and colloids.”

Dr. P. W. Gunning came to the same conclusion in the excellent detailed Report addressed by him in 1875 to the Netherlands Finance Minister, and even M. A. Girard, father of the method now established in France, admits in his Report that “the proposed coefficients must not be considered invariable, and that they may be changed as the industrial methods used or the discovery of new facts may warrant an alteration.”

The result of what we have said is that methods by which the yield is estimated by coefficients supposed to be the measure of the production of molasses have no scientific basis and are not in harmony with practical experience.

On the other hand, methods used for ascertaining the amount of ash are not yet sufficiently developed.

Sugar analysis is founded on the capacity of the substance in question to divert to the right the plane of polarization of light, and the amount of diversion produced by a solution of sugar is used to determine the richness in sugar of such solution. Recent experiments have, however, shown that beet-root juice, and therefore raw sugar, contains malic acid, asparagine, aspartic acid, gum, dextrine, &c., all which substances react on the polarization of light. As these various substances cannot as yet be completely separated from the raw sugar by processes of clarification or purification, the saccharimetric estimate of yield depends not only on the deflection of the light by the sugar but also on the action of the whole body of substances capable of so doing, and for this very reason is incapable of accurately determining the saccharine value of the mixture.

To ascertain the amount of ash, a certain quantity of sugar is incinerated with sulphuric acid. The resulting ash contains the basis of all the volatile or incineratable acids in the form, not of carbonates, but of sulphates. To reduce the weight of ash, as ascertained in the scales, to that of the carbonate ash, a correction is applied, namely a deduction of $\frac{1}{10}$ or $\frac{2}{10}$ by weight. Such correction cannot be constant, as it must necessarily vary with the varying composition of the sugars analyzed. The experiments of Violette show in general that incineration with sulphuric acid gives results which are too high, and are higher according as the amount of sodium salts is greater.

It furthermore appears to us that the adoption of a basis of taxation under which fraud is easy would involve danger to the revenue. For the addition to the raw sugar of mineral substances having no effect on the sugar would enable a less than the true yield to be shown. Processes of this kind have, indeed, been discovered, to the detriment of the revenue.

While on the one hand it has not been possible to ascertain the influence of mineral and organic substances on crystallization, the action of glucose, or sugar inverted in refining, has not, on the other, been ascertained with sufficient accuracy. This is why different coefficients have been allotted to it (1, 2, and even 5). But as we are now occupied with beet-root sugar alone, we may abstain from entering into this question.

The fact of the insufficiency of the known saccharimetric methods as a means of ascertaining the richness of sugar having been recognized by the most competent men induced the German Society for the Sugar Industry to offer a prize for the best solution of the following question:—

“The actual yield of different raw sugar in white crystallized sugar does not vary in a direct ratio with polarization. What processes and what calculations must be employed to ascertain theoretically beforehand an estimate of the yield of a raw sugar in white refined sugar?”

The prize was awarded to Dr. C. Scheibler, of Berlin, who proposed a method of ascertaining, by means of experiments, the amount of crystallized sugar contained in the raw sugar and the richness of the latter in chemically pure sugar. For this purpose molasses from raw sugar was washed in succession with alcohol and acetic acid, and the sugar thus obtained was submitted to the test of polarization.

As this process allowed nothing for loss in manufacture, it did not do more than indicate the theoretical maximum richness of the sugar, but not the yield which could be obtained in practice.

A Committee of well-known scientific men and Revenue officials was charged by the German Ministry of Commerce to examine this process, and expressed the opinion that

it determined with certainty the sugar and the molasses, but that it remained to be seen whether the same results could be obtained commercially. In its meeting of the 21st December, 1874, the Council of the Empire decided that experiments should be carried out on a large scale with this object; they were carried out at Charlottenburg in 1877, under Professor Dr. Wichelhaus, with the assistance of a Committee of Control composed of scientific and technical men.

The Director ascertained the yield by adding (in per cent. of the mass submitted to analysis) to the weight of produce polarizing between 100 and 99 (or 98·7, the extreme limit allowed) the value, in refined sugar, of the other solid produce found by Scheibler's method.

This proceeding was objected to by the Committee, because it assimilated produce of 98·7 or 99 per cent. of polarization to pure sugar, although it is clear that such produce cannot yield articles finished for consumption showing 99·5 or 100 per cent.

Another error was committed by ascertaining the yield by the method which was to be examined.

The experiments of Charlottenburg, in which too small a volume of sugar was certainly used, were much criticized by technical men, especially by Dr. K. Stammer, who expressed the opinion that the practical yield could not be ascertained by the method then employed. It had not, indeed, yet been shown that it was possible to employ Scheibler's method for ascertaining the practical yield.

The examination to which Scheibler's method was submitted simultaneously by different chemists showed that it gave different results for one and the same sugar, according as it was applied by different people. This fact, which was first brought forward at the General Assembly of Sugar Producers at Magdeburg in 1876, was afterwards generally accepted, and now Scheibler's method is not used in a single Austrian or German laboratory. The method in question makes use of saturated alcoholic solutions of sugar as washing liquids. The solubility of sugar in such liquids depending very much on the temperature, this fact alone would easily cause the estimate of yield to vary, and it is often difficult to obtain exact equality of temperature.

Scheibler's method cannot, therefore, be considered as assisting in ascertaining by the method of saccharimetry the yield in the refinery.

All the methods start from the idea that refining leaves a sweet residual water ("Mutterlauge"), molasses incapable of yielding further crystallized sugar. But, as processes for extracting sugar from the molasses become more and more developed, the estimate of yield should allow for the sugar extracted from the molasses. Such processes are based on principles which are either physical, such as osmosis, or chemical. The latter consist in the formation of compound substances, sometimes but slightly soluble, between the sugar and lime, strontianite, or baryte. These compounds, called saccharates, vary according to the processes employed, and in recent years a great number of inventors have taken out patents for the processes. It seems impossible to frame a general formula for the yield given by all of them, and the yield could not be ascertained even for one; for, as in the case of raw sugar, the yield depends on the composition of the raw material, which cannot yet be ascertained exactly.

The above considerations prove, in our opinion, that it is not possible to find any method for computing beforehand the total yield of any given sugar; and we would conclude by reproducing the words of Dr. K. Stammer, one of the men most competent in this matter:—

"The failure of all attempts to establish a formula for ascertaining the yield is so evident that we must not expect the renewal at any near date of experiments such as those made at Charlottenburg. Considering that the methods of work in different factories and refineries differ extremely, that the composition and quantity of the finished article differ no less, such failure is not surprising; and the very nature of the subject appears to be against the establishment of any general rule for ascertaining the yield of sugar."

F. STROHMER.

Extract from a Memorandum by the Chemical Section of the Central Society for Sugar Industry in Austria-Hungary.—Communicated unofficially by the Austro-Hungarian Delegate.

IF 1,700 grammes of raw sugar (standard 10-14, that is, having 97·8 per cent. of sugar) be the yield of 100 litres of juice, 100 litres of beet-juice composed as follows—

$$\begin{array}{l} 15\cdot0 \text{ saccharimetric degrees} = 6\cdot1 \text{ degrees of density and} \\ 12 \text{ per cent. of sugar} \end{array}$$

Quotient 80·0 per cent.

would yield 10·37 kilog. of raw sugar, giving 97·8 polarization, or 10·14 kilog. of pure sugar.

Now, as 100 litres of juice contain $12 \times 1\cdot061 = 12\cdot73$ kilog. of sugar, 79·7 per cent. of the sugar in the juice would have been extracted, which is a medium and not a maximum, for beet of the same quality below the average is known to have yielded as much as 82·3 per cent. of the saccharine matter in the juice; so that every degree of density per 100 litres would correspond to 1,759 grammes of raw sugar. Beet-root of 80 per cent. is probably rarely worked in Belgium. The analyses of Belgian beets we now have before us unfortunately give but the saccharine matter in the raw beet and not that in the juice. But, as the former is generally over 12 per cent., that of the juice must be correspondingly higher. It is also probable that, in so advanced a country as Belgium, the cultivation of the beet must have made as much progress as in Austria and Germany, or, at least, as in Northern France, where agriculture is in about the same state as in Belgium. In Northern France, a few years ago, a beet-root showing a quotient 80 per cent. was considered good; but numerous analyses of French beets made during recent years show a quotient of 87 per cent., which figure is not, indeed, the highest point to which the quality of the beet-root can be raised by cultivation and by climatic and meteorological influences. During the last season we analyzed beets the juice of which gave the following result:—

$$\begin{array}{l} 23\cdot2 \text{ on the saccharimetre} = 9\cdot8 \text{ degrees of density.} \\ 21\cdot64 \text{ per cent. of sugar.} \end{array}$$

Quotient 93·28 per cent.

With such a juice, and if 79·7 per cent. were, as above, extracted, 100 litres of juice containing $21\cdot64 \times 1\cdot098 = 23\cdot79$ kilog. of sugar would yield 18·94 of pure sugar, or 19·37 kilog. of raw sugar, numbers 10-14, and thus 1 degree of density per 100 litres of juice would correspond to 1,976 grammes of raw sugar.

Even this figure is not high enough, for with a quotient of 93·28 per cent. a yield of 79·7 is too low, for the yield increases with the purity of the juice, and if this fact is not allowed for the danger of hidden bounties will always be present.

The practical yield depends, indeed, not only on the quantity of sugar in the juice, but also on the quantity and quality of other substances present, and of the greater or less degree in which they prevent the molecules of sugar from forming.

It would be necessary, in order to ascertain the estimated yield of the sign, to know not only the quantity of sugar, but that of other substances, and their chemical and physical action, which we are, however, far from knowing. The difficulties are here the same as those which prevent the yield of raw sugar being accurately ascertained. If it is impossible accurately to ascertain the yield of the latter, which is a much purer substance, even though we know its composition in sugar, in anhydrous substances ("Trockensubstanz"), in ash, in organic substances, it appears to us evident that the sole knowledge of the density cannot be considered sufficient for ascertaining an estimate of the yield of the juice.

What is the density? In this case simply the measure of the concentration of the juice, *i.e.*, it shows that the density of the juice increases with the amount of the substances dissolved in it. These substances are saccharine and others, and the quality of the juice does not depend solely on their total mass, but also on the reciprocal relation in which they stand the one to the other. Two samples of juice of the same density may be composed of very different quantities of saccharine and of other substances, just as two samples of juice of the same saccharine richness may have a different density.

Purity of juice increases with saccharine richness, and generally increases more rapidly than the latter, so that the denser juice always has a higher yield, not only on account of its greater richness, but also on account of the greater facility with which the

sugar is obtainable. This latter circumstance, which appears to us of the utmost importance, is not taken account of by the system of assessing the tax on the juice.

The views which we have here considered appear to us to prove that the system of assessing the tax on the juice is not one that can be recommended. Adopting an average yield would often deprive the Treasury of its due, whilst a maximum yield would, in many cases, be unjust to the manufacturers.

Belgium.

The Prince de Chimay to Lord Vivian.

My Lord,

Brussels, February 1, 1888.

I HAVE had the honour to receive the note addressed to me by your Excellency on the 31st December last, respecting the International Conference held in London to consider the Sugar question.

In accordance with the desire expressed by your Excellency, I inclose the Report which, under the terms of the Protocol signed on the 19th December last by the Delegates of the Governments represented at the Sugar Conference, is to be addressed to Her Britannic Majesty's Government before the 1st March next.

I shall be obliged if your Excellency will forward this document to its destination.

The Report in question mentions the concessions which the Belgium Government is willing to make in order to facilitate the conclusion of an International Agreement for the abolition of export bounties on sugar. The proposals made by Belgium are, of course, subordinated to the examination of the various systems presented by other countries.

I have, &c.

(Signed) Le Prince DE CHIMAY.

Memorandum by the Belgian Government on the Proposals made by it to the Governments represented at the London Conference for the Suppression of Export Bounties on Sugar.

UNDER the Protocol signed in London on the 19th December last, Governments accepting the principles of the draft International Convention for abolishing export bounties on sugar must, before the 1st March next, address to Her Britannic Majesty's Government a Report showing the principles according to which they mean to apply the system of taxing the amounts of sugar produced.

Although Belgium has already declared that she cannot adopt this system, she nevertheless considers that she must explain the equivalents which she is desirous of adopting in order to attain the end in view of which the Conference was called, and must insist on certain considerations which it will be useful to submit to the judgment of the Governments represented, and which could not be set forth in the summary Minutes of the meetings of the Conference.

Equivalents offered by Belgium.

The equivalents in question are those indicated by the Belgian Delegates in London, and consist principally of the following points:—

(a.) Maintenance of the present method of assessing the tax on the volume and density of the juice, by a method which excludes all possibility of fraud and augmentation of the rate of the *prise en charge*;

(b.) Considerable reduction of the rate of the tax.

There is no necessity of here repeating the reasons which lead the Belgian Government to adopt this method of abolishing the sugar bounties. It thinks it has shown that it is impossible to adopt the system of control in Belgian factories and refineries, especially after the unfortunate experience which the country had of that system in 1846.

The present paper will not therefore do more than reply to the objections raised in London to the Belgian system, which caused the Delegates of certain Powers to make reservations.

Consumption of Sugar.

The origin of these objections lies in the relatively low figure of the "legal" consumption of sugar in Belgium.

Certain statisticians, founding their assumption on the consumption of sugar in neighbouring countries, have assumed that the real consumption in Belgium is somewhere about an average of that of Germany, France, and the Netherlands. Such a computation rests on an inexact observation of the facts of the case. All who know Belgian habits will recognize that no comparison can in this respect be made between Belgium and the countries on her frontiers.

The figure of 5 to $5\frac{1}{2}$ kilog. stated by the Government will be justified by calling to mind what was said on the consumption of sugar by one of the Belgian Delegates at the Conferences of Paris in 1873, showing that the consumption did not then exceed 4 to $4\frac{1}{2}$ kilog.*

The consumption of 4 to $4\frac{1}{2}$ kilog. per head was all the more to be admitted as correct for the reason that it was double the amount of the consumption (2 kilog. and a fraction) ascertained with absolute correctness forty years before, when, owing to there being no home manufacture, the Customs figures showed accurately the real amount of the consumption.

By increasing this figure by one quarter after a period of fifteen years (1873-88)—during which the manners of the people have not changed, during which taxation has in no way been altered, and during which a most intense commercial and industrial crisis has been felt, which has everywhere restricted the amount spent on luxuries—a new figure is reached which is beyond criticism.

Belgian economists who have studied this question from the free trade point of view have never taken a higher figure. M. Sabatier, a member of the Chamber of Representatives, who was Chairman of the Committee appointed in 1884 to examine questions connected with the sugar trade, put the consumption at 6 kilog. per head. His estimate was, however, contested by the manufacturers on the Committee, and M. Dumont de Chassart, one of the most competent among them, would not admit as correct anything above 5 kilog. as a maximum.†

It might have been thought sufficient to adopt the average of the estimates of these two very competent persons; but in order to be still more certain the Belgian Government has collected information from all parts of the country, and the general results of the estimates made by Government officials who, from being in daily contact with the people, were in a position to express a well-founded opinion, are that $5\frac{1}{2}$ kilog. may be considered as the outside maximum for the consumption of sugar per head in Belgium, when it is remembered that the large country population hardly uses sugar at all.

Nor must it be forgotten that Belgium consumes a certain proportion of the sugar set down to other countries, inasmuch as she imports from Germany, England, and France wine, beer, liqueurs, chocolate, sweetmeats, and jam, containing large quantities of sugar.

Average of the "Prise en Charge."

Another objection was made to the proposals of the Belgian Delegates. It was argued that the *prise en charge* was but an average, which, by placing all manufacturers under one rule, necessarily gave advantages to some.

At first sight this objection appears to have some foundation. But, if the system of "abonnement" is once admitted, there can be no question of fixing the rate of the *prise en charge* otherwise than by average. To act otherwise, i.e., to raise the *prise en charge* to the maximum yield of the factory most favourably situated as regards machinery and richness of available beet-root, would most certainly be to ruin all the others. It would, at any rate, be establishing the inverse of bounties to the detriment of a very large section of Belgian trade to the benefit of foreign competition.

Neither must the facts be lost sight of that any slight advantage that might be retained by a few manufacturers would be much diminished by the very large concession made by Belgium in reducing the tax, and that any exceptional position of any four or five factories in a special region cannot have an important influence on the international market.

* See Annex (A).

† See Annex (B).

Rate of the "Prise en Charge."

A third objection related to the rate of the *prise en charge*.

The First Delegate of the Netherlands, insisting to show that the rate proposed by Belgium was insufficient, produced certain figures showing the excesses observed by the officials in charge of the Netherlands factories.

There is one fact that cannot be contested, namely, that the beet-root used in most Belgian factories is not as rich as that used in Holland. There can, therefore, be no question of raising the Belgian *prise en charge* to the figure which should be adopted in the Netherlands, if it were intended to abolish the Dutch bounties by that method.

The figures showing excesses quoted by the First Netherlands Delegate cannot, it would seem, be accepted, for they presuppose yields which cannot be obtained commercially. Such results must be attributed either to an exaggerated estimate of the value of the residues, or to fraud, which is now as possible under the Dutch system as it was under the Belgian before the introduction of the automatic counter.

Indeed, the First Delegate of the Netherlands admits, with all loyalty, that his figures have no "legal" character, and he submits them only as "deserving of a certain confidence."

There should be opposed to them as possessing infinitely greater weight the information contained in the Report, dated Berlin, the 12th March, 1884, drawn up by the Committee appointed by the German Federal Council to study questions connected with the sugar trade. (Parliamentary papers relating to the Bill laid before the Reichstag on the 21st December, 1885.)

After explaining the two systems of assessing the tax in use in Dutch sugar factories, the Report goes on to say:—

"It is possible that a bounty should be obtained in factories assessed under 'abonnement' as more than 1,450 or 1,400 grammes of refined sugar respectively is obtained from 1 hectol. of juice. There seems to be no doubt that it is so in most cases. A specialist (Zückschwerdt, see p. 564 of the Protocol) estimates the excess at 6 per cent. A Report by the English Chargé d'Affaires at the Hague, dated the 16th May, 1879 ('Blue Book concerning the Sugar Trade, the 20th July, 1879,' vol. iv, p. 355), states that, according to the Tables issued by the Netherlands Ministry of Finance, the legal yield is exceeded on an average by about 5 per cent."

In the next place, let us consider what the same Report of the German Committee of Inquiry says regarding Belgium:—

"The yield of 1,500 grammes of raw sugar per hectolitre of juice is largely exceeded. For this reason, the Belgian Government undertook in reference to the International Convention of the 11th August, 1875, not only to raise the *prise en charge*, first to 1,550 and afterwards to 1,600, but also to diminish the bounty by reducing the rate of the tax by half. The Convention, as is known, was not ratified, and the old rates have been maintained.

"If 1,600 grammes is accepted as the average yield, there will be a bounty of $\frac{1}{16}$ of the amount of the tax, or 2 fr. 81 c. per 100 kilog. of raw sugar. It is, nevertheless, an undoubted fact that more than 1,600 grammes is obtained. The legal yield in Holland is, on raw sugar, 1,635 grammes (Zückschwerdt, p. 565), or 1,650 grammes (Herbetz, p. 64 of the Protocol), which is, as has already been said, from 5 to 6 per cent. below the yield obtained commercially. In Belgium, where the conditions of production are very much the same,* the yield cannot be less than 1,700 grammes, giving a bounty of 5 fr. 29 c., or 4 m. 24 pf. per 100 kilog."

The conclusions arrived at by the German Committee, after a searching and impartial inquiry into the taxes of neighbouring countries, were perfectly exact, and corroborated in every way the calculations of the Belgian Government.

Public opinion abroad may have been somewhat misled as to the amount of the excess obtained in factories, and therefore of the bounties in Belgium, from a part of such excess being obtained by means of frauds, which, unfortunately, have been practised during recent years.

Measures taken against Fraud in Belgium.

The statement communicated to the Conference as to Belgian legislation on sugar shows that fraud is henceforth impossible owing to the rigorous measures taken in regard to the fixing and arrangement of the vessels, and owing, above all, to the automatic

* It has already been stated that it is an incontrovertible fact that the average yield is much higher in Holland than in Belgium, on account of the exceptional richness of the beet-root in the former country.

counter and measurer adopted by the Government at the suggestion of the "Frauds Committee," composed of manufacturers, machinists, and Government officials. This apparatus, which registers the volume of the juice and gives facilities for controlling the densities, as ascertained by the Government agents, is simple and practical; it makes any fraudulent endeavour to deprive the Treasury of its due of no avail, and, what is still more important, it renders any complicity on the part of the controlling officials absolutely impossible.

The automatic counter and measurer has been in use in all Belgian factories during the season 1887-88, and has fulfilled all expectations. The Belgian Government is perfectly ready for this apparatus to be inspected by any foreign Delegate doubting its efficiency.

Fraud being now out of the question, and the real consumption being admitted to be as above, the Belgian Government was of opinion that it would entirely abolish the present bounties by raising the *prise en charge* by $\frac{2}{15}$, or about 14 per cent.

New Concessions by Belgium.

An observation more serious than the others might, however, be made respecting the Belgian system.

It might indeed be justly said that when once the *prise en charge* of 1,700 grammes was established, manufacturers would try to exceed it by improving the quality of their beet-root, and would thus again obtain a bounty.

In order to prevent such a complaint being made, and to do its utmost to bring about an international agreement, the Belgian Government has decided, at the earnest request of the Government of Her Britannic Majesty, to make still further concessions, both with regard to the rate of the *prise en charge* and that of the tax. On examining the question afresh, it is prepared to modify as follows the proposals of its Delegates at the Conference of London:—

The *prise en charge* in beet-root sugar factories, raised at first from 1,500 to 1,700 grammes, will, after two seasons, be raised to 1,750 grammes, and, after four, to 1,775 grammes, without including the 6 or 8 per cent. to be added according as osmosis or separation are used for extracting the sugar from the molasses.

Thus, where the sugar is extracted from molasses by osmosis or separation, the *prise en charge* would be:—

- (a.) On the Convention coming into force, 1,802 and 1,836 grammes;
- (b.) Two years after, 1,855 and 1,890 grammes;
- (c.) Four years after, 1,881 and 1,917 grammes.

Belgium would even consent to raise the first *prise en charge* to 1,750 grammes from the Convention coming into force if a prohibition against maintaining or establishing, as between the Contracting Powers, the surtaxes hereinafter mentioned were inserted in the Convention.*

With regard to the rate of the tax, it would be lowered to 23 fr. per 100 kilog. of raw sugar, *i.e.*, to half the present rate.†

Moreover, the concessions made on other points in the draft Convention signed at Paris on the 8th March, 1887, would be maintained.

Thus Article III of the draft Convention annexed to the Protocol signed in London on the 19th December last would be replaced by the following provisions:—

1. The rate of the tax from the date of the present Convention coming into force shall be lowered from 45 fr. to 23 fr. per 100 kilog. of raw sugar of the second class.
2. The *prise en charge* of contract factories shall, from the date of the Convention coming into force, be raised from 1,500 first to 1,700 grammes as minimum, and after two and four years to 1,750 and 1,775 grammes respectively.‡
3. The obligatory yield in refined sugar of the 1st, 2nd, 3rd, and 4th classes of raw sugar shall be raised to 94, 90, 81, and 72 per cent. respectively.
4. For the exportation of raw home-grown sugars yielding above 98 per cent., and

* It will not escape observation that an augmentation of 50 grammes, or $\frac{1}{2}$ of a fifteenth of the present *prise en charge* of 1,500 grammes, corresponding, on an average production of 90,000,000 kilog., to 3,000,000 kilog., would raise the legal consumption to 6 kilog. per head.

† It will be seen further on that the yield of second class sugar, corresponding to the *prise en charge* of 1,700 grammes, will be raised from 88 to 90 per cent. A duty of 23 fr. on sugar yielding 90 is the equivalent of a duty of 22 fr. 50 c. on sugar yielding 88. Fixing the new duty at 23 fr. reduces the present duty of 45 fr. by half ($88 : 90 = \frac{45}{2} : 23$).

‡ In the event of all surtaxes between the Contracting Powers being abolished, No. 2 would read thus:—

"2. The *prise en charge* of contract factories shall, from the date of the Convention coming into force, be raised from 1,500 first to 1,750 grammes, and after four years to 1,775 grammes.

of the three following classes, the types shall be fixed according to the shade of Nos. 20, 17, 13, and 8 of the Dutch colour series.

5. Saccharimetry shall be used for ascertaining the nature of the sugars on importation or exportation, to control, or take the place of, the types, should it be shown that it is necessary so to do.

6. It is understood that the drawback shall not exceed the customs or excise duties levied.

As Belgium permits no writing off of duties on the exportation of glucose, Article II of the draft Convention cannot be applied to glucose factories in that country.

In the above concessions the Belgian Government gives to the different Powers represented at the Conference an absolute proof of her desire to arrive at an understanding. It can but give its full adherence to the words spoken in London on the 19th December, 1887, by Baron Henry de Worms, the President of the present Conference:—

“We leave to each country the responsibility of determining, according to the wants of its trade and its administrative habits, by what legislative measures the regular working of the systems of taxation ordered by the Convention shall be assured.

“Such individual responsibility of each State is the best of all guarantees. All the Governments are resolved—let us be convinced of the fact—to suppress the bounties; they wish sincerely for such suppression—that is the real basis of union.”

Belgium fully accepts on her part the responsibility in question. She is convinced that her system—a system excluding fraud—taken in conjunction with the extremely large concessions she has made, will succeed more thoroughly in withdrawing the advantages which her manufacturers and refiners now enjoy than would be the case if she adopted a tax on the qualities produced, which system loses all its value should there be found amongst the superintending officials any whose fidelity cannot be absolutely relied on.

Surtaxes.

With regard to surtaxes, *i.e.*, the increased duty levied on imported sugar over and above that levied on home-grown sugar, the Belgian Government considers that their suppression, or, at any rate, a prohibition against any increase, to be a necessary and inevitable consequence of the formation of a Union, if it is desired that bounties, which all countries represented wished to see abolished, shall not again come into existence indirectly under another form.

Interpretation of Commercial Treaties.

In the event of a Sugar Convention being concluded without the participation of one or more particular countries enjoying most-favoured-nation treatment, would one or more Powers, parties to the Convention, have power to levy on sugar coming from the said countries a compensating tax or duty not levied on sugar coming from Powers that had adhered to the Convention?

The Belgian Government is of opinion that the benefit of any diminutions of duty, and the benefit of any customs advantages whatsoever granted by one country to another, enures, as of right, to all nations enjoying most-favoured-nation treatment in the former country.

This view has always been energetically defended by Belgium whenever any foreign Government has seemed disposed to attack it.

If other countries do not admit the same extended meaning in the clause in question, it would be necessary to consider the reasons on which they might found their opinion.

Date at which the Convention should come into force.

Should a Convention be concluded, the Belgian Government thinks that it could not possibly be put into force before the season of 1889-90, that is, before the 1st July, 1889. This delay is unavoidable on account of the contracts entered into by manufacturers for the purchase of beet-root. It would, moreover, be impossible that the formalities which must precede the coming into force of any such international act can be completed before the 1st July, 1888, and in no case can a season be cut in two.

Brussels, January 30, 1888.

Annexes to the Report of the Belgian Government on the Proposals made by it to the Governments represented at the Conference of London, in view of the Suppression of Export Bounties on Sugar.

Annex (A).*

Amount of Sugar consumed in Belgium.

"THE argument," said the Second Belgian Delegate at the first meeting, "which was continually put forward was that, while in France and in the Netherlands the legal consumption of sugar reached 7 to 8 kilog. per head, and in England reached even 24 kilog., it was impossible that, in Belgium, a rich and prosperous country, it should not considerably exceed 3 to 3½ kilog., a figure given in the official statistics. Nothing was, however, more natural; and M. Guillaume could prove, not only that the relative inferiority of the consumption of sugar in Belgium was explained by incontrovertible facts, but also that it was not admissible that the real consumption could exceed by more than 1 kilog. the figure above indicated.

"It was to be remarked, and it was a fact of which sufficient account was never taken, that in Belgium, a country without Colonies, sugar was formerly a luxurious article of consumption absolutely confined to the rich classes. In the rural districts this article was entirely unknown. Its place was supplied by all kinds of root and fruit syrups, and the use of these syrups was still so prevalent that there were even at the present time in the country 190 to 200 factories producing them.

"Again, the manufacture of preserves and sweet liqueurs, which took up considerable quantities of sugar, especially in the south of France, as well as the consumption of tea, which increased that of sugar in Holland and England, did not exist, so to speak, in Belgium, where beer was the most usual beverage. Was it, then, astonishing that the consumption of sugar should be lower in Belgium than in the three other associated countries?

"As I have already said," added M. Guillaume, "it cannot be admitted that this consumption exceeds in Belgium 4 to 4½ kilog. per inhabitant. To prove this, it is enough to go back to the time when we had no factories of beet-root sugar. It was then known exactly what amount of sugar came into the country and what left it, and, consequently, the quantity which remained for consumption. Now, if the first period of ten years in the official statistics be taken, that is to say, 1831 to 1840, it appears that forty years ago the average of the annual importation of raw sugar did not reach 19,000,000 kilog.; the exportation of refined sugar and candy exceeded 7,000,000 kilog. There hardly remained, then, for the home consumption of Belgium, and of the population of the ceded portion of Limbourg and Luxembourg, 12,000,000 kilog., which included 2,000,000 kilog., at least, of syrups derived from the refining of the 19,000,000 kilog. of raw sugar imported. That makes a little more than 2 kilog. of sugar per inhabitant, that is to say, the half of what the Belgian Government now admits, namely 4 to 4½ kilog.

"It should be remarked, on the other hand, that in England the average consumption of sugar was, for the same period (1831-40), 17 lbs. per head. In 1860, that is, thirty years later, when the duties had been successively reduced by nearly 50 per cent. (from 60 fr. to 36 fr. per 100 kilog.), the consumption of sugar had only doubled; it was 34 lbs. in 1860.

"What was there surprising, then, that in Belgium, where the duties had remained the same, the consumption should only have doubled in forty years? In good faith, was it possible to assert that, in a country where the duties on sugar remained for forty years at the high rate of 45 fr. the 100 kilog., the consumption should have increased more than after thirty years in a country where the duties had been reduced by nearly 50 per cent., precisely with the object of increasing the consumption?

"This simple statement should suffice to remove all the exaggerations which had arisen of late on this subject."

Annex (B).

M. Dumont's Reasons for the Amount at which he computed the Consumption of Sugar.

"THE excesses obtained in manufacture are much less than the President supposes; they are divided between the consumer and the producer. It is certain that the consumption of sugar does not reach 6 kilog. per head in Belgium; it does not exceed 5 kilog. I have convinced myself that it is hardly used at all by the working classes in the country. I have questioned more than fifteen heads of families on the subject; they take sugar neither with coffee nor with any other food. They do not do more than buy a little for the village *fête* and on a few other great occasions. The sick alone use sugar. From the information I have collected, the consumption under this head cannot be put above 1 kilog. per head per annum. The number of such people living in the country may, I think, be placed at 2,000,000; giving to the rest of the population (3,600,000) a consumption of 7 kilog. per head, produces a total of 27,000,000 or 28,000,000 kilog. It is easy to explain why the use of sugar is less extensive in Belgium than in Germany. The excise is there but half what it is here, and it is well known that Germans eat many sweet dishes, much preserve, &c."

* Extract from the Minutes of the International Conference held in Paris in 1873 (First Meeting).

Memorandum of an Interview between his Excellency M. Beernaert, President of the Council of Ministers, and Baron Henry de Worms, at Brussels, January 24, 1884.—Communicated by Baron Henry de Worms.

1. IN view of the declaration made by the Belgian Government that it cannot adopt the system of control, and the refusal of the other Powers to accept the system of equivalents proposed by Belgium, Baron Henry de Worms declared that the abolition of the sugar tax would furnish the only absolutely sufficient guarantee for the suppression of the bounties.

2. In the event of Belgium consenting to abolish the duty in question, Baron Henry de Worms admitted that she would have the right to ask the other Powers to give her guarantees against the possibility of fraud which might always exist under the system of control and against the danger to which Belgium would be exposed of finding herself disadvantageously placed in the international sugar market as compared with other Powers.

In satisfaction of the requirements of Belgium on this point, Baron Henry de Worms suggested :—

(a.) The establishment of an International Statistical Bureau ;

(b.) A more severe check under which an automatic system similar to that used in Belgium would be engrafted on to the system of control.

3. In reply to the objections raised by the Belgian Government with regard to surtaxes, Baron Henry de Worms suggested that the difficulty might be overcome by a proposal emanating either from Belgium or the Netherlands, and inviting the Contracting Powers to form a Sugar Union ("Zollverein") which would have the desired effect. While expressing his opinion that the English Government would be a party to such an arrangement, he could only use the same language on the point as he had used at the Conference when this question was raised ; that is to say, that England being a free trade country, must necessarily be in favour of the principle of such an arrangement, but could not insist upon its adoption by the other Powers.

M. Beernaert answered that Belgium held the same views as England.

She wishes for the abolition of export bounties, and it is well known that she initiated the first attempts in this direction. But there are several ways of attaining this object, and no one has shown the possibility of several ways so existing better than Baron Henry de Worms himself. While the other producing countries will, by working in bond, attain this abolition, in so far as they may be able to prevent fraud, Belgium is convinced that she will arrive at the same result by a reduction of the duty combined with the increase of the *prise en charge*.

Thanks to the automatic apparatus in the factories, the quantity of juice obtained and its density are registered with mathematical accuracy, and it is easy to determine what is the average of sugar extracted from the juice. The figure proposed for the *prise en charge* might be afterwards raised, and Belgium is ready to take part in any discussion on these points. In expectation of the forthcoming meeting of the Conference, the Administration is drawing up a Memorandum which will shortly be handed to the English Government.

If an examination of the facts of the case show that the system proposed by Belgium does suppress the bounties, it seems impossible her proposals should not be accepted by the Conference. As yet, the declarations of the Belgian Delegates have but produced reservations founded on want of instructions.

If, at the forthcoming meeting, our Delegates did not succeed in carrying conviction on this point, we should have to consider what course we should adopt ; but it is impossible to conceive that Belgium should be asked to give up the tax on sugar and thus lose a revenue of great importance to the Treasury, and in that manner reach the most perfect suppression of bounties, without, at the same time, accepting the principle of the abolition of all surtaxes between the Contracting States, and without insisting on measures calculated to repress the numerous frauds which are possible under the system of control.

4. M. Beernaert further remarks : (a.) That the question of the abolition of surtaxes has been already raised, and that the Conference would therefore necessarily have to examine it again ; (b.) If, as he trusts will be the case, it is admitted that the proposals made by Belgium are as efficacious for suppressing the bounties as the system of control, she is equally entitled to ask for guarantees against the possibility of fraud in the other contracting countries.

Baron Henry de Worms replied that on this last point similar views had already

been expressed in a document drawn up by the Spanish Delegates. (See Minutes of the fifth meeting.)

There would, however, be difficulties connected with the Treaties in causing a penal clause to be respected by non-contracting countries, but he willingly recognized the necessity of applying that clause to Powers who had signed the Convention, and who might contravene its provisions; and in his opinion, if Belgium abolished her duties, and by such action entirely suppressed her bounties, she would, of all the Powers, be the best qualified to propose such a clause.

Baron Henry de Worms thought he would have the support of the Government of Her Britannic Majesty on this point.

Brazil.

*Ministry for Foreign Affairs, Rio de Janeiro,
March 19, 1888.*

THE BARON DE COTEGIPE, in acknowledging the receipt of the note addressed to him on the 21st January by the Honourable Hugh Gough, Chargé d'Affaires for Great Britain, promised a reply on the substance of the note in question, namely, the opening in London on the 5th April of the new Conference on the sugar trade.

I have the honour to fulfil the promise thus made, and regret that I am unable to meet on all points the wishes expressed by the British Government.

Circumstances which do not depend on the will of the Imperial Government will deprive it of the pleasure of being represented at the Conference; but in view of the importance of the questions which the Conference is called upon to study and solve, it will not hesitate to adhere, after previous examination, to the Convention about to be concluded, provided that such power is reserved to it.

I have authorized the Baron de Penedo, by telegraph, to inform Her Britannic Majesty's Government of this decision; that Government will therefore have knowledge thereof long before the 5th April.

I avail, &c.
(Signed) RODRIGO A. DA SILVA.

Baron Penedo to the Marquis of Salisbury.—(Received March 26.)

My Lord,

Imperial Legation of Brazil, March 24, 1888.

I AM instructed by the Imperial Government to inform you that it cannot send a Delegate to represent it at the fresh meetings of the Conference on the sugar question.

I am at the same time to inform your Excellency that the Imperial Government would wish to adhere to the Convention after learning what may be the definitive agreement between the States ratifying it, if it would then be permitted so to notify its adhesion.

I have, &c.
(Signed) PENEDO.

Denmark.

Baron Resenörn-Lehn to Sir E. Monson.

Sir,

Copenhagen, February 28, 1888.

I HAVE had the honour to receive the three notes which you have been so good as to address to me on the 4th and 10th January last, respecting the International Conference on the Sugar Question, as well as the inclosures therein, viz., a Report by the Delegates of Great Britain to the Conference, and copies of the Minutes, and, in

accordance with the desire expressed in the notes in question, I have the honour to make the following declarations and to give you the following information.

The King's Government has no hesitation in adhering entirely to the intentions of the draft Convention for suppressing export bounties on sugar.

In the case of beet-root sugar factories we have in this country everywhere applied the system of manufacturing in bond, as well as that of taxing the amounts produced, so that the duty is assessed on the sugars as they leave the factories to go into consumption. The present Law of the 1st April allows the duties to be repaid to the manufacturers on exportation, and grants a further bounty of three-fourths of an öre on certain sugars until the 31st March, 1888; but the King's Government will endeavour to suppress the former of these favours, and will take no steps for prolonging the Law beyond the term fixed by the present Law. In the case of refiners, who have hitherto been called upon to pay nothing beyond the customs duties on raw sugar, but are legally entitled, on the exportation of refined sugar, to a writing off of duties fixed according to the proportions existing between the weight of the raw sugar and that of the refined, the King's Government hesitates to adopt an entirely new system of taxation, viz., a tax on the finished article, as it would render working in bond or under control necessary; but as the exportation from the refineries is of small importance, the Government is prepared to take the necessary steps for abolishing the duty in question, so that the refineries will not, on exportation, obtain any writing off excepting for molasses, which will, on exportation, be entitled to a writing off of taxes equal to the customs duties. The King's Government will, however, reserve to itself power to adopt the system of refining in bond, or under control, in view of the possibility of exportation increasing, and the question thus becoming one of greater practical interest.

The question has been discussed whether, and if so what degree, saccharimetry, and especially the so-called French system, should be adopted in the taxation of sugar; the Government of the King begs to observe that the process in question has not been adopted in Denmark.

Denmark would also be able to adhere to the draft Convention for her Colonies, as the system now in force in the Danish Antilles for the taxation of sugar, information as to which will be found in the inclosed document, is entirely in harmony with the conditions laid down in Article IV of the draft, which regulate admission to the Convention; far from admitting any bounty whatever on exportation, one form in which the sugar tax is levied is a rate on the value of sugar exported.

At the Conference, Holland and Belgium raised the question of adopting a proposal abolishing surtaxes, that is to say, the difference existing between the tax levied on sugars manufactured at home, or imported from the Colonies of the country, and the import duties charged on foreign sugar, or, at any rate, a prohibition against the imposition of any new surtax on sugars imported from a contracting country, and against any increase of existing surtaxes; but in this matter the King's Government will take no engagement, as it wishes to keep its liberty of maintaining or adopting measures intended to reserve the market of this country for the produce of national industry.

With regard to the question raised at the Conference by the Spanish Delegates, viz., whether the provisions of Commercial Treaties relating to most-favoured-nation treatment would not require that merchandize receiving a bounty on exportation from the country of origin should pay a surtax, the King's Government cannot admit the correctness of such a proposal.

With regard to the date on which the Convention shall come into force, I must observe that, on account of the laws actually in force, such date could not be fixed in Denmark at less than six months after the publication of the Convention when concluded.

In begging you to bring the above to the knowledge of your Government, I have, &c.

(Signed) ROSENÖRN-LEHN.

Annex.

THE production of sugar in the Danish Antilles is not, as such, subject to any direct tax, nor to any system of control. But the fact that the cultivation of the sugar-cane is the predominant one in the Island of Sainte Croix, and is the most remunerative use to which the cultivated soil can be put; combined with the absence of any survey properly so called, has caused the extent and produce of sugar-cane cultivation to be particularly taken into consideration in the assessment of certain land taxes, as will be seen from the following:—

No. 25853.

E

1. The tax imposed by the Ordinance of the 29th December, 1862, section 3, is calculated at the rate of 36 cents per acre under sugar-cane (without taking into consideration whether, in any particular year, it bears a harvest or is in fallow); but the amount of the tax thus calculated is divided among the different plantations in proportion to the produce of each during the previous year. Land not under sugar-cane is taxed at the rate of $13\frac{1}{2}$ cents per acre.

2. The so-called new tax is collected in the rural districts at the rate of 16 cents per acre laid down in sugar-cane.

3. Sugar pays an export duty of 5 per cent., and molasses (as well as rum) 3 per cent., calculated on the market values fixed, with the approbation of the authorities, by a Special Commission. Under the rules now in force this duty is double when the articles are exported in foreign ships which are not on the same footing as Danish ships, but, as in the different cases exceptions might be made to this rule, the higher duty is not in reality of any great importance. Although the export duty thus assessed is payable on the sugar produced, it is not, to speak correctly, a tax on production, for all sugar (including secondary produce) consumed in the island is exempt; the export duty should, on the contrary, be considered as a particular form of equivalent for the tax on land, or the profit derived from it and the use to which it is put, corresponding to the first two taxes above mentioned; and it is, indeed, the highest tax paid by land cultivated in sugar-cane—for in 1883, for instance, it was, on an average, 2 dol. 85 c., and in 1886 (with the low price of sugar), 1 dol. 80 c. per acre.

4. In conclusion, there must be added to this category the so-called tax on absentees, which is a purely personal tax, for to it are subject the owners of plantations and of houses in the towns, who live more than a certain time elsewhere than in the Danish Antilles or the mother-country. We mention this tax because it amounts to 5 per cent. on the gross value of the sugar harvest on estates the owners of which are absentees.

In Saint Thomas and Saint Jan there is a tax of 64 cents per acre under sugar-cane as well as an export duty of 5 per cent. on the sugar produced on the islands in question, $1\frac{1}{2}$ cents per gallon on rum and molasses; but the production of sugar in Saint Thomas and Saint Jan is insignificant, and does not even supply the whole of their consumption. No export duty has been collected for many years.

The import duty in Sainte Croix is 12 per cent. on the value of the sugar imported—the usual rate of customs duty on articles the tax on which is not fixed in some other manner—and in Saint Thomas 2 per cent. on the value of the sugar (likewise the ordinary duty), and no part of the duties collected is repaid in either island on re-exportation. In each island sugar and the secondary produce thereof produced in one of the other Danish Antilles are admitted duty-free.

In Sainte Croix the importation of sugar is very small, and amounts, in fact, to no more than the refined sugar consumed on the island; during the last seven years it has amounted to 2,000 dollars a-year only.

Spain.

Señor Moret to Sir Clare Ford.

M. l'Ambassadeur,

Madrid, February 28, 1888.

IN reply to your Excellency's notes of the 11th January, I have the honour to inform you that the King's Government accepts in principle the Project of Convention drawn up by the International Conference held at London on the Sugar question, which is united with the Protocol of the 19th December, 1887.

I avail, &c.

(Signed) S. MORET.

Señor Moret to Sir Clare Ford.

M. l'Ambassadeur,

Ministry of State, March 16, 1888.

IN reply to your Excellency's note of the 29th ultimo, and in addition to what I stated to you in my note of the preceding day, relative to the International Conference on the Sugar question, I have the honour to inform you that the Minister of Finance and the Minister of the Colonies see no obstacle in the way of, or objection to, the acceptance by the King's Government of the Protocol of the 19th December, and the adoption of the polarimetric system as a basis of taxation.

The King's Government will further have no objection to introducing into the Cortes such measures as may be necessary for bringing the legislation of the Peninsula and that of the Colonies into agreement with the bases adopted by the Conference, in order that;

as soon as the Convention has been ratified, the rules agreed upon at it may come into operation immediately and without delay.

In making this communication to you, for the information of your Government, I avail, &c.

(Signed)

S. MORET.

Señor Moret to Sir Clare Ford.

M. l'Ambassadeur,

Ministry of State, March 21, 1888.

IN reply to your note of the 18th instant, relative to the Conference for the suppression of sugar bounties, I have the honour to acknowledge the receipt of the inclosures contained therein, and to take note of the favourable impressions which Lord Salisbury has formed with respect to the result of the Conference.

The Spanish Delegates will receive orders to reach London on the 5th proximo, with a view to taking part in the meetings of the Conference, and they will also receive by that date the necessary full powers to enable them to sign the Protocol.

Although the probabilities of a favourable result detract from the importance of the declarations contained in the "Rapport" of the Belgian Government which is inclosed in your note in question, His Catholic Majesty's Government desire to make it clear that, as regards the interpretation of the Commercial Treaties, their opinion does not conform with that of the Government of His Majesty the King of the Belgians; and with regard to this important point they beg to refer to the proposal which the Spanish Delegates laid before the Conference with regard to the meaning which, in their opinion, should be given to the most-favoured-nation clause.

I avail, &c.

(Signed)

S. MORET.

Official Gazette of Madrid, April 4, 1888.

MINISTRY OF FINANCE.

Royal Decrees.

IN conformity with what has been proposed to me by the Minister of Finance, in accordance with my Council of Ministers, in the name of my august son the King Don Alfonso XIII, and as Queen Regent of the Kingdom:

I authorize the Minister of Finance to present to the Cortes a Project of Law for the suppression of bounties granted on the exportation of sugar.

Given at the Palace, 3rd April, 1888.

(Signed)

MARIA CRISTINA.

The Minister of Finance,

(Signed)

JOAQUIN LÓPEZ PUIGSERVER.

TO THE CORTES.

When the Spanish Government signed the Protocol of the 19th December, adopted by the Sugar Conference held in London, they bound themselves to modify that part of Spanish legislation which was contrary to the resolutions therein adopted, and, as the fundamental object of the Conference was to suppress all bounties, whether direct or indirect, granted at present to the exportation of sugar, as also the establishment of a common basis for the imposition of taxes on sugar refineries, I have the honour to propose to the Cortes the repeal of the legislative measures prevailing in Spain which are in contradiction with the above-mentioned principles.

Therefor, the undersigned Minister has the honour to submit to the Congress of Deputies the following:—

PROJECT OF LAW.

Article 1. To repeal—

(1.) The first Article (Base) of the law of the 17th July, 1849, in so far as it refers to the exportation bounties granted on refined sugar.

(2.) Article 7 of the Decree of the 12th July, 1869.

(3.) Article 3 of the Law of the 22nd June, 1880.

(4.) First, second, and third paragraphs of the 13th Regulation of the Tariff; and

(5.) The last paragraph of the 13th Article of the Budget Law of the 29th June, 1887.

Article 2. No bounties or return of duties will in future be granted to any sugar whatever exported to foreign countries.

The Minister of Finance,

(Signed) JOAQUIN LÓPEZ PUIGSERVER.

Madrid, April 3, 1888.

France.

Memorandum.

THE annexed draft has been prepared by the French Administration to meet the terms of the Protocol of the London Conference on the Sugar Question, requiring each Government represented "to communicate a draft showing the bases of application of the system of a tax on the quantities produced, &c."

In submitting the annexed draft, which would assure the suppression of the bounties, it is necessary to add that the French Government is of opinion that it is absolutely necessary that all countries producing or refining sugar, whatever be the origin of the sugar, should adhere to the proposed Convention.

On the other hand, the arrangement proposed must, so far as is possible, rest on identity of system in every contracting country, and it goes without saying that all the contracting States will either remain or place themselves in precisely the same circumstances with regard to ascertaining the real and whole amount produced; it must further be understood that the future Convention will in no way restrict the right which each of the contracting States may reserve to itself of fixing, according to its own interests, the amount of the excise or customs duties on home-grown sugar, and on sugar from its Colonies and from foreign countries.

The annexed draft offers the most complete guarantees for the suppression of bounties.

Under this system, borrowed from the French Law of 1880, the attention of the officials is especially directed to the production and importation of the sugar, and is calculated to prevent any of it being improperly withdrawn from control, all sugar manufactured in France, and that coming from the Colonies or from abroad is submitted to analysis in Government laboratories. The yield on refining is ascertained under guarantees far superior to those offered by those of any other system, such, for instance, as the control of the refineries, if limited to summary measures without any further check.

The only objection that could be made to saccharimetry is that the coefficients accepted under the Law of 1880 for ash and glucose, though correct at the date of the Law, would, it is asserted, be too high now that the processes for extracting sugar from molasses have come into general use; the most competent chemists have been instructed to revise the coefficients in question. If the result of their labours cannot be given to the Conference in time, recourse might be had, as was done in 1864 for classing sugars by types, to a series of international experiments carried out in the presence of the Representatives of the States, or, as was proposed by M. Teisserenc de Bort during the Conference of 1876, a permanent Scientific Committee might be instituted, which would meet periodically to revise the coefficients.

In conclusion, all reserves are now made with regard to the date of bringing the proposed Convention into force, and with regard to the duration thereof.

March 1888.

Draft for the Application of a Tax on Produce manufactured and intended for Consumption.

1. From the the consumption tax on sugar is assessed, either on importation or on its leaving the factories or bonded warehouses, on the quantity

of refined sugar represented by the sugar of all kinds, and of whatever origin, imported or manufactured for home consumption.

The duties on glucose are assessed on the quantities manufactured and delivered for consumption.

Molasses and glucose used in the manufacture of an article not used for food, and sugar, molasses, or glucose converted into articles subject to special taxes, such as alcohol, wine, beer, &c., may be exempted, in whole or in part, from the tax on sugar.

Amounts exported directly under bond from places under control are exempt from all tax.

Raw sugar imported directly from a non-European country, or manufactured for exportation after refining, may be temporarily admitted duty free to refineries other than those annexed to factories; the freedom from taxation does not become final until proof is given, within two months, that a quantity of refined sugar, corresponding to that represented by the raw sugar in question, has been exported or placed in a bonded warehouse.

The same regulation applies to sugar intended to be used in the manufacture of chocolate, biscuits, preserved fruits, jam, sweetmeats, &c., for exportation.

2. The collection of the tax on sugar is insured—

(a.) On importation, by inspection of cargoes, by ascertaining the nature of the articles, their gross and net weights, and the quantity of refined sugar which they represent;

(b.) In sugar factories and special factories for the extraction of sugar from molasses ("sucrateries") by permanent supervision day and night;

(c.) On leaving factories, by inspection of consignment, by ascertaining the nature of the articles, their gross and net weights, and the quantity of refined sugar which they represent;

(d.) Beyond the factories, by restrictions on transportation.

The collection of the tax on glucose is insured: by the control of the factories; and beyond the factories by restrictions on transportation.

The tare applicable to sugar of all kinds, whatever its origin, is the real tare. It is ascertained by actually weighing a certain number of the cases in which it is packed.

The duties on refined sugar, or sugar assimilated to refined, is therefore assessed on the real net weight, and the real net weight of raw sugar is taken as the basis for calculating the amount of refined which it contains.

3. The principal obligations of manufacturers of sugar are, so far as the factories are concerned: isolation of the buildings; limit of number of doors in the inclosure surrounding the factory; power for the authorities to enter all places used for purposes of manufacturing, and places adjacent thereto; giving notice beforehand of work commencing; presentation to the authorities on first demand of all substances containing sugar in possession of the manufacturer; the barring of openings and windows, and the placing under official lock and key of the doors of the storehouses where the sugars are deposited; giving notice of the number and capacity of the vessels for receiving juice and syrup of all kinds; entering in a special register the volume and density of juice purified; entering beforehand on a second register the syrup placed in the pans, and the syrup removed therefrom to be reworked or put in the turbins; giving notice beforehand of the weight and nature of produce sent out, whatever its destination; providing the persons and apparatus required for making the necessary observations.

The obligations of the officials consist principally in: the general supervision of the establishment both by day and by night; checking the notices which have to be given by manufacturers; ascertaining the volume, &c., of, and properly entering, the syrups of all kinds; uninterrupted supervision of the turbins; ascertaining the volume, &c., of, and properly entering, the sugar obtained, and storing of the same under official lock and key; supervising the handling of sugar in store; checking the amount of such sugar at various dates; the inspection, by two officials at least, of amounts sent out, ascertaining their weight, and taking samples thereof, closing of the bales with leaden seals, and the giving of bonds ("acquits-à-caution").

In addition to the above, in factories which are also refineries:—

(a.) Obligation on the part of the manufacturer to give notice of the number and weight of loaves placed in the drying-room, and of their being removed from the same.

(b.) Obligation on the part of the officials to control these declarations.

4. All improper carrying away of syrup entails a fine and payment of the duties.

Missing quantities in the account of finished sugar in store, if not exceeding 3 per cent., are treated as proceeding from drying, and are allowed; beyond 3 per cent. they

are taxed; beyond 6 per cent. they entail a fine, except in the case of material loss duly proved.

In the case of loaves allowance for natural waste is only made when there is no difference in the number of loaves.

5. Factories where sugar is extracted from molasses are placed under the same Regulations as factories.

6. The only produce allowed to leave factories is finished sugar and exhausted molasses.

“Exhausted molasses” means the liquid residues of manufacture, incapable of crystallization by ordinary processes, having an absolute saccharine richness not above 50 per cent., and a density not less than 1,383 (about 40 degrees of Beaumé’s areometer).

Molasses from factories can only be sent in any quantities to:—

(a.) Factories where sugar is extracted by special processes (osmosis, treating with lime, baryta, strontium, &c.), and on leaving which the sugar obtained is liable to duty.

(b.) Distilleries, to be there turned into alcohol.

7. For purposes of taxation refined sugar is to be held to be sugar in loaves or massed of any form.

Are assimilated to refined for purposes of taxation sugars in powder coming from foreign countries, the absolute saccharine richness of which reaches 99 per cent.

Candied sugar is taxed at the rate of 107 kilog. of refined per 100 kilog. of candy.

Sugars in powder, whatever their origin, not assimilated to refined are taxed or imported temporarily for exportation after refining, according to the quantity of refined which they represent, such amount not being below 75 per cent.

The quantity of refined represented by such sugars is ascertained by saccharimetric analysis, with the following deductions:—

From the figure shown on the polarimeter is deducted _____ times the weight of soluble ash, and _____ times the weight of invert sugar.

After this first deduction the real weight of the sugar to be taxed is multiplied by the estimate of yield so obtained, and the product is subject to a further deduction of _____ for loss in manufacture.

Fractions of a degree or kilogramme are neglected.

For pieces no deduction is made other than that for ash.

8. Candied sugar for exportation or for liquidation of temporary importation accounts must be in dry transparent crystals. It is reckoned at 107 kilog. of refined per 100 kilog. of candy.

Refined sugar in loaves, or massed, or broken in regular pieces, is reckoned at its full weight only in so far as it is perfectly clean, hard, and dry.

Other refined sugars, powder from breaking or sawing, loaves in establishments not under control, and pieces, are reckoned at the quantity of refined they represent. This quantity is ascertained by polaremetric analysis, deducting the ash only.

9. Sugars are analyzed in the laboratories of the Administration. In factories, and factories for the extraction of sugar from molasses, samples for analysis are taken by two officials in the presence of the manufacturer, but without any manual intervention on the part of the latter.

Colonial and foreign sugar can only be imported, and raw and refined sugar exported and re-exported, at particular custom-houses appointed for such purposes. All the operations in question are carried on, under the superintendence and responsibility of the “Chef de la Visite” (Sub-Inspector or Receiver), by a Controller, with the assistance of one or more superior officials of the active Service. In taking samples for the laboratories all the bales are probed by a superior official, in the presence and under the directions of the Controller, who may order them to be wholly or partly opened, or even have them emptied.

A separate sample is taken for each consignment having different marks, and where the same consignment consists of different qualities, a separate sample is taken for each quality.

Further samples are taken to check the first.

To ascertain the amount of crystallizable sugar, 16.19 grammes of sugar are dissolved in water, with the addition of subacetate of lead and tannin, so as to make up a volume of 100 cubic centim. After being filtered the solution is examined with a penumbra polarimeter. The figure shown direct on the polarimeter is held to be the quotient per cent. of crystallizable sugar in the substance examined.

To ascertain the amount of invert sugar, Foebling’s cupro-alkaline liquor is used. Fractions below $\frac{1}{2}$ per cent. are neglected.

The amount of ash is ascertained from 4 grammes of the substance. In case of a

contested analysis, manufacturers and importers may demand legal expertise. In view thereof a duplicate is kept of the first sample.

Memorandum communicated by the French Delegates.

Memorandum on the use of Saccharimetry for estimating the Yield on refining Raw Sugar.

THE Memorandum communicated to the International Sugar Conference now sitting in London by the Delegate of Austria-Hungary constitutes nothing new to the question of yield on refining.

All the arguments therein brought against the use of saccharimetry as a basis for computing the yield are known; they have often been brought forward, and we are obliged to answer them with equally well-known arguments.

In putting forward these answers we think it well to follow the order of the note itself.

After calling to mind that all countries interested in the sugar trade have, either for purposes of taxation or trade, adopted the saccharimetric method, altering the coefficient only,* the Memorandum states that in any case the method in question is based on the hypothesis that the salts render a part of the sugar uncrystallizable.

The contrary opinion was clearly set forth in the Report on which saccharimetry was adopted in France. It is therein expressly said that the salts have not the molasses-producing power long attributed to them, and that the power in question belongs principally to organic impurities, the exact nature of which is not yet known, and the amount of which cannot be determined.

The reason for ascertaining the amount of ash, notwithstanding the acceptance of the above facts, is that repeated experiments have shown that in the residual molasses from the refining of raw sugar the salts and organic impurities are generally found in sensibly constant proportions, so that chemists unable to ascertain what are the organic impurities can nevertheless estimate their amount by ascertaining the amount of the salts.

The result of numerous analyses, namely, those of Dubrunfaut, led to a sensibly constant ratio being recognized between the quantity of sugar rendered uncrystallizable and the amount of the salts.

This ratio, which is above 3·7, was raised by the Government to 4, in order to facilitate transition from coefficient 5, which had till then been used in the trade, to a more accurate coefficient.

The objection drawn from MM. Feltz and Scheibler's experiments is of no value. It was no doubt possible to add to solutions of sugar the ash from calcined molasses without diminishing crystallization, but it would be superfluous to insist on the difference which exists between matter changed by calcination into exclusively mineral compounds with the same substances as they had existed in the molasses in which they formed, in great part at least, organic compounds.

The observation in the Memorandum respecting the power which colloid, organic, and other substances have over the amount of sugar which can be extracted from molasses is now admitted by all practical men to be correct, and in the absence of further knowledge this very power led us to consider it imprudent to lower coefficient 4, which is required as a compensation for the loss caused by this excess of organic impurity.

The existence in beet-root juice of substances having an influence over polarized light was early known. Chemists and physicists have long given their attention to this matter, but it must be observed that the processes used in the production of sugar have, to a very great extent, the effect of eliminating these substances from crystallized sugar, and that even after very faulty manufacture they could only exist in such small quantities as not to have any sensible power.

The Memorandum also speaks of the possibility of adding to the raw sugar mineral substances which would not hinder crystallization, but which would, by adding to the weight of the ash, and on the application of the coefficient, falsify the results relied on for the assessment of the tax. This would be a gross fraud, and one which has, indeed, been tried, but has always been discovered without any serious difficulty; moreover, when it has been tried it has never been on the bulk of the sugar, but only on the samples.

* The Memorandum is in error in saying that in France the coefficient applies to the whole of the ash; on the contrary, it was in France that the insoluble ash was first deducted.

There would be no interest in discussing Scheibler's process, which the French Government rejected in 1876, after receipt of our Report.

In fine, the method of saccharimetry rests on an essentially scientific basis—the rotatory power of sugar, which is constant, whatever be the origin of the sugar. The perturbing power of foreign substances is not greater than the amount of error to which analytical operations are in general liable, and it has as yet, therefore, been neglected. If the power in question became really important, science would certainly not be without her resources, and would find the necessary means for preserving the accuracy of the method.

Furthermore, the coefficients adopted in France for ascertaining the yield of raw sugar on refining are as yet justified by an examination of the residues left by refining. The adoption of new processes in the manufacture and refining of sugar might in future lead to their being altered, just as a fresh examination of the question led to the old coefficients being altered in 1876; but the information necessary for expressing an opinion on this point is still wanting.

(Signed)

AIMÉ GIRARD.
A. RICHE.
V. DE LUYNES.
CH. BARDY.

Italy.

M. Catalani to the Marquis of Salisbury.

My Lord,

London, April 9, 1888.

WITH reference to the draft Convention and to the Minutes of the Conference of London for the suppression of export bounties on sugar, I have, by order of the King's Government, the honour to communicate the following observations to your Excellency:—

1. In the international sugar trade Italy is solely an importing country; her production is very small, her exportation *nil*.

2. In these circumstances, and although Italy adheres in general to the principles of the draft Convention annexed to the Protocol of the 19th December, 1887, the King's Government does not think that it need submit a draft showing the basis for the application of a system of taxing the quantities produced; it is of opinion that it need only call the attention of the British Government to Articles 17, 18, 19 of the Royal Decree of the 20th March, 1884, for carrying out the Law on the taxation of sugar factories (see Annex). These provisions refer to the method of assessing the tax in the case of factories for which permission is asked to pay the tax on the actual produce.

3. With regard to the adoption of saccharimetry, the Italian Government is unable to put forward any positive proposals. As has already been said in the Memorandum printed at p. 23 of "The Acts of the International Conference of London" (International Conference on the Sugar question, 1887: Minutes), the Law of the 2nd April, 1886, provides for the use of polarimetric analysis in the case of all raw sugar admitted into factories working for exportation.

At present no Italian refinery is working for exportation. The Central Chemical Laboratory of the Excise has, nevertheless, made a special study of saccharimetry.

The Italian Government is not generally opposed to the French method of estimating the yield; but they must make some reservations as to a minimum yield for sugars admitted into Italy, and as to the coefficients for molasses-producing substances.

4. Italy makes reservations as to the provisions of Articles IV and V of the draft Convention, in so far as they might restrict her liberty to tax sugar as a source of revenue.

I have, &c.

(Signed)

T. CATALANI.

Annex.

Provisions of the Royal Decree No. 2086 (Third Series) respecting Factories subject to the Tax on Produce.

Article 17. From factories the owners of which elect to pay the tax on produce no saccharine substance may be exported until the quantity and nature of the produce have been ascertained by the officials and by the persons charged with the control.

Article 18. The following provision shall be observed with regard to the payment of the tax:—

1. The sugar produced shall be deposited in a special warehouse under two keys, the said warehouse to be subject to the conditions and regulations laid down in the Customs Regulations respecting the depositing of goods in private warehouses.

2. At the end of each solar month, or at the end of the work, if work ends before the expiration of a month, the register of sugars in the warehouse shall be closed, and the tax paid on the quantities of sugar produced during the said period.

3. As soon as work is over an inventory shall be prepared of the sugar and saccharine substances in the factory, and the account of the factory shall be drawn up.

In this account all saccharine substances ("masses cuites," subsidiary products, &c.) shall be taken into account for payment of the tax according to the quantity of second-class crystallizable sugar in them.

4. Should the manufacturer wish to keep any saccharine substances in order to work them during the next season, the payment of the corresponding amount of tax will be suspended, provided the said substances be deposited in a warehouse under two different keys, of which one shall be kept by the agents of the financial authorities.

5. Residues of manufacture containing less than 50 per cent. of saccharine, and a density greater than 1,410 grammes per litre, are considered as molasses, and, as such, exempt from the tax.

Article 19. Should the owner of a factory working under the system of the tax on the amount produced wish it to be placed under that based on the density of the juice, he must prove the payment of the tax on the sugar which might be extracted from the saccharine substances, as shown by the inventory and account, not worked off during the previous season.

Netherlands.

M. Karnebeek to Mr. Fenton.

*Ministry of Foreign Affairs, The Hague,
March 3, 1888.*

M. le Chargé d'Affaires,

BY his notes of the 31st December last and the 2nd January, Sir William Stuart was so good as to inform me that the British Government accepted the conclusions of the Protocol and draft Convention annexed to the Minutes of the International Conference recently held in London on the Sugar question, and would be obliged if the Government of the King would, as soon as possible before the 1st March next, furnish the information required by the above-mentioned Protocol, together with any observations which the discussions of the Conference might suggest, and would state the date at which the Convention could come into force in the Netherlands, and give information as to the system of taxation and control existing with regard to sugar in the Dutch Colonies, and would, finally, intimate the intentions of the King's Government as to the adhesion of the Colonies in question to the proposed Convention.

In reply, I have the pleasure to express to you the satisfaction with which the Netherlands Government took note of the deliberations of the Conference. The unanimity with which a great majority of the Delegates expressed themselves in favour of the suppression of all export bounties, and of the principle that a system of taxing the amount of sugar produced and intended for consumption as the only one which will realize that object, is a sign favourable to the success of their labours.

The King's Government adheres completely to these principles, and I have therefore the honour to transmit to you herewith the documents required by the Protocol of the 19th December, viz. :—

No. 25853.

F

(a.) A draft showing the bases of a system of taxation on consumption, such as the Netherlands Government would wish to enforce.

(b.) A note showing the extent to which the Government of the Netherlands would be disposed, for the sake of uniformity, to admit the so-called French method of saccharimetry.

Although the King's Government adheres to the above-mentioned principles as set forth in the draft Convention, they cannot approve that draft in all respects nor consider it complete.

Thus they cannot accept Article III, which admits a special system for Belgium. In their opinion the object of the Convention cannot be attained by the system of equivalents offered by that Power, and they are obliged to confirm and to renew the reservations made in this respect by the Netherlands Delegates during the sitting of the Conference.

The absence of any stipulation prohibiting surtaxes as between the contracting countries is, in the opinion of the King's Government, an important flaw in the draft Convention.

The Netherlands Government are, in this respect, in entire harmony with the views expressed at the Conference by their First Delegate. (See Minutes of the meeting of the 14th December).

If it is impossible to obtain, even gradually, the abolition of surtaxes, they hold it to be necessary that the contracting Governments should engage not to increase existing surtaxes, and not to establish new ones. Without such a stipulation the proposed Convention would give no guarantee that the English market, for instance, which is now open, might not be entirely closed by means of prohibitive duties to the produce of other contracting countries.

The King's Government are, however, of opinion that countries possessing Colonies should not be debarred by such an engagement from granting such favours as they may please to sugars imported into the mother-country from its Colonies.

I may be permitted to observe further that unless the question of surtaxes (between contracting countries) is settled in this sense by the Convention, Articles IV and VII of the draft have no *raison d'être*, as States remaining outside the Convention will have no advantage in adhering to it.

In conclusion, I must make known the views of the King's Government on two points raised during the discussions: the proposal of the Spanish Delegates as to the measures to be taken against non-contracting countries giving export bounties on their sugar; and the request put forward by the First Netherlands Delegate at the meeting of the 16th December respecting the establishment of an International Bureau for the publication of Laws and Regulations, as well as of official statistics of the sugar trade in all countries.

With respect to the first of these points, the Spanish Delegates in putting forward their proposal were evidently at one with the Government of the Netherlands in considering surtaxes as a legitimate means of defence against export bounties. But, in the opinion of the Netherlands Government, the enforcing of a stipulation in the nature of the Spanish proposal might produce serious inconvenience, especially with regard to any most-favoured-nation clause which might be found in Treaties with countries giving bounties.

The King's Government recognize the utility of providing a means of defence against the competition of sugars exported with bounties from countries not members of the Union, and would suggest that there be inserted in the Convention an Article such as the following, analogous to Article IX of the draft Convention of 1877:—

“Should direct or indirect bounties be granted by third countries on the exportation of raw or refined sugar, and should they endanger the production of one or other of the High Contracting Parties, a new understanding might be come to with the view of considering in concert what measures of defence might be taken.”

With regard to the International Bureau suggested by M. Pistorius, the Cabinet of the Hague shares the opinion of the President of the Conference that the Conference on the publication of Customs Tariffs proposed by the Belgian Government offers a convenient solution; but it is in any case convinced of the utility, if not of the necessity, of establishing such a Bureau in one way or another.

Passing to the question of the coming into force of the Convention, the King's Government is of opinion that manufacturers have a right to full notice of the application of a Convention making such changes in the revenue legislation which affects their industry. In this respect, and in that of the time required to obtain the adoption of the new system by the various Parliaments, and to make preparations for putting the

Convention into force, it appears to them impossible that the Convention should come into operation for the next season of the beet-root manufacture. They think that the new legislation cannot be applied until the next season after that already mentioned, unless the ratifications of the Convention can be exchanged before the 1st December, 1888, as it is generally during the month of December that manufacturers make their contracts for having the beet-root sown. The abolition of bounties might exercise a considerable influence on the extent of these contracts. If ratified before the 1st December, the Convention might come into force in the Netherlands on the 1st April, 1889.

With regard to the information asked respecting the system of taxation and control in the Colonies, I beg to refer to the Memorandum on this subject laid before the Conference by the Netherlands Delegates. (See p. 26 of the Minutes.) I will complete the information given by the document in question by stating that the import duty on sugar is 6 per cent. *ad valorem* in the East Indies, and 10 cents per kilog. at Surinam. In this connection I take the liberty of expressing the wish that the British Government will also lay before the Conference a similar statement of the sugar legislation in force in the British Colonies and Possessions, including those which are not Crown Colonies.

The King's Government must, for the present, reserve its decision as to the adhesion of its Colonies, as Article IV of the draft permitting such adhesion sufficiently meets the case. They attach much importance to the retention of this Article in the Convention. Article VIII of the draft Convention does not appear to them to be in its place, as it does not imply a question of principle.

In conclusion, I beg to call attention to the question of "saccharinè," which the Conference has not yet considered, but which is not without importance. This substance, derived from coal, has, it is said, a sweetening power 250 to 300 times as great as that of sugar. The consumption of it is increasing, and it might in the future seriously endanger the revenue derived from the tax on sugar. It would therefore be well that the Delegates to the next Conference should give their attention to the matter.

In begging you, M. le Chargé d'Affaires, to bring the above to the knowledge of your Government, who will, I trust, communicate to me the proposals and observations made to the other Governments represented at the Conference, I avail, &c.

(Signed) KARNÉBEEK.

Annex (A).

Draft showing the Bases for applying the System of Taxation on Consumption proposed by the Netherlands.

A.—*Sugar Factories.*

- § 1. Factories are placed under the permanent control of the revenue officials.
- § 2. All windows and other openings are to be secured by an iron grating.
- § 3. Before purification the juice is poured directly into the measuring vessels, the quantities being inscribed by the manufacturer in the register for the purpose.
The density of the juice is ascertained by the authorities.
(N.B.—The question of adopting the automatic counter in use in Belgium to be considered.)
- § 4. The manufacturer enters, or causes to be entered, in special registers :—
 - (a.) The weight of sugar manufactured.
 - (b.) The weight of sugar melted.
 - (c.) The weight of sugar taken out of the factory.
- § 5. Sugar may only be taken away through doors authorized for the purpose by the Administration. Such sugar is noted by the authorities.
- § 6. The sending of sugar abroad to a bonded warehouse or to a refinery is placed under the control of the Administration, and gives rise to no collection, restitution, or writing off of duties. Sugar cleared for consumption is dutiable according to its real weight.
- § 7. Exhausted molasses, recognized as such by the authorities, is not taxed (definition thereof reserved).
- § 8. The Administration is empowered to make an inventory of sugars in the factories. Amounts in excess are entered in the register of sugar manufactured. On quantities missing, the tax, calculated at 100 per cent. of richness, is payable at once, allowing, however, for no loss in manufacture.
- § 9. The registers kept by the manufacturer shall always be in one particular place in the factory, and shall be shown to the authorities on first demand.
Infractions of this provision, and infractions of the provision regarding the entries in the registers are punished by fines. Errors in entries may be corrected by the authorities.

§ 10. Any surreptitious carrying away of sugar or syrup is punished by confiscation and a fine equal to ten times the amount of the tax.

Habitual infractions of the regulations are punished by a fine of at least 500 fl., and in case of sugar having many times been carried out by an unauthorized way, the factory is subject to rigorous control to be defined by law.

§ 11. The authorities are empowered to see that persons leaving the factory carry out no sugar with them.

§ 12. The manufacturer is responsible for fines becoming due through the act or negligence of one of his workmen.

§ 13. In the case of a manufacturer receiving sugar, syrup, or molasses from outside, the gross weight and richness are ascertained by the authorities, and the manufacturer is bound to enter in special registers these weights and the gross weight of the quantities melted or worked. In case of an inventory being made, quantities in excess are entered, and duties due on quantities missing must be paid according to § 8 without deduction for tare.

B.—Refineries.

§§ 1 and 2. As for sugar factories (see under *A*).

§ 3. The net weight and richness of sugars entering the factories are ascertained by the employés.

§ 4. The refiner enters, or causes to be entered, in special registers—

(a.) The gross weight of sugars brought into the factories, ascertained under § 3.

(b.) The gross weight of sugars melted each day.

Both without distinction of richness.

(c.) The quality and net weight of sugars obtained by refining.

In the case of loaves and candies placed in the drying-room, the entry is made on the sugars in question leaving it.

The weight of sugar in loaves or pieces of the same size may be taken according to an average per piece, accepted by the Administration.

(d.) The quality and net weight of the sugars melted.

(e.) The quality and net weight of sugars leaving the factory.

§ 5. As for sugar factories (see under *A*).

§ 6. The sending of sugar abroad or to a bonded warehouse is placed under the control of the Administration, and gives rise to no collection, restitution, or writing off of duties.

Sugar cleared for consumption is dutiable according to its real weight.

§ 7. As for sugar factories (see under *A*).

§ 8. The Administration is empowered to make an inventory of the sugar in the factory.

Amounts in excess are entered in the registers.

On quantities missing, the tax is due at once, without deduction for loss in manufacture. On raw sugar, candy, and pieces the tax is leviable at its highest rate. No deduction for tare is made on the gross weight of the sugar going into the refinery.

The inventory may be limited, however, to the sugars which have gone into the refineries, and are not yet in hand, or to the sugars obtained by refining.

§§ 9-12. As for sugar factories (see under *A*).

§ 13. For syrup and molasses, as for sugar factories (see under *A*).

C.—Glucose Factories; Factories for extracting Sugar from Molasses.

In the Netherlands glucose is only manufactured in the liquid or massed, and is subject to a customs tax only.* If it were taxed the factories would be subjected to the same system as sugar factories.

Same observation in the event of the establishment of factories for the production of glucose in powder or granulated, or of special factories for the extraction of sugar from molasses, none of which, however, exist in the Netherlands.

D.—Saccharimetry.

With regard to the place to be occupied by saccharimetry in the system of taxation sketched above, it would be used to estimate the yield on refining of the raw sugar taken into refineries, not as a basis for assessing the tax, but simply as a check, and in order to enable the amounts produced to be compared with the estimate. For the taxation of raw sugar, pieces, and molasses-sugar intended to enter as such into consumption, it does not appear necessary to have an estimate of yield on refining, and it might be sufficient, in applying saccharimetry, even where the material is taxed according to quality, merely to give the polarimetric index. But, in the opinion of the Netherlands Government, each country should remain free to regulate as it pleases the rate of the consumption tax. The only point which, in this view, can be of interest to other nations is that their sugars should not be taxed at a higher rate than the similar national products or than those of the most favoured nation.

General Remarks.

As required by the Protocol of the 19th December last, the above draft contains nothing beyond the basis of the proposed system. The law would fill in the details, such, for instance, as the obligation of the manufacturer to supply the officials with a suitable room in the factory and to place at the gates the watchmen's boxes required by the authorities; the previous approval of the plans of new factories; the bond to be furnished for the payment of duties on sugar taken into the works or

* By the Minutes of the sixth meeting of the Conference, "it is understood that in countries where glucose is not taxed it will not be necessary to place glucose factories under control."

manufactured; the power of the officials to check the entries in the registers by weighing one or more lots of the sugar; the liquidation of credits granted for sugar cleared for consumption, &c.

Annex (B).

IS the Government of the Netherlands disposed, for the sake of uniformity, to admit the so-called French method of saccharimetry?

In replying to this question, the King's Government understands by French method the method of analyzing raw sugar now in force both in the Netherlands and in France, which consists:—

(a.) In ascertaining, by means of the polarimeter, the absolute richness of the sugar.

(b.) In ascertaining the amount of ash (after elimination of insoluble substances) by means of sulphuric incineration, in diminishing by one-tenth the weight as found in the scales, and in subtracting from the figure showing the absolute richness the weight of the ash (thus collected) multiplied by coefficient 4.

(c.) In ascertaining the amount of glucose by means of cupro-alkaline liquors, and by subtracting the weight thereof multiplied by 2 from the absolute richness.

Fractions of a degree are neglected.

The richness of raw sugar thus ascertained, after deduction of $1\frac{1}{2}$ per cent. as loss in manufacture,* is considered the presumed yield on refining.

It is well known that this method has no scientific basis, and that the estimate it gives is according to some too high, and according to others too low. It is true that 4 as the coefficient for ash is derived from a certain number of analyses of beet-root molasses; but each sugar has its own coefficient, for the nature and proportion of the salts are not constant and may differ greatly. Two as coefficient for glucose, and $1\frac{1}{2}$ per cent. as loss on manufacture, are the result of a compromise ratified by the Law of the 19th July, 1880, between the French refiners and the Government of the Republic, and, as such, are entirely conventional. In trade, 5 is generally adopted as the coefficient for ash, and 1 for the coefficient for glucose; but these coefficients vary according to time and circumstances. The polarimeter itself cannot be accepted as giving an exact measure of the crystallizable sugar, especially since science has shown that there exist in raw sugar substances which falsify, in one way or another, the index given by the instrument (dextrine, raffinose, &c.). In conclusion, the value of the so-called French method of saccharimetry is very doubtful considered as a means of estimating the yield on refining by ordinary processes, and is of no use for estimating the yield obtained by the various methods of extracting sugar from molasses (osmosis, elution, separation, &c.), which processes are also in use in refineries.

In the opinion of the Netherlands Government, the method may, in a Sugar Convention leaving the various countries free to fix the rate of their duties, be, if necessary, admitted as a check, but not as the basis of the assessment of the tax.

Russia.

M. de Staal to the Marquis of Salisbury.—(Received April 3.)

My Lord,

London, March 22 (April 3), 1888.

BY a note addressed to the Minister for Foreign Affairs, dated the 16th (28th) January last, Her Britannic Majesty's Ambassador at St. Petersburg informed the Imperial Cabinet of the acceptance by his Government of the conclusions recorded in the Protocol of the Conference and the draft Convention on the question of export bounties on sugar, and at the same time asked M. de Giers to communicate to it the decision of the Imperial Government, and the remarks the latter might have to make on the various points discussed at the Conference, and to fix the date for the coming into force of the Convention.

Being now in possession of the reply of my Government, I have the honour to bring the following observations to your Excellency's knowledge.

The Imperial Government admits in principle the conclusions arrived at by the Conference regarding the abolition of export bounties on sugar as recorded in the draft Convention, but with the following alterations:—

1. While consenting to grant no direct bounty on sugar exported to European countries, the Imperial Government reserves to itself the right to continue to pay the bounties hitherto granted in Russia on sugars exported to Asiatic markets, and to retain her full liberty of action with regard thereto. The draft Convention would have to be completed in this sense.

* Under the Netherlands Law of the 29th August, 1886, Article 3, loss in manufacture is $2\frac{1}{2}$ per cent. for cane sugar.

3. In view of the completely satisfactory results of the Russian system of collecting the excise duties on sugar, which were indeed recognized as such by the Conference itself, the Imperial Government see, no reason for changing the system in question, and claims to have its right to continue the system confirmed by a special clause to be added to the text of the Convention; the system consisting (a) in collecting the excise not only on the amounts of sugar intended for consumption but on the total quantities produced without excepting the amounts intended for exportation; and (b) in repaying on the exportation of sugar a sum absolutely and exactly equal to the excise duties collected on such sugar.

3. As the equivalents proposed at the Conference do not appear to the Imperial Government to be sufficient, they cannot consent to the continuation of the Belgian system of collecting the excise, which system has been pronounced bad, but which is accepted for Belgium by Article III of the Convention.

4. The Imperial Government trust that the English Colonies and Possessions mentioned in Article VIII will at once adhere to the Convention, as indeed Lord Onslow let it be hoped they would.

5. The Imperial Government would propose to reduce to five the term of ten years, fixed by Article IX of the Convention, for the reason that the circumstances of production and trade might easily change before that date.

6. With regard to the date for the Convention coming into operation, the Imperial Government could not fix such a date without its being examined by the Council of the Empire in accordance with the stipulations of Article I of the draft Convention.

The Imperial Plenipotentiary is nevertheless authorized to sign at the same time as the Plenipotentiaries of the other Contracting Powers.

7. The question of surtaxes, raised by the Netherlands Delegates, cannot be taken into consideration by the Russian Government, as it implies a restriction on the liberty of every State to legislate in the matter of customs; duties. And

8. With regard to the proposal of the Spanish Delegates respecting the prohibition against importation of bounty-fed sugar under the same conditions as other sugar, the Imperial Government recognizes the fitness of the proposal in question and assents to it.

I have, &c.

(Signed) STAAL,

Memorandum on the Russian Laws, communicated by the Russian Delegate.

EXTRACT FROM THE RUSSIAN LAWS ON THE EXCISE ON SUGAR.

1. THE cultivation of beet-root and other sugar-producing plants is entirely free, and subject to no limitation throughout the whole extent of the Russian Empire, including the Kingdom of Poland. The manufacture of sugar is subject to a tax under the following forms, the revenue derived from which is paid into the Treasury: (1) a licence tax on the right of manufacturing, and (2) the excise collected on the amount of crystallized sugar produced.

2. This tax is not levied on (1) refineries refining raw sugar, or lumps imported from abroad, on which import duties have been paid, or raw home-grown sugar on which the excise duty has been paid at factories producing raw sugar; nor on (2) glucose factories.

3. The licence tax is 5 roubles per 1,000 poods of sugar produced (7 centimes per 100 kilog.), and the excise 85 copecks per pood of sugar produced (11 fr. 62 c. per 100 kilog.)

6. On the building of a new factory, or the rebuilding of an old one, the owner sends in to the Inspector of Excise, in triplicate, a detailed description of the factory, as well as of all the machinery, together with drawings and plans, showing the position of the various parts of the factory and that of the machinery. The Inspector or his Assistant, after ascertaining the correctness of this description, and of the drawings and plans, gauges by geometry, and with the assistance of another official of the Inspector's staff, the reservoirs and the shapes or moulds for syrup, as well as the reservoirs, holders, and cisterns or large tuns for molasses, and prepares a minute of the result in accordance with the instructions of the Minister of Finance. Consecutive numbers are given to the reservoirs, cisterns, large tuns, and holders.

7. Before commencing work in a factory which has been rebuilt, or which has already been in work, the manufacturer sends in to the Inspector of Excise, at least two weeks in advance, a declaration in the prescribed form, giving (1) the date on which the extraction and boiling of the juice will begin; (2) the quantity of sugar which will be produced per day; (3) the time fixed for weighing the sugar manufactured. The hours for weighing must be chosen during the daytime, between 6 in the morning and 6 at night.

8, 9. The Inspector of Excise, after receiving such declaration, grants the manufacturer a licence to work the factory, on which he pays the above-mentioned tax, the supposed daily production, multiplied by 100, being taken as basis. Sugar produced in excess thereof is exempted by a supplementary licence at the conclusion of work.

10. Should the manufacturer produce less sugar than the amount on which he has paid the tax, or even if he has been obliged to give up the intention of running the factory before work has begun, the tax paid on the licence is neither repaid nor allowed for on the licence being renewed for the next year. The only exception is the destruction of the factory by fire.

11. Before work begins the owner shall signify to the Directors of the Excise who is responsible for the working of the factory, and who are his principal assistants; the persons in question shall sign with him all declarations, factory registers, and all other documents issuing from the factory.

12. In case any structural alteration be made in the factory, or any change in the apparatus or processes, the manufacturer must send in to the Excise Inspector a detailed description of the alterations in question, and in urgent cases a detailed description of the whole factory. Manufacturers are furthermore to furnish yearly to the Directors of Excise, at the end of the working season, which usually lasts from the 1st December of one year to the 31st August of the next, all the information relating to the working of the factory required by the Minister of Finance.

13. Manufacturers are to inform the Excise Inspector, after the formal conclusion of the deed, of the factory passing from one owner to another, or of the letting of the same.

14. On the extraction of the juice or the boiling of the syrup being terminated, the manufacturer shall, the same day, declare the fact to the Excise Inspector.

15. Owners, directors, and foremen of beet-root sugar factories, and all persons employed therein, shall, at any hour of the night and day, admit to the factory the Excise authorities charged with inspecting factories, or commissioned for that purpose by the Minister of Finance. Whilst these officials are in the factory, the owners or directors shall furnish them with warmed apartments, and supply them, at the rate fixed by law, with horses to take them to a neighbouring factory, or to a posting station.

16. The excise on sugar is assessed on the weight of manufactured sugar delivered by the factory, and all produce delivered in an unfinished state, such as raw yellow or brown sugar, "masse cuite," syrup, except molasses, pay the same tax as sugar.

17. In factories combining manufacture and refining within the same building, or in an adjoining building, or in one surrounded by the same wall, the amount of the excise is calculated on the weight of refined sugar and white sugar in loaves, packing paper and string included; sugar in pieces or in powder is taxed on the net weight.

18. In the case of factories mentioned in Article 17 employing, in addition to raw sugars of their own production, sugar brought from other factories and already taxed, the excise is levied only on the amount of refined sugar exceeding the quantity of the raw sugars so brought in; in this case the proportion of duty free molasses allowed is 2 per cent. on the whole quantity of refined sugar produced in the factory. Quantities above 2 per cent. are taxed at the same rate as sugar.

19. Exhausted or black molasses may be delivered by factories duty free. Exhausted molasses means a thick, sticky, dark brown liquid, having a disagreeable taste, containing not more than 55 per cent. of sugar, and 25 per cent. of substances other than sugar (the rest is water).

Molasses not corresponding to this description is considered as syrup, and taxed according to its weight at the same rate as sugar.

20. Should the complete refining of unfinished sugar become impossible on account of any extraordinary circumstance beyond the control of the good-will of the manufacturer, such, for instance, as fire, injury to the apparatus, bankruptcy, &c., the manufacturer may petition to pay duty on the unfinished articles delivered for consumption at a lower rate proportional to their yield in white sugar.

21. The finished sugar is weighed on days and at hours stated in the declaration sent in to the Excise Inspector. Weighed sugar is placed apart for at least three hours

after the hour stated in the declaration. Should the manufacturer find it impossible to weigh at the hour fixed, the operation is postponed, the fact of such postponement being entered in the weighing-book. Produce to be subjected to further treatment in the factory must not be placed in the same part as the finished weighed sugar.

22. Persons employed by the factory, and the officials of the Excise, if present during the operation of weighing, enter each parcel ("colis") in books kept for the purpose. The totals of each day's weighing, together with a statement of the tax due, is signed by those present.

23. The parcels are numbered consecutively from the beginning of the working season. The tare and the net weight of the sugar, as well as the trade-mark, must be affixed to them.

24. Raw and refined sugar, and syrup and molasses of different qualities, must be delivered for sale by factories and refineries in separate parcels, containing not less than 5 poods (82 kilog.).

25. Each consignment must be accompanied by an invoice, giving the name and address of the factory, date of consignment, destination, quantity by weight of the sugar, and the numbers on the parcels. Molasses sent to elution factories, distilleries, or abroad must be accompanied by the same invoices as sugar.

26. Sugar and other produce mentioned above may, during transit to destination and at railway stations, be placed under the control of the Excise authorities. In the case of loss of an invoice, the messenger carrying it must declare the fact to the Excise authorities.

27. Raw sugar admitted to refineries must be entered in the books on the received side, with a statement of the place whence it came, according to the invoices or bills, and on being taken out, after refining, it must be entered in the same books on the sent side. As regards raw sugar entering and refined sugar leaving them, refineries are under the same complete control of the Excise authorities as factories.

28. If quantities of saccharine produce in transit (Article 24) are, during transit, divided into several parts, the messenger in charge is authorized to issue a special invoice for each part, but will on the original document give the weight and number of the separate quantities.

29. Owners of beet-root sugar factories must keep certain books showing the amount of manufactured sugar coming and leaving, and must keep a journal of work. The keeping of these books and the general system of accounting will be in accordance with the orders issued by the Minister of Finance in consultation with the Controller-General. The accounts will furnish the principal part of the information required for calculating the amount of sugar made and delivered and the other data required for controlling the work, viz. :—

(1.) *Respecting extraction of the juice:* (a) The quantity of beet-root worked given in bercovets or poods, ascertained according to the method adopted in each factory; (b) number and name of the apparatus used in extracting the juice; (c) the normal density of the juice taken on the areometers of Brix or Balingue; (d) the quantity of inferior substances added to the juice; (e) the general quantity of the "masse cuite" in poods ascertained by the volume weighed; and (f) the quantity of white and brown sugar taken from the turbins, moulds, holders, &c., together with the totals for each week.

(2.) *Respecting the boiling:* (a) The quantity of brown sugar dissolved for the second boiling; (b) the quantity of syrup added, in poods; and (c) the quantity of the "masse cuite," in poods, ascertained by the volume weighed. In the same book may be entered any other technical details which the manufacturer may think useful for giving information as to the work done.

Besides these books there will be a book with counterfoils of the invoices usually sent out with sugar and other produce.

30. In refineries attached to beet-root sugar factories a book of the receipts of such duty-paid raw sugar is kept as is brought in from other factories, and in refineries not attached to beet-root sugar factories a book showing the raw sugar received and the refined sent out.

31. At the end of every month the manufacturer adds up the totals in the books wherein are entered the amounts of sugar received and sent, and during the first ten days of the following month the management of the factory shall send in to the District Inspector a copy of the book wherein is entered the sugar weighed, together with the monthly totals, signed by the persons responsible for the management. The copy in question must not be sent in later than the tenth of the following month.

32. These books must be kept by responsible persons, and shown to the inspecting

authorities on demand. They must, under penalty of fine, be kept without erasures or obliterations; all corrections must be specially mentioned and certified.

33. On the termination of the yearly working season the manufacturer adds up all the totals in these books, except the journal. The remainder of the duty-paid raw sugar is transferred to new books; the exactness of this transfer is certified by responsible persons in the management of the factory.

35. The calculation of the amount of excise payable on factories is made up to the 1st August. In the case of refineries using sugars other than those of their own production and brought duty paid from other factories, this calculation is made up to the 25th August.

36. The tax must be paid on the 31st August at latest, and at any rate before the beginning of the new season.

37. The licence for the new season may not be issued until the tax and all arrears have been paid.

38. In case the tax and all arrears are not paid by the day fixed, the manufacturer incurs a penalty of 2 per cent. for each month that it is overdue, parts of a month being reckoned as a whole month.

Orders representing the payment of exportation drawbacks on sugar may be used instead of money for paying the excise. These orders are issued by the Custom-houses at places where sugar may be exported and be taken in payment of the excise at all factories.

(Circular from the Assistant Minister of Finance, the 19th February, 1887, No. 1984.)

39. The factory and all property belonging to it are responsible for all payments due to the Treasury in respect of the manufacture of sugar. If the debt and interest thereon are not paid by the 1st January of the following year, the factory and all property belonging to it will be sold by auction in the following order: first, the stores of raw and refined sugar if there are such at the factory; next, plant, machinery, apparatus, and the various vessels forming part of the factory; and lastly, the building and land mentioned in the description of the factory. The balance of the sum obtained at the sale shall, after payment of the debt due to the Treasury and all the expenses of the sale, be forthwith paid over to the manufacturer. The police of the district is charged with guarding the factory and all the property belonging to it until the debt is paid.

40. The administration of the sugar excise is placed under the Ministry of Finance and is in the Department of Indirect Taxes, which is the central authority.

41. The Minister of Finance (1) fixes the number of excise districts, and the number of officials necessary for this branch of the Administration; (2) publishes detailed instructions for the collection of the tax; (3) interprets and completes any temporary measures in accordance with the principles on which the tax is based; and (4) takes the initiative within the limits of the existing laws in regard to all measures necessary in the interest of the Treasury.

42. The local administration is confided to the Heads of the Staff for the Collection of the Excise; then come Inspectors of large districts, their Assistant Inspectors of sub-divisions of such districts, and the officers in charge of the factories.

43. The Heads of the Department for the Collection of the Excise (1) distribute the factories into districts and sub-districts; (2) supervise the regular collection of the excise, and within the limits of their powers take the necessary measures therefor; and (3) appoint the officials who supervise the sugar excise.

44. Each district is under the direct administration of its Inspector, and is divided into sub-districts under the direct supervision of his Assistants. The supervision of factories which, on account of their distant situation, cannot be included in the districts is confided to the care of the Inspectors of subdistricts.

The following recapitulates the various penalties for infringements of the Sugar Excise Law:—

48. Manufacturers failing to inform the Excise Administration that the building of a factory is finished incur a maximum fine of 300 roubles.

49. Manufacturers failing to send in to the Administration in question the description, drawings, and plans of the factory, and its machinery, or having in their factories machinery not mentioned in such description, incur a maximum fine of 100 roubles.

50. Manufacturers making sugar in a factory built without the knowledge of the Excise Administration, or in any other place adapted to such manufacture, shall be condemned to pay an excise ten times the normal on the whole quantity of sugar made, and incur a fine of four times such penal excise, and imprisonment of from two to four months. All sugar found, and the materials for making it, together with the machinery,

apparatus, and packing materials, shall be confiscated and sold for the benefit of the Treasury.

51. Manufacturers (1) commencing to run a factory built with the knowledge of the Administration before sending in the necessary declaration, or before the time stated in the declaration, or continue work after the time fixed for ceasing work, so that the sugar manufactured during such time escapes taxation; or (2) selling or delivering sugar which has not been entered on the receipt side of the factory books, are condemned to pay an excise ten times greater than the normal amount on the whole quantity of sugar illicitly manufactured, sold, or delivered, and incur:—

For the first offence, a fine of double the amount of the above-mentioned penal excise, and confiscation of the sugar, which is sold for the benefit of the Treasury; or, if it has already been sold, confiscation of a corresponding quantity of sugar, which will be sold in the same manner;

For the second offence, a fine of four times the penal excise, and confiscation of the sugar, or, if it has been sold, of a corresponding quantity of sugar;

For the third offence, the same fine as for the second, and imprisonment of from two to four months.

The same penalties are incurred by refiners and sugar merchants knowingly receiving sugar delivered without payment of the excise.

52. If in the above cases there was no intention of concealing sugar illicitly made, or if the factory books have not been kept, and, in general, for all infractions of the Regulations framed for insuring the regular collection of the excise where there has been no concealment of sugar, the penalty is:—

For the first offence, a maximum fine of 100 roubles;

For the second offence, a maximum fine of 200 roubles;

For the third offence and following, a maximum fine of 300 roubles.

53. If the factory books are incorrectly kept, if the accounts are not sent in to the Excise Administration at the proper time, if the invoices are incorrect, if any loss of invoices is not declared, and, in general, for all infractions of the Regulations respecting the accounting for, manufacturing of, and delivery of sugar, when there is no intentional evasion of the excise, the penalty is a maximum fine of 20 roubles.

54. A manufacturer commencing to work a sugar factory without having taken out a licence incurs a fine of 100 roubles and payment of twice the licence duty, and work at the factory shall be stopped, by order of the Excise Administration, until a licence has been taken out.

55. A manufacturer failing to admit to the factory any officers of the Excise Administration incurs a maximum penalty of 200 roubles.

56. A manufacturer failing to inform the Excise Administration of his having let his factory is liable for all payments due to the Treasury, and is responsible for all infractions committed by the person to whom he has let it.

57. If illegalities are committed with respect to the manufacturing and delivering of sugar without knowledge or participation of the manufacturer by his representative or other person employed in the factory, the fine and personal penalty are inflicted on the persons guilty of the offences, who are prohibited from again serving in a sugar factory. If the fine is not paid within two weeks, distraint is made on the property of the guilty person, and, if his property is insufficient, on that of the owner of the factory.

Insolvent persons are liable, with regard to the payment of fines, to detention, imprisonment, or may be sent to the public works, according as the amount to be recovered is greater or less.

EXTRACT FROM THE INSTRUCTIONS FOR COLLECTING THE SUGAR EXCISE.

Duties of Heads of the Department for the Collection of the Excise and of Superintendents.

1. Personally to visit and inspect, during their annual tour, all factories within their district.

2. The keeping of the registers of the factories in their district, together with all the details thereof.

3. The keeping of the registers showing the quantities of sugar made in each factory, the sums to be collected as excise, the licence tax and fines in accordance with the monthly Reports sent in by Inspectors of districts and sub-districts, and the presentation to the Department of Indirect Taxes of a monthly Report extracted from the books

in question, as well as of a Report of work done during a season at the close of such season.

The Heads of the Department of Indirect Taxes must further—

4. See that the final arrangement of new factories is duly notified at the right time.

5. Collect statistics on the manufacture of sugar through the medium of Inspectors of districts and sub-districts, and present to the Department of Indirect Taxes, not later than 1st June, 1st September, and 1st December, Statistical Tables compiled in the prescribed form from the statistics in question.

6. See to the payment to the Treasury at the proper time of the excise due by each factory, of the licence tax and other payments, and to the presentation to the Department of Indirect Taxes, not later than the 1st October, of an annual Report of all payments received from each sugar factory, and of the arrears remaining due.

7. Send to the Audit Office, to be passed, all the factory account books.

The duties of Superintendents consists in inspecting, on instruction from their chiefs, the offices of the Administration of the Sugar Excise, and in seeing to the regular performance of the duties of the officials employed on the sugar excise. They must during their tours visit the sugar factories, inspect them ("inspector et réviser"), and, if necessary, take part in Committees for verifying descriptions of factories and gauging vessels. They must further take cognizance of abuses of which they may be informed, and take measures for remedying them.

Duties of Inspectors of Districts and Sub-Districts.

1. To overlook immediately sugar factories in their districts; to inspect frequently and in person each factory three times at least during the working season; to assure themselves that the scales and other weighing machines are accurate; to check the official acts of their Assistants and of the Controllers; and to check the amounts of sugar made, by means of the weighing-book, in conjunction with the data contained in the other factory books.

2. To keep (a) a detailed register of all factories in their districts, and (b) an account-book showing the amount of sugar produced in each factory, and the amount of excise due as calculated from the books, showing the weight of dutiable sugar, which are sent in every month from each factory.

3. To send in each month to the Head of the Department for the Collection of the Excise a statement of the amount of sugar made in each factory and of the excise to be collected; to prepare at the end of each season a statement showing the work done in each factory, the quantities of sugar produced and delivered, and the amounts of excise and licence tax to be collected, as calculated from the entries in the factory books; and to send the statement in question to the Head of the Department for the Collection of the Excise.

4. To send each year before the 1st September to the Head of the Department a report of all moneys paid into the Treasury and of arrears outstanding in respect of each factory in their districts.

5. To collect statistics on the construction and producing capacity of the factories, on the work done in them, on the extent of ground planted in beet, on the beet harvest, on its quality, on its richness in sugar, on the quantity of beet worked, of sugar produced, &c.; and to present Reports founded on these statistics to the Head of the Department on the 15th May, 15th August, and 15th November.

6. To certify the counterfoil invoice-books sent in by manufacturers.

7. To receive delarations and check descriptions of factories made by manufacturers, to gauge vessels for containing the syrup and molasses, to draw up official statements, and to issue receipts for the licence tax.

Duties of the Assistant Inspectors of Districts.

To visit as frequently as possible all factories in their districts, to be present at the weighing of sugar after testing the exactness of the scales and weights, to check the accuracy of weights taken during their absence, the regularity of the numbers on parcels weighed, the regularity of entries made in the books with reference to the quantities of sugar by weight, and to superintend the keeping of the factory books.

They must, moreover, follow the working of the factories, giving their attention especially (a) to the quantity of beet-root worked, that is to say, the quantity of grated beet put in the diffusion vessels and of pulp sent to the presses or put in the macerating

vats; (b) to the speed of the apparatus for dividing the beets, to the duration of each complete operation at the presses, the diffusion vessels, and macerating vats, to the speed of revolution of the cylinders in cylindrical presses, and to the other factors of the work; (c) to the quantity and quality, as shown on Brix's areometer, of the juice extracted and purified, and to its saccharine richness, as shown by polarimetry; (d) to the quality of the diffusion residues, that is to say, to the density, according to Brix's areometer, of the exhaust liquors from diffusion vessels and of the waters remaining in the residue, to their richness in saccharine matter, and to the quantity of residue in the presses; (e) to the quantity of subsidiary substances added to the juice and dissolved in it on boiling, to the density, according to Brix or Beaumé, of the concentrated juice or syrup, to the duration of the process of concentration in condensation vessels, and to the quantity of *masse cuite* obtained, and, if possible, to its quality according to the polarimeter; (f) to the method of purifying and decolorizing the *masse cuite* and to its yield in crystallized sugar.

The Assistant Inspectors must enter the result of these observations in their journals, adding in the proper books any particular remarks which may be necessary under the heading "Notes."

The officials charged with the superintendence of the excise must, when they visit a sugar factory, ascertain the amounts of the products of consecutive stages of manufacture as found in the reservoirs, in order to estimate approximately the quantity of sugar which might be obtained from them.

The duties of Inspectors of sub-districts are the same as those of Inspectors of districts, so far as relates to accounts, the receipt of declarations, the checking of descriptions of factoring, and the gauging of vessels; in reference to the superintendence of factories, their duties are the same as those of Assistant Inspectors of districts.

Duties of Controllers.

To the Controllers is confided the immediate superintendence of the factories, and on instruction from the Heads of the Department for the Collection of the Excise, or at the request of manufacturers, a certain number of them remain permanently in the factories. Controllers not so stationed in a factory are at the disposal of Inspectors of districts, who may instruct them to place themselves temporarily in a factory, so as to be present when sugar is weighed, to check the amounts of sugar sent away from the factory, &c.

Controllers residing permanently in a factory must—

1. Be present when sugar and molasses are weighed on being taken to the warehouses and storehouses and on leaving the factory.

2. See—

(a.) That each parcel contains at least 5 poods (82 kilog.) of sugar or molasses, and is at once entered on the receipt side of the weighing-book with a number in consecutive order from the commencement of work; and that each parcel weighed after having been similarly numbered and having been marked with the weight of the sugar or molasses it contains, with the tare, and with the trade-mark of the factory, are kept apart for at least three hours after termination of the time fixed for weighing, and are then taken to the ware- or store-houses.

(b.) That parcels of sugar taken to the ware- or store-houses are entered on the receipt side of the warehouse-book.

(c.) That parcels of sugar or molasses on leaving the factory are at once entered on the dispatch side of the warehouse-book.

(d.) That each consignment ("convoi"), or part of a consignment, is accompanied by an invoice, and that the numbers and marks showing the weight in the document in question are in exact accordance with the entries in the warehouse-book.

General Duties of Persons employed on Sugar Excise Service.

In addition to the special duties mentioned above, the officials of the Sugar Excise Service must—

1. Superintend the transmission to destination and to railway stations of sugar (raw, refined, or white), syrup, and molasses of all kinds, and with this object they must require persons conveying the sugar to exhibit the invoices or bills, and from such documents check the totals and the numbers of parcels in the consignment, but must not in so doing cause delay. Should the invoices or bills not be in agreement with the number of parcels actually sent, the official records the fact in a Minute, which he sends to the Head of the Department for the Collection of the Excise.

2. Superintend refineries, and take particular notice of any raw sugar sent in which has not paid duty and is not accompanied by an invoice or bill.

3. Keep a journal during their tours of inspection of sugar factories, and enter therein any information obtained in such factories or extracted from the factory books. Each month they send an extract from their journal to the Head of the Department for the Collection of the Excise.

4. On each visit to a sugar factory enter in a weighing book an account of what they have done with regard to checking the weights shown.

Packing, Weighing, Warehousing, and Dispatch of Sugar.

1. Sugar (raw, white, refined, in loaves and pieces) is packed and weighed in a separate room, which must be so built and placed as to give the utmost guarantee against any theft or surreptitious abstraction of sugar before the assessment of the excise. The room in question must therefore communicate with the drying-room only, and have one way out only, viz., to the hall or directly into the yard. Its windows, if on the lower floor, must be secured by wire gratings.

2. In the weighing-room are placed the scales or other accurate weighing-machine bearing the Government stamp, and true weights bearing the same stamp. The weighing machinery and the weights shall be examined from time to time.

3. Sugar leaving the factory, whether finished, such as white raw sugar, refined or white ("mélis"), or unfinished, such as light brown or brown raw ("masse cuite"), syrup, &c., may be packed in barrels, bags, or boxes, but every such barrel, &c., shall, before the sugar is put into it, be weighed with everything belonging to it, such as nails, cords, staves, &c., and the tare shall be entered in the proper column of the weighing-book.

After weighing, the weight of each parcel is entered in the gross weight column of the weighing-books, and the difference between the gross weight and the tare is entered in the net weight column. The weight of no parcel may be less than 5 poods (82 kilog.); no parcel weighing less may be sent out.

Disposal of exhausted Molasses and unfinished Produce.

Exhausted molasses may leave a factory without payment of excise, provided it entirely fulfils the requirements specified above. In view of the difficulty officials would have in analyzing exhausted molasses on the spot, they must, in superintending its dispatch, limit themselves to an examination of its exterior characteristics; if it is suspected that syrup is being sent away as exhausted molasses, the officials take a sample weighing 2 lbs., which they send in a white metal bottle, bearing the seals of the manufacturer and of the Government, to the Department of Indirect Taxes; but the consignment of molasses is allowed to proceed with an ordinary invoice on condition that the manufacturer will pay the excise on it should the Department be of opinion that the nature of the sample is not that of exhausted molasses as defined by law.

Should manufacturers request to be permitted to pay on unfinished produce, such as raw, light brown, or brown sugar, a lower rate of excise corresponding to the amount of white sugar they contain, two pound samples of such produce are sent for examination to the Department of Indirect Taxes, which fixes the rate of the excise. This case is provided for by Article 20 of the "Extracts from Legislation," on p. 2 of the present Memorandum.

Repayment of the Excise on Home-grown Sugar exported to a Foreign Country.

Home-grown sugar is freed from the excise on being exported to a foreign country, but only when such sugar is in a solid form, such as raw of different qualities, white, refined, and candy, and if each parcel weighs at least 10 poods net (164 kilog.). Each consignment of sugar exported to abroad must be accompanied by an invoice issued at the factory where it was made, or by the merchant's bill showing the factory and origin.

Light brown and brown raw sugar may only be exported direct from a factory after assessment of the excise; *the excise is not repaid in money, but is to be deducted from the total excise as shown in the general account of the factory.*

Raw sugar for exportation must be dry and show no viscosity.

The special Regulations with regard to the exportation of this article will be given further on. Refined sugar in loaves or large tablets must, on exportation, be packed in paper (not more than two sheets), and be tied with string in the manner shown on the samples kept in the custom-houses; otherwise 4 per cent. of the weight of the whole consignment is deducted. Should the exporter consider this deduction exorbitant he

may insist on the real weight being ascertained by weighing the whole consignment without the packing. Refined sugar in broken or sawn pieces is sent to the Customs in boxes or barrels.

Sugar for exportation must be sent to the Customs with a declaration made by the exporter or his representative, together with a signed bill showing, in words, the number and kind of the parcels forming the consignment, the marks, numbers, and total weight, gross and net. Each parcel must be marked with its gross and net weights.

On receiving the declaration and bill of sugar to be exported, the Customs, conjointly with an Excise official, if there is one, verify the nature of the consignment in the presence of the exporter or of his representative to see that it is really sugar without admixture of any other substance which is about to be exported, and that the amount shown in the bill is accurate. For this purpose one in ten at least of the parcels forming the consignment is selected and examined by the officials, and the gross weight of the whole consignment is ascertained by a renewed weighing. From the weight thus obtained is deducted, in the case of parcels of not less than 25 poods (410 kilog.) gross, 7 per cent. as the tare of barrels and boxes made of fir and deal or other soft wood.

For barrels and boxes made of oak, beach, poplar, or other hard wood, 9 per cent.

For bags :—

Single, 1 per cent.

Double, 2 per cent.

Treble, 3 per cent.

On the exportation of refined sugar packed in felt to Persia and Asiatic Turkey, the net weight is ascertained by weighing; and on the exportation to the same countries of sugar in boxes the tare is fixed at 28 per cent. on parcels of not less than 5½ poods (90 kilog.).

Should there be discovered in the sugar an admixture of any substance added in order to increase the weight with the intention of making illicit gain on the return of the excise, or on the substances substituted for sugar, all the parcels so adulterated shall be confiscated, and the exporter must pay a sum equal to the excise to be repaid; until payment of this fine the exportation of the consignment with regard to which the irregularity has been committed is suspended.

After the examination of the sugar about to be exported, a Minute is drawn up in duplicate, signed by the officials who made the examination, and by the exporter or his representative.

The Minute shows in words the net weight and kind of the sugar exported, the amount of duty from which it is freed, and the date of exportation; the Customs give to the exporter a certificate on stamped paper testifying that the sugar has been really exported to abroad *together with a warrant which will be accepted in payment of excise.*

The following are the special Regulations for the exportation of light brown or brown raw sugar direct from a factory :—

A manufacturer wishing to send raw sugar abroad must send to the Inspector of Sugar Excise a declaration showing (a) the quantity of sugar intended to be exported, (b) how packed, (c) custom-house at which it will be exported, and (d) the date when the sugar will leave the factory.

On receiving such declaration, the Inspector or his Assistant will proceed to the factory to superintend, conjointly with the Controller (if the latter does not reside at the factory), the weighing and packing of the sugar to be exported, and to take measures for the boxes, &c., containing the raw sugar on its leaving the factory being securely closed ("affixer des garanties matérielles de sûreté").

The sugar is packed and weighed in the ordinary manner explained above. The means of closing ("garanties de sûreté") vary according to the manner in which the sugar is sent to the custom-house: (1) if the consignment goes straight from the factory to the custom-house mentioned in the declaration in railway trucks without transshipment, the truck only need be sealed with wax or lead; but (2) if the consignment of sugar during transit is transhipped before reaching its destination, or is carried in carts, each parcel must be so sealed with wax or lead that the parcels cannot be opened without breaking the seals.

A Minute is prepared in duplicate of the weighing and packing of the raw sugar intended to be exported, showing the number and kind of the parcels and the numbers they bear, their gross and net weight (in words), and the kind of raw sugar concerned. This Minute must be signed by all the excise officials present at the operation in question, and by the manufacturer or the person responsible for the management of the factory. One copy is sent to the custom-house at which the sugar is to be exported, with

information as to the manner of transport and the date at which the sugar will leave the factory.

The excise official who superintended the weighing and packing must issue a special invoice showing the name and address of factory, the kind of sugar, its gross and net weight, the number and kind of the parcels, the numbers they bear, method of closing ("garantie de sûreté"), whether seals or leads used for the railway waggons or parcels, date consignment will be dispatched, route it will follow, custom-house at which the sugar will be exported, mode of transport, numbers borne by the trucks in which placed if sent by rail direct from the factory without transshipment *en route*, and surname and Christian name of the person going with the consignment, if carried in carts.

On the consignment reaching the custom-house, and on presentation by the exporter of the declaration, on stamped paper, the Customs authorities ascertain whether the consignment agrees with the invoice, and see whether the means of closing ("garanties du sûreté") adopted by the excise officials have been tampered with. If not tampered with, any examination of the consignment is useless, and the weight and number only of the parcels is checked. If the weight is greater than that shown in the invoice and in the Minute sent by the Customs, the excise allowed is that corresponding to the weight shown in the Minute and in the invoice; but if the weight is less the amount allowed is that corresponding to the actual quantity of sugar exported as shown by the weight taken at the custom-house after deduction from the total gross weight of the tare as marked on the several parcels.

If the means of closing ("garanties du sûreté") are found to have been tampered with, or if there is any doubt on this point, the whole consignment is examined in detail.

Rules for the Saccharimetric Analysis of unfinished Produce and of exhausted Molasses.

Saccharimetric analyses are performed in the laboratory of the Technical Committee of the Department of Indirect Taxes by one of the members of the Committee in question. The object of the analyses is: (a) to ascertain the amount of crystallizable sugar in the produce examined, and (b) the refining index of such produce, that is to say, the amount of white (or refined) sugar which could be obtained by the ordinary processes of manufacture, in proportion to the amounts of mineral substances or of ash present which prevent the crystallization of a certain portion of the sugar.

The following is the method used:—

The total amount of crystallizable sugar in the produce examined is ascertained by polarization. For this purpose the *normal weight* of produce submitted for examination is dissolved in water; if the solution is alkaline, it is neutralized with acetic acid, and it is cleared with acetate of lead and with tannin; the volume is then raised to 100 cubic centim. by the addition of water; it is shaken and filtered. The filtered liquor is immediately polarized in a tube 200 millim. long, or, if the liquor is still coloured, it is first decolorized with animal charcoal; the polarimeter then indicates the percentage of crystallizable sugar.

In ascertaining the refining index of the produce examined, the supposition is adopted that part of mineral substances (ash) prevents the crystallization of, and, consequently, the obtaining of, as refined, four parts of the sugar contained in the produce examined; a certain quantity of the produce (4 grammes, for instance) is therefore taken, and after having been moistened with a few drops of sulphuric acid, is carbonized and calcined in a platinum crucible. From the total amount of ash obtained $\frac{1}{10}$ th is deducted as being sulphates; the remainder, expressed in percentage of the weight of produce examined, is multiplied by four; the product thus obtained is deducted from the amount of crystallizable sugar as shown by the polarimeter; from such remainder $1\frac{1}{2}$ per cent. is deducted as loss in refining, and the amount is thus obtained of the refined or white sugar which could be obtained (from the produce examined) by the ordinary processes of manufacture.

To ascertain the amount of crystallizable sugar when other substances are present which react on polarized light by turning the plane of polarization right or left, the method of inversion is used with the formula $R = \frac{100 \times s}{144 \times \frac{t}{2}}$.

Exhausted molasses is examined in order to ascertain (a) its density according to Brix, *i.e.*, the apparent amount of dry parts; (b) the amount of crystallizable sugar contained in it; (c) the amount of substances other than saccharine; (d) its apparent value.

The density is ascertained by Brix's areometer; a certain quantity of molasses is dissolved in twice the amount of distilled water; the density of the solution is taken, and the figure shown on the areometer is multiplied by 2 or 3.

The amount of crystallized sugar is ascertained by the polarimeter, as described above; the difference between the figure shown on Brix's areometer and the amount of crystallizable will give the amount of substances other than saccharine.

The apparent value of the molasses is found by multiplying by 100 the percentage of crystallizable sugar, and dividing the product by the figure shown on Brix's areometer.

If the molasses contain substances other than sugar, use is made of the method of inversion.

STATISTICAL STATEMENT.

I think it would be useful to add to the present Memorandum a statistical Statement on the revenue derived from the sugar excise, and on the state of the sugar industry in Russia.

Such a Statement will show how this industry flourishes under the Laws of which I have now given the details, and that the control which these Laws impose is most efficacious, without, however, interfering with the working of the factories. I think it necessary to demonstrate this latter point to the Delegates who doubt the efficacy of the system, and the reliableness of the controlling officials.

The Statement is based on Returns for the year 1886, extracted from the Report of the Department of Indirect Taxes, published at the beginning of the present year.

I will begin with the revenue.

The total revenue derived from sugar was, in 1886, 20,650,022 roubles, or 46,256,059 fr., at 2 fr. 24 c. to the rouble.

	Roubles.	Francs.
Whereof the excise produces	18,942,243	= 42,430,614
Licences	141,794	317,619
Fines	65,472	146,657
Repayment of bounties abolished July 1, 1886, portion for exportations in 1885	1,500,513	3,361,149
Total	20,650,022	46,256,059

In comparing the figures for the years 1876 to 1886, the following remarkable increase in the revenue will be noticed:—

Years.	Excise.	Licences.	Fines.	Repayment of Fines.	Total.
	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.
1876 ..	4,850,809	76,037	66,151	..	4,992,997
1877 ..	6,616,048	68,385	91,387	..	6,775,820
1878 ..	4,972,553	58,755	63,511	..	5,094,819
1879 ..	4,537,814	48,395	48,267	..	4,634,476
1880 ..	4,169,537	51,409	56,355	..	4,257,301
1881 ..	3,590,772	63,190	40,581	..	3,694,543
1882 ..	7,962,258	85,411	7,378	..	8,055,047
1883 ..	8,783,177	89,079	5,967	..	8,878,223
1884 ..	12,252,953	96,217	46,594	..	12,395,764
1885 ..	13,676,172	109,409	77,011	..	13,862,592
Average of 10 years ..	7,141,209 (15,996,308 fr.)	74,629 (167,169 fr.)	48,320 (108,237 fr.)	..	7,264,158 (16,271,714 fr.)
1886 ..	18,942,243 (42,430,614 fr.)	141,794 (317,619 fr.)	65,472 (146,657 fr.)	1,500,513 (3,361,149 fr.)	20,650,022 (46,256,059 fr.)

The excess of revenue in 1886 over that of the average of the ten previous years is therefore 13,385,864 roubles (29,984,335 fr.) or 184 per cent.; a similar comparison for the four preceding years 1882, 1883, 1884, and 1885 shows corresponding excesses of 89, 83, 132, and 123 per cent. Such considerable and constant growth of revenue since 1882 is attributable to the increased production of sugar, and especially to the change in the system of collecting the excise, and to the augmentation of the tax from 50 to 65, and, lastly, to 85 copecks per pood (6 fr. 80 c., 8 fr. 85 c., and 11 fr. 62 c., per kilog.); the repayment of bounties granted as a loan on exportation begun, in accordance with the Regulations issued by the Committee of Ministers, in 1886, and produced a

little more than 1,500,000 roubles. But in order to form a correct estimate of the beneficial result of the change in the method of collecting the tax, viz., the system introduced on the 1st August, 1881, of assessing the tax on the sugar actually produced, it would be necessary to compare the average of the preceding seven years 1876-81, during which the tax was assessed on the normal production of the machinery and the normal yield of the roots, with 1886, deducting, however, the amount of bounties repaid. It will then be seen that this average, amounting to 4,908,326 roubles (10,994,650 fr.), would show, for 1886, an increase of revenue of 14,241,183 roubles (31,900,250 fr.); and taking into consideration the fact that the old system of assessing the tax gave a disguised bounty of from 50 to 55 copecks per pood (6 fr. 83 c. to 7 fr. 52 c.) to exporters, the real increase of revenue would appear far more considerable.

On the supposition that the population of the Russian Empire amounts to 101,500,000 inhabitants, the tax on sugar is 20·34 copecks (46 centimes) per head.

I will now pass to the position of the sugar industry during the year 1885-86, and I will, as in the case of revenue, give, in the first place, the figures for the ten previous years, which will serve as a basis for comparison.

Years.	Number of Factories.	Poods.	Kilogrammes.
1875-76	254	9,507,105	159,002,380
1876-77	260	12,669,594	207,527,950
1877-78	245	10,602,918	173,675,797
1878-79	240	11,101,063	181,835,412
1879-80	239	12,544,628	205,481,007
1880-81	236	12,399,897	203,110,318
1881-82	235	15,936,714	261,043,375
1882-83	237	17,537,890	287,270,638
1883-84	244	18,859,739	308,922,525
1884-85	245	20,958,120	343,294,006
Average for 10 years .. ..	..	14,211,767	132,788,741
1885-86	241	29,039,594	475,668,540

The amount of land under beet-root furnishing these factories with their raw material was, in 1884-85, 291,730 dessiatins (318,569 hectares), and, in 1885-86, 299,574 dessiatins (327,135 hectares), whilst the amount of beet-root actually worked was, in 1884-85, 246,312,380 poods (4,033,596,784 kilog.), and, in 1885-86, was 336,699,730 poods (5,515,141,692 kilog.); the quantity of sugar produced, as shown by the Excise Tables given above, was, in 1884-85, 20,958,121½ poods (343,294,006 kilog.), and, in 1885-86, 29,039,594 poods (475,668,540 kilog.); the production of molasses was, in 1884-85, 8,427,759 poods (138,046,692 kilog.), and, in 1885-86, 11,384,582 poods (186,479,453 kilog.). This sugar was principally white sugar; in 1885-86 the amount of this kind produced was 25,193,086 poods (412,662,749 kilog.), or 86·75 per cent. of the total production. The amount of refined sugar produced in refineries attached to factories, as well as in independent refineries using exclusively sugar having paid duty in factories was, in 1884-85, 15,199,346 poods (248,965,287 kilog.), and, in 1885-86, 16,762,634 poods (274,571,945 kilog.). The beet harvest on 299,874 dessiatins (327,463 hectares), used by the factories, was, in 1885-86, 340,881,710 poods (5,583,642,410 kilog.), being an average of 1,138 poods per dessiatin (17,069 kilog. per hectare); and, in 1884-85, the 291,730 dessiatins (318,569 hectares) under cultivation yielded but 249,957,650 poods (4,094,306,307 kilog.), being an average of 857 poods per dessiatin (8,917 kilog. per hectare), or 32·8 per cent. less. The quality of beet harvested, as shown by the amount of sugar in the juice, was about the same in the two years. The average amount of sugar in the beet juice in 1884 was 12·63 per cent., and, in 1885, 12·66 per cent.

The considerable increase in the production of sugar in 1885-86, which, as shown in the preceding Table, amounted to 8,081,474 poods (132,374,544 kilog.), can only be explained on the supposition of a more abundant harvest during that year.

In order to give some idea of the work done by the 241 factories running in 1885-86, I will add the following figures, which will show their respective importance:—

1.—AMOUNT of Beet worked.

	Number of Factories.
Amounts up to 300,000 poods (4,914,000 kilog.)	6
From 300,000 to 600,000 poods (from 4,914,000 to 9,828,000 kilog.:	19
From 600,000 to 1,000,000 " (from 9,828,000 to 16,380,000 ")	55
From 1,000,000 to 2,000,000 " (from 16,380,000 to 32,760,000 ")	122
From 2,000,000 to 3,000,000 " (from 32,760,000 to 49,140,000 ")	30
Above 3,000,000 poods (49,140,000 kilog.)	9

2.—LENGTH of Working Season and Number of Working Days.

	Number of Factories.
At 30 days	1
From 30 to 45 days	1
From 45 to 60 "	5
From 60 to 75 "	16
From 75 to 90 "	24
From 90 to 105 "	51
From 105 to 120 "	61
From 120 to 150 "	70
Above 150 days	12

3.—WORK per day or Amount of Beet worked per working day.

	Number of Factories.
To 4,000 poods (65,520 kilog.)	6
From 4,000 to 6,000 poods (from 65,520 to 98,280 kilog.)	11
From 6,000 to 8,000 " (from 98,280 to 131,040 ")	30
From 8,000 to 10,000 " (from 131,040 to 163,800 ")	31
From 10,000 to 12,500 " (from 163,800 to 204,750 ")	52
From 12,500 to 15,000 " (from 204,750 to 245,700 ")	52
From 15,000 to 20,000 " (from 245,700 to 327,600 ")	38
From 20,000 to 30,000 " (from 327,600 to 491,400 ")	20
Above 30,000 poods (491,400 kilog.)	1

4.—PRODUCTION of Sugar.

	Number of Factories.
To 25,000 poods (409,500 kilog.)	15
From 25,000 to 50,000 poods (from 409,500 to 819,000 kilog.)	45
From 50,000 to 75,000 " (from 819,000 to 1,228,500 ")	54
From 75,000 to 100,000 " (from 1,228,500 to 1,638,000 ")	52
From 100,000 to 150,000 " (from 1,638,000 to 2,457,000 ")	56
From 150,000 to 200,000 " (from 2,457,000 to 3,276,000 ")	17
From 200,000 to 250,000 " (from 3,276,000 to 4,095,000 ")	5
Above 250,000 poods (4,095,000 kilog.)	1

These Tables show :—

1. That during 1885-86 the greater number, or at least half, the factories worked from 1,000,000 to 2,000,000 poods (16,380,000 to 32,760,000 kilog.) of beet.

2. That the greater number of factories, viz., 182 (77.5 per cent.), worked for from three to five months.

3. That the greater number of factories—142, or 59 per cent.—worked from 10,000 to 20,000 poods (132,040 to 327,600 kilog., of beet per day; and

4. That the greater number of factories—75, or 31.1 per cent.—produced from 100,000 to 150,000 poods (1,638,000 to 2,457,000 kilog.) of sugar.

In a majority of the factories diffusion is used for extracting the juice. In 1885-86 diffusion was used in 219 factories, working 2,716 diffusion vessels, with a total capacity of 336,799 vedros (39,077 hectol.); 22 factories only worked presses.

Sugar is extracted from molasses by the three known processes—osmosis, elution, and treatment by strontium.

I would here remark that, from the technical point of view, the Russian sugar industry is worked at the same high level of perfection as in other countries.

The number of hands employed was, in 1885-86, 93,395, of whom 78,479 were men, 12,000 women, and 2,097 children.

Under the influence of the direct bounty of 1 rouble, and later of 80 copecks, per pood (13 fr. 67 c. and 10 fr. 91 c. per 100 kilog.) paid to exporters by way of loan in 1885-86 (the 12th July, 1885, to the 1st July, 1886), exportation became considerable, and reached 7,582,351 poods (124,198,909 kilog.), of which 7,323,932 poods (119,966,006 kilog.) were exported over the European frontier, and 258,419 poods (4,232,903 kilog.) over the Asiatic frontier.

After the 1st July, 1886, when direct bounties on the exportation of sugar to European countries were abolished, exportation almost ceased on the European frontier, 3,939 poods (64,521 kilog.) only being exported thither between the 1st July, 1886, and the 1st January, 1887; but exportation over the Asiatic frontier, still stimulated by a direct bounty of 80 copecks per pood (10 fr. 94 c. per 100 kilog.), not returnable till 1891, amounted to 392,656 poods. The total amount of sugar exported during 1886 amounted to 3,871,377 poods (63,413,155 kilog.).

As in previous years, the importation of foreign sugar into Russia was but small during 1886, 4,825 poods (79,033 kilog.) being imported, of which 252 poods (4,128 kilog.) over the European frontier, and 4,573 poods (74,905 kilog.) over the Asiatic frontier; the latter was principally Chinese candy.

This short statement gives sufficient proof, I think, that it is only since a change was made in the system of collecting the tax, viz., the introduction of an excise on the amount actually produced, which is, indeed, the only rational system, and since the abolition of hidden bounties, that the sugar industry of Russia and the revenue derived from it have really and considerably developed.

Sweden.

His Excellency Count Ehrensward to Her Britannic Majesty's Chargé d'Affaires at Stockholm.

Sir,

Stockholm, March 31, 1888.

WITH reference to my letter of the 24th February last, and to your note of the 24th instant, I now have the honour to communicate to you the decision of the Royal Government as to the draft of Convention between the States who took part in the Conference of London on the Sugar question.

The King's Government approves the principles laid down by the Conference for taxing sugar and suppressing export bounties as being, generally speaking, just, and such as are likely to remedy the grievances which caused the Conference to be called together. The King's Government declares formally that it has no intention of changing the system, that, namely, of not giving a bounty, which has hitherto been followed. This being so, the King's Government, in view of the small importance of Swedish exportation as it now is, and in all probability will remain, does not, for the present at least, intend taking part in the proposed Convention. Such participation would entail on us the inconvenience of altering our legislative and administrative arrangements, although it is to be presumed that by reason of the smallness of our exportation our co-operation could be but of little value to the other Powers interested.

Should circumstances make it desirable for us to adhere, the King's Government reserves to itself the right of taking advantage of the facilities offered to non-contracting States by Article VII of the draft Convention.

I beg, therefore, to inform you that the King's Government will not be represented at the forthcoming meeting of the Conference, and to bring the above to the knowledge of your Government.

With regard to the questions raised by the Delegates of the Netherlands and of Spain, to which you called my attention in your note of the 4th January last, I suppose that, when the opinion of the King's Government has been given, our non-participation

in the Convention can have but a theoretical interest, but I have not the least hesitation in communicating it to you for purposes of information, if thought useful from that point of view by your Government. We are of opinion, as concerns the Netherlands proposal, that the establishment of protective duties on sugar is an internal question which does not fall within the domain of International Agreements. We are happy to see that our views on the question are in harmony with those of Her Britannic Majesty's Government. With regard to the Spanish proposal, it appears to us that the most-favoured-nation clause will necessarily be an obstacle to the establishment of countervailing duties on sugar coming from States enjoying the benefit of the clause in question. In conclusion, I must express to you the sincere thanks of the King's Government for the manner in which M. Dickson was received in London, and avail, &c.

(Signed)

EHRENSVÄRD.

TABLE showing the Consumption of Sugar per head in the principal Countries of the World.

(Drawn by Mr. A. E. Bateman, April 9, 1888.)

Countries.	1880-84.*	1887.†
	Annual Consumption per Head.	Consumption per Head.
	Kilog.	Kilog.
Finland	0·60	..
Roumania	1·50	..
Servia	2·00	..
Spain	2·32	..
Italy	3·45	..
Russia	3·50	4·10
Portugal	4·34	..
Norway	5·16	..
Austria-Hungary	6·00	5·50
Germany	6·81	8·60
Belgium	7·14	..
Sweden	7·95	..
France	10·26	12·30
Switzerland	10·35	..
Netherlands	12·87	10·50
Denmark	13·47	..
Great Britain	31·30	32·00
United States	17·30	27·70
Argentine Republic .. .. .	..	22·70†

* From the figures given by M. Broch. (See "Bulletin de l'Institut International de Statistique, 1887," tome ii, 1^{er} livre.)

† From figures given by Messrs. Connal, of Glasgow.

‡ From the figures given by United States' Consul Baker, January 1888.

Minutes of the Meetings held in London from April 5 to
May 12, 1888.

Eighth Meeting.—Thursday, April 5, 1888.

President: Baron HENRY DE WORMS.

THE International Sugar Conference reassembled at the Foreign Office on Thursday, the 5th April, at 3 o'clock, under the presidency of Baron Henry de Worms, M.P., Under-Secretary of State for the Colonies.

The respective Governments are represented by their Delegates, namely:—

Germany by—

M. Jordan, Real Privy Councillor of Legation, Consul-General of the German Empire in London.

M. Jaehnigen, Councillor of Finance for the Province of Hanover.

Austria-Hungary by—

Count de Kuefstein, Envoy Extraordinary and Minister Plenipotentiary.

Belgium by—

M. Guillaume, Director-General in the Ministry of Finance.

M. du Jardin, Inspector-General in the Ministry of Finance.

M. de Smet, Sub-Director in the Ministry of Finance.

Denmark by—

M. de Barner, Chamberlain of His Majesty the King of Denmark, Inspector-General of Customs.

Spain by—

M. Batanero, Deputy to the Cortes.

M. Dupuy de Lome, Minister Resident.

The United States by—

Mr. White, Chargé d'Affaires of the United States in London.

France by—

M. Sans-Leroy, Member of the Chamber of Deputies.

M. Jusserand, French Chargé d'Affaires in London, Representative of the Ministry for Foreign Affairs.

M. Pallain, Councillor of State, Director-General of Customs.

M. Catusse, Councillor of State, Director-General of Indirect Taxes.

M. Boizard, Sub-Director in the Ministry of Finance, Secretary to the French Delegates. (M. Boizard is, at the same time, one of the Secretaries of the Conference.)

Great Britain by—

Baron Henry de Worms, M.P., Under-Secretary of State for the Colonies.

The Earl of Onslow, K.C.M.G., Secretary to the Board of Trade.

Mr. C. M. Kennedy, C.B., Head of the Commercial Department of the Foreign Office.

Mr. F. G. Walpole, Collector of Customs at Dublin.

Italy by—

The Chevalier T. Catalani, Italian Chargé d'Affaires in London.

The Netherlands by—

M. W. A. P. Verkerk Pistorius, Director-General of Direct Taxes, Customs, and Excise in the Department of Finance.

M. C. J. C. Van de Ven, Inspector of Customs and Excise at Rotterdam.

Russia by—

M. Kamensky, Real Councillor of State.

Secretaries to the Conference—

Mr. H. Farnall, of the Foreign Office, Mr. A. E. Bateman, of the Board of Trade, and M. Boizard, Sub-Director in the French Ministry of Finance.

Assistant Secretaries—

Mr. Eyre A. Crowe, of the Foreign Office, and Mr. C. A. Harris, of the Colonial Office.

Attachés to the Conference—

Mr. W. E. T. Lawrance, Private Secretary to Baron H. de Worms.

Mr. Edmund Gosse, Translator to the Board of Trade.

Mr. Algernon Law, of the Foreign Office.

The President states that Count Kuefstein, M. Catalani, and Mr. White much regret to be unable to attend the sitting.

The President addresses the meeting as follows:—

“Gentlemen and dear colleagues,

“We resume our sittings at the date fixed at our last meeting. I regret that we have not been able to transmit to you in the course of the month of March last the Memoranda of all the Powers represented at the Conference, because, I am sorry to say, we did not receive them in time. Nevertheless, Her Majesty's Government proposed to the different countries that the Conference should reassemble to-day, and this proposal was unanimously accepted. The Netherlands Government only suggested a further delay with a view to a more thorough examination of these important documents. This request was quite legitimate, and I can assure the Netherlands Delegates that Her Majesty's Government is always anxious to consider any proposals coming from their Government. But in the present circumstances Her Majesty's Government thought it best that the sittings should be resumed to-day, because the British proposal had already been accepted by the great majority of the Powers.

“You have already received, through the diplomatic channel, the German, Austro-Hungarian, Belgium, Danish, and Netherlands Memoranda. I now have the honour to lay before you those of France and Russia, as well as the diplomatic communications which Her Majesty's Government have received from the Swedish and Brazilian Governments.

“You will have observed that these Memoranda, and particularly those of Germany and Austria-Hungary, demand the adhesion to the proposed Union of all sugar-producing countries, Brazil and the United States being especially mentioned.

“I have reason to hope that the Conference will find all the guarantees desired in the note of the Brazilian Minister.

“As regards the United States, I beg leave to make a few remarks on their position in this question.

“The United States give a bounty, but it is a very inconsiderable one. Writing to the British Legation at Washington on the 21st March last, Mr. Bayard explains that the question of General Tariff and revenue revision is now pending in the House of Representatives, and that under these circumstances it would be contrary to the Parliamentary usage of the United States for the Government at this time to become a party to the proposed Convention as presented by the Conference. But Mr. Bayard adds:—

“Article VII of that draft provides for the subsequent adhesion of States not originally signing the Convention, so that an attitude of reserve in this regard does not prejudice the liberty of subsequent action by this Government in the premises.”

“These words allow me to believe that the United States will not remain outside the Union, although they prefer waiting for the moment when the other Governments may have definitively settled the details of the Convention.

“The United States are again represented at our meetings by their Chargé d'Affaires

in London; although Mr. White does not exercise all the functions of a Delegate, his presence is a proof of the interest which his Government takes in our deliberations.

"The diplomatic communications exchanged between the Cabinets of St James' and of Washington show, moreover, that the United States' Government is only too willing to come to an understanding with Her Majesty's Government on the bounty question.

"Article VIII of the Convention had given rise to some apprehension, quite legitimate I admit, although the Article in question is inserted in all Commercial Treaties concluded by this country, on account of the constitutional relations of the mother country with her self-governing Colonies.

"My Government, in accepting the draft Convention, spoke not only for the mother country, but also in the name of all her Crown Colonies, which will form part of the Union. I must add a few words respecting the foreign possessions of Her Majesty and the self-governing Colonies.

"The Governments of India and of all the Colonies in question from whom we have up to now received answers accept the Convention. We are expecting telegrams from New South Wales and Tasmania. These two replies will complete the list of Colonies enumerated in Article VIII of the draft Convention. There is no doubt that these two Colonies will accept the Convention; for the commercial policy of New South Wales is an essentially free trade one, and Tasmania produces no sugar.

"I have the greatest pleasure in making this announcement to you, as there are several amongst these self-governing Colonies which produce sugar, whilst in others the industry may develop.

"What is wanting now is only the adhesion of the French and Dutch Colonies.

"We cannot but regret the absence of our colleague M. Dickson, the Swedish Delegate. The Swedish Government have informed us, through our Chargé d'Affaires at Stockholm, that they do not send a Representative on account of the small importance attaching to the bounty question for a country whose production is very inconsiderable. The Swedish Government assure us, however, that they will adhere to the Convention so soon as the other Powers have come to an agreement.

"I must say a few words as to the enforcement of our Convention. This question has been raised by the Spanish Delegates. I believe that a penal clause against all non-Signatory Powers would give rise to delicate questions of international law. But it seems to me unnecessary at this moment to provide for the case of a sugar-exporting country refusing to adhere to a Convention for the suppression of bounties. The case does not arise. But it will be all the more necessary for the Conference to find a formula which, without affecting the provisions of existing Treaties, will prevent the Powers signatory of the Convention from rendering it nugatory.

"To conclude: the Ist Article of the draft Convention, which contains its essential principle, is now accepted; the Delegates of the Powers had already adhered to it, and the Governments have now ratified this action of their Delegates. Brazil also adopts the principle, and we may be sure that the United States will do the same. All the British Colonies and British India accept the Convention. I venture to hope, therefore, that in the course of the session we shall be able to eliminate all divergence of opinions.

"It remains for us to settle the order of our discussions. We are no longer debating generalities. We have submitted the draft Convention to our respective Governments, and each of us is able to indicate the changes which his Government demands. The most practical mode of procedure seems to me, therefore, to be to consider the draft Convention, and to discuss it Article by Article."

The President concludes by expressing the opinion that the Delegates will probably require several days for examining the French and Russian Memoranda which have just been distributed to them. He proposes that the Conference should adjourn to Tuesday next, in order that each Delegate may, in the meantime, study these documents, and, if necessary, refer to his Government.

M. *Batanero* seconds this proposal. The documents in question are of the highest interest, and the delay appears to him indispensable.

The *President*, observing that there is a general agreement for the adjournment to next Tuesday, proposes to fix the hour.

The *Earl of Onslow* remarks that the circumstances are somewhat different from what they were at the previous session. Whilst Parliament is sitting, it would be difficult for the British Delegates who are Members of it to fulfil their double duties if the sittings of Conference were held in the afternoon. Lord Onslow therefore proposes, if it is convenient, to fix an earlier hour for the meetings of the Conference.

M. Sans-Leroy declares that the members of the Conference are at the disposal of their hosts, and are willing to leave it to them to fix the hour of the sittings.

The hour of half-past 11 is proposed by *the President*, and adopted.

M. Dupuy de Lome says that Spain has not only adhered to the principles adopted by the Conference, but that she has gone even further, the Ministry having laid before the Cortes a Bill for abolishing the bounties which existed, not in practice, but in the legislation.

From this *M. Dupuy de Lome* concludes that Spain need not draw up the Report called for by the Protocol. It would be sufficient, he thinks, to lay before the Conference copies of the communications exchanged between the Spanish Government and the British Ambassador at Madrid.

M. Sans-Leroy begs leave to make an observation of a purely formal character. The Conference can only take act of the text of the proposed legislative measures for the application of the principles adopted by the Conference.

M. Dupuy de Lome and *M. Batanero* declare that their Government is quite ready to lay before the Conference the Bill presented to the Cortes.

M. Batanero points out that the Spanish Government has decided to abolish bounties, even without awaiting the ratification of the Convention.

M. Guillaume lays on the table of the Conference a new description (with drawing) of the meter used in the Belgian sugar factories. This description is annexed to the Minutes of the present sitting.

The Conference adjourned at 4 o'clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex to the Minutes of the Eighth Meeting.

Description of the Juice-Meter ("Mesureur-Compteur") in Sugar Factories.

BELGIUM.

THE meter has been used in all Belgian sugar factories (110) during the season 1887-88. This apparatus has fulfilled all the expectations of the Belgian Government.

Experience showed that certain alterations of detail would be useful, the greater number of which consist of mere mechanical improvements, others being intended to give greater security to the Treasury and the manufacturers.

The original description of the meter has therefore been replaced by a new one. It was thought well, in order to complete it, to add a description in detail of the tap filling and discharging the meter.

Alterations of some value are shown in paragraphs 9 and 38. The alteration shown in the last paragraph is, however, optional. Other alterations in the descriptions are mere explanations of existing provisions.

(A.)—*Tap regulating the Charge of the Meter.*

(See Plate I and the Plan of a Meter, Plate II, letter *P*. See also paragraph 17 of the description of the Meter, letter *B*.)

a. Box of the tap having two ways, one vertical, the other horizontal. A sector of three-quarters of the circumference is cut away from the upper edge of the vertical way. One radius of the sector is parallel to the axis of the horizontal way, the other perpendicular to it. The lower end of the vertical way ends on the inside in a cylindrical piece, the diameter of which is a little larger than the conical part, so as to leave a small surface against which bear a washer *e* and a nut *f*.

b. Plug of the tap, on the top of which is the plate of a circular hinge, the surfaces of which are held between the parts of the hinge rigidly connected with *c*. On the upper end of the diameter of the plug is a sector of half the circumference, the radii of which are perpendicular to the axis of the horizontal way and parallel to the opening in the

plug. These radii correspond to the openings of the vertical way, and can in turn be brought opposite to either. The lower part of the plug ends in a square head, on which is fitted the washer *e*, the extremity of which is turned to receive the nut *f*. This square head and the plug must be in one piece, and the latter may not be screwed on to the former.

c. Hinged lever, the hinge of which is attached to the part *b* of the plug by a strong head, which must be riveted. This lever has a square opening, into which runs the bolt *d*.

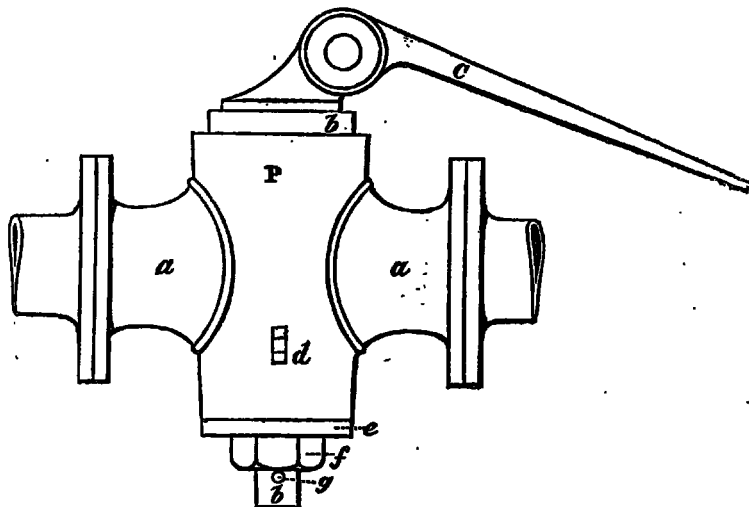
d. Bolt in one piece, with the box of the tap. It is inserted into the square opening in the lever *c* and through it the bow of a padlock attached to the tap.

e. Washer fitted on to the square head of the plug *b*.

f. Nut holding the plug *b* in the box forming the vertical way.

They must be free at the lower part of the vertical way. Immediately below the nut *f* the turned head on to which the nut screws has a hole *g* 3 millim. in diameter for receiving a leaden seal.

Plate I.—Drawing of the Tap for filling and emptying a Juice-Meter.



(B.)—Description of the Meter (“Mesureur-Compteur”).

§ 1. Two measuring vessels at least, with a meter, to be used for ascertaining the amount of juice worked shall be set up in every beet-root sugar factory. They shall be in such number that no one vessel shall be filled more than once in twenty minutes. (Article 63 of the Law.)

§ 2. The essential parts of this apparatus are:—

A. A vessel for measuring the juice.

B. A bronze three-way tap admitting and discharging the juice alternately.*

C. A counter showing the number of fillings.

D. A receiving-tube holding a sample of each successive filling.

A. Measuring Vessel.

§ 3. The vessel for measuring the juice is in cast iron, or iron plate, or copper, sufficiently stout to bear the pressure of the sampling and counting apparatus without yielding; it is cylindrical, with a concave bottom, in the middle of which is a single orifice *E* for alternately admitting and discharging the juice. It is filled to the top; any excess of juice flows out into a circular chamber *F* attached to the exterior of the vessel, and is carried by the uninterrupted, isolated, and plainly visible communication *G* either to the diffusion vessels, to the tank of the press house, or to any other apparatus used for extracting the juice. (Article 35, § 2, of the Law.)

The words “uninterrupted communication” signify that the different parts of the tube draining the overflow must be united by soldered rings or by collars with at least two rivets, 5 millim. thick at least, the round heads of which shall be plainly visible.

In diffusion factories the communication *G* is furnished with a free valve, otherwise, an iron plate is riveted to the overflow chamber *F*, 2 centim. from the bottom,

* The tap *B* may not be packed. The key *U* is held in box *V* by nut *y* standing against washer *z*.

immediately over the opening of the return tube or tubes. The edges of this plate must come at least 4 centim. beyond the opening in question.

The end of this tube is fixed by a flanged riveted joint.

§ 4. The outer edges of the circular overflow chamber *F* are at least 5 centim. below the top of the measuring vessel.

§ 5. This chamber slopes down towards the overflow tube or tubes *G* running to the extraction house.

§ 6. From the bottom of the measuring vessel* to the filling level must be 90 centim. at least. The cylindrical part of the vessel is at least two-thirds of its total height.

§ 7. The measuring vessel is surrounded by a cylindrical cage *H* inclosing the overflow chamber.

§ 8. The cage *H* is composed of a frame of iron or iron sheeting, riveted to the exterior of the circular chamber *F*, to which is fastened a stout metal netting having a hundred regular meshes at least per square decimetre.

§ 9. The upper part of the cage *H* is a sheet of iron in which is the man-hole, closed by the cover *I*, secured by a padlock under the control of the Excise officials. This opening is close to lever *N*, which is so made that during filling it locks tap *M* and cover *I* (see § 14).

§ 10. The cover *I* of the man-hole may be opened four times a-day at hours to be stated beforehand in writing. (Article 55 of the Law.)

Manufacturers are advised to perform the operation of cleaning by day only, and as seldom as possible.

§ 11. On the evening before the day fixed for ascertaining the capacity of the measuring vessels they are filled to the very top, and to prove that the top is thus exactly reached they are to be shown with the water remaining in them to the officials, who are to stamp them (the vessels) with a record of their capacity. (Article 36, § 3, of the Law.)

§ 12. Before beginning such test filling a break is made in the communication at that part of the three-way tap *B* on to which is fixed the filling tube *J*; this break is made by loosening the screws fixing the collars.

§ 13. To enable the manufacturer to ascertain the exact quantity of an amount of juice drawn off from the diffusion vessels, two or three gauging taps *K* may be inserted in the walls of the measuring vessels; the interior diameter of the taps *K* is not to exceed 5 millim.

A floating gauge may be used, provided:

1. The rod or chain holding the float passed through a bronze fair-lead riveted on to the measurer; such fair-lead shall not have a greater diameter than is necessary to allow the rod or chain to run;

2. The float may not displace more than 3 litres of juice, and is so made that it can be raised to the level of the liquid when the meter is full.

§ 14. The measuring vessel *A* and the overflow chamber *F* may be washed with water or steam; the manufacturer shall for this purpose fix a washing tube *L* above the upper edge of the measuring vessel; the handle of the tap *M* opening the washing tube is locked during a filling by the lever *N* fixed to the upright *O*. This lever is so made and so placed that during the time of filling it prevents cover *I*, mentioned in § 9, being opened even to the smallest extent.

§ 15. Neither at any part of the cage *H* covering the top of the measuring vessel *A*, nor of the vessel itself, shall there be any opening, however small, other than those provided for in this description of the apparatus.

§ 16. The juice is brought from the extracting house or from the extracting machinery, as the case may be, by one single tube, completely closed, isolated, and clearly visible (Articles 11 and 19 of the Law), forming one single continuous chamber; consequently, if the tube is made in several pieces, the joints shall be soldered rings or collars with two rivets at least not less than 5 millim. through, the heads of which shall be plainly visible; at the measuring house this tube is divided so as to be capable of filling all the measuring vessels.

§ 17. Close to each of these vessels the admission tube is furnished with a tap *P* for making and breaking the connection. The tap *P*, which shall be as described by Article 33 of the Law, is locked by a padlock, which the officials do not remove until the representative of the manufacturer has made, in register No. 315, the declaration to the effect that the measuring vessels are to begin work. (Articles 33 and 46 of the Law.)

* This refers to the general level of the bottom of the vessel, and not to the depression in the middle made to receive the pipe by which the juice is admitted and run out.

§ 18. The meter and its accessories are to be placed above the pavement of the measuring house, in order that the whole apparatus, as well as *Q*, mentioned hereafter, may be easily seen in the house in question. (Article 32 of the Law.)

In order to insure the due execution of § 3 of Article 35 of the Law, there shall be under the meter neither sink, receiver, nor open vessel of any kind.

§ 19. The meters are to be isolated, and to be so fixed that they may be easily inspected; they are to stand on the supports *R* in such a way that the underneath of the vessel may be perfectly visible. (Article 32 of the Law.)

Manufacturers wishing to obtain the deduction of $\frac{1}{2}$ per cent. on the volume of the juice, as allowed by Article 62 of the Law shall fix a centigrade thermometer on the meter. Such thermometer must be on a visible and well-lighted part of the meter.

B. The Three-way Tap.

§ 20. A horizontal tube *S* running into the three-way tap *B* is fixed at the orifice *E* in the bottom of the measuring vessel, either by rivets or by any other means which does not admit of its being taken off, the whole to be solidly put together. In the second direction this tap is in communication with the tube *J* for admitting the juice, and in the third (that is to say, in the direction of the exit) it runs into the tube *Q* at least 5 centim. above the pavement or floor.

§ 21. Tube *Q* may not be hidden in any way; it must always remain open, except at and during the moment of the discharge. It may be closed in a way to be chosen by the manufacturer. (Article 34 of the Law.)

§ 22. Whatever be the diameter of the three-way tap *B*, it must be so constructed that when half-way between the positions of emptying and filling the clear-ways *T* of the plug *U* shall have a cover of at least 1 centim. on each side. The width of the clear-ways *T* in the box *V* and the plug *U* must always be exactly equal to one another.

§ 23. The three-way tap *B* is worked by a vertical rod *O* moved by the lever *W*, which is so fixed that it can only be moved through a quarter of a circle. When the tap is so placed as to discharge the vessel, the lever *W* will stand home against the stays *X*, to which the manufacturer may fix it by a padlock. For this purpose the stays are pierced with a hole *Y*.

§ 24. In the plug *U* of the tap a stop *Z* is so fixed as to run in the rabbet *a* cut in the box *V* of the tap *B* so as to prevent its moving through more than a quarter of a circle.

§ 25. The lever *W* of the three-way tap *B* must necessarily remain in the position of emptying until the declaration permitting the vessel to be filled again has been made in the register No. 315; the sample of juice of the last filling will, till that moment, remain in the receiver *D*. (Article 63 of the Law.)

§ 26. In order to allow of the tap *B* being inspected without taking the rest of the apparatus to pieces, the vertical rod *O* forms a movable continuation of the crown of the plug *U* of the tap, and has a movable section *b* fixed at the bottom by means of the riveted hinge *c*, and at the top by means of a tenon and mortise locked by the key *d*, which is secured by a leaden seal placed upon it by the Excise authorities.

The rivet of hinge *c* must be on the outside of vertical rod *O*, and must have visible rounded heads.

The bolt *d* shall be pierced with an opening 8 millim. in diameter; through this opening is run a bolt, headed at one end, and turned in a screw, fitted with a nut at the other; beyond the nut is an opening 3 millim. in diameter, for the leaden seal required under the first paragraph of the present section.

§ 27. In order to prevent the plug *U* from being taken out of the tap *B*, the vertical rod *O* must sit close home on the crown of the plug, and form a shoulder about the collar *e* which supports the vertical rod *O*.

§ 28. The crown of the plug *U* of the tap *B*, on which rests the movable rod *O*, is not in one piece with the latter; the said crown has a hole *f* driven through it, through which an iron rod or lever is run to enable it to be drawn out for inspection, or in the event of its becoming corroded or wanting cleaning.

§ 29. A bracket *g*, which is solidly riveted to the exterior of the vessel, carries the socket *e*, the support of the vertical rod *O* of the tap *B*, and the shoulder *h* carried round this rod prevents the core *U* from being raised. The bracket *g* carries two stays *X*, limiting the angle through which the lever *W* of the tap *B* may be turned; it also carries a counter *C*, with an anchor movement of a type approved by the Minister of Finance.

C. Apparatus for counting the Number of Fillings.

§ 30. The counter *C* is held on bracket *g* by a clamp or screws so arranged as to be capable of being sealed. The box containing the counter *C* is protected by a leaden seal placed on it by the Excise authorities. (Article 47 of the Law.)

§ 31. The counter *C* communicates with the vertical *O* of the tap *B* by means of the lever *l* acting on the slotted handle *m*, which sets the mechanism in motion in such a way that an advance of one is recorded on the dial for each complete backwards and forwards movement of the lever *W*.

Lever *l* must be forged in one piece, and be fixed on the top of the vertical rod *O* by a screw-head, similar to that mentioned in the third paragraph of § 26. This head and the lever *l* shall be not less than 6 and 10 millim. thick respectively. The opening for the official seal must be 2 millim. across.

The slotted handle *m* must be strong; it shall not be less than 5 millim. thick at the edge. Manufacturers must have this handle made like that shown on the plan annexed to the present description.

§ 32. The counter *C* is so constructed that the record of each filling is finally completed before any part of the juice measured begins to run away.

§ 33. The counter *C*, and the mechanism *l m* which sets it in motion, are placed in the solid metal box *n*, which has a glass let into it. The box *n* is closed by the officers of the Excise by means of a padlock, of which the key is kept by the principal official.

D. The Receiving Tube.

§ 34. At a distance of one-third of its height, measured from the bottom, the measuring vessel *A* communicates by a tube *p*, which has an interior diameter of 2 centim., with the receiver *D*, consisting of a vertical copper tube; the receiver *D* has an interior diameter of 7 centim., and its available height, *i.e.*, its height up to the filling level of the measuring vessel, must not be less than 50 centim.

§ 35. The handle *q* of the plug of the tap *r*,* which works in the tube *p* between the receiver *D* and the measuring vessel *A*, is acted on by means of the lever *s* which is fixed to the vertical rod *O* of the three-way tap *B* in such a manner that, when the measuring vessel *A* is filling, the receiver *D* is in communication with *A*, but that as soon as the measuring vessel *A* begins to empty, the tap *r* closes and shuts the sample of juice into the receiver *D* until the measuring vessel *A* begins to fill again.

§ 26. The bottom of the receiver *D* is fixed on to the tube *p* by means of the screw-union *t*; its upper end has a few air-holes at the sides, and fits exactly in, and runs 2 centim. at least into a conical metal cowl *v*, consisting of a continuous piece of metal riveted into the side of the vessel, with the interior of which it communicates by means of a tube bent downwards and terminating in a rose head.

§ 37. The receiver *D* must be cleaned once a-day at an hour to be stated beforehand in writing. The manufacturer may have one or more spare tubes *D* kept in readiness to replace the tube or tubes taken off. (Article 55, § 3, of the Law.)

§ 38. In order to allow of samples being taken for ascertaining or verifying officially the density of the juice, the receiver *D* is furnished with a small tap *w*, having an interior diameter of not more than 5 millim., and placed at a height from the bottom of the measuring vessel equal to two-fifths of the total height reached by the liquid in the vessel in question when full. The tap *w* is brazed on to the receiver *D*, and is furnished with a guard *x*, which prevents any liquid or other substance intended to alter the density of the juice from being introduced into the sample. The interior section of tap *w*, and the lower end of guard *x*, shall be at least 5 millim. thick. The plug of the tap *w* has a spread riveted crown at the bottom, so that it cannot be taken out.

It is for the manufacturer to see that the receiving tube *D* is in good working order, and to prevent its being in any way choked.†

§ 39. To prevent receiving tube *D* being improperly removed, it will be furnished with a padlock joining the collars of the screw-joint *t* to tube *p*.

General Remarks.

§ 40. The holes intended to receive the excise padlocks are to be 15 millim. in diameter.

* This tap turns towards the bottom of the measuring vessel.

† This may be done by two methods, (a) by furnishing the end of tap *r*, which is inside the meter, with a ball, the upper part of which is made of sheet-iron, the lower part of very fine wire gauze; (b) by bringing down the tap *w* and furnishing the end with a piston for removing obstructions. This piston shall be so made that it cannot be taken out and cannot let any juice run away.

§ 41. The heads of all levers, handles, or keys for turning the taps are to have a riveted bolt driven through them. The heads of the rivets shall be easily visible.

§ 42. In constructing measuring vessels the details given in the present description and in the plans deposited at the Ministry of Finance are to be strictly adhered to; the materials used are to be of good quality.

§ 43. The officials of the Administration have no power to admit any deviation therefrom, however small it may be. The apparatus shall, on commencing work, be in perfect order, and shall be so maintained; defective parts are to be repaired or replaced before the apparatus is allowed to begin or resume work.

§ 44. Should it be declared that any metre will be stopped for any reason whatever for less than twenty-four hours, the permanent Revenue officers will at once padlock the filling tap *P*. This padlock will be placed in a bag of strong canvas, the mouth of which will be closed and sealed both by the officials and the manufacturer; the key of the padlock will be placed in an envelope bearing the same two seals. The officials may not remove the leaden seals until these formalities have been accomplished.

Should it be declared that any meter will be stopped for more than twenty-four hours, the manufacturer shall, in addition to the formalities prescribed above, fix by means of screws a flanged plate across the tube carrying the juice, near tap *P*. The principal resident official shall immediately give notice thereof to the Sub-Inspector, who will come to the factory as soon as possible, and secure the plate by means of a leaden seal.

§ 45. At the end of each season the counting apparatus will, until the end of the day following that on which worked ceased, remain at the figure showing the last filling. The principal official shall see that these apparatus are not touched during that time.

The Inspector or his deputy will come to the factory to remove the various leaden seals, and to ascertain whether the entries tally with the readings shown by the counters.

At the expiration of the above-mentioned time the principal official will himself remove the seals if they have not previously been removed by some other official.

§ 46. The tools necessary for unshipping the three-way tap *B* easily and quickly are to be placed in the measuring house, so that they may be used by the Excise officers. There shall be keys, hammers, &c.

Table of Letters on the Drawing of the Measuring Vessel and the Apparatus belonging thereto.

<i>A</i> Measuring vessel.	<i>a</i> Rabbet in the box <i>V</i> .
<i>B</i> Bronze three-way tap.	<i>b</i> Jointed section of vertical rod <i>O</i> .
<i>C</i> Filling counter.	<i>c</i> Riveted hinge.
<i>D</i> Receiver.	<i>d</i> Bolt fixing the jointed section <i>b</i> .
<i>E</i> Single opening for the admission and discharge of the juice.	<i>d'</i> Bolt to be fixed in <i>d</i> so as to carry a seal.
<i>F</i> Overflow chamber.	<i>e</i> Socket or collar of the vertical rod <i>O</i> .
<i>G</i> Return tubes for surplus juice.	<i>f</i> Hole in the plug <i>U</i> , allowing a lever to be used for withdrawing it.
<i>H</i> Metal cage.	<i>g</i> Bracket carrying the counter and other apparatus.
<i>I</i> Man-hole.	<i>h</i> Shoulder of the vertical rod <i>O</i> .
<i>J</i> Admission tube for juice.	<i>i</i> Bolt or screw holding the counter <i>C</i> .
<i>K</i> Tap for measuring partial charges.	<i>l</i> Lever working the counter <i>C</i> .
<i>L</i> Cleaning tube.	<i>m</i> Slotted handle of the counter <i>C</i> .
<i>M</i> Keyed tap of tube <i>L</i> .	<i>n</i> Metal box containing the counter <i>C</i> and its mechanism <i>l m</i> .
<i>N</i> Lever locking the tap <i>M</i> .	<i>p</i> Tube connecting the measurer <i>A</i> with the receiver <i>D</i> .
<i>O</i> Vertical rod having a key at bottom.	<i>q</i> Slotted handle of tap <i>r</i> .
<i>P</i> Locking tap admitting juice.	<i>r</i> Tap alternately admitting and discharging the juice in receiver <i>D</i> .
<i>Q</i> Outlet for juice; capable of being turned off.	<i>s</i> Lever working tap <i>r</i> .
<i>R</i> Supports of measuring vessel.	<i>t</i> Screw union.
<i>S</i> Horizontal tube fixed at the bottom of measuring vessel.	<i>v</i> Conical cowl of the receiver <i>D</i> .
<i>T</i> Clearways of the three-way tap <i>B</i> .	<i>w</i> Sampling tap.
<i>U</i> Plug of the three-way tap.	<i>x</i> Guard of tap <i>w</i> .
<i>V</i> Box of the three-way tap.	<i>y</i> Nut keeping plug <i>U</i> in box <i>V</i> .
<i>W</i> Lever turning on and off.	<i>z</i> Washer closing the three-way tap <i>B</i> .
<i>X</i> Stays limiting angle through which the lever <i>W</i> may be turned.	
<i>Y</i> Hole through which the manufacturer may pass a padlock.	
<i>Z</i> Stop limiting angle through which the plug <i>U</i> may be turned.	

Ninth Meeting.—Tuesday, April 10, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The President reads a telegram announcing that Tasmania adheres to the draft Convention.

The discussion opens on the Articles of the draft Convention, the principle of which has been adopted by all the Governments represented. The President proposes to reconsider this draft Article by Article, and to make it the basis of the discussions of the Conference; when questions of a technical character arise, a Committee could be nominated to examine and report upon them.

This mode of procedure is agreed to by the Delegates.

The President reads the preamble and asks whether it calls for any observations.

M. Jordan observes that the preamble does not specify *nominatim* the Contracting Parties. This is, in the eyes of the German Government, a question of great importance. It is held in Germany that all sugar-producing or exporting countries ought to adhere at once to this Convention; great importance is attached to the adhesion of the United States and of Brazil. *M. Jordan* thinks it his duty to raise this question, and will be happy if some explanations can be given.

Count Kuefstein declares that this view is shared by his Government, which considers it of vital interest that all the principal sugar-producing and consuming countries should take part in the Convention. He thinks it necessary to obtain the adhesion not only of the States mentioned by *M. Jordan*, but also of the French, Spanish, and Dutch Colonies.

M. Batanero explains that his Government have always meant to treat in the name of their provinces and possessions beyond the seas as well as in that of the mother-country. He also points out that he is more particularly the representative of colonial interests. He refers the Conference, moreover, to the Spanish note addressed on the 16th March to the British Ambassador at Madrid.

M. Jordan asks whether the Dutch and French Colonies may also be considered as taking part in the Convention.

M. Pallain says that the French Delegates make the same reserves as Count Kuefstein, since the French Government, as stated in the note distributed to the Delegates, consider it indispensable for their adhesion to the proposed Convention that all the sugar-producing or refining countries, of whatever origin the sugar may be, take part in it. He declares, moreover, that France always intended to stipulate for her Colonies.

M. Verkerk Pistorius states that his Government is willing to adhere in the name of the Dutch Colonies so far as they produce sugar. He asks, however, that an exception be made in favour of the Island of Curaçao and its dependencies, which, although producing no sugar, yet derive some revenue from a customs duty on imported sugars, and which desire to preserve this duty in case the Convention stipulates for the abolition of surtaxes.

M. Pallain asks whether this Colony could not become a sugar-producing country.

M. Verkerk Pistorius replies that the nature of the soil makes it improbable.

M. Pallain points out that a refinery might yet be established there.

The President observes that this reserve is only made in order to preserve the right of taxing sugar imported into non-producing countries. He thinks it would be better to go back to the question raised by the First German Delegate, that is to say, the specification of the Powers which will take part in the Convention.

Mr. White declares that his Government is opposed to the system of bounties. No direct bounties are given, and the Secretary of the Treasury, in his last Report to Congress on the state of the national defences, has recommended the abolition of the inconsiderable indirect bounty arising from the small difference still existing between the drawback and the customs duty.

In any case, the immediate adhesion of the United States to the draft Convention drawn up by the Conference is impossible for several reasons. In the first instance, the signature by his Government of any Convention of this kind would be an infringement of the right, inherent by the Constitution in the House of Representatives, of initiating all measures for the raising of revenue. Moreover, there can be no question of establishing

an excise duty on the home production of sugar in the United States. And, lastly, the Government cannot, by Treaty, abolish a customs duty.

The United States must reserve their right of conforming at a future time, by Parliamentary legislation, with any international regulations which may be adopted for the suppression of sugar bounties.

The President hopes that these explanations will satisfy the Delegates. The United States are evidently disposed to join the Convention. As regards Brazil, the President reads the note of Baron Penedo stating that his Government is quite ready to adhere to the Convention as soon as the Powers represented may have come to an agreement.

M. Pallain observes that the United States are at this moment discussing their Customs Tariff. This discussion will no doubt be terminated before the date fixed for the coming into force of the Convention. As several States have asked for a delay for the suppression of their bounties, it will be possible then to take a decision in accordance with that which the United States may arrive at.

Count Kuefstein expresses his satisfaction at learning the well-disposed intentions of the Brazilian Government, but he cannot regard this as a binding engagement to adhere to the Convention. On the other hand, the reserves made by the Representative of the United States afford equally little certainty of their ulterior adhesion. It is not even to be inferred that this adhesion is probable. The difficulties explained by Mr. White will be just the same in the future. *Count Kuefstein* would much regret if the Convention failed to include a country which is of daily growing importance as regards the production and consumption of sugar. He would be glad of a more explicit declaration. Moreover, the bounty is not inconsiderable. According to the calculation made by a competent specialist, M. J. Görtz, in 1885, it amounts to 4 marks 16 pf. per 100 kilog.

M. Pallain says that, from the note communicated by the Secretaries of the Conference, the bounty in the United States appears to amount to 2 fr. 21 c. per 100 kilog.; quite recently only it reached the figure indicated by *Count Kuefstein*.

Mr. White states that the reduction in the drawback has been made in consequence of the representations of the United States' Legation in London in 1886.

Mr. Walpole explains that the United States' Government had reduced the duty without diminishing the drawback. On representations being made, the drawback was reduced, but not in the same proportions as the duties. After the Report of the Secretary of the Treasury, mentioned by Mr. White, it may be hoped that the United States' Government will establish an exact correlation between the duty and the drawback.

Mr. White replies that it is true that the Secretary of the Treasury has recommended a modification of the law with a view to establishing an exact correlation between the customs duty and the drawback; but he is unable to say whether the House will act on this recommendation during the present Session.

Count Kuefstein observes that, according to the newspapers, a Committee of the House of Representatives has suppressed that part of the draft Tariff which related to sugar. He asks what importance is to be attached to this suppression.

Mr. White has not heard of this fact, but will ask for information.

M. Pallain says it seems that the United States propose to reduce the import duties on sugar by 20 per cent. Will the drawback be reduced in the same proportion? He proceeds to quote from a telegram from Washington, dated the 4th April last:—

“The Committee of Ways and Means, before submitting the Customs Tariff to the House of Representatives, added an amendment fixing at 20 per cent. the reduction of the sugar duties, and eliminated the Article prohibiting the payment of the reduction on exported sugar.”

Does this mean that the drawback will be reduced by 20 per cent., like the duty? Or will the drawback remain the same, which would raise the bounty to three times its present amount.

Count Kuefstein asks whether it would not be possible to obtain from the United States' Government a note on their system of duties.

Mr. White replies that the United States' Legation made a communication on this subject to Her Majesty's Government on the 13th December last.

The President proposes to adopt the preamble, leaving a blank for the names of the Contracting Parties.

Count Kuefstein asks what value attaches to this vote.

The President replies that it will be a definitive one. The Delegates are now able to accept or to finally amend the Articles of the Convention, having submitted the draft to their respective Governments.

Count Kuefstein thinks, however, that the voting of the preamble can only be of value in so far as the Articles following are adopted.

This opinion is confirmed by *the President*.

The preamble is adopted.

M. Verkerk Pistorius asks Mr. White whether the drawback given in the United States applies to sugar coming from Louisiana and the Sandwich Islands, which does not pay any duty.

Mr. White will give an answer at the next sitting.

The President reads the 1st Article of the draft Convention, and invites the Delegates to make their observations.

M. Jordan refers to the observations contained in the Memorandum presented by his Government which deal with Articles I and II as a whole. But as they more especially refer to the latter, he will reserve his remarks for the discussion of Article II.

M. Batanero observes that this Article contains the words, ". . . . to take, or to propose to their respective Legislatures, such measures;" the fact of having proposed these measures to Parliament could not, he thinks, be considered as a carrying out of the engagement.

The President explains that this is the usual form; if Parliament rejects the proposed measures the Convention falls to the ground.

M. Batanero asks whether the rejection of the Convention by the Parliament of one of the Contracting Powers would not leave that Power outside the Convention.

The President answers in the affirmative.

M. Verkerk Pistorius agrees with *M. Batanero*. He thinks that the words, "or to propose to their respective Legislatures," ought to be omitted. It is true that there must be some reserve for Parliamentary States. But this reserve is usually inserted at the end of the Treaty. Subject to ratification, the engagement entered into by the Contracting Powers ought to be positive.

Count Kuefstein and *M. Guillaume* share this view of the case.

M. Pallain believes that *M. Verkerk Pistorius* has suggested the true solution. In the 1st Article a positive engagement should be made, and the reserve as to Parliamentary sanction should be stipulated for at the end of the Convention.

The President reads the text of Article I, omitting the words in dispute.

M. Kamensky declares that his Government intends to preserve the bounties accorded to sugar exported across the Asiatic frontier.

Count Kuefstein is of opinion that it is important that Russia should give up this bounty. This is a question which may, perhaps, not interest the other Powers as much as it does Austria-Hungary, yet it also touches French interests to a certain extent. The trade of the Contracting Powers would be met in the East by Russian bounty-fed sugar coming from the Black Sea ports.

M. Kamensky points out that the export takes place chiefly across the Caspian frontier.

Count Kuefstein replies that it is impossible to tell what route the sugar will follow when once it will be the only bounty-fed sugar, especially under a diminished Tariff such as was at one time enjoyed by petroleum.

M. Du Jardin points out that the bounty which the Russian Government wants to preserve amounts to 100 per cent.

M. Kamensky replies that the Law according to these bounties will expire in 1891. He does not believe that it is the intention of his Government to renew it.

Count Kuefstein calls attention to the more positive assurances of *M. Kamensky* at the first sittings of the Conference. He cannot agree to the maintenance of the bounty even if it expired in 1891.

M. Kamensky, in reply, states that he must refer the question to his Government.

The President observes that if Russia accepts Article I the bounty in question must disappear, with the Law itself, on the 1st May, 1888.

M. Pallain says that the question is not without interest for the French sugar industry. Marseilles exports sugar to Armenia and Persia. Speaking generally, it may be said that the bounty of 11 fr. per 100 kilog., which is enjoyed by Russian sugar producers on their exports to Asia, will allow them to lower the market prices in Europe.

The President considers this a very just remark.

M. Verkerk Pistorius declares, on his part, that sugar is exported from Java to the Persian Gulf.

Count Kuefstein points out that the freight is not so high as to prevent the sugar from coming back to Europe from Asia.

The President proposes to add the following paragraph to Article I:—

"Russia, however, preserves the right of continuing till the 1st May, 1891, the bounties on sugar exported across her Asiatic frontier. At that date the bounty shall be discontinued."

M. Pallain observes that the question raised by *M. Kamensky* is connected with that of the date of the Convention coming into force, a question which will have to be considered later, and on which the French note makes the most express reserves.

The President proposes to complete in this sense the text of the Article.

M. Jordan says that his Government had not yet received communication of the Russian Memorandum, but he considers this reserve on the part of Russia a very dangerous one.

A general discussion arises on this subject.

M. Pallain proposes to go back to the examination of the Russian reserves, when the date of the coming into force of the Convention is to be discussed.

The President proposes the adoption of Article I in its primitive form, omitting the words, "or to propose to their respective Legislatures," mention being made, in the Minutes of the present sitting, of the reserves formulated by the Russian Delegate.

M. Pallain offers an observation on the wording of the Article. In order to give expression to the views of *M. Batanero* and *M. Pistorius*, and to give a more comprehensive form to the engagement, he proposes to substitute the following wording for the wording of the original Article:—

"The High Contracting Parties engage to suppress all direct or indirect bounties, under whatever form, on the manufacture and exportation of raw and refined sugar of all kinds, and to take the necessary measures for affording an absolute guarantee against their re-establishment either in direct or disguised shape."

M. Verkerk Pistorius considers the last part of this phrase useless.

M. Du Jardin, whilst sharing the views set forth by *M. Pallain*, agrees with the opinion expressed by *M. Verkerk Pistorius*, and proposes the following wording:—

"The High Contracting Parties engage to suppress absolutely and definitely all bounties, direct or indirect, on the manufacture or exportation of sugar."

M. Jordan proposes to go back to the original wording of the Article.

M. Pallain agrees to this, on the understanding that mention is made on bounties on exportation.

Article I is adopted in the following shape:—

"The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no bounty, either open or disguised, shall be granted on the manufacture or exportation of sugar."

The President addresses the Conference as follows:—

"I must once more express my liveliest satisfaction at the unanimity with which the Conference, on the authority this time of all the Governments represented, has definitively pronounced in favour of the adoption of a system which shall offer the most absolute guarantees for the total suppression of the sugar bounties. Before we pass to the discussion of Article II, allow me to point out in a few words the importance of this Article, which contains the application in practice of the principle laid down in Article I. I consider it of the utmost importance that this Article be worded with absolute precision, so as to exclude all misunderstanding and all possibility of arbitrary interpretation. My attention and that of my colleagues has been specially called to this point by the observations which several Governments have addressed to me, and more particularly by certain passages in the Memoranda communicated by the German and by the Austro-Hungarian Governments. There seems to be, in fact, a general consensus of opinion that a more precise wording of Article II of the draft Convention is needed.

"The notes which we have received from all the countries interested, and which are now in your hands, show a general agreement (with the exception of Belgium) as to the necessity of adopting a system of working in bond. I believe, therefore, that we might specify in this sense the wording of Article II, which, in its present form, is doubtless somewhat vague. In fact, what we have to do is to convert our *draft* Convention into a definite *Convention*. The wording and form in which each Article is adopted will be final. It is therefore necessary that we should carefully weigh all the objections and difficulties which a true and searching criticism may bring to light.

"It will be easier to attempt a new wording of Article II with that precision which all the Governments represented desire, when we shall have heard from the mouth of each of the Delegates in what manner his Government intends to apply the system established by our draft Convention, *i.e.*, a system of duty on the quantities of sugar produced and delivered for home consumption.

"I would therefore suggest that we should resume the discussion on this Article in the same manner as we discussed the first, that is to say, by each Delegate successively speaking and giving us explanations supplementary to the Memorandum communicated by his Government."

The Earl of Onslow thinks that, having arrived at the most important Article of the Convention, and having heard the speech of the President, the Delegates will no doubt wish to have some time to consider the modifications which ought to be made in Article II. He proposes, therefore, to adjourn the Conference.

M. Du Jardin points out that the German Memorandum confines itself to quoting the observations which the draft Convention has elicited from the trade. Are these observations indorsed by the German Government? In any case, that Government does not state what measures it intends to take for abolishing the bounties.

The President declares that it results from the communications which he received at Berlin that it is not only the trade, but also the Government, which agrees to the principles laid down in the draft Convention.

M. Pallain points out that the Protocol of the 19th December last called upon the Delegates to examine, in this the second session of the Conference, the Bills indicating the means of applying the system of duty on the quantities of sugar produced, and that the Memorandum which has been mentioned by the Belgian Delegate can hardly be considered a project of this kind.

The President suggests that the German Delegates should ask their Government for explanations on this point.

M. Jordan states that his Government has not had time to complete its Memorandum, but that it had reserved to itself to give further instructions to its Delegates when the views of the other Governments have become known.

The President says that Her Majesty's Government will undertake to ask the German Government for similar information to that given by the other Governments.

The next sitting is fixed for half-past 11 o'clock on Friday, the 13th April.

The sitting, which opened at half-past 11, is closed at 2 o'clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Tenth Meeting.—Friday, April 13, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, the Netherlands, and Russia.

The President states that *M. Catalani* regrets to be unable to attend the sitting.

The Minutes of the eighth meeting are adopted.

The President makes the following address:—

“At our last sitting the First Delegate of the Netherlands declared that his Government wished to adhere to the Convention in the name of the Dutch Colonies, but to make an exception for the Island of Curaçao in case the Convention stipulated for the abolition of surtaxes. I take act of the condition: ‘in case the Convention stipulates for the abolition of surtaxes.’ Without prejudging the discussion of Article IV, I would yet wish to point out that this Article reserves to all States and their Colonies the right to adhere to the Convention without their applying the principles of Article II, and without their being obliged to abolish their excise or customs duties on sugar.

“These duties may be maintained by all the members of the Union without their adopting the system of duty on the quantities of sugar produced, provided they do not grant any drawback or discharge on exportation. I hope, therefore, that the Netherlands Government will give their adhesion for all their Colonies, as the British, French, and Spanish Governments have done, and that it is understood that the exception asked for in the case of Curaçao shall only take effect in case surtaxes are to be abolished, a question which is not before the Conference. And, even in this case, I do not see why the Island of Curaçao should not take part in the Convention. Since it produces no sugar there can be no surtax there. This is a mere customs duty, which cannot in any way be abolished by the Convention.”

M. Verkerk Pistorius will refer the question to his Government. He states that he thought it his duty to raise this point, although Article IV is not yet under discussion.

As regards the question of surtaxes, to which allusion has just been made by the President, he will at the proper time state the views of his Government.

M. Pallain wishes to declare at once that on this point the instructions of the French Delegates are explicit. The note distributed with the draft Project for applying in France the duty on the finished article delivered for consumption says it must be understood that the Convention to be concluded must in no way restrict the right of any of the Contracting Powers to fix, according to their interests, the amount of excise and customs duties on home, colonial, and foreign sugar.

A declaration to this effect was made in the French Parliament by the Minister of Finance on the last discussion of the Budget. (Sitting of the 19th March, 1888, of the Senate.)

In fact, the question of surtaxes is not included in the programme of the Conference.

M. Kamensky agrees with this opinion.

M. Batanero also concurs in this view of the question.

M. Jordan does not believe that his Government is disposed to discuss this question. He must reserve his liberty of action.

A similar declaration is made by *Count Kuefstein*.

The President shares the views of the French Government, which are also those of Her Majesty's Government.

M. Verkerk Pistorius cannot indorse this opinion, and attaches great value to the question of surtaxes not being excluded from the discussion.

The President replies that the question may be discussed, but that it must not be considered to form part of the programme. The Conference is not competent to discuss it. Each country must have the right to deal with its internal legislation as it thinks fit.

M. Guillaume asks that it may be mentioned in the Minutes that he makes a reserve on this interpretation put upon the question.

M. Verkerk Pistorius likewise makes his reserves. The question of surtaxes will be raised at its proper time. At present, to proceed in order, Article II ought to be discussed.

The President declares the incident closed, and proposes to go back to the order of the day.

M. Kamensky points out that the Austro-Hungarian Memorandum speaks of a direct bounty on export.

Count Kuefstein replies that the Bill annexed to the Austro-Hungarian Memorandum has been drafted long before there was any question of a Conference on sugar bounties. It is not a Bill drafted in view of a future Convention for the abolition of bounties, but a real Bill laid before the Austrian and Hungarian Parliaments, and already adopted by the Austrian and the Hungarian Chambers of Deputies. It is evident that this Bill which moreover introduces the system the principle of which has since been adopted by the Conference, could not have provided for the suppression of the bounties as long as the other countries continue to grant them.

But from the moment an International Convention is concluded, Austria-Hungary will be able, much more easily than the other States, to abolish the bounties by submitting to the Chambers a Bill repealing Articles 2 and 3 of the Law.

Count Kuefstein refers the Conference to what he had the honour of saying on this subject at the beginning of the first session, where he observed that it is easier to abolish what is seen than what is not seen. He points out, moreover, that the last paragraph of the Austro-Hungarian Memorandum alludes to this suppression.

M. Catusse asks whether a note has been received from the United States' Government on the system of taxation. It would be interesting to know how sugar coming from Louisiana and from the Sandwich Islands is treated on exportation.

Mr. White states that such sugar is not granted any drawback. No sugar is entitled to the benefit of the drawback which has paid no import duty. He lays on the table an extract from the Customs Regulations on the system of drawbacks, and requests that this document be annexed to the Minutes.*

M. Pallain says that, with regard to the question of the United States and their non-official participation in the Conference, he has some remarks to offer on the Minutes of the last sitting. He asks whether this is the time to make them.

The President replies that the adoption of the Minutes will only take place after the distribution of the second proofs. He reminds the Delegates that it is Article II which is under discussion.

M. Dupuy de Lome explains that, by the Bill presented to the Cortes, Spain has placed herself in the conditions of Article IV. This Bill contains two Articles. The

* See Annex to the present Minutes.

first repeals all previous provisions which allow of the granting of bounties; the second provides that no bounty or repayment of duty shall in future be granted on exported sugar. The Spanish Chambers have recently voted a Law introducing the system of temporary admission.

M. Dupuy de Lome thinks that this system may be applied to the refining industry, whilst providing the guarantees necessary for preventing the giving of bounties.

The Earl of Onslow asks whether a translation of this Bill has been made.

M. Dupuy de Lome answers in the affirmative, and lays the translation on the table of the Conference.

The President states that the British Delegates have thought it would simplify the discussion of Article II if it were divided into two Articles, which he proceeds to read:—

“ARTICLE II.

“The High Contracting Parties engage to place under the bonding system, with supervision of Treasury officials, all sugar factories, as well as glucose factories and factories for the extraction of sugar from molasses.

“ARTICLE III.

“The High Contracting Parties engage to place all sugar refineries under the same régime as sugar factories.”

The President asks the Belgian Delegates whether they prefer to formulate their reserves on Article II or on Article III.

M. Guillaume replies that the Belgian reserves apply equally to both the new Articles substituted in the place of the old Article II.

M. Catusse says that Article II gives rise to a preliminary question. This Article is of capital importance, embracing as it does all the labours of the Conference, and must lead to the examination of the draft Bills and Projects submitted by the various Governments. *M. Catusse* would ask whether it is wise to continue the discussion of the draft Convention Article by Article. He is afraid the Conference may thus run the danger of producing a Convention mutilated by reserves, and that the result may turn out to be the appearance of a Convention rather than a reality. If the press, ever prone to make to the public premature disclosures as to the proceedings of the Conference, says, as it did yesterday, that Articles have been adopted on which, in reality, formal reserves have been made by a great number of the Delegates, it is to be feared that the public in France may be thereby unfavourably impressed. *M. Catusse* would ask, therefore, whether it would not be better to change the mode of procedure followed up to now. In fact, the question before the Conference may be summed up in a certain number of problems which can be solved at once if the Conference wishes. These principal aspects of the question are: the necessity of the adhesion of all the countries interested, the compulsory working in bond, the employment of saccharimetry, the penal stipulations which the Convention may involve, the establishment of a Commission of Arbitration, the date of coming into force and the duration of the Convention.

Another mode of procedure would consist in taking one by one the draft Bills and Projects presented by the Governments, and to submit to the examination of a Committee the various points on which an accord is possible, instructing it to bring before the full Conference the result of this examination. The Committee might also enter upon the discussion of the general lines of the Bills and Projects, and arrive at an understanding, which it appears difficult to reach if Article II is to be discussed without previous detailed examination.

The President agrees, in the main, with these views, and explains that this is one of the reasons why he has subdivided Article II. The greatest difficulties will arise on the refining question.

Putting aside the Belgian reserves, the supervision of factories would not appear to meet with any objection.

It is true that the new Article III will raise technical questions the consideration of which will no doubt have to be referred to a Committee. But it was thought that the new Article II, which stipulates simply for manufacture in bond, might first be discussed and adopted.

M. Pallain regrets that he cannot entirely agree with the President. He quotes the following passage from the Minutes of the sitting of the 16th December:—

“It is settled that the British Government shall communicate to all the Governments which have joined the Conference not only the projects that may be transmitted, but the criticisms to which they may give rise.”

As this exchange of views has not taken place, it is for the Conference itself to proceed to the consideration of the projects which the Government should have examined.

Thus, circumstances necessitate a departure from the mode of procedure which had been laid down at the first session of the Conference. The draft Laws must necessarily be annexed to the Article which establishes the principle of a tax on the quantities produced. It would be impossible to embody in the Article itself the conditions of its application in the various countries interested. He is of opinion that, having adopted the general principle of Article II in the form in which it was submitted to the Powers signatory of the Protocol of the 19th December, 1887, the Conference must proceed to consider the draft Laws, which are the necessary means of execution, and must secure the working of the system of taxation as defined, in its general outlines, by the draft Convention.

A supplementary paragraph to Article II might then be added, stating that the bases of application of the system are specified in the draft Bills annexed to the Convention.

Thus the "*bases of application*" of the Projects agreed to would be placed under the Conventional system.

The President submits M. Pallain's proposal to the Delegates.

M. Jordan shares the views of the French Delegates. His Government had not furnished any definite proposals, because they wished to examine the replies given by the other Governments. As he had said at the first session of the Conference, there is a Law in Germany now which will come into force on the 1st August next, based, partially, on the principle of the tax on consumption. It is therefore in the interests of his Government that the conditions under which this Law is to be applied should be settled in a manner which will prevent any fraudulent evasion of duty. The law itself contains the general provisions to this effect. It is now for the *Bundesrath* to draw up such instructions or Regulations as shall carry them out in detail. These Regulations have not yet appeared, they are still in embryo, and it is not in the power of the Government to accelerate the process of development. M. Jordan is of opinion that an abstract of the views of the German Government may be found in the provisions of the Law of the 9th July, 1877.

In the main, M. Jordan agrees with the opinion set forth by M. Pallain.

Count Kuefstein states that Austria-Hungary is in the same condition as Germany in so far as the Regulations for the carrying out of the last Law are not yet ready. He adds that he does not wish to oppose the appointment of a Committee, but he observes that the draft Laws which are before the Conference—and all are not yet before them—are based on somewhat divergent views, and must, in his opinion, be left, in the last instance, to the consideration of the respective Governments. So long as questions of principle are still under discussion and unsettled, he thinks the Committee would not be able to follow any definite line. It would therefore be better first to arrive at an understanding on these questions of principles.

M. Guillaume would prefer that general principles should be discussed in the full Conference. If every country is to have a Delegate in the Committee, the latter will not materially differ from the plenary meeting. In fact, the questions to be discussed in Committee will be prejudged as regards those countries which may not be represented in it. As there will be no Minutes of Proceedings, the arguments brought forward by the Delegates will remain unknown. But surely the Governments and other interested parties ought to be enabled to judge of the way in which their cause has been defended. M. Guillaume therefore thinks it preferable to decide in full Conference not only the questions of principle, but also the general bases of each system; it will then be for the Committee to discuss the means of application.

M. de Barner would prefer to settle the general principles in full Conference in view of the little interest Denmark would have in being represented on the Committee.

M. Pallain thinks there will be little difficulty in coming to an agreement as to the mode of procedure. What the French Delegates ask is that the draft Laws which have been or which will be communicated to the Conference shall be examined by a Committee. There is, however, no reason why the Conference should not continue, in full sitting, to discuss the general questions raised by the Convention, and indicated by his colleague, such as the necessity of a preliminary understanding with all the sugar producing or refining countries, the principle of a tax on the quantities of sugar produced on the basis of a uniform system, which would insure perfect equality of treatment to the exporters of all the Contracting Powers, the appointment of an International Commission, the penal sanction, &c.

Principles alone will not lead to practical results, their adoption must be sanctioned by some means of carrying them out. M. Pallain cannot see how the general bases of application, which must be referred to a Committee for discussion, are to be embodied in an Article of the Convention.

It will be objected that the general provision lacks precision. That is the objection now raised against Article II. The requisite regulation of detail can only be found and will have to be embodied in the draft Laws themselves attached as Annexes to the Convention.

M. Batanero thinks it necessary to continue the discussion of the general principles in full Conference. The conditions to be fulfilled for meeting the views embodied in the draft Convention are not all laid down in Article II. The provisions of this Article are supplemented by those of Articles IV and V. For there are three ways of not giving bounties: one is to work in bond, the second to abolish all duties, the third, if duties are maintained, to allow no drawback on exportation. The two last conditions are laid down in Articles IV and V, which thus form the natural complement to Article II. In Spain, *M. Batanero* adds, the bonding system is not established. But no bounty or drawback or repayment of any sort will be granted on exportation; as to the provinces and possessions beyond the seas, they do not levy duties on sugar.

M. Verkerk Pistorius agrees to the proposal of the French Delegates, with the reserve that the Conference shall give definite instructions to the Committee. It might, for instance, be an instruction to the Committee to examine the bases of application of the bonding system to factories. There is a general agreement on the principle of this system.

Mr. Walpole complains of the want of clearness of Article II. He is afraid it would be difficult to appreciate the value of the Regulations before determining the nature of the obligations imposed by the text of the Convention.

M. Verkerk Pistorius replies that the new wording lays down more precisely the principle which should serve as a basis for the labour of the Committee.

The President suggests that the new Article II might be adopted, whilst reserving for the Committee the discussion of technical details. The same procedure would then be followed as regards the new Article III. The Conference would first have to adopt the principle of this Article, and then to examine whether any exceptions should be made.

M. Kamensky points out that the new Article II proclaims the principle of the system of working in bond. The original wording spoke only of a system of duty on the quantities produced. These two expressions are by no means identic. It is the original wording only which has been submitted to the respective Governments. He is not authorized to accept any other system.

A conversation takes place between *the President* and *M. Kamensky* as to the meaning of the words "supervision" and "working in bond."

M. Pallain is of opinion that it would be best to go back to the original wording of Article II.

M. Guillaume points out that, after all, the only principle on which all are agreed is the abolition of bounties. The draft measures of application are on a totally different footing. He repeats that it will be necessary to determine the general bases in full Conference.

M. Verkerk Pistorius believes it would be better to adopt the new wording proposed by the British Delegates. The Conference would continue its labours without waiting for the Report of the Committee on the means of application of this Article.

The President submits it to the Conference what wording should be adopted.

M. Jordan is in favour of the original wording. It is the one which his Government knows, and to which the objections indicated in the Memorandum communicated by his Government refer. He does not know whether his Government would prefer the new wording; yet he would wish that the meaning of this Article were more clearly stated, and that proper guarantees were given to its application.

The President points out that it would be for the Committee to arrive at the precision demanded.

Count Kuefstein agrees with the opinion expressed by the First German Delegate, and reserves his observations on Article II.

M. Guillaume asks whether Article II is to be referred to the Committee without previous discussion.

The President replies that this reference would be made with the reserve that the Conference shall ultimately decide on the recommendations of the Committee.

M. Dupuy de Lome would retain the first wording; but he would point out that Article II does not apply to countries which have no duties and give no drawbacks. These countries form part of the Convention of right, and need not be "admitted" to it, since they are themselves Contracting Parties. Would it not be preferable to define the position of these States in the body of the Convention, either in Article II or in Article IV, or in an Additional Article? He will be ready to submit a wording in this sense to the Committee to be appointed by the Conference.

M. Verkerk Pistorius fears that the instruction to the Committee may not be clearly enough defined. It is generally agreed that Article II is a little vague, and leaves a doubt as to the principle itself of the mode of taxation. Will the Committee be empowered to first of all define the principle, and then examine the means of application? If so, he would adhere to the old wording.

M. Pallain says that if the Committee finds any fault in the wording of this Article, it will refer to the Conference. But, for the moment, it is the original wording which should be discussed.

M. Jordan observes that Article II of the draft Convention is the result of the earlier labours of the Conference. The principle it embodies is no doubt not sufficiently developed. Moreover, this Article does not indicate the measures necessary to insure its proper application. It will be the duty of the Committee to develop this principle and specify these measures, whilst having regard to the observations contained in the Memoranda of the Governments.

Mr. Kennedy points out that several Governments have expressed their opinion that the wording is not sufficiently clear and ought to be more precisely defined. The Committee will therefore have to examine the wording of the Article as well as the texts of the draft Projects.

M. Jusserand observes that, if the old wording of Article II is maintained for the present, the British Delegates will always have the right to make before the Committee any proposal they may think proper.

The sitting is suspended during a quarter of an hour in order to prepare the text of the Resolution to be submitted to the Conference.

The President, in reopening the proceedings, submits the following Resolution:—

“In view of the opinion expressed by several of the Powers in their notes presented to the British Government, that Article II of the draft Convention does not indicate with sufficient accuracy the principle to be adopted in order to arrive at the abolition of bounties, the Conference adopts, provisionally only, Article II, and refers to a Committee the question of amending its wording, and the consideration of the draft Laws which are to lay down the bases of application for each State.

“The Belgian Delegates, however, agree only to the reference to the Committee, but not to the provisional adoption of Article II.”

The Resolution is adopted.

M. Jaehnigen, *Count Kuefstein*, *M. Guillaume*, *M. de Barner*, *M. Batanero*, *M. Sans-Leroy*, *Mr. Walpole*, *M. Verkerk Pistorius*, and *M. Kamensky* are appointed to form the Committee.

M. Pallain requests that it may be understood that the Committee will have the right to call before them those members which do not take part in their discussions.

In reply to *Count Kuefstein*, *Mr. White* says that he has received a telegram from Washington announcing that the clause providing for the total abolition of the drawback has, in fact, been suppressed by the Committee of the House of Representatives in the Customs Tariff Bill.

The next sitting is fixed for Monday, the 16th April, at 11.30 A.M.

The Conference adjourns at 2 o'clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
E. A. BATEMAN.
E. BOIZARD.

Annex to the Minutes of the Tenth Meeting.

United States' Customs Regulations.

Drawbacks on Exportation.

ARTICLE 819. On articles wholly manufactured of imported materials on which duties have been paid, a drawback is to be allowed, on exportation, equal in amount to the duty paid on such imported materials, less 10 per cent, thereof.

The entry in such cases will be as follows, and must be filed with the Collector at least six hours before putting or lading any of the merchandize on board the vessel or other conveyance for exportation.

Form No. 214.

Entry of Manufactured Articles for Exportation with benefit of Drawback.

Entry of _____ manufactured in the United States from _____, of foreign growth and production, intended to be exported by _____, on board the _____, master, for _____, with benefit of drawback, under the provisions of the 4th section of the Tariff Act of the 5th August, 1861.

Marks and Numbers.	Number and Description of Articles.	Quantity.	Value.	By whom manufactured.	Where deposited.

MATERIALS entering into the manufacture of the above articles.

Description of Materials.	By whom imported.	Name of Vessel.	When imported.	Where imported.	Whence imported.	Quantity.	Value.	Rate of Duty paid.

, Exporter.

Oath or Affirmation of Exporter.

I, _____, do solemnly, sincerely, and truly _____ that the _____ described in the annexed entry, now to be laden on board _____, master, intended to be exported to _____, and not to be brought back or reloaded within the limits of the United States. I further _____ that the said _____, according to the best of my knowledge and belief, _____ wholly manufactured of _____, the growth and production of a foreign country imported as in said entry stated; that the duties chargeable thereon by law on importation have been paid, without any allowance or deduction for damage or other cause, except [here state if any allowance was made, and what]; and that no part of such duties have been heretofore refunded by way of drawback or otherwise.

before me this _____ day of _____, 18 _____.

The proprietor and the foreman of the manufactory in which the articles were manufactured must make oath, to be indorsed upon or securely attached to the entry, in the following form:—

We, _____ proprietor, and _____, foreman of the _____, do severally solemnly, sincerely, and truly _____ that the _____ described in the within [or annexed] entry was manufactured at the _____, wholly from _____, of the growth or production of a foreign country imported and on which duties have been paid, as in said entry stated, to the best of our knowledge and belief.

before me this _____ day of _____, 18 _____.

Eleventh Meeting.—Monday, April 16, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

AT the opening of the proceedings, *the President* reads a telegram in which M. Sans-Leroy announces his arrival in London on Tuesday next. The President proposes that the Conference should enter upon the discussion of the non-contentious Articles, leaving aside, for the present, those which call for a more detailed discussion, in order thus to enable the First French Delegate to take part in the deliberations.

M. Pallain asks whether it would not be well to discuss, with regard to Article III, the question of the general adhesion of all the sugar-producing or refining countries.

The Earl of Onslow observes that this discussion might more properly be opened on Article VII.

M. Guillaume is of opinion that the principles of Articles II and III might be discussed after the arrival of M. Sans-Leroy, and the question of details only referred to the Committee.

The President points out that Article II has already been referred to the Committee.

M. Verkerk Pistorius agrees to the proposal of the President to discuss the non-contentious Articles, and to reserve the discussion of Article III.

This proposal having been adopted, *the President* reads the text of Article IV:—

“ARTICLE IV.

“There shall also be admitted in this Convention all such States or Colonies and foreign possessions of the High Contracting Parties which, though not adopting the system described in Article II, do not impose duties on sugar, or which undertake not to accord to sugars for export, either raw or refined, any drawback, repayment, or discharge of duties or quantities.”

The President asks the Delegates to offer their observations on this Article.

M. Jordan says that whilst by Article II all the States are bound to levy the duty in a certain way, there are some States which levy no duty at all. There ought to be an Article to say that these States as well belong to the Contracting Powers, and take part in the Convention from the moment it is signed. He is afraid that the words “shall be admitted” do not exactly convey this meaning.

M. Dupuy de Lome recalls what he said at the preceding sitting, and also asks for a more exact wording of the Article, which appears to apply only to States not, from the first, taking part in the Convention. Great Britain, for instance, will form part of the Convention, without being “admitted;” and, in the same way, Spain, which gives neither bounties nor drawbacks, cannot fall under the conditions of Article II. The Convention must contain a stipulation for those countries which have no duty. It seems to him that Article IV applies rather to States which are not represented in the Conference. It would be well to complete Article II by a provision applying to the States which have no duties.

Count Kuefstein does not share the opinion of M. Dupuy de Lome. Article IV appears to him to form the necessary complement to Article II, and will need but some change of wording to meet the wishes, certainly well founded, which have been expressed.

M. Verkerk Pistorius believes that the position of Great Britain is provided for by Article V. Article IV does not apply to countries represented in the Conference.

M. Guillaume proposes to fill a gap in Article IV caused by the omission of the word “glucose.” This product, having been mentioned in Article II, ought evidently to have found a place also in Article IV.

M. Jordan points out an omission in Article II. The engagement it imposes cannot be carried out by countries having no duties. It ought to be stipulated that the engagements contained in Article II apply exclusively to those countries which levy a duty on sugar. Could it not be made an instruction to the Committee to take the suggestion into account in framing the wording of Article II?

The President admits that the Article might be worded:—

“The High Contracting Powers which impose a duty on sugar engage,”

M. Pallain asks what is to be understood by the expression “foreign possessions?” Does it include protected countries?

The President replies in the affirmative. The expression also applies to India, which is not, in the proper sense of the word, a British Colony.

M. Dupuy de Lome explains that Spain has not only Colonies and foreign possessions, but also what she calls her provinces beyond the seas—Cuba and Porto Rico, for instance. He believes, moreover, that the present wording of Article IV might be maintained if Article II were modified in the sense indicated by *M. Jordan*.

M. Verkerk Pistorius believes that the provisions of Article IV ought also to apply to the States coming under Article II, in order to enable them to withdraw from the obligations which it imposes by ceasing to give a drawback. In his opinion, the discussion on Article IV ought to be reserved until a definitive wording for Article II is adopted.

M. Jordan thinks that, if the proposed wording for Article II is adopted, that is, if this Article is completed by a provision respecting those Contracting Powers which do not tax sugar; Article IV might be suppressed.

Count Kuefstein shares the views of *M. Verkerk Pistorius*. It is Article II which forms the essence of the Convention; for it applies, above all, to the bounty-giving countries which desire to arrive at an understanding for their abolition, whilst Article IV applies to those which make no repayments or offer no bounties on sugar.

M. Pallain draws attention to the following words in Article IV: "which undertake not to accord . . . any drawback." It does not suffice that these States make a promise. They should also be bound to submit, to some jurisdiction yet to be established, as the countries represented will to the Conference, the proof that they do not accord any repayment or discharge.

The President proposes to substitute the words "who do not accord . . ." for "who undertake not to accord. . . ."

Those countries which are now taking part in the Conference have brought before it the draft Laws indicating the means by which they propose to apply the principles adopted. And will not the countries which may desire to adhere to the Convention in the future have to furnish similar proof that they will carry out those principles?

Count Kuefstein is of opinion that the obligations of these States ought to be the same as those of the Contracting Powers.

M. Verkerk Pistorius observes that this question is connected with that of the establishment of an international body which shall see that the States desirous of adhering to the Convention fulfil the conditions which it imposes.

The President does not agree with this view, although he recognizes the importance of controlling the legislation of the States which may desire to adhere to the Convention.

M. Batanero requests the insertion in Article IV of the words "provinces beyond the seas." For the Provinces of Cuba and Porto Rico are neither Spanish Colonies nor foreign possessions of the Crown. He proposes the following wording:—

"The States, provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties which, whilst not adopting the system defined in Article II, do not levy duties on raw or refined sugar, or which do not accord to them, on exportation, any drawback, repayment, or discharge of duty or quantities, form part (or may adhere) to the present Convention."

M. Verkerk Pistorius is still of opinion that Article IV, as it stands at present, does not apply to countries which will from the first take part in the Convention. He asks that the adoption of this Article may be left dependent on the definitive wording of Article II.

M. Catalani declares that he has received instructions which oblige him to formulate certain reserves on Articles IV and V. Italy intends to maintain her liberty of taxing sugar as a source of revenue. Before making a more precise declaration, he will await further explanations for which he has asked his Government by telegraph.

M. Pallain points out that the Convention does not interfere with the liberty of action of the Governments as regards excise duties and customs duties. This is a question which the French Delegates regard as settled by the declaration of the British Delegates at the sitting of the 13th April.

The President once more confirms this interpretation.

M. de Barner and *Count Kuefstein* ask for some explanation respecting the word "glucose."

M. Guillaume and *M. de Smet* observe that the sugar of glucose mentioned in the draft Convention can evidently only mean saccharine products extracted from amylaceous substances.

The Conference adopts this view.

M. Guillaume proposes to substitute the words, "which do not accord on the

exportation of sugar, &c. . . .” for the words, “which do not accord to sugars for export, &c. . . .”

M. Jusserand also proposes a merely verbal modification of the wording.

The President submits to the Conference the following wording:—

“Are admitted to the Convention those States, provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties which, though not adopting the system mentioned in Article II, levy no taxes on sugar, or which grant, on the exportation of raw sugar, refined sugar, or glucose, neither drawback, repayment, nor writing off of duties or quantities.”

This wording is adopted.

The President reads Article V:—

“ARTICLE V.

“In case any State which does not impose duties upon sugar should establish them, such State shall be bound to levy these duties upon the quantities of sugar produced and delivered for consumption, or to give no drawback, repayment, nor discharge of duties or quantities.”

The President begs the Delegates to make their observations on this Article.

Count Kuefstein thinks that the words, “duties upon the quantities of sugar produced and delivered for consumption,” must depend upon the wording of Article II, where the same words occur.

M. de Barner is of opinion that this Article might be adopted provisionally, like Articles II and IV.

The President observes that, failing the provision contained in this Article, a State which does not tax sugar at present, but should do so in the future, would be free to do what the Convention prohibits in the case of the other States.

M. Pallain points out that it must be understood that such a State would have to furnish the same guarantees with regard to its legislation as the Contracting Powers.

M. Catalani supports this view.

M. Verkerk Pistorius agrees with the suggestion made by *M. de Barner*. The form and the essence itself of Article V must depend upon the decision which may be arrived at with regard to Article II. It is evident that the Contracting Powers must preserve the right to abolish their sugar duties, and yet remain in the Convention, under the condition of conforming to the stipulations of Article V in case these duties are to be reimposed.

The President confirms this interpretation, and takes act of *M. Verkerk Pistorius'* declaration, having assured himself that it does not give rise to any objection.

M. Guillaume proposes to specify, in Article V, that it applies to the Contracting Powers.

Article V is adopted in the following shape:—

“In case any State which does not impose duties upon sugar should establish them, such State shall be bound to levy these duties upon the quantities of sugar produced and delivered for consumption, or to give no drawback, repayment, nor discharge of duties or quantities.”

The President reads Article VI, which he describes as having a purely formal character:—

“ARTICLE VI.

“The High Contracting Parties shall communicate to one another the Laws which may have been already passed, or may in the future be passed, in their respective States, in relation to the purpose of the present Convention.”

M. Pallain again reverts to the question of an international sanction.

The President admits that this observation is justified.

M. Jordan asks in what manner the communications mentioned in Article VI are to be made.

The President replies that they will be made through the diplomatic channel.

Count Kuefstein observes that, as regards the Contracting Powers, the stipulation as to the communication of the Laws already passed would not appear to be of much value in view of the present state of the labours of the Conference, since the Convention cannot be signed without previous examination of these Laws. He thinks the words, “which may already have been passed,” might be suppressed, and a provision substituted respecting the modifications which may hereafter be made in the Laws already approved by the Conference.

M. Dupuy de Lome believes that in Article VII there is an allusion to changes of legislation.

M. Pallain observes that this question raises another, namely, whether the draft Laws embodying the bases of application of the system of duties on the quantities of sugar produced are to be attached as Annexes to the draft Convention, and thus placed under the Conventional system (which would be following the precedent of the Conventions of 1875 and 1877, which *M. Verkerk Pistorius* knows well); or whether Article II would be so generally worded as to comprise the system of uniform treatment without bounties, which is to be established between the States of the Sugar Union.

Count Kuefstein thinks it indispensable that the High Contracting Parties should know what are the guarantees offered by each of them; they must be in a position to judge of the modifications which it may be desired to introduce into a Law which has already been accepted as satisfactory.

He proposes the following wording:—

“The High Contracting Parties shall communicate to one another the modifications which they propose to make in their respective Laws, in order that all may be able to judge whether they are in accordance with the stipulations of this Convention. These modifications can only be made if, within _____ months, no objection has been raised by any one of the High Contracting Powers.”

The President admits that the question is not without importance; it is intimately connected with that of an International Commission. He proposes to leave aside for the present Article VI, for which the British Delegates will prepare a new wording, embodying the views put forth by *Count Kuefstein* and other Delegates. He reads Article VII:—

“ARTICLE VII.

“The States which have not taken part in the present Convention are permitted to join in it on application. Their accession shall be announced through the diplomatic channel to Her Britannic Majesty’s Government, and by it to the other Signatory Powers.”

Count Kuefstein thinks the adoption of this Article should be dependent upon the final wording of Article VI. A similar clause will have to be added to it, in order to give to the Contracting Powers the right to judge whether the legislation of the State wishing to adhere offers sufficient guarantees.

M. Jordan is of opinion that the admission of States which have not taken part in the Conference must be made dependent upon the examination of their legislation.

M. Batanero proposes the following wording:—

“The States which have not taken part in the Convention are admitted to join in it on application. They must furnish proof that their legislation respecting sugar is in accord with one of the systems defined in Articles II and IV.”

M. Jordan points out that it would not be possible to admit such States simply on their declaration that they accord no bounties.

M. Verkerk Pistorius does not think that a State should be called upon to modify its legislation before adhering to the Convention. By the fact itself of its adhesion it engages to change its legislation with a view to placing it in harmony with the principles of the Convention.

M. Pallain asks who is to be authorized to decide whether this obligation is fulfilled.

M. Verkerk Pistorius observes that the question again turns upon the establishment of an International Commission.

Count Kuefstein submits the following wording:—

“The States, Colonies, &c., which have not taken part in the Convention are admitted to join in it on application, in case their legislation, which shall have been previously brought to the notice of the High Contracting Parties, shall not have given rise to any objection.”

M. Batanero is of opinion that it is not enough for the States or Colonies wishing to adhere to the Convention to make a request in this sense to the Contracting Parties. This request must also be granted by the Signatory Powers.

M. Jordan would prefer to see the Article worded as follows:—

“The States which have not taken part in the present Convention may be admitted to join in it on application. This application shall be notified through the diplomatic channel to Her Britannic Majesty’s Government, and by it to the other Signatory Governments. A State which levies a tax on sugar shall not take part in the Convention before bringing its legislation in harmony with the stipulations of the Convention.”

The President, having taken the opinion of the Conference, declares that Article VII is reserved in the same manner as Article VI. He proceeds to read Article VIII.

M. Pallain asks whether any one of the Colonies enumerated in Article VIII have anything resembling a system of export bounties.

The President replies in the negative. One of the Colonies, which had had the intention to make an exception to this rule has been obliged to give it up.

M. Dupuy de Lome thinks that Article VIII might be struck out, the position of the British Colonies being defined in Article IV in the form in which it has been adopted in the last instance.

This view being shared by all the Delegates, Article VIII is struck out.

The next meeting is fixed for Wednesday, at half-past 11.

The Conference, having met at half-past 11, adjourns at half-past 1.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Twelfth Meeting.—Wednesday, April 18, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The President submits to the Conference a text of the draft Convention in which the Articles already adopted are distinguished from those still to be discussed. (See Annex (A) to the present Minutes.)

He then proposes to adopt the Minutes of the ninth meeting.

M. Jusserand wishes to make an observation on the Minutes, already adopted, of the eighth meeting. These Minutes describe him as French Chargé d'Affaires. He does, indeed, at present hold this rank, but only temporarily; he would prefer to be designated simply by his rank as Councillor of Embassy.

M. Pallain draws attention to the question put by *M. Batanero* at the ninth meeting, namely, whether the rejection of the Convention by the Parliament of any one of the Contracting Powers would not mean that that country remained outside the Convention. If this case arose, surely the Convention would no longer exist. The French Delegates had understood, and, in fact, no other interpretation would seem possible, that the rejection of the Convention by the Parliament of one of the Contracting Powers would set free those which might have already notified their adhesion, since the Sugar Union can only exist by the adhesion of all the countries interested. He would refer, as an example, to what happened in 1875 after the rejection of the Convention by the Dutch Chambers. But, from the interpretation of *M. Batanero*, which had received the sanction of the President, it would follow that, if the above-mentioned case arose, the Convention would remain binding for the other countries, which cannot be admitted of right.

M. Batanero says that *M. Pallain* has correctly stated his meaning.

Count Kuefstein observes that the question is whether one of the contracting countries should have the power to annul the Convention. He thinks this point had better be reserved till the moment when the question of a penal clause comes under discussion. The solution of this question must, in fact, depend upon the defensive measures which the Contracting Powers may be able to take against those countries which may remain outside the Convention.

M. Dupuy de Lome thinks that in the supposed case the Convention would have necessarily to be considered annulled, unless it contained a penal clause directed against the non-Contracting Powers.

M. Pallain points out that a special clause was inserted in the Convention for the General Postal Union, declaring that, in case one or more of the Contracting Powers refused to ratify the Convention, it should yet remain binding for those States which should have ratified it.

M. Batanero states that the opinion he gave was intended to foreshadow the discussion of the penal sanction. He reserves the discussion of this question for its proper time.

Count Kuefstein points out that there are two distinct questions: that of the

rejection of the Convention by one of the Parliaments of the Signatory Powers, and that of the denunciation of the Convention after its coming into force. In the first case, one of the principal conditions made by several Governments, namely, the adhesion of the Signatory Powers, disappears, and the decisions must be reserved; whilst the second alternative would be dependent upon the question of the measures of defence, which will be discussed later on. Each State, moreover, will have the same right to denounce.

Mr. Kennedy says that the case now in question is the one specified by *M. Pallain*, namely, whether the coming into force of the Convention is to be made dependent upon the ratification by all the Parliaments, and whether, failing such ratification on the part of one of the Parliaments, all the other Contracting Parties are thereby set free.

M. Verkerk Pistorius thinks that the question thus put must be answered in the affirmative.

The question is reserved until the discussion on the proposal made by the Spanish Delegates in the course of the first session of the Conference.

The President, having taken the sense of the Conference, declares that the Minutes of the ninth meeting are adopted. He proceeds to explain that the British Delegates, having discussed the matter between themselves, have come to the conclusion that it might be well that the President should take the Chair at the meetings of the Committee, in view of the capital importance of the questions which it is called upon to decide.

The Conference unanimously accepts this proposal.

The President requests the Delegates to inform their respective Governments that the British Cabinet think the moment has come for appointing the Plenipotentiaries. He announces that Her Majesty the Queen has been graciously pleased to appoint the Marquis of Salisbury and himself in this capacity. Her Majesty's Representatives will inform the Governments to which they are accredited of the progress made during the last meetings of the Conference, and will urge upon them the proposal which he has just made with regard to the appointment of Plenipotentiaries.

M. Kamensky states that *M. de Staal* and himself have received the necessary full powers, but that his Government would wish to see the definite text of the Convention before sanctioning its signature.

M. Jordan states that his Government has reserved the nomination of Plenipotentiaries till sufficient progress may have been made in the discussion.

The President begs *M. Jordan* to inform his Government of the advanced stage reached in the labours of the Conference.

Count Kuefstein explains that his full powers will not be sent him until the text of the Convention is definitively settled. His Government must see this text before making out the full powers; that is the course which it has invariably taken in similar circumstances; he refers, for instance, to the last Treaty of Commerce with France which he was instructed to negotiate.

M. Guillaume declares that he has received no instructions on this subject.

M. de Barner announces that he has already received his full powers.

M. Dupuy de Lome says that, as regards Spain, his Excellency the Minister of State has already announced in his note of the 21st March last, addressed to the British Ambassador at Madrid, that the Spanish Delegates will be furnished with full powers, in order to prove the good-will of the Government of His Catholic Majesty and their confidence in the success of the Conference. No doubt his Government will desire to see the text of the Convention before authorizing its signature. They are anxious, however, to follow the example of the other Powers as regards the nomination of Plenipotentiaries. The Spanish Delegates will communicate the wish expressed by the President and his colleagues to their Government, and they venture to hope that, if the President attaches value to it, the Spanish Government will appoint at once the persons who are to receive the full powers.

M. Guillaume asks whether the British Government wishes the immediate appointment of Plenipotentiaries.

The President remarks that as several of the Powers have designated their Plenipotentiaries, it would be desirable that the other Powers did the same. They would thus show their desire to arrive at a practical result.

M. Guillaume states that he will communicate this wish to his Government.

M. Jusserand will also refer to his Government.

M. Catalani and *M. Verkerk Pistorius* make similar declarations.

With regard to the text of the draft Convention distributed to the Conference, which embodies the results of the preceding meetings (see Annex (A) to the present Minutes), *M. Pallain* thinks he understood the President to say that the preamble would leave a

blank for the names of the Contracting Powers. But he now remarks that this document enumerates the Contracting Powers. He must at once call attention to the omission of the United States. He points out that he has already had occasion to declare that, in the opinion of the French Government, the system of equal treatment of all the exporting countries must apply without distinction to all sugar-producing or refining countries, the abolition of bounties affording a guarantee to the Contracting Powers that their sugar will not have to compete in the market where it is sold with any but bounty-free sugar.

It is indispensable that the proposed Convention should have the adhesion of all countries which produce beet sugar, or which refine sugar of any kind, guaranteed by a legislation which shall not allow of any excess yields. As a matter of fact, the United States give a bounty which at this moment amounts to 2 fr. 21 c. per 100 kilog., which was higher than two years ago, and which might again be raised in the future.

He reminds the Conference of what Mr. White said at one of the last meetings, that there had been a question of reducing the drawback in the same proportion as the duty, by 20 per cent. In that case, the latter would have amounted to 1 fr. 92 c. instead of 2 fr. 40 c., and the drawback to 2 fr. 8 c. instead of 2 fr. 60 c., which would have reduced the bounty from 2 fr. 21 c. to 1 fr. 77 c. per 100 kilog. It was stated a few days ago in a newspaper telegram that after an uninterrupted sitting of thirty-one hours, the House of Representatives adjourned the discussion on reform of the system of taxation. The telegram adds that in the present state of Parliamentary procedure the Bill for the reduction of import duties can only pass in a shape satisfactory to the protectionists, whence it must be concluded that the amendment introduced by the Committee of Ways and Means, which fixes the reduction of the duty on sugar at 20 per cent., did not apply to the drawback, and that the bounty has thus been trebled.

M. Pallain recalls the declaration made by the President at the meeting of the 10th April, that the United States were evidently disposed to take advantage of the clause which allows of the admission of other Powers to adhere to the Convention. He would be glad to share this confidence, and in order to dispel the doubts which are always excusable on the part of a Customs officer, he begs leave to lay before the Conference a Bill introduced into the House of Representatives on the 4th January, 1888 (*i.e.*, subsequently to the signature of the Protocol of the 19th December, 1887), reported to the House of Representatives on the 9th February, and voted on the 1st May.

M. Pallain proceeds to quote a translation of the principal passages of the Report of Mr. McCreary, of the Committee on Foreign Affairs, which accompanies the Bill:—

“The Committee on Foreign Affairs, to whom was referred the Bill (H. R. 1473) authorizing the President of the United States to arrange a Conference for the purpose of promoting arbitration and encouraging reciprocal commercial relations between the United States of America and the Republics of Mexico, Central and South America, and the Empire of Brazil, have had the same under consideration, and respectfully report the accompanying Bill, and recommend its passage.

“The present depression of business and low price of farm products are caused, to a considerable extent, by a limited market for our surplus products. Some of the best markets we can look to are not far beyond our southern border. They are nearer to us than to any other commercial nation. The people of Mexico and of Central and South America produce much that we need, and our abundant agricultural, manufactured, and mineral productions are greatly needed by them. These countries cover an area of 8,118,844 square miles, and have a population of 42,770,374. Their people recognize the superiority of our products, and desire more intimate business intercourse with our people, but the great bulk of their commerce and trade is with Europe. The Argentine Republic has from forty-five to sixty steam-ships running regularly between Buenos Ayres and European ports.”

M. Pallain here points out that the Argentine Republic is one of the principal outlets for French sugar. The amount of French sugar exported to that country was 6,210,937 kilog. in 1885, 9,252,741 kilog. in 1886, and 14,653,330 kilog. in 1887. The Report continues:—

“In 1884 our exports were valued at 733,768,764 dollars.

“Of this amount we exported but 64,719,000 dollars to Mexico and South and Central America.

“Our annual mechanical and agricultural products are valued at about 11,000,000,000 dollars, while we seldom have sold more than 75,000,000 dollars worth of these products to our nearest neighbours, who buy in Europe at least five times as much as they get here.

“England monopolizes this trade because of her cheap transportation facilities.

"It is very important that transportation facilities between the United States and her southern neighbours should be improved, for as long as the freight from Liverpool, Hamburg, and Bordeaux is 15 dollars a ton, they cannot be induced to pay 40 dollars a ton to bring merchandize from the United States.

"There is not a commercial city in these countries where the manufacturers of the United States cannot compete with their European rivals in every article we produce for export.

"The Report of the South American Commission shows, by the testimony of the importing merchants of those countries, that, aside from the difference in cost and convenience in transporting, it is to their advantage to buy in the United States, because the quality of our products is superior, and our prices are usually as low as those of Europe. In this connection it may be important to consider whether a common standard of gold and silver coins, equal in value, weight, and fineness in all of the countries named, and current in all of them, would help to increase commerce and friendly relations among them.

"At no time since the organization of our Government has there been a deeper conviction of the propriety of connecting in closer relations our Republic and the Republics of Mexico, Central and South America, and the Empire of Brazil."

Now, in Central America, if the information received is correct, a ton of sugar of 1,000 kilog. is said to be worth from 6 fr. to 8 fr.; that is the fourth part of a ton of rich beet.

M. Pallain begs the Conference to excuse these lengthy quotations, but it appears to him that this document, which speaks in such eloquent terms of the necessity of the Customs Union with the Republics of Central and South America, and which gives the exact figures of the interests involved in the question, viewed in the light of the discussion in the American Senate of the 5th April, clearly shows that his Government is only safeguarding the true interests of Europe in desiring the adhesion of the United States to the Convention, and in persisting to consider this adhesion an indispensable and preliminary condition of that of France.

He points out that, a few years ago, the bounty given in the United States amounted to 4 fr. 63 c. per 100 kilog. of refined sugar. Under that state of the law the exports of American refined sugar into Great Britain had assumed considerable dimensions.

The following figures show the imports of American sugars into Great Britain :—

									Kilog.
In 1884 .. .. .	..	..	..	..	..	..	..	..	52,000,000
1885 .. .. .	..	..	..	..	..	..	..	..	115,000,000
1886 .. .. .	..	..	..	..	..	..	..	..	70,000,000

In 1886 the bounty was reduced to 2 fr. 21 c., and the exports consequently fell off.

The exports of 1887 amounted to 39,000,000 kilog.; they diminish with the bounty.

The competition of the United States in sugar, and especially in refined sugar, is therefore formidable. For the United States will have the sugar produced by each of the neighbouring States at a lower price than that coming from Europe, and if they continue to give bounties when the Signatories to the Convention will have abolished them for themselves, they will be able to exclude France from the English market, and still more easily from the market of the Argentine Republic, which is one of the best present outlets for the French trade.

M. Pallain adds that he felt it his duty to lay these his apprehensions before the Conference, and that he should be glad if the semi-official Representative of the United States would, at one of the next sittings, furnish some information on the points he has raised. He lays on the table of the Conference the American Report from which he had quoted several extracts (see Annex (B) to the present Minutes), and assures his colleague Mr. White that he should be happy were his apprehensions to be quieted, and the Bill for the Customs Union of the United States with Central and South America to remain a "Bill of Forlorn Hopes." He would, however, leave Mr. White the necessary time, as the decisions to be taken are too grave to be hurried on precipitately. The Conference could not do better than follow the device of the old historic house where they had been so hospitably received last week: "*Sero sed serio.*"

Mr. White replies that he will not fail to transmit to his Government the observations made by his colleague M. Pallain.

The President states that M. Verkerk Pistorius has handed to him a Memorandum on the question of surtaxes, with the request that it should be laid before the Conference. This paper will be printed and distributed. (See Annex (C) to the present Minutes.)

He thinks that for the present it will be better to postpone the discussion of this Memorandum to a later date, and to continue the discussion of the Articles of the draft Convention.

M. Kamensky points out that the preamble of the draft Convention, copies of which have been distributed, does not mention the Colonies.

The President explains that it is not customary to make this mention. There are two kinds of Colonies—the self-governing and the Crown Colonies. It is stated in the Minutes that the former accept the Convention, the latter are under the control of the mother country, and the Government, therefore, treats in the name of both kinds of Colonies.

M. Batanero thinks that it would nevertheless be of advantage to mention in the Convention that the mother countries have also treated on behalf of their provinces beyond the seas, foreign possessions, and Colonies. The preamble might thus give the names of the countries and say, "Spain and her provinces and possessions beyond the seas," and so on for the other Contracting Powers.

M. Kamensky declares himself satisfied, provided the declaration of the President is recorded in the Minutes.

Count Kuefstein agrees with the first observation made by *M. Kamensky* on the subject of the Colonies. How is one to know which are the Colonies that adhere and those that do not adhere?

The President explains that the one solitary exception is the one made for the Island of Curaçao.

M. Verkerk Pistorius states that he has not received any further instructions on this point; but he believes that, after the explanations given to him, and the recognition of the right of the Island of Curaçao to levy customs duties on sugar, there will be no difficulty as to the adhesion of that Colony.

Count Kuefstein will be satisfied if it is declared, in a binding form, that all the Colonies of the Contracting Powers adhere to the Convention.

M. de Barner calls attention to a defect in Article IV. He is afraid this Article allows those countries which do not tax sugar the possibility of a bounty.

The President, in reply, points out that by Article I, the provisions of which are absolute and general, all the Contracting Powers pledge themselves not to give bounties.

M. Catalani states that he is instructed by his Government to maintain the reserves which he made on Articles IV and V. His Government is anxious to maintain intact their right of taxing sugar.

The President explains that the question of excise or of a Customs Tariff is not under discussion. The Contracting Parties will remain free to impose duties on home-made or imported sugar according to any Tariff which they may adopt. The object of Article IV is only to suppress all repayments.

M. Catalani does not doubt that these explanations will satisfy his Government, but he must maintain his reserves until he has received further instructions from Rome.

The discussion is resumed on Article VI, of which the British Delegates submit a new wording. (See Annex (A) to the present Minutes.)

M. Jordan thinks he may take the wording proposed *ad referendum*, as it seems to answer the wishes expressed in the Memorandum of his Government. He believes that the proposal for the appointment of an International Commission will successfully further the labours of the Conference, provided this Commission offers proper guarantees respecting the execution of the Convention by the Contracting Powers. He recalls the proposal made in the course of the first session of the Conference by the Spanish Delegates. He will leave to them the initiative of raising the discussion on that point, but he will take his share in it when the moment comes, and will only say now that the proposal in question has been favourably received by his Government. As a principle, the establishment of an International Commission is a great step towards a favourable result. He therefore adopts the principle of the proposed Article, whilst making his reserves as to its wording.

Count Kuefstein, to show that the idea expressed in Article VI is in accord with the views of his Government, quotes the following passage from the Austro-Hungarian Memorandum:—

"As a new and hitherto untried state of things is to be established, it appears to us absolutely necessary—and we think that this is also the idea of the other Powers—not only that the Contracting Parties should communicate to each other (as is said in the draft of Convention) the Laws relating to the subject, and the amendments intended to be introduced into them, but that some opportunity be given to the Contracting States of pronouncing against amendments which would either violate the fundamental principles of the Convention, or render them inoperative."

Count Kuefstein therefore adopts the principle of the Article, reserving the examination of its details to his Government, which, as far as he is able to judge, will have no objections of principle to urge if the proposal is accepted by the Conference.

M. de Barner has no remarks to offer on the Article under discussion.

M. Dupuy de Lome would propose only a verbal alteration. For the words, "each of the High Contracting Powers is represented," he proposes to substitute, "each of the High Contracting Powers may be represented." It would be unnecessary to oblige each Power to send a Representative to the Commission.

This modification is adopted.

M. Pallain is of opinion that Article VI, which is now under discussion, does not go nearly so far as Article XVI of the Convention for the Postal Union (see Annex (D) to the present Minutes), by which, on the proposal of Belgium, the International Commission was established. The creation of such a Commission, authorized to superintend the execution of the proposed Convention, is the necessary complement to the arrangement to be come to, and forms part of the guarantees which are expected to secure the proper working of the stipulations.

M. Jordan quotes a passage from the Memorandum furnished by his Government as to the necessity of measures being taken for preventing the Contracting Parties from evading their obligations. He dwells particularly on the following words:—

"Similar measures might be taken against any State not taking part in the Convention, or leaving it after having acceded to it."

This is a question of great importance. It is not known whether the United States and Brazil will adhere to the Convention; on the contrary, it is known that they are not disposed to do so at this moment. The German Government attach great value to these States joining the Union. If it is not possible to obtain their immediate adhesion, measures should be taken to punish them for their abstention. This is the meaning of the passage above alluded to. He believes the only practical means is that indicated by the proposal of the Spanish Delegates. In his opinion, the Commission should be an Executive Committee, charged to consider all cases of violation of the Convention that may occur. The International Commission would thus be invested with a certain authority. It would watch over the execution of the Convention, and, without being empowered to give judgment in cases of infraction, it would have the right to consider such cases and to report them to the Governments interested.

M. Batanero is much gratified with the support given by the First German Delegate to the proposal of the Spanish Delegates. When the functions of the Commission shall come to be discussed there will be an opportunity of examining whether it should be empowered to consider the cases in which countervailing duties ought to be imposed.

M. Pallain submits that the organization of the Commission ought to be settled before deciding as to its functions, as the establishment of such a body must necessarily precede its working.

M. Verkerk Pistorius thinks it would be quite logical first to settle its functions. In his eyes, the establishment of an International Bureau, to which he has already called the attention of the Conference in the meeting of the 16th December last, is a question of capital importance, not only for the examination of the legislations of the Contracting States, but also for their collective publication with official statistics on the production and export and import of sugar in the different countries. He has no instructions except upon this last point. Yet he does not wish to oppose the principle of the proposed International Commission. His observation was but intended to lay stress on the necessity of first of all defining the duties of the international body which it is desired to establish, and then to proceed to discuss its organization.

M. Jordan does not quite see the character of the distinction drawn by *M. Verkerk Pistorius* between a Bureau and a Commission. The Commission can appoint an Executive Committee for publishing statistics. It does not seem necessary that the Commission itself should be a standing one.

M. Catalani has no observations to offer on Article VI.

M. Kamensky approves the principle of this Article.

The President submits to the Conference the principle of Article VI, establishing a Commission for watching over the execution of the Convention, reserving for a later discussion the definition of its duties.

M. Batanero announces that the Spanish Delegates will draw up a draft Article respecting the penal sanction.

Count Kuefstein asks whether it is the Commission or the Governments themselves who in the last instance shall decide. He thinks the ultimate decision ought always to be reserved to the Governments.

M. Guillaume says that the Commission ought not to go beyond making reports. In no case must it be allowed the powers of a Tribunal.

A general conversation takes place on this subject.

M. Pallain asks whether provision ought not to be made for the necessity of arbitration.

Mr. Kennedy explains that the British Delegates had proposed to establish, in the first instance, the principle of this Article, which comprises several questions of a delicate character. A Bureau for the publication of statistics would hardly be a body to whom the duties indicated in Article VI could be confided.

According to the new draft submitted to the Conference to-day, each of the Powers could be represented by one Delegate or by one Delegate and one Assistant Delegate, the Chairman of the Commission to be nominated by the Government of the country where the Commission meets. As regards the question of procedure, the British Delegates submit the following proposals: In case a Power had prepared a draft Law which the Commission is to examine, or in case a Power wished to make a representation to the Commission, the Power in question should lay such draft Law or representation before the Government of the country where the next meeting of the Commission is to take place, or it should address this communication to the Government of the country where the last meeting has taken place. This is a detail which the Conference must decide. The Treaty for establishing the International Telegraph Union confides the duty of taking charge of the communications respecting the affairs of the Union to the Government of the country where the last meeting has taken place. The Government charged for the time being with the duty of dealing with the correspondence of the Sugar Union would inform the President of the Commission of any communications it may have received. The President would submit them to his colleagues. The same procedure would be followed with regard to the Reports of the Commission. The President would communicate them to the Government charged with the correspondence, which Government would send them to the other members of the Union.

The British Delegates have submitted their proposals even without having worked out all the details, in order to take the sense of the Conference on the principle of the establishment of a Commission. It seems that this principle is on the point of being adopted. This is already a great step in advance. The British Delegates know very well that the Article is not complete; they therefore propose to decide to-day only on the question of principle. The organization and the duties of the Commission will demand a very thorough examination, and the Conference will no doubt agree to postpone to a later meeting the discussion of these important details.

The President declares that the question now is whether the principle of Article VI is to be adopted.

M. Jordan adds that the question is to adopt it as a principle to be further developed.

The President confirms this view. The Conference is now to adopt the principle; the details will be settled at a later meeting. He would ask the Delegates themselves to furnish drafts of the Article for next sitting.

The President then proceeds to read Article VII.

Count Kuefstein recalls what was said at the last meeting, that the Contracting Powers must be able to assure themselves of the legislation of the new adherents to the Conventions being in accord with its principles.

A discussion takes place as to the procedure to be followed by the States desirous of adhering to the Convention.

It is agreed that the States shall address their request to the Power which shall preside over the Commission. This Power will refer the examination of their Laws and Regulations to the Commission.

M. Guillaume observes that the solution of the question must depend on the final wording of Article VI, to which Article VII might be made to refer.

The President reads the following draft of Article VI prepared by *M. Verkerk Pistorius* :—

“States not having taken part in the present Convention are permitted to adhere to it. They must submit to the Commission provided for by Article VI their Laws and Regulations on the taxation of sugar, which must be in harmony with the present Convention.”

This wording is adopted.

Having consulted the Conference, the President announces that the first meeting

of the Committee will take place on Friday, the 20th April, at half-past 11, and the next meeting of the Conference on Monday, the 23rd April, at the same hour.

The Conference adjourns at a quarter to 2.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex (A) to the Minutes of the Twelfth Meeting.

Draft of Convention.

THE High Contracting Parties, desiring to insure the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary,

His Majesty the King of the Belgians,

His Majesty the King of Denmark,

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom,

The President of the French Republic,

His Majesty the King of Italy,

His Majesty the King of the Netherlands, Grand Duke of Luxemburg,

His Majesty the Emperor of All the Russias,

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:—

[Adopted.]

ARTICLE I.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, such measures as shall constitute an absolute and complete guarantee that no bounty, either open or disguised, shall be granted on the exportation of sugars.

[Adopted.]

ARTICLE II.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, a system of duty on the quantities of sugar produced and delivered for home consumption, as the only system by which the suppression of the bounties in question can be attained, and to place under the same régime glucose factories and factories for the extraction of sugar from molasses.

[Referred to the Committee.]

ARTICLE III.

As Belgium is not in the same condition with regard to the application of the system of duty on the quantities of sugar produced, the existing régime established in that kingdom may be maintained, subject to the following modifications:—

The amount of the duty shall be reduced from 45 fr. to 25 fr. from and after the day when this Convention shall come into force. The legal yield of contract factories shall be raised from 1,500 to 1,700 grammes.

[Reserved.]

ARTICLE IV.

Are admitted to the Convention those States, Provinces beyond the seas, Colonies, and foreign Possessions of the High Contracting Parties which, though not adopting the system mentioned in Article II, levy no taxes on sugar, or who grant on the exportation of raw sugar, refined sugar, or glucose neither drawback, repayment, nor writing off of duties or quantities.

[Adopted.]

ARTICLE V.

In case any State which does not impose duties upon sugar should establish them, such State shall be bound to levy these duties upon the quantities of sugar produced and delivered for consumption, or to give no drawback, repayment, nor discharge of duties or quantities.

[Adopted, but with reservations as to the words, "levy these duties upon the quantities of sugar produced.]"

ARTICLE VI.

The High Contracting Parties shall communicate to one another *through the diplomatic channel*, the Laws which may have been already passed, or may in the future be passed, in their respective States, in relation to the purpose of the present Convention.

They agree to appoint a Commission to examine these Laws and the Regulations depending on them. This Commission is charged to prepare a Report on the Laws and Regulations in question. The Government of the country where the Commission meets will communicate this Report to the other Contracting Governments. The Government in question appoints the President of the Commission.

Each of the High Contracting Parties is represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission will take place in London within six months of the signature of the present Convention.

The Commission is charged with drawing up at its first meeting a set of draft Regulations fixing the time and place of its future meetings.

It is also charged with drawing up at its first meeting a Report on the Laws or Bills sent to it by the Governments interested.

[To be discussed.]

ARTICLE VII.

States not having taken part in the present Convention are permitted to adhere to it.

They must submit to the Commission provided for by Article VI their Laws and Regulations on the taxation of sugar, which must be in harmony with the present Convention.

[To be discussed.]

ARTICLE VIII.

The present Convention shall come into force on and after the 1st August, 1890.

It shall remain in force for five years from that date, and in the event of no one of the High Contracting Parties having given notice, twelve months before the expiration of this period of five years, of its intention to bring it to an end, it shall continue in force for another twelve months, and so from year to year.

Should one of the Signatory Powers denounce the Convention, its denunciation will affect only the Power making it.

[To be discussed.]

ARTICLE IX.

Every Province beyond the seas, Colony, and foreign Possession of the High Contracting Parties admitted to the present Convention has power to withdraw in the same manner as the Contracting Powers, and in the conditions stated in Article VIII.

In the event of one of the above-mentioned Provinces beyond the seas, Colonies, or Possessions wishing to withdraw from the Convention, a notification to that effect will be made to the Contracting Powers by the Government of the mother country of the Province, Colony, or Possession in question.

[To be discussed.]

ARTICLE X.

The present Convention shall be ratified, and the ratifications shall be exchanged in London on the 1st August, 1889, or sooner if possible.

[To be discussed.]

Annex (B) to the Minutes of the Twelfth Meeting.

Report by Mr. McCreary, from the Committee on Foreign Affairs, on the Bill respecting a Conference between the United States of America and the Republics of Mexico, Central and South America, and the Empire of Brazil, February 9, 1888.

THE Committee on Foreign Affairs, to whom was referred the Bill (H. R. 1473) authorizing the President of the United States to arrange a Conference for the purpose of promoting arbitration and encouraging reciprocal commercial relations between the United States of America and the Republics of Mexico, Central and South America, and the Empire of Brazil, have had the same under consideration, and respectfully report the accompanying Bill, and recommend its passage.

The subject of establishing closer international relations between all the Republics of the American continent and also the Empire of Brazil, containing in the aggregate 100,000,000 of people, for the purpose of improving the business intercourse between those countries, and securing more extensive markets for the products of each, is both interesting and important. Sixty years ago this subject was discussed, and a Conference was suggested between Representatives of our Government and the other Governments, and President John Quincy Adams appointed Representatives to the Congress held at Panama to consider measures for promoting peace and reciprocal commercial relations between said countries. This Conference was beneficial, but at that time our people were looking more to Europe for business and commerce than to the countries south of us, and no action was taken by our Congress. Now the United States is at peace with all the world, and our population and wealth make this the foremost Republic of the world, and our Government should inaugurate the movement in favour of an American Conference.

The present depression of business and low price of farm products are caused, to a considerable extent, by a limited market for our surplus products. Some of the best markets we can look to are not far beyond our southern border. They are nearer to us than to any other commercial nation. The people of Mexico and of Central and South America produce much that we need, and our abundant agricultural, manufactured, and mineral productions are greatly needed by them. These countries cover an area of 8,118,844 square miles, and have a population of 42,770,374. Their people recognize the superiority of our products, and desire more intimate business intercourse with our people, but the great bulk of their commerce and trade is with Europe. The Argentine Republic has from forty-five to sixty steam-ships running regularly between Buenos

Ayres and European ports, and no regular line between that country and the United States, and our commercial facilities with the other Republics of Central and South America are about the same.

In 1884 our exports were valued at 733,768,764 dollars.

Of this amount we exported but 64,719,000 dollars to Mexico and South and Central America.

Our annual mechanical and agricultural products are valued at about 11,000,000,000 dollars, while we seldom have sold more than 75,000,000 dollars worth of these products to our nearest neighbours, who buy in Europe at least five times as much as they get here.

The total commerce of the countries named in 1883 was as follows :—

								Dollars.
Imports ..	..	..	..	..	..	..	..	331,100,599
Exports ..	..	..	..	..	..	..	..	391,294,781

Of the 331,100,599 dollars of merchandize sold to those countries, the share of the United States was only 42,598,469 dollars; yet we are their closest neighbour.

The disparity of our trade with Peru, Chili, Argentine Republic, and Brazil is both amazing and humiliating.

Imports of merchandize were as follows in the year 1886 :—

						From Great Britain.	From United States.
						Dollars.	Dollars.
To Peru ..	..	..	..	..	..	6,235,685	743,105
Chile ..	..	..	..	..	..	11,060,880	2,211,007
Argentine Republic ..	..	..	..	..	..	29,692,295	4,317,293
Brazil ..	..	..	..	..	..	33,946,215	7,317,293

The following Tables exhibit the population of the countries named, and the relations of trade carried on by them with the United States and Great Britain during the last year :—

	Argentine Republic.	Brazil.	Central America.	Chile.	Colombia.
Population	2,406,000	10,108,291	2,900,000	2,400,396	2,951,323
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Exports to Great Britain ..	5,793,965	23,507,165	6,526,950	12,977,465	2,166,380
Imports from Great Britain ..	29,692,295	33,946,215	4,624,560	11,060,880	6,107,645
Exports to United States ..	4,328,510	45,263,660	6,409,001	604,525	2,342,007
Imports from United States ..	4,347,293	7,317,293	2,762,531	2,211,007	5,583,368
	Mexico.	Peru.	Venezuela.	Uruguay.	Dominion of Canada.
Population	9,889,461	3,050,000	2,075,242	447,000	4,750,000
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Exports to Great Britain ..	3,502,500	10,414,170	1,300,565	3,283,625	45,558,555
Imports from Great Britain ..	5,415,765	6,235,685	3,028,680	8,131,640	44,727,095
Exports to United States ..	9,267,021	1,764,890	6,309,580	2,734,617	39,000,000
Imports from United States ..	8,340,784	742,105	3,043,609	1,682,443	50,000,000

TOTAL Values of Free and Dutiable Merchandize imported into the United States from Mexico and Central and South America, during the Year ending the 30th June, 1885, with the estimated Amounts of Duty collected on such Imports.

Countries from which Imported.	Value of Merchandize.			Estimated Amounts of Duty collected.	
	Free of Duty.	Dutiable.	Total.	Dol.	c.
	Dollars.	Dollars.	Dollars.		
Argentine Republic	3,154,337	1,174,173	4,328,510	364,933	28
Chile	399,464	205,061	604,525	68,386	89
Mexico	5,173,441	4,093,580	9,267,021	635,960	72
Central American States	6,149,873	259,142	6,409,015	140,759	88
United States of Colombia . . .	2,335,083	6,994	2,342,077	1,714	68
Venezuela	6,267,887	41,693	6,309,580	20,297	40
Peru	1,749,632	15,258	1,764,890	5,148	06
Brazil	38,136,191	7,127,469	45,263,660	6,607,377	15
Uruguay	2,317,131	417,478	2,734,617	255,480	80
Bolivia, Ecuador, Paraguay, and Patagonia	753,321	280	753,601	140	00
Total	66,436,368	13,341,128	79,777,496	8,100,198	86

Total value of merchandize free of duty	83.28
Total value of merchandize subject to duty	16.72
Equivalent <i>ad valorem</i> rate of duty on—	
Dutiable merchandize	10.15
Free and dutiable merchandize	60.72

The consumption of cotton goods in Central and South America and in Mexico amounts to nearly 100,000,000 dollars annually, and although they are so near our cotton fields, England furnishes about 90 per cent. of these goods.

Cotton fabrics constitute the wearing apparel of nearly three-fourths of those people, and they have to import all they use.

England monopolizes this trade because of her cheap transportation facilities, and because her mills furnish goods especially adapted to the wants and tastes of the consumers, which our mills have never attempted to produce.

It is very important that transportation facilities between the United States and her southern neighbours should be improved, for as long as the freight from Liverpool, Hamburg, and Bordeaux is 15 dollars a ton, they cannot be induced to pay 40 dollars a ton to bring merchandize from the United States.

There is not a commercial city in these countries where the manufacturers of the United States cannot compete with their European rivals in every article we produce for export.

The Report of the South American Commission shows, by the testimony of the importing merchants of those countries, that, aside from the difference in cost and convenience in transporting, it is to their advantage to buy in the United States, because the quality of our products is superior, and our prices are usually as low as those of Europe. In this connection, it may be important to consider whether a common standard of gold and silver coins, equal in value, weight, and fineness in all of the countries named, and current in all of them, would help to increase commerce and friendly relations among them.

The Bill does not seek to control the Conference or determine what it shall do, but imply to bring representative men of each Government together to discuss and recommend for adoption to their respective Governments some plan of arbitration for the settlement of disagreements and disputes that may hereafter arise between them, and to consider questions relating to the improvement of business intercourse between said countries, and to encourage such reciprocal commercial relations as will be beneficial to all, and secure more extensive markets for the products of each.

While no scheme may be devised by which all and every disagreement and dispute may be submitted to arbitration in such manner as to always avoid international war, it certainly will be in accordance with the civilization and Christianity of this age to seek to establish a plan of arbitration by which questions of difference may be arranged and settled peaceably.

The Amphictyonic Council of Greece, composed of Delegates from each of its States, and empowered to examine and decide all their disputes, did much to preserve peace

between them for many years, and the Achaean League did the same, and was often solicited, even by foreign nations, to act as arbiter of their disputes, and the recent adjustment of the controversy over the "Alabama claims" shows that the Government of the United States favours arbitration.

While we have great respect for those who advocate a reform of our Laws on currency and taxation, we believe that the great questions presented in the Bill under consideration should not be delayed, but should receive prompt action, so as to keep pace with the other important subjects referred to.

It is not proposed to intrust to the Conference the power to make final and definite Treaty arrangements—that would be in opposition to our Constitution—but it is believed that all will be benefited by a Conference held under the invitation and auspices of the most prosperous and powerful nation of the American continent, from which assemblage Reports of the proceedings shall be made to the respective Governments for proper action.

The Bill provides that the Commissioners shall report the proceedings thereof to the President, who shall transmit the same to Congress, and it is believed that nothing but common good can grow out of such a Conference.

At no time since the organization of our Government has there been a deeper conviction of the propriety of connecting in closer relations our Republic and the Republics of Mexico, Central and South America, and the Empire of Brazil.

Whatever tends to bring into kindly accord the interests and aims of our country and those of our neighbours will be beneficial.

The Report of the Commissioners appointed under the Act of 1854 shows that the people of these countries are anxious to encourage more intimate commercial relations with the people of the United States.

They say in their Report :—

"Unless we have been completely misled by the expressions and protestations of the ruling powers of each and every one of the Governments we have visited, the only estrangement possible between them and us will flow from our own indifference and neglect. Indeed, we have already lost much that naturally belongs to us from this cause. Every President and Cabinet officer, every leading and thoughtful citizen we met, joined in the sentiment of gratified surprise that our country had taken the initiative by this embassy in bringing about more cordial and hearty communication between the various Republics and our own. In our effort to reach more intimate relations we have, then, this basis of kindness and desire upon the part of those we seek to reach as a foundation for our action. We shall plant seed in a genial soil, beneath a propitious sky."

Annex (C) to the Minutes of the Twelfth Meeting.

Surtaxes in the Contracting Countries.

Proposal of the Netherlands Delegates.

THE Marquis of Salisbury, in his Circular despatch of the 2nd July, 1887, in laying down the programme of the proposed Conference, indicated as the first point to be considered "what steps, if any, can be taken for the removal of causes of disturbance of the sugar-producing and refining industry, so far as they are due to the action of Governments." It is true that the same Circular several times mentions the suppression of bounties as the object to be attained, but it appears clearly from the passage just quoted that Lord Salisbury did not intend to restrict the labours of the Conference to this one question, and that, in any case, the word "bounties" may, from the point of view of the said Circular, upon which the Conference assembled, be taken in its largest sense so as to embrace all pecuniary advantages derived from the export of sugar by the working of the Fiscal Law, these advantages constituting the disturbing element in the trade in general.

Amongst the circumstances which have thrown the sugar market into confusion, and which have reacted upon all countries, surtaxes on foreign sugars, as established in several countries, are alleged to have played a considerable part. In disproportionately raising the price in the home market, these surtaxes have led to over-production, and

manufacturers have been compelled to seek other outlets for their surplus, which was the easier for them the higher the surtaxes were. In fact, provided the manufacturers come to a mutual understanding so as to exclude competition, this surtax constitutes the sole limit of prices for the home market.

It is evident that this is a result of the action of the Government, the only difference in this respect between bounties properly so called and the working of excessively high surtaxes is that the amount of the bounty is recovered by the Treasury from the taxpayers in the shape of taxes, whilst in countries levying surtaxes the law permits the trade to recoup themselves for the sacrifices which they are compelled to make on foreign markets by charges on the consumers of their country.

The effects of such a state of things upon the regular course of trade are evident. The Conference is acquainted with the famous "sugar trust" in the United States, where three-fourths of the refiners joined together in a powerful organization with the view to restricting production and regulating prices; and with what occurred some time ago in Russia, where the manufacturers concluded an arrangement amongst themselves for the exportation of part of their produce at any price in order to clear the home market. A combination of the same kind has been proposed not long ago in Austria-Hungary. This, in the eyes of the Netherlands Government, is not merely a question of internal administration, but constitutes an actual export bounty, and if the Conference is to bring about a complete and lasting settlement, it will be necessary, if not altogether to abolish surtaxes which make such combinations possible, either at once or by degrees (which would be the most equitable way, in view of the complete abolition of bounties), at least to restrict them to a figure which may be necessary to preserve the national market for the manufacturers without enabling them to levy an excessive tax on the consumers of their country. On the other hand, it would be necessary that those countries which do not levy surtaxes should engage to maintain the *status quo*. The question of the possible establishment of new surtaxes is one involving considerable interests, which interests are, for nearly all the countries represented in the Conference, intimately connected with the conditions of the London market, especially at a time when we are asked by Great Britain to abolish our export bounties. Of course, such a stipulation would not be made to apply to the relations between the mother-country and her Colonies, each country in this respect remaining free to adopt whichever system it may think fit.

It is in view of these considerations that the Netherlands Delegates propose, in the name of their Government, to follow the example of the Convention of the 11th August, 1875, between themselves, Belgium, France, and Great Britain (see Article IV), and to stipulate that sugar imported from one of the contracting countries to another shall not be subject to customs or excise duties higher than those levied or to be levied on similar sugar of home production.

As a subsidiary proposal, in case the above does not command the adhesion of all the States, the Netherlands Delegates suggest the insertion into the Convention of some Article of the following kind:—

"Surtaxes on sugar imported directly from one of the contracting countries to another shall not exceed fr. per 100 kilog. Countries where such surtaxes do not exist shall not impose any in the future."

Annex (D) to the Minutes of the Twelfth Meeting.

Articles XV and XVI of the Treaty concerning the Formation of a General Postal Union, signed at Berne, October 9, 1874.

ARTICLE XV.

There shall be organized, under the name of the International Office of the General Postal Union, a Central Office, which shall be conducted under the surveillance of a Postal Administration to be chosen by the Congress, and the expenses of which shall be borne by all the Offices of the Contracting States.

This Office shall be charged with the duty of collecting, publishing, and distributing information of every kind which concerns the International Postal Service; of giving, at the request of the parties concerned, an opinion upon questions in dispute; of making

known proposals for modifying the detailed regulations; of notifying alterations adopted; of facilitating operations relating to international accounts, especially in the cases referred to in Article X foregoing; and in general of considering and working out all questions in the interest of the Postal Union.

ARTICLE XVI.

In case of disagreement between two or more members of the Union as to the interpretation of the present Treaty, the question in dispute shall be decided by arbitration. To that end, each of the Offices concerned shall choose another member of the Union not interested in the affair.

The decision of the arbitrators shall be given by an absolute majority of votes.

In case of an equality of votes the arbitrators shall choose, with the view of settling the difference, another Administration equally uninterested in the question in dispute.

Thirteenth Meeting.—Monday, April 23, 1888.

President: Baron HENRY DE WORMS.

Present: The Delegates of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The meeting opens at a quarter to 12.

The President explains that, in consequence of alterations desired to be made at a late hour, the Minutes of the tenth meeting cannot as yet be adopted.

M. Verkerk Pistorius wishes to make a remark on the subject of those Minutes. He refers to *M. Dupuy de Lome's* allusion to the Law voted by the Chambers for the establishment in Spain of the system of temporary admission. He draws particular attention to the provision of Articles III and VIII relative to the working of this system, which he proceeds to read:—

“Article III. If goods imported into the Peninsula or the Balearic Islands are temporarily admitted, the importers shall pay the duties, or give sufficient sureties to the amount specified by the Customs Tariff, according to the port of origin and the condition in which they are at the time of importation. The import duties, if paid, shall be refunded, or the sureties returned, to the importers, when the goods are re-exported in a changed or transformed condition.”

“Article VIII. The Government, after consultation with the Committee of Tariffs and Estimates, and, if it is thought fit, of other bodies, shall lay down for each separate concession granted the special regulation to which it is to be subjected, as well as the sum which is to be refunded for each part of the goods transformed and re-exported, or the proportion of the surety which is to be returned, taking into account waste,” &c.

M. Verkerk Pistorius asks *M. Dupuy de Lome* whether these provisions, which have already been published in the official Gazette, are to be applied in Spain to sugar exported after refining. If so, it would be interesting to know on what the calculation of the repayment is to be based.

M. Dupuy de Lome, in reply, states that this Law on temporary admission has been under discussion for two and a half years. The Government has just introduced into the Chambers a special Bill regarding sugar which repeals the provisions of the previous Laws. This Bill contains a clause to the effect that there shall be no repayment on export of sugar. In case a Convention is concluded, sugar will remain excluded from the system of temporary admission, or at least, if the Government thinks it necessary to maintain this system, it will adopt such measures of application as shall have received the previous approval of the Conference or the Contracting Powers.

M. Verkerk Pistorius points out that the provisions which have just been referred to are yet in the stage of a Bill. For the moment, the Law actually in force does not exclude sugar from the advantages of temporary admission. He would wish to know whether, in case the Convention is concluded, the Spanish Delegates can give an assurance that the system will not be applicable to sugar.

M. Dupuy de Lome replies that if the Law presented to the Cortes on the 4th April is as yet in the stage of the Bill, the Convention itself is in a stage far less advanced, for

it is not yet even a draft Convention. He adds that the Spanish Delegates have asked their Government for information. Within a few days they will be able to give a definite answer. But he thinks he may say at once that his Government does not intend to maintain any bounty or any repayment on exportation. If it is intended to apply the system of temporary admission, the Conference may rest assured that satisfactory Regulations will be laid before it.

The President announces that he has several communications to make to the Conference. He proceeds to read the following notes : —

“ M. l'Ambassadeur,

“ *Paris, April 21, 1888.*

“ Your Excellency has honoured me with the announcement that his Excellency the Marquis of Salisbury and Baron H. de Worms have been appointed British Plenipotentiaries for the signing of the Convention to be adopted by the Conference on the Sugar question. In compliance with the request you have expressed, I hasten to inform you, M. l'Ambassadeur, that the Government of the Republic has appointed as French Plenipotentiaries her Ambassador in London, M. Waddington, and M. Sans-Leroy, Member of the Chamber of Deputies, who will forthwith be furnished with their full powers.”

“ I have, &c.

(Signed) “ RENÉ GOBLET.”

“ *Ministry for Foreign Affairs, Brussels,
April 19, 1888.*

“ Dear Lord Vivian,

“ With reference to our conversation this morning, and after communication with my colleague the Minister of France, I hasten to inform you that the Government of the King has decided to appoint, for the signature of the Sugar Convention now being concluded in London, Baron Solvyns, our Minister accredited to Her Majesty's Government, M. Guillaume, Director-General of Indirect Taxes, Customs, and Excise, and M. du Jardin, Inspector-General in the same service.”

“ I have, &c.

(Signed) “ PRINCE DE CHIMAY.”

As regards the appointment of the German Plenipotentiaries, the President announces that a despatch has been received from Her Majesty's Ambassador at Berlin stating that Count Bismarck had told him that the state of the Emperor's health would cause a certain delay in the making out of the full powers for the German Plenipotentiaries.

The President proceeds to read a note from M. de Barner, stating that matters of a private character have necessitated his temporary return to Copenhagen. He asks whether all the Delegates have drawn up in writing their views as to Article VII.

M. Pallain observes, with regard to the question which is on the order of the day, that all the Delegates without exception are so anxious to bring about an agreement that they hesitate to enter upon the principal questions on which, at least in the opinion of the French Delegates, the whole negotiations must depend. Would not the best way of solving the problem be to state it clearly? He reminds the Conference that he has read to them the Bill voted by the American House of Representatives, proposing a Customs Union of the American Republics. If this Customs Union were realized, it would deprive France of very important outlets for her manufactures. How can France expose herself to an aggravation of the danger by agreeing to an arrangement which would aggravate the already alarming state of her agriculture if no preliminary accord between all the sugar-producing States, and particularly with the United States, is obtained, so as to place all the contracting countries on a footing of complete equality of competition?

He does but seek to make the matter clear and to bring out this all-important point in the international aspect of the question now before the Conference. Now, this is what happened on the 5th April, the very day of the opening of the second session of the Conference, the very day when the President said that the diplomatic communications exchanged between the London and Washington Cabinets proved to him that the United States' Government would be only too glad to arrive at an understanding with Her Majesty's Government on the Sugar question. The Resolution of Mr. Sherman was being discussed, which proposed to refer to the Committee of Finance the President's Message with regard to the point, raised by the latter, of the use to which the financial surplus should be put.

M. Pallain proceeds to read a translation of the following passages of a speech

pronounced by one of the most influential and certainly one of the best informed Members of the American Senate:—

“Mr. President, a great deal has been said about the repeal of the duties on sugar and molasses. These are articles used by all classes of our people. They properly take their position amongst the necessaries of life. . . . This Sugar question presents to us and to the Executive Department a splendid field for experimental commercial operations. It embraces a great volume of commercial capital. Can we make it of practical value? It seems to me that we can.

“If Congress should enact a Law declaring that sugar and molasses may be imported into the United States free of duty, from all countries producing them, provided that such countries would refrain from imposing export duties thereon; and agree to admit the products of this country into their ports duty free, would we not be quite sure to realize substantial benefit therefrom? Of course, this could not all be effected at once. It would involve negotiations and Treaty Regulations between this country and those that might enter into the arrangements with us.

“While this is going on what shall be done with the revenue derived from the articles involved in the plan? We do not need the money.

“Then let us adopt the practical business plan that has worked so well in European countries. Let us provide for paying a reasonable bounty for the production of sugar in the United States.

“Why shall we not reverse this movement and begin a progress towards that other and better result which will give us sugar of domestic production in quantity equal to the demand for home consumption? Can we not safely enter upon an enterprise that is no longer experimental? May we not repeat what other countries have done, and expect to reap at least as favourable results as they have gathered? Let us study the results that have been induced in Europe in the manufacture of beet sugar, and resolve them to our profit. In the sugar season of 1872 our total production was 873,000 tons. In 1884 this was increased to 2,305,000 tons.

“It is not many years since Germany did not produce sugar in quantity equal to the demand for home consumption, while now she manufactures over 1,000,000 tons, and of this 600,000 tons are exported. This is the work of the bounty system, and the agricultural industries of the European countries involved have been greatly promoted. I know that the term ‘bounty’ is not one for which our people have an ardent love, but its practical usefulness in such cases as I am now treating will modify the prejudice that has so closely attended it. . . .

“Place before our agriculturists the inducement which Germany offered to hers, and it will not be long before the farmers and planters of the United States would assure to us even better results than those that have been realized abroad.

“The Department of Agriculture has recently issued a bulletin in respect of the experiments made under the direction of the Commissioner during the year 1887, in the manufacture of sugar from sorghum and sugar-cane, which presents a most encouraging view of the subject. The bulletin contains most interesting accounts of the progress that has been made in this experimental field. [Magnus Swenson, who had charge of the experiments in the manufacture of sugar from sorghum at Fort Scott, Kansas, concludes his Report to the Commissioner as follows:—]

“‘In reviewing the work, the most important point suggested is the complete success of the experiments in demonstrating the commercial practicability of manufacturing sugar from sorghum-cane.

“‘2. That sugar was produced uniformly throughout the entire season.

“‘3. That this was not due to any extraordinary content of sugar in the cane, but, on the contrary, the cane was much injured by severe drought and chinch bugs.

“‘4. That the value of the sugar and molasses obtained this year per ton of sorghum-cane, and taking into consideration the much greater cost of the sugar-cane, and that it has no equivalent to the 2 bushels of seed yielded per ton of sorghum-cane, also our much cheaper fuel, I say without hesitancy that sugar can be produced fully as cheaply in Kansas as in Louisiana.’

“The bulletin presents the Report of E. B. Cowgill, which discusses every phase of the subject, and insists that sorghum is a more valuable crop for the Kansas farmer to cultivate than either of the leading cereals, and follows an exemplification in detail of this claim with the following general statement, namely:—

“‘Thus it will be seen that the sorghum yields to the farmer more than twice as much per acre as either of the leading cereals, and as a gross product of agriculture and manufacture on our own soil more than six times as much per acre as is usually realized from either of these standard crops.

“‘Processes whereby sugar can be made at a profit from sorghum have been worked out. These are far from perfect, but present developments give promise of others in the near future, and will enable us to produce our own sugar on our soil with the labour of our people. Kansas is, therefore, likely to lead in the development, and become the first northern sugar State.’

“This is a good showing for the experimental stage of the sorghum-sugar industry in Kansas. But other sections of the country show results quite as promising of ultimate and profitable success. In New Jersey ‘the yields of the farmers’ crops varied widely, the maximum being 1,970 lbs. of raw sugar and 120 gallons of molasses per acre. This was made from 17 tons and 675 lbs. of field cane. The minimum was 540 lbs. of sugar and 60 gallons of molasses.’

“These extracts represent the progress that has been made in the manufacture of sugar from sorghum-cane. But the entire case does not yet appear. The processes which have evolved the results presented to us in the bulletin from which I have quoted are found to be quite as effective in the manufacture of sugar from the sugar-cane as they are in its production from sorghum. This is shown by the report of E. C. Barthélemy, relative to the application of the processes to the manufacture of sugar from sugar-cane in Louisiana :—

“‘I do not think therefore that it is extravagant to believe that, with the best culture and most economical methods of manufacture, the yield per ton of cane in Louisiana may be brought up to 200 lbs., and the production of the State of Louisiana to 500,000 tons annually.’

“These facts give most hopeful promise of the ultimate success of the sugar industry of the United States. If it shall receive that proper encouragement at the hands of the Government that its importance to the country will justify, I doubt if more than ten years will have passed by when our farmers and planters, from their crops of sugar-cane, sorghum, amber, imphee, and other canes, and from their sugar-beets, will have changed the direction of the current of our sugar and molasses.”

M. Pallain adds that a bounty of 5 dollars per ton of sorghum sugar is offered in the State of Massachusetts. He concludes by saying that he wishes to be enlightened as to the intentions of the United States’ Government, and would be glad of further information explanatory of the documents communicated. At a former meeting he had said that, as regarded this all-important question of the adhesion of the United States, he begged to place his hopes in bond; to-day he would ask that they may not be taken out of bond before his receiving some more positive assurance.

The Earl of Onslow says that in all countries people are to be found who will plead for the bounty system. The speech just quoted by M. Pallain does not express the opinion of the United States.

M. Pallain would be glad to be assured of this; failing more positive communications, whether made officially or semi-officially, he is compelled to try and discover the current of public opinion in the United States in the public documents which he studies, like every one else.

M. White replies that this speech is the expression of the personal opinion of a Senator who is an eminent member of the Republican party in the State of Iowa. He could not, however, say to what degree this opinion is shared by his fellow-countrymen, but he will have the honour of submitting M. Pallain’s observations to his Government.

M. Kamensky does not believe that the extraction of sugar from sorghum is a serious industry. Experiments made in this matter in Russia have not succeeded.

M. Pallain observes that the papers quoted show clearly that the United States are not shaping their policy in the direction of a Sugar Union with Europe.

The President states that, from information received this very day, he does not think that the Customs Tariff will be at once discussed by the Chambers. It is even possible that the discussion may be adjourned.

He now wishes to go back to Article VI, which is on the order of the day, and reminds the Delegates of his request that they should draft a new wording.

M. Jordan says that the matter does not appear to him ripe enough for the adoption of a definitive wording.

Mr. Kennedy states that the Conference has received drafts of Articles from the Belgian and Netherlands Delegates.

The President thinks that before discussing any one of the proposed wordings the Conference would no doubt wish to hear the general ideas of the Delegates on what should be the duties and organization of the International Commission.

M. Pallain says that some of the Delegates do indeed await the result of the discussion before pronouncing an opinion.

The President asks whether the Delegates wish to draw up a text of Article VI.

M. Guillaume suggests that it might be as well to discuss those already submitted.

M. Jordan is unable to suggest a wording for Article VI before knowing the views of the Conference as to the duties to be confided to the Commission. He refers to the following passage of the Memorandum furnished by his Government:—

“In this view it is necessary that active precautions should be taken to prevent one or other of the Contracting States taking measures which would relieve it from the obligation of not granting any export bounties on sugar, whether open or disguised.

“For this purpose an international body might be created to record every open or disguised violation of the Convention, and measures might be agreed upon with regard to a State failing to abide by its obligations.”

Thus, in the opinion of the German Government, the Commission ought to be called upon to ascertain the fact of a violation of the Convention. But this is not enough. The question is what is to be done after this fact has been ascertained. Here a preliminary question arises, namely, that of a penal clause, *i.e.*, that of countervailing duties on bounty-fed sugar. The establishment of the Commission is of little interest if it is not known what measures are to be taken in cases of violation of the Convention.

M. Batanero thinks this a very just observation. The question of the Commission is intimately connected with that of a penal clause. He announces that the Spanish Delegates have given a definite shape to the proposal which they had made on this subject.

M. Jordan concludes by saying that he sees no harm in discussing the proposed drafts for Article VI, but that he is unable to accept any one wording except with the reservation that it may be modified by decisions ultimately taken on other points.

Count Kuefstein agrees to this remark of *M. Jordan*. It does not appear to him possible for the moment to arrive at a final text. In his opinion, the International Commission will have a double part to play; it will have to sanction the legislation of the countries which may desire to adhere to the Convention after its signature, and, on the other hand, it will have to ascertain the fact of any violation of the Convention by the Contracting Parties. This latter part of its duties, again, is intimately connected with the question of countervailing duties.

M. Guillaume points out that although all the Conference is at present doing must be dependent upon the solution of certain questions which have not yet been approached, it would be better, this procedure once having been adopted, to continue to follow it than continually to change the order of the discussions.

M. Batanero accepts Article VI under the same conditions as *M. Jordan*, that is to say, it being understood that it may have to be modified in the sense of the decision to be taken subsequently on the subject of countervailing duties.

M. Dupuy de Lome begs leave to make a proposal, and speaks as follows:—

“The Spanish Delegates, in submitting to the consideration of the Conference, at the fifth meeting of the first session, the proposal annexed to the Minutes of the sixth meeting, were desirous of avoiding a discussion which they believed then to be inopportune. They expressed a wish, however, that the Delegates, their colleagues, should submit to their respective Governments this proposal, which, if not adopted, would, in their opinion, deprive the Convention of any practical value.

“The Governments of Germany, Austria-Hungary, and Russia have clearly and frankly recognized the justice of our proposal.

“The German Report says:—

“‘Measures might be taken against any State not taking part in the Convention, or leaving it after having acceded to it.’

“Austria, not less explicitly, says:—

“‘The proposal of the Spanish Delegates, whereby a countervailing duty is imposed, appears to be the best, if not the only way of inducing neutral countries to adhere to the Convention. . . . Such countervailing duty would have to be fixed at an amount that would prevent its becoming inoperative, and should be levied not only on sugar actually receiving a bounty, but on sugar from all countries not parties to the Convention.’

“Russia, with equal clearness, says:—

“‘With regard to the proposal of the Spanish Delegates respecting the prohibition against importation of bounty-fed sugar under the same conditions as other sugar, the Imperial Government recognizes the fitness of the proposal and assents to it.’

“We do not find in the other Reports presented to the Conference expressions of opinion so clear and precise as in the three just quoted, but we notice a passage in the

French note which permits us to hope that we shall have her powerful support in this important question.

"The Government of the French Republic believe, and the Spanish Government share this belief, 'that it is absolutely necessary that all countries producing or refining sugar, whatever be the origin of the sugar, should adhere to the proposed Convention.'

"It is evident that France does not mean to express simply a platonic wish. France, like ourselves, desires to have some guarantee for the Convention, which is to be found in the proposal that has now taken the shape of a new Article which we have the honour to lay on the table of the Conference.

"The Netherlands Government 'recognize the utility of providing a means of defence against the competition of sugars exported with bounties from countries not members of the Union,' but fear that serious difficulties may arise out of the most-favoured-nation clause, and suggest the insertion of an Article providing for the case that direct or indirect bounties 'granted by third countries endanger the production of one or other of the High Contracting Powers.'

"We think it would be better to arrive at such an understanding at once. For, in our opinion, and in that of several of our colleagues, the danger would already arise at the outset, if some of the countries, which we need not specify, did not sign the Convention.

"The Government of His Majesty the King of the Belgians has in this question only pronounced an opinion opposed to our interpretation of Commercial Treaties. We believe to have the right to defend ourselves against a Government which by indirect intervention changes the conditions of free competition. The Belgian Government have not pronounced against a penal clause to be directed against the Contracting Powers and those States which do not enjoy most-favoured-nation treatment.

"We think we may interpret in the same way the opinions expressed in their Reports by the Governments of Sweden and Norway, and of Denmark, as it appears to us that their opposition is directed merely against the interpretation of the most-favoured-nation clause.

"Italy has made no reservation on the subject of the proposal of the Spanish Delegates.

"It remains for us to learn the opinion of the British Government, to which we attach the greatest importance. We find an indication of the opinion in the record of the conversation which took place between our President and his Excellency the President of the Council of His Majesty the King of the Belgians.

"Baron Henry de Worms appears to accept our proposal, at least with respect to the Contracting Powers.

"We are far from desiring to raise the discussion of a question which is not yet on the order of the day; but it is difficult not to believe that we should be going a fool's errand, if I may be permitted to say so, if we were to engage ourselves, without any guarantee, to upset the whole system on which the sugar manufacturing and refining industry is based.

"In all Treaties, as in all contracts, the Signatories give up a part of their rights for the common good. But by our Convention, if it should not contain a penal clause applicable to all countries, we should give up a part of our rights for the benefit of those who do not take part in it. We should have spent months in working to place in a more favourable condition those who do not desire to adhere to our Convention.

"We do not know whether or not the Convention will be signed, but of this we ought to be sure, that the Convention which we may sign will be of practical use.

"It would not be fair for us to demand the immediate discussion of our proposed Article. We have had too many proofs of the tact, ability, and impartiality of our President not to leave it to him to decide when the moment has come for this discussion."

In conclusion, M. Dupuy de Lome reads the following draft of Article:—

"The High Contracting Parties engage to prohibit the importation of sugar and glucose coming from countries granting bounties, or to levy thereon an extra duty, or countervailing duty, which shall not be less than the amount of the bounties."

A discussion arises as to the order in which the Articles should be placed.

The President proposes to adjourn the discussion of Article VI, which should be considered at the same time as the Spanish proposal, and to pass on to the discussion of Article VIII, which would now become Article IX.

He points out that the Article concerning the establishment of an International Commission is becoming more and more important. He thinks, therefore, that it will be better to allow the Delegates sufficient time to formulate their opinions as to the organization of the Commission.

M. Pallain desires, before proceeding to the discussion on Article VIII, to go back to the all-important question of the adhesion of all the interested States. By whom will

the Convention be put in force? Which are the States for which it will remain in force for five years? Will this Article VIII be applicable to Italy? He has been very much struck by the reservations on Articles IV and V renewed by his colleague M. Catalani at the preceding meeting. It appears to him that these reserves do not apply merely to the amount of internal taxation, or to the Customs Regulations, for it has been expressly agreed that in these matters the Governments interested intend to maintain their liberty of action. For, in that case, the Italian Representative would have been quite satisfied with the declarations of the British Delegates. In one word, he believes that the reserves of the Italian Delegate refer to the assessment of the duty, and the manner in which it is to be levied.

If that is the case, Italy would be seeking to place herself in conditions different from those by which it is sought to insure the proper application of the Convention.

England has no duty on sugar; her refineries are not burdened with the charge of Government supervision. The British Government evidently admits that such charges should be taken into account, for it pays to the distillers and rectifiers, in consideration of the loss and interference caused by the Excise Regulations and Governmental control, a bounty of 2*d.* per gallon on plain spirits and spirits of wine manufactured in the United Kingdom, and 4*d.* per gallon on compound spirits.

Mr. Walpole may contest that this is not a bounty, but he must admit that it constitutes an advantage drawn from the Treasury, and that wherever the exporter enjoys an advantage which is charged upon the Treasury there a bounty exists. But the question will be discussed at the proper time.

Mr. Walpole cannot allow this statement to go unchallenged.

M. Pallain continues his remarks. What he meant to say was that any port—Genoa for instance—might be placed in a position to refine for export, just like Marseilles. At Genoa labour is cheaper than at Marseilles, and Genoa, like Marseilles, lies on the road along which 200,000 to 300,000 tons of sugar are sent from Java by the Suez Canal to Europe. Now, does Italy adhere to the principle of the abolition of all bounties, direct or indirect? Does she consent to insure this suppression in the future by a Sugar Law which shall secure the result to be obtained, or does she hope to become a sugar-producing country by standing aloof or remaining outside the legislation which is to be introduced into the Contracting States?

This is a point which ought to be settled, in order to know whether Article VIII is to apply to Italy or not.

M. Catalani, in reply to a question from *M. Pallain*, says that he received his instructions before the opening of the Conference. He has submitted to his Government the explanations of the President, but not having as yet received any answer, he must maintain his reserves. He hopes, however, soon to be able to furnish the required explanations.

M. Pallain expresses his thanks to *M. Catalani*.

The President submits to the Conference Article VIII, which he proceeds to read:—

“ARTICLE VIII.

“The present Convention shall come into force on and after the 1st August, 1890.

“It shall remain in force for five years from that date, and in the event of no one of the High Contracting Parties having given notice twelve months before the expiration of this period of five years of its intention to bring it to an end, it shall continue in force for another twelve months, and so from year to year.

“Should one of the Signatory Powers denounce the Convention, its denunciation will affect only the Power making it.”

He then speaks as follows:—

“We are now about to enter upon the discussion of one of the most important Articles of the Convention, namely, Article VIII of the new draft. You are aware of the great value attached to the abolition of bounties by the commercial and industrial classes, not only in Great Britain, but also in the British Colonies. If proof for this were wanted, you would find it in the eagerness and unanimity with which East India, as well as the autonomous British Colonies, have decided to take part in the Convention. As regards England herself, the Resolutions passed at meetings of tradesmen and labourers faithfully represent public opinion. Everywhere public opinion is eager to denounce the bounty system, which is regarded as a violation of the principles of free trade, by adopting which Great Britain has opened her ports to the commerce of the world. Her Majesty's Government must, therefore, look with deep concern on the perpetuation of a

system of bounties on sugar which, in their opinion, as well as in that of the industrial and commercial classes of Great Britain, her foreign Possessions and Colonies, weighs heavily on an important industry, and which may prove dangerous to that cordial understanding which ought to regulate the commercial relations of all nations.

"This consensus of opinion has not failed to make a deep impression on the British Government. It is now twenty-seven years that this question is being discussed. It has been the subject of debate for several International Conferences, which, unfortunately, have not succeeded in bringing about an agreement or arriving at any practical result. The consequences of this state of things, fatal to the sugar industry of Great Britain and her Colonies, have convinced Her Majesty's Government of the urgent necessity of sparing no efforts to arrive at a solution of this question. It is with this view that this Conference has been convoked. We hope and trust that we shall arrive at a successful and equitable solution. The British Government is imbued with the feeling that it is its duty to seek such effectual measures as will prevent the question from again falling into a state of uncertainty, and the efforts of the Governments from being wasted. We had anxiously desired to see the putting in force of the Convention at an early date. But the communications received from the Delegates of the various Powers have convinced us that the Contracting States will require a rather longer period in order to complete their legislation. This is a necessity which we recognize not without great regret, nor does Her Majesty's Government fail to appreciate the interests of the trade which, for their contracts, will require a considerable interval between the date of the ratification and of the coming into force of the Convention.

"These are the considerations which have engaged the attention of Her Majesty's Government. You will doubtless admit that, in view of the opinions so often and so forcibly expressed by the representatives of an important industry against the bounty system, we might have been led to propose a date more favourable to the interests of our sugar industry. But Her Majesty's Government are aware that they ought not to disturb the sugar industries of the other countries, and, in this conciliatory spirit, they have instructed me to propose to you the following dates for the ratification of the Convention: the 1st August, 1889; and for its coming into force, the 1st August, 1890."

M. Jordan thanks the President for the modification of the text of this Article as regards the date of the coming into force of the Convention. The favourable reception with which the wishes of several Governments in the matter have been met on the part of the British Government will certainly facilitate the deliberations of the Conference and the final success of its labours.

The Article in question comprises three paragraphs. As regards the first, he has no objection to make—the date of the 1st August, 1890, appears to him perfectly acceptable. On the second paragraph he is unable to express a definitive opinion. What he may say for certain is that the period of ten years was too long; but his Government, not knowing that this clause would be modified, has not indicated what duration it considers ought to be fixed for the Convention—that is a question which they have reserved.

As regards the third paragraph, he fears there may be some divergence of opinion as to its meaning. At a preceding meeting it has been said that in case one of the Powers withdrew the Convention should yet remain in force, and the other Powers still be bound by it. But a different opinion has also been expressed, namely, that in such a case the other Signatory Powers should also be released from their engagements.

He thinks that if one Power withdraws from the Union the others should concert as to the course to be taken.

The President begs *M. Jordan* to draft his proposal.

Count Kuefstein accepts the first paragraph without any observation. As regards the second, he refers to the Austro-Hungarian Memorandum, from which he quotes the following passage:—

"It appears to us that ten years is far too long a duration for the first period of the Convention. During such a period circumstances might change so often and so completely as to render it impossible for us to engage ourselves to a measure which, at the beginning, at any rate, would be but on trial, although a trial on an extensive scale. We think it would be better not to fix any term at all, and not to go beyond the power of denouncing the Convention from year to year."

He points out that this is the mode of procedure followed in the Commercial Treaties recently concluded by the Austro-Hungarian Monarchy. A period of five years seems to him too long. Circumstances might arise to prevent a Power from remaining five years in the Convention. In order to induce certain Powers to join in the Convention, it would be better to adopt a clause which should allow them to withdraw from it in case of necessity. He must ask for the power of denunciation from year to year.

As regards the third paragraph, he does not believe he can as yet give a definite opinion. The decision to be taken seems to him to be dependent upon the question of countervailing duties. It appears to him to be evident that the denunciation of one of the Contracting Parties may make it absolutely impossible for another to continue to adhere to it. It is only by a penal clause that this difficulty can be overcome.

Mr. Kennedy explains that it is a general rule to fix a term for Conventions of this kind. It would be most inconvenient, from every point of view, not to name a fixed period. As regards the third paragraph, it is taken from the Convention for the protection of submarine cables. He would not object to a different drafting of this paragraph to provide for the case of one Power withdrawing from the Convention.

M. Jordan shares the views expressed by Count Kuefstein. It is of the utmost importance to know what is to become of the Convention in case it is denounced by one of the Powers. The question is intimately connected with that of the penal clause, the adoption of which would seriously diminish the gravity of the consequences resulting from the withdrawal of one of the Contracting Powers, for the others. If an understanding could be arrived at on the basis of the Spanish proposal, he would not object to the third paragraph of the Article under discussion.

Count Kuefstein, replying to Mr. Kennedy, admits that it is customary to fix a term for the duration of Commercial Treaties. But for a number of years it has been found that it is often difficult, at the present time, to enter into engagements for a long period, and recourse is therefore had to Treaties with a power of denunciation from year to year. This proposal is not an innovation. Moreover, the present Convention is not an ordinary Treaty of Commerce. Questions of form must be settled in accordance with the interests in play. He does not see what objection there would be to the adoption of his proposal.

The President, to prevent all misunderstanding, feels it his duty at once to declare that the British Government cannot accept a Convention for one year.

Count Keufstein points out that, even according to the present drafting, the Contracting Powers will, after the expiration of the five first years, find themselves bound by a Convention which may be denounced from year to year. After the declaration just made by the President, he cannot but ask for further instructions. He would suggest, however, without pledging himself in any way to the proposal, a duration of two or three years.

M. Guillaume accepts the first paragraph. As regards the second, he would prefer a shorter period—three years, for instance. He would not, however, absolutely oppose the term of five years. With regard to the third paragraph, he sees serious difficulties. It will have to be decided whether, in the case of the withdrawal of one Power, the Convention is to remain in force and the engagements of the other Powers remain binding. The Article must be modified in this sense, that a certain time is fixed within which the other Powers shall have the right to withdraw also. In case Germany, for instance, were to leave the Convention, Belgium could not consent to continue to be bound by it. If the denunciation were made at the last moment, there would be no time for the other Powers to withdraw at the same time. It would therefore become necessary to grant the delay of a further period to the latter, that they may notify their intention.

M. Batanero says, with regard to the first paragraph, that Spain is quite ready to execute the Convention. She would, therefore, rather wish the term for its coming into force were shortened. But if there are considerations which prevent the other Governments from adopting an earlier date, the Spanish Delegates will agree to the wish of the majority. As regards the second paragraph, he would have preferred that the term of ten years were retained. He accepts, however, the term of five years. It is all-important that the national industry should be assured of a certain stability in the legislation. A shorter term might, perhaps, not be accepted by Spain.

As for the third paragraph, *M. Batanero* thinks it might be accepted if an agreement were come to as to a penal clause. If not, the denunciation of the Convention by one Power ought to render the others their complete liberty of action.

M. Pallain declares that the French Delegates must make most distinct reserves with regard to the whole question of the date of the coming into force and of the duration of the Convention. These reserves are explained in the note explanatory of the French draft Law which has been laid before the Conference. He points out that France was the last country to adopt the Continental system of sugar bounties; the French Delegates must, therefore, refer to their Government.

He thinks, moreover, that, before fixing the date of the coming into force and the duration of the Convention, it would be as well at least to know what are its stipulations. Three capital questions have not yet been even provisionally decided:—

1. The necessity of the adhesion to the Sugar Union of all the interested States.

2. The conditions, regulations, and the legislation which are to guarantee strictly equal treatment of all the Contracting Powers.

3. The penal provision foreshadowed by the President, in his opening speech, for preventing the Signatory Powers—and apparently also the non-Signatory Powers—to generally “render nugatory” the effect of the Convention.

As regards the final paragraph of Article VIII, he is not surprised to see the Powers who are about to bind themselves to certain engagements preoccupied with the idea of how to withdraw from these engagements in case they are sure that others may escape the obligations imposed by denouncing the Convention.

M. Batanero is of opinion that all difficulties will disappear if the penal clause is accepted.

M. Verkerk Pistorius declares that the Netherlands would have wished for an earlier date for the coming into force of the Convention; if, however, the majority accept the date of 1890 he will make no objection. With regard to the second paragraph, he agrees with the British Government in deeming it impossible to arrive at a lasting result if each country is to be left free to withdraw at one year's notice. The Netherlands would prefer a longer duration, and would only accept the term of five years as a minimum.

As regards the third paragraph, he thought the question had already been discussed. For himself he has no doubt that if one Power retires all the others must be allowed to act upon what they think their interests demand. Nearly all the Powers represented have expressed a wish for the adhesion of all sugar-producing countries. If it is the realization of this wish which determines the Powers to sign a Convention, what is to happen in case of one or more countries withdrawing from the Union? It is not only the position of that one Power, but that of all the others, which must be considered. The question is by no means settled by the proposal of the Spanish Delegates. It may happen that one of the Powers would prefer not to impose a surtax on the sugar of the seceding State, and would rather consider its own withdrawal the best safeguard of its interests.

The President points out that such a Power would have the right to withdraw.

M. Batanero adds that each country is at liberty to denounce the Convention at whatever time it desires.

M. Kamensky says that, pending further instructions from his Government as to the continuation of the bounties on the Asiatic frontier, he is obliged to make his reserves on the first paragraph with regard to this continuation at least till the Law at present in force shall have expired, that is to say, till the 1st (13th) May, 1891.

As for the second paragraph, the Russian Government are quite ready to accept the term of five years.

With regard to the third paragraph, he agrees to the opinions expressed by his Belgian, Spanish, and Netherlands colleagues.

M. Catusse observes, with reference to the third paragraph, that the proposed wording would seem to exclude the termination *ipso facto* of the Convention for all the States on the withdrawal of one Power.

If one of the Contracting Parties denounced the Convention, it would only be open to all the other States to denounce at the same time.

The question would be of less importance if the first period of trial of the Convention were not by the present Article fixed at five years. Whilst, therefore, reserving the decision of his Government, he cannot hesitate to say at once with Count Kuefstein that this period of five years is much too long.

In any case the power of denouncing the Convention will be left to all the States from the moment that one of the Signatory Powers withdraws. But what is the terms within which the second or third denunciation must be made in order to take effect at the same date as the first? It is to be feared that a case may arise when the second Power is precluded from denouncing the Convention by the judicious choice of time made by the first.

A conversation takes place on the interpretation to be given to the third paragraph. It is at last agreed that the denunciation at one year's notice can only take place at a fixed date; that is to say, at whatever date the denunciation may be notified, it can only take effect one year after the 1st August following this notification.

A long discussion arises as to the means of enabling each of the different Governments to retire in their turn.

After an exchange of views, the wording of the Article is modified as follows:—

“The present Convention shall be put in force from the 1st August, 1890.

“It will remain in force for five years from that day, and in case no one of the High Contracting Parties shall have notified fifteen months before the expiration of

the said period of five years its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

“In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only, but the other Powers are entitled to retire during the three following months.”

M. Catusse asks whether, after a denunciation made under the conditions laid down in the new wording of the third paragraph, sufficient time will be allowed for a further delay to date from the notification of the second or third denunciation if the latter takes place just at the end of the three months.

The Article is submitted to the vote and adopted provisionally, except the last paragraph, and under the condition that the reserves are recorded in the Minutes, which have been made (1) by France, respecting the date of the coming into force and the duration of the Convention; (2) by Germany and Austria-Hungary, respecting the duration only; (3) by Russia, respecting the continuation of the bounty on her Asiatic frontier.

It is agreed, moreover, that the wording may be modified, if necessary.

The next meeting is fixed for Friday, the 27th April, at half-past 11, when Articles VI, IX (new draft), X, and XI are to be discussed.

It is agreed that the discussion of Article III shall be postponed until after the Committee have reported to the Conference.

The Conference adjourns at a quarter to 3.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Fourteenth Meeting.—Saturday, April 28, 1888.

Presidents: Baron HENRY DE WORMS and Count KUEFSTEIN.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, Italy, Holland, and Russia.

The meeting opens at 3 P.M.

The President submits to the Conference the Minutes of the ninth, tenth, and eleventh meetings, which are adopted.

The text of the draft Convention is distributed to the Delegates, indicating the Articles which the Conference has already adopted, and those which remain for discussion.

(See the Appendix to the present Minutes.)

M. Pallain calls attention to the fact that Articles V and XI of the draft Convention mention the reserves made by the Delegates, but that Article I is inserted with the word “adopted,” though reserves had been made by several members of the Conference, amongst whom were *M. Jordan*, Count Kuefstein, and the French Delegates. The First German Delegate had said in the sitting of Tuesday, the 10th April, “It is held in Germany that all sugar producing or exporting countries ought to adhere at once to this Convention. Great importance is attached to the adhesion of the United States and of Brazil.” Now, neither the United States nor Brazil have adhered to the principle of the suppression of bounties. It is said that they will adhere by taking advantage of the open clause. It is one thing to enter, another to keep the door open.

France sincerely desires the suppression of bounties. She is grateful to England for having led up to an international discussion with a view to an agreement in reference to sugar which in a near future shall clear the Budgets of the countries interested of the burdens which they bear for the benefit only of foreign consumers, and even of English consumers; but this suppression of bounties, which it is desired to secure by an international arrangement, had already been spontaneously realized in France by the Law of the 19th July, 1880.

From 1880 to 1884 no export bounties on sugar existed in France.

Under the Law of the 19th July, 1880, the Government of the Republic established a system which abolished the bounties on refined sugar, and which, by taxing raw sugar according to its yield in refined, left no causes of inequality standing as regards the

levying of the duty, and the duty being imposed on the finished product, excluded every grant of bounty.

During this period the French sugar trade lost the English market, and other countries, by means of enormous bounties, came to compete with France, even on the French markets. France in 1884 was constrained to adopt a similar legislation to that of other countries in order to save her sugar industry from complete ruin. This it is which was so ably stated in the first part of the Conference by the French Plenipotentiary designated for the signature of the Convention, M. Sans-Leroy.

The acceptance by the Government of the Republic of the principle of the suppression of bounties is therefore but a return on their part to the system from which they had been obliged to deviate under the pressure of circumstances independent of their will. But France can only return to that system on the express condition that no other country shall be allowed to maintain its bounties or derive advantage from them under any form whatever, direct or indirect, and that, in the name of that equality which is desired on all sides, time should be given to those States which entered last upon the system of bounties.

The French Delegate adds that he is bound to carry out his instructions, which are no longer a secret for anybody since the newspapers published the despatch of M. Peytral, Minister of Finance of the new Cabinet, dated the 15th April last; and it is in obedience to these instructions that he has made reserves in respect of Article I, which is described as "adopted" without revision, so soon as he became aware that the United States had not adhered. The words of M. Peytral's despatch are these: "The instructions given to the French Delegates require them to accept the principle of the suppression of the bounties only in case of agreement on the part of all the producing countries."

M. Pallain is full of praise for the manner in which the debates of the Conference have been directed by its distinguished President. But, in order to express his thoughts more precisely, he begs leave to be allowed to recall an episode in the Parliamentary history of England. After the Revolution of 1830 M. de Talleyrand, then French Ambassador in London, was labouring to bring about the alliance which had been the wish of his whole life and the object of his first mission in 1792. The Duke of Wellington was then Prime Minister. The Opposition charged the English Government with being captivated by the charm and the ascendancy of the French diplomatist. A question was asked in the House of Commons. The Duke of Wellington rose, and whilst defending his policy, and denying that it was governed by the influence of the old "Constituant," nobly defended his old adversary of the Congress of Vienna.

Would it be possible for the French Delegates to answer the charge of having been captivated by the charm and ascendancy of the President, who directs these debates with so much authority, if they were not careful to conform scrupulously to their instructions? They cannot forget amongst the delights of London hospitality the English saying, "Business is business," and that the Conference-room of the Foreign Office, where the Sugar Union is in course of preparation—an event which may seriously affect the trade and agriculture of the countries represented, unless all the interested States take part in it, and unless the conditions are the same for all the rival industries—is no longer the room where courtesy performs the agreeable duty of not running contrary to the opinion of the master of the house.

It has often been said that in these International Conferences each one was bound to show himself a good European. It is to show itself as such, and in the very name of European agriculture and industry, that France looks in the direction of the Atlantic, and, before finally accepting Article IV, waits till the interested States, and particularly the United States, have given their adhesion.

Is it necessary to recall the reserves of Italy? It is true, as M. Catalani has said, that Genoese sugar only comes in small quantities on the market of Beyrout in competition with the sugar of Marseilles; but if, by some new legislation, Italy, who seems to have reserved to herself the right of continuing her system of internal taxation, should establish a bounty for herself, then immediately the conditions of equality which the proposed international arrangement have in view would be modified to her advantage and bring her refined sugar into Syria. At this very moment there is but a difference of 50 centimes per 100 kilog. which turns the scale in favour of Marseilles.

The Russian Delegate thinks there is no future for sugar made from sorghum, but sorghum is of the same family as cane; it has the advantage over cane of being an annual plant. It merely requires a fertile soil, energetic labour, and finished processes of extraction, none of which are wanting in the great American Republic.

The State of Kansas, which was mentioned on the 5th April last in the American Senate, was a complete desert fifty years ago. Its population now amounts to 1,200,000 or 1,500,000 souls.

The following is the development of its agriculture :—

					Wheat.	Maize.
1860	..	..	..	..	75,000	2,000,000
1870	..	..	..	..	850,000	6,000,000
1880	..	..	..	..	6,000,000	36,000,000

Moreover, the proposal of the Senator for Iowa applies quite as much to cane sugar as to sorghum sugar; what he desires is that the surpluses of the Budget of the United States should be devoted to a distribution of bounties to agriculture and manufactures, and more particularly to the development of the sugar industry. The truth is that should the United States become great producers of sugar they might, by favouring it by a bounty, not only close their market some day to other sugars, but invade neutral markets, whence the consequence that a Sugar Union in which the United States should not be comprised would procure to Europe a most disagreeable surprise.

Baron de Worms being summoned away temporarily, Count Kuefstein takes the Chair.

The Earl of Onslow asks whether amongst the Powers whose adhesion the French Delegate considers indispensable there are any that are not in the Conference.

M. Pallain answers in the affirmative.

Count Kuefstein reminds the Conference that several other Delegates, the German Delegate and himself amongst others, have reserved their final adhesion so long as certain States whose concurrence is thought desirable shall not have adhered.

M. Batanero remarks that the Conference is working out a Convention with the idea that all the Governments represented shall ratify it. The objection now put forward is connected with the question of countervailing duties. Should the proposal made by the Spanish Delegates upon this subject be adopted, the Convention will include a penal clause, and so the reserves made as to the general adhesion of all the States interested in the question will no longer be of so much importance. The adoption of each Article of the Convention is not final. But to facilitate discussion it is requisite that a distinction should be made between the Articles which the Conference has already discussed, and those which have not yet been touched.

M. Pallain replies that his reserves are not the less justified.

The Earl of Onslow says that the right of signing or not signing is always reserved to the Plenipotentiaries.

M. Pallain is not quite satisfied with this remark. The Conference itself can only give a decision when it knows exactly who the Contracting Powers are.

M. Dupuy de Lome thinks that the Article may be taken as provisionally adopted, provided each Government preserves the right of taking a final decision when it shall have the whole Convention before it. Two steps must be taken: the Delegates have to submit the draft Convention to their respective Governments, and the latter have to decide whether they accept it or not.

M. Pallain says that at the close of the last session the President had led them to look forward to the adhesion of the United States as almost a certainty. Events hitherto have not confirmed this hope. It is this which induces *M. Pallain* to insist upon his reserves.

M. Dupuy de Lome says that, before joining the Conference, the divers Governments knew that the United States would not take an official part in it. He thinks he remembers seeing a Circular of Lord Salisbury's which stated, if his recollection is right, that Mr. Bayard excused the abstention of the United States upon constitutional grounds, which must always be taken into account in the matter of Treaties with the United States. That country, however, is worthily represented by an unofficial Delegate, which is evidence of the good will of the United States' Government. The Conference cannot impose as a condition the actual adhesion of the United States, because it was known before their coming together that this adhesion was for the time impossible. Spain has more interest than any other country in the entrance of the United States into the Union, since the chief, if not the only, market which European bounties have left to Cuban sugar is that of the United States. Spain has full confidence in the just and practical sense of the American Congress to abolish bounties when the other States have succeeded in suppressing them. He knows that it is impossible to insist upon a preliminary adhesion on account of the disinclination of the United States to join collective European manifestations.

M. Jordan thinks that the reserves which the French Delegate has just renewed apply rather to the new wording of the preamble than to the contents of Article I of the draft Convention. This preamble, which enumerates the High Contracting Parties, omits the United States and Brazil. He had hoped that the difficulties which might result from this would be lessened if the Conference accepted the clause of counter-vailing duties. He should like to know whether, if this clause were carried, the French Government would not think it possible to treat without the adhesion of the United States. The German Government considers it most important that the United States should join the Convention, and if the penal clause were not adopted he would be obliged to renew more emphatically the objections contained in the paragraphs 2 and 3 of the printed Memorandum of Germany. Speaking generally, however, he does not think it necessary constantly to renew his reserves upon each Article, his Government having officially declared that they only took part in the second session of the Conference on condition that they should have full liberty to accept or reject the Convention when the final result of the labours of the Conference are presented to them.

M. Batanero remarks that all the Governments have reserved this right of examination. In the Yellow Book published by the French Government it is said that that Government only accepted the invitation of the British Government on the understanding that they preserved their full liberty of action. It must be understood that all the other Powers are in the same position until the signature of the Convention.

The United States have not said that they would not give their adhesion; the question remains open, and should not be prejudiced; under these conditions the Conference may continue its deliberations.

The President observes that the reserves recorded in the Minutes remain intact.

M. Verkerk Pistorius thinks that too much importance is attached to the document distributed at the opening of the sitting; it is not an official statement of the decisions taken by the Conference, it is a statement drawn up by the Secretaries to keep the Delegates informed as to their daily labours.

The President confirms this view. The document in question is not intended for use outside the Conference.

The discussion on this incident is closed.

M. Catalani announces that his Government has appointed him Plenipotentiary to sign the Convention.

The President proposes now to proceed in the order determined at the last sitting. That order leads to the discussion of Article XII, which is read by the President as follows:—

“ARTICLE XII.

“The provisions of the present Convention are applicable to the provinces beyond the sea, Colonies, and foreign possessions of the High Contracting Parties.

“Each of such territories admitted to the present Convention has power to withdraw in the same manner as the Contracting Powers and in the conditions stated in Article XI.

“In the event of one of the above-mentioned territories wishing to withdraw from the Convention, a notification to that effect will be made to the Contracting Powers by the Government of the mother country of such province, Colony, or possession.”

The President invites the Delegates to make their observations.

M. Jordan says that in the event of any Colony denouncing the Convention the consequences would be the same as if one of the Signatory Powers denounced it. Each one of the other Governments would then have the right to withdraw. If there are any doubts upon this point, they must be specified.

M. Guillaume has no observations to make; it is evident that the Colonies will withdraw from the Convention in the same manner as the Signatory States, *i.e.*, under the conditions of Article XI.

M. Jordan accepts this interpretation.

M. Batanero thinks that the first part of Article XII has already been implicitly adopted by the vote on Article IV.

The President thinks that Article IV gives to States and to Colonies the right of adhering to the Convention; whilst Article XII establishes for the Colonies and foreign possessions of the Contracting Parties the obligation to enter the Union. Article IV is the complement to Article II. Article II imposes a fixed system of duties; but it was necessary to give to States, Colonies, or foreign possessions which have no duties, and therefore no necessity for adopting the system, the right of adhering to the Convention;

that is the object of Article IV. Article XII states that the Contracting States stipulate for their Colonies.

M. Verkerk Pistorius thinks that this is returning to a point which has been already decided. In his opinion, Article IV does not allude to the Contracting States, but to those which may adhere subsequently. But as regards the States which form the Convention, a clause is required to bind the Colonies; that is the meaning of Article XII.

M. Batanero and *M. Dupuy de Lome* object to this interpretation. England and Spain seem to them to be aimed at by Article IV.

The President says that upon this point Article IV might be modified. For the present he proposes to keep to the discussion of Article XII.

M. Catalani has no observation to make.

M. Verkerk Pistorius accepts for all Dutch Colonies, without exception, the principles of Article XII. But he cannot accept the wording of the second and third paragraphs. The Dutch Colonies have not the right of withdrawing from the Convention; it cannot therefore be said in the second paragraph that they have this power. In other words, the second paragraph, as it now stands, presupposes the autonomy of the Colony. Some wording must be found which does not imply this autonomy.

M. Batanero joins in this opinion.

M. Kamensky says that, without making any special reserves as to Article XII, he cannot conceal that the right conceded to each territory to withdraw from the Convention seems to him to be superfluous. He thinks that it would be more equitable that Colonies, provinces beyond the sea, and foreign possessions should in this case completely follow the conduct of the mother country, without enjoying the independence which it is intended to grant to them. He thinks that the High Contracting Powers alone should have the privilege of denouncing the Convention, and carrying with them the territories which form a part, or are dependencies of, the mother country.

M. Pallain puts a question as to the system of customs in the British Colonies.

The Earl of Onslow replies that they have full power over their Customs Tariffs. He meant to say, by the second paragraph of Article XII, that the autonomous Colonies and the East Indies reserve to themselves the right of withdrawing from the Convention.

M. Batanero requests that it should be recognized that Spain has the right to denounce the Convention for the Islands of Cuba and Porto Rico.

M. Verkerk Pistorius says that, if right to withdraw from the Convention is granted to the Colonies of Spain and Great Britain, the same right should be given to the Netherlands for their Colonies.

M. Guillaume thinks that the right to withdraw from the Convention ought not to be conceded to any non-autonomous Colony.

M. Batanero says that political considerations obliged Spain to reserve to herself the right of withdrawing in the name of her provinces and possessions beyond the seas.

M. Jordan would prefer the wording of Lord Onslow, who reserves the right of renunciation for autonomous Colonies only. Should any State consider the interests of a Colony or a province injured by the Convention, that State might withdraw from the Union under the conditions of Article XI.

M. Batanero claims the right to denounce for any province or Colony of which the interests may be injured, without other parts of the States withdrawing from the Union.

M. Verkerk Pistorius reads the following wording, which he has prepared at the request of the Earl of Onslow:—

“Article XII (*second paragraph*).

“The High Contracting Parties have power to withdraw, for one or more of the above-mentioned territories, in the manner and with the consequences set forth in Article XI. The same power is reserved to self-governing Colonies and provinces beyond the seas.”

M. Jordan asks what would happen if the Convention should impose countervailing duties on the sugar of countries not within the Union. Any State which should have denounced the Convention for one of its Colonies would then be under the obligation of charging the duties in question upon the sugar it might import from that Colony.

M. Dupuy de Lome accepts this consequence. Spain might some day consider it desirable, in the interest of the Colony, that Cuba should withdraw from the European Sugar Union, in order to enter into an American Sugar Union, if such a one were formed. Besides, adds *M. Dupuy de Lome*, to levy countervailing duties on colonial

sugar would only be feasible if such sugar received bounties; and Spain has no idea of giving bounties, either in the mother country or in the Colonies.

Baron de Worms resumes the Chair.

The discussion continues upon the wording of Article XII proposed by M. Verkerk Pistorius.

M. Pallain thinks that autonomous, as distinguished from Crown Colonies, should appear individually as Contracting Parties in the draft Convention, since it was within their competence to adhere to it. It is with each one of them that the States of the Sugar Union are about to treat.

Is the service of the Customs organized in a definitive manner in the autonomous Colonies?

For Crown Colonies it is needless to have any apprehension, since the British Government stipulates for them.

But it is of interest to ascertain the internal administration of the autonomous Colonies. Upon these the action of the mother country is less direct and less felt, since it seems to reduce itself to ties of sentiment and allegiance.

To this bundle of exotic flowers England, like Montaigne, has attached but a thread to bind them.

Thus these Colonies are their own mistresses of their Customs arrangements, respecting which the mother country has absolutely nothing to say; and it frequently occurs that the Tariffs of these Colonies are contrary to the interest of the mother-country.

Is not Canada about to form a Customs Union with the United States?

M. Pallain quotes the case of the Australian Colony of Victoria, which quite recently established the following differential duties on cane and beet-root sugar:—

		Per cwt.	
		<i>s.</i>	<i>d.</i>
Previous to the 27th July, 1887, the duties were—			
Raw and refined sugar	.. .. .	3	0
After the 27th July, 1887—			
Cane sugar	.. .. .	3	6
Beet-root and other sugar	.. .. .	6	0

Thus the prohibitive duty against the importation of beet-root sugar is 7 fr. 38 c. per 100 kilog.

It is said that the arrival of a cargo of Austro-Hungarian sugar was the cause of this less favourable treatment of beet-root sugar.

As for the French Colonies, their position is simple enough. The purpose of the Convention is to suppress all bounties, direct or indirect. French colonial sugars enjoy no other bounties than those which, by the law of the mother country, are granted in the shape of an allowance for waste in manufacture.

It therefore depends upon the mother country alone whether this allowance shall be withdrawn or not, the allowance being a necessary and legitimate consequence of the equality of conditions which it has been the purpose to establish as between native and colonial sugar.

As to the Customs system in existence in the French Colonies, it gives satisfaction to the wishes of the International Conference, and it could only be modified by administrative Regulations, which would not be prepared without the intervention of the Government and the Council of State.

Count Kuefstein says he has no official information as to the case quoted by *M. Pallain*, but he has seen complaints in specialist newspapers as regards changes recently introduced in Canada for applying the surtax of $7\frac{1}{2}$ per cent. on indirect imports, which is now interpreted more severely than it had been hitherto.

M. Verkerk Pistorius asks whether Great Britain does not intend to maintain the right of her autonomous Colonies to withdraw.

The reply being in the affirmative, he claims the same liberty for the Dutch Colonies.

The President thinks that it is difficult for a Colony forming an integral part of a country to have the right to withdraw.

M. Guillaume accepts this interpretation, which is objected to by *M. Dupuy de Lome* and *M. Pistorius*.

M. Catusse thinks it necessary to observe that Article XII, as worded by *M. Verkerk Pistorius*, will create inextricable difficulties of execution. As it is, it will be very

difficult to supervise legislation in all the States. How can a serious control be organized if Crown Colonies are allowed to have an autonomous system as regards sugar?

Article XII is adopted with the wording of M. Verkerk Pistorius.

Article XIII is adopted in the following shape:—

“ARTICLE XIII.

“The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.”

“The present Convention shall be ratified, and the ratifications exchanged in London on the 1st August, 1889, or sooner if possible.”

The President begs the Delegates to communicate to him, in writing, the opinion of their Governments as to the proposal of the Spanish Delegates.

The British Government wishes to know whether each Power is of opinion: (1) that it is necessary to adopt, against any Contracting Power, countervailing duties, or even a prohibition, if that Power continues to give bounties, whether in violation of the Convention or by withdrawing from the Union; (2) that this prohibition or these countervailing duties can apply to non-Contracting States.

The discussion of this question is fixed for Saturday, the 5th May.

The next meeting of the Conference is to take place on Tuesday, the 1st May. The Conference adjourns at half-past 5.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex to the Minutes of the Fourteenth Meeting.

Draft of Convention.

THE High Contracting Parties, desiring to insure the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.;

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, and Apostolic King of Hungary,

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary; M. Guillaume, Director-General in his Ministry of Finance; and M. Du Jardin, Inspector-General in his Ministry of Finance;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom,

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary; and M. Sans-Leroy, Deputy;

His Majesty the King of Italy,

His Majesty the King of the Netherlands, Grand Duke of Luxemburg,

His Majesty the Emperor of All the Russias, M. the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Councillor of State;

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:—

[Adopted.]

ARTICLE I.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, such measures as shall constitute an absolute and complete guarantee that no bounty, either open or disguised, shall be granted on the exportation of sugars.

[Adopted.]

ARTICLE II.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, a system of duty on the quantities of sugar produced and delivered for home consumption, as the only system by which the suppression of the bounties in question can be attained, and to place under the same régime glucose factories and factories for the extraction of sugar from molasses.

[Referred to the Commission.]

ARTICLE III.

As Belgium is not in the same condition with regard to the application of the system of duty on the quantities of sugar produced, the existing régime established in that kingdom may be maintained, subject to the following modifications:—

The amount of the duty shall be reduced from 45 fr. to 25 fr. from and after the day when this Convention shall come into force. The legal yield of contract factories shall be raised from 1,500 to 1,700 grammes.

[Reserved.]

ARTICLE IV.

Are admitted to the Convention those States, Provinces beyond the Seas, Colonies, and foreign Possessions of the High Contracting Parties which, though not adopting the system mentioned in Article II, levy no taxes on sugar, or who grant, on the exportation of raw sugar, refined sugar, or glucose, neither drawback, repayment, nor writing off of duties or quantities.

[Adopted, but with reservations on the part of Italy.]

ARTICLE V.

In case any State which does not impose duties upon sugar should establish them, such State shall be bound to levy these duties upon the quantities of sugar produced and delivered for consumption, or to give no drawback, repayment, nor discharge of duties or quantities.

[Adopted, but with reservations with regard to the words, "levy these duties upon the quantities of sugar produced;" and with reservations on the part of Italy.]

ARTICLE VI.

Proposal of the Spanish Delegates.

The High Contracting Parties engage to prohibit the importation of sugar and glucose coming from countries granting bounties, or to levy thereon an extra duty or countervailing duty which shall not be less than the amount of the bounties.

Proposal of the Netherlands Delegates.

Should direct or indirect bounties be granted by third countries on the export of raw and refined sugar, and should these bounties become a source of danger to the production of one or other of the High Contracting Parties, a new understanding might be come to with a view of deliberating on the measures of defence which could be adopted.

[To be discussed.]

ARTICLE VII.

Proposal of the Netherlands Delegates.

The surtaxes on sugar imported directly from one of the Contracting Countries to another shall not exceed fr. per 100 kilog. Countries where such surtaxes are not now levied shall not levy any in the future.

ARTICLE VIII.

Proposal of the French Delegates.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the Contracting Countries.

[To be discussed.]

ARTICLE IX.

Proposal of the British Delegates.

The High Contracting Parties shall communicate to one another through the diplomatic channel the Laws which may have been already passed, or may in the future be passed, in their respective States, in relation to the purpose of the present Convention.

They agree to appoint a Commission to examine these Laws and the Regulations depending on them. This Commission is charged to prepare a Report on the Laws and Regulations in question. The Government of the country where the Commission meets will communicate this Report to the other Contracting Governments. The Government in question appoints the President of the Commission.

Each of the High Contracting Parties is represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall take place in London within six months of the signature of the present Convention.

The Commission is charged with drawing up at its first meeting a set of draft Regulations fixing the time and place of its future meetings.

It is also charged with drawing up at its first meeting a Report on the Laws and Bills sent to it by the Governments interested.

[To be discussed.]

Proposal of the Belgian Delegates.

The High Contracting Parties engage to establish an International Sugar Commission, charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers and of a Permanent Bureau.

The Delegates shall—

(a.) *Ascertain whether the Laws, Orders, and Regulations relating to the taxation of sugar are in harmony with the principles laid down in the preceding Articles;*

(b.) *Pronounce an opinion on contested points ("questions litigieuses");*

(c.) Consider ("instruire") requests for admission to the Union made by States not having taken part in the present Convention; and

(d.) Ascertain ("contrôler") whether, within the meaning of the present Convention, any direct or indirect bounty is granted in any of the Contracting Countries on the manufacture or exportation of sugar or glucose.

The Permanent Bureau will collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in Contracting Countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties will transmit through the diplomatic channel to Her Britannic Majesty's Government, which will forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate or by a Delegate and an Assistant Delegate.

The Commission shall meet in London. Its President shall be appointed by Her Britannic Majesty's Government.

The first meeting of the Commission shall take place within six months of the ratification of the present Convention; future meetings shall be called by Her Britannic Majesty's Government.

At its first meeting the Commission shall draw up Regulations on its internal constitution, and shall prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government.

The Commission will be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and, if necessary—if such is the opinion of the majority of the Contracting Powers—summon a Conference which shall decide on the resolutions or measures called for by the circumstances of the case.

The expenses incurred on account of the establishment and working of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the Contracting countries, and be divided among them in proportion to the amount of the sugar they import and manufacture.

[To be discussed.]

Proposal of the Netherlands Delegates.

The High Contracting Powers shall communicate to one another through the diplomatic channel the Laws which may have been already passed, or may in the future be passed, in their respective States, in relation to the purpose of the present Convention.

They agree to appoint a Commission for the examination of the Laws in question, and of the Regulations depending thereon.

Each of the High Contracting Parties may be represented on the Commission by a Delegate and an Assistant Delegate. The Government of the country where the Commission meets appoints the President.

The first meeting of the Commission shall take place in London within six months of the ratification of the present Convention.

The Commission is charged to draw up at its first meeting a draft set of Regulations fixing the time and place of its future meetings.

It is also charged with preparing at its first meeting a Report on the Laws or Bills submitted to it by the Governments interested, and a scheme for the publication of an International Bulletin of Laws, Regulations, and Statistics of the sugar industries and the sugar trade.

[To be discussed.]

ARTICLE X.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in the preceding Article.

[Adopted.]

ARTICLE XI.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for *five* years from that day, and in case no one of the High Contracting Parties shall have notified, *fifteen* months before the expiration of the said period of *five* years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only, but the other Powers are entitled to retire during the three following months.

[Adopted, saving drafting and saving the reservations made: (1) by France, in regard to the date of coming into force and the duration of the Convention; (2) by Germany and Austria-Hungary, in regard to the duration only; (3) by Russia, in regard to the bounty on the Asiatic frontier.]

Proposal of the Belgian Delegates.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for *five* years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of *five* years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only, *but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to retire from the 1st August of the following year.*

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

[To be discussed.]

ARTICLE XII.

The provisions of the present Convention are applicable to the Provinces beyond the Sea, Colonies, and foreign Possessions of the High Contracting Parties.

Each of such territories admitted to the present Convention has power to withdraw in the same manner as the Contracting Powers and in the conditions stated in Article XI.

In the event of one of the above-mentioned territories wishing to withdraw from the Convention, a notification to that effect shall be made to the Contracting Powers by the Government of the mother country of such Province, Colony, or Possession.

[To be discussed.]

ARTICLE XIII.

The present Convention shall be ratified, and the ratifications exchanged in London on the 1st August, 1889, or sooner if possible.

[To be discussed.]

Fifteenth Meeting.—Tuesday, May 1, 1888.

President: BARON HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The President proposes to determine the final wording of Article IX.

M. Pistorius calls attention to the fact that all the ideas expressed in the English draft, and in that of the Netherlands, are contained in that of Belgium, which makes the latter peculiarly fit to serve as a basis.

It is agreed that the Belgian wording shall be the text for discussion.

The first paragraph is carried, as follows:—

"The High Contracting Parties engage to establish an International Sugar Commission, charged with watching the execution of the provisions of the present Convention."

The President reads the second paragraph:—

"This Commission shall be composed of Delegates of the different Powers, and of a Permanent Bureau."

Mr. Kennedy asks whether it is really necessary to establish a Permanent Bureau. The Governments are at this moment about to constitute an International Statistical Bureau at Brussels. Would it not be possible to confide to this Bureau the functions which it is proposed to give to the Permanent Sugar Bureau? It is desirable to avoid multiplying such international bodies. He would therefore propose to leave the question of establishing a special Bureau for sugar open for the present. This question should be referred to the International Commission, which should decide as to the instructions to be given by the divers Governments to their Delegates.

M. Guillaume remarks that the International Statistical Bureau has been formed under powers which are not susceptible of extension.

The question was raised in the discussion of the International Tariff Conference at Brussels, and resolved in the negative. He proceeds to quote the following passage from the Minutes of the sitting of the 16th March, 1888, of that Conference:—

"The Russian Delegate remarks that the Russian Government publishes periodically a statement of the imports and exports of the Empire. He asks, under instructions from his Government, whether these documents and similar documents published by other foreign Governments might not find a place in the publication of the International Bureau. Statistical information usefully completes the information furnished by the Customs.

"M. de Kamensky mentions as an instance that Russia is trying to increase her exports of spirits, and it would be interesting for the exporters to know what markets are open to them.

"Baron de Lambermont admits the utility of the publication of the commercial statistics to which M. de Kamensky alludes, but doubts whether the adoption of the measure advocated by the Russian Delegate might not involve the International Tariff Bureau in too large an expenditure. It would be necessary to provide for cases in which all the Governments adhering claimed the insertion of their own statistics in the International Bulletin."

The Conference has been able in other ways to note what great technical difficulties exist in dealing with the Sugar question. The International Bureau might not have the necessary competence in respect of this matter.

In view of the objections of Belgium—

Mr. Kennedy withdraws his proposal.

M. Jordan has no objections to make as regards the second paragraph.

Count Kuefstein, on his part, sees no objections, but having no instructions as to the details of the Article, which are not as yet known to the Austrian or Hungarian Governments, he can only give his own personal opinion.

M. Guillaume observes that the Permanent Bureau being a distinct part of the machinery of the Commission of Delegates, it would be necessary to modify the wording of the paragraph.

M. Verkerk Pistorius is of the same opinion. The institution of a Permanent Bureau for the purpose of publishing a bulletin of legislation and statistics, seems to him to be a very useful step, so far as the control of the execution and the effects of the Convention is concerned. As regards the International Commission, M. Pistorius is, for the moment, without instructions, and must reserve the decision of his Government.

The wording of the second paragraph is modified as follows:—

"This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it."

The discussion is opened on the third paragraph.

"The Delegates shall—

"(a.) Ascertain whether the Laws, Orders, and Regulations relating to the taxation of sugar are in harmony with the principles laid down in the preceding Articles;

"(b.) Pronounce an opinion on contested points;

"(c.) Consider ('instruire') requests for admission to the Union made by States not having taken part in the present Convention; and

"(d.) Ascertain ('contrôler') whether, within the meaning of the present Convention, any direct or indirect bounty is granted in any of the contracting countries on the manufacture or exportation of sugar or glucose."

M. de Smet begs to note that most of the provisions of the proposed text are taken from the Postal Convention of Berne.

A debate arises upon the word "contrôler" in paragraph (d).

M. Verkerk Pistorius fears the word might be taken to allow the Commission to control on the spot, in the factories, the execution of the Laws and Regulations.

Count Kuefstein shares this apprehension.

This interpretation being excluded, it is agreed that the Commission shall not have a right to interfere in mills. The word "examiner" is substituted for "contrôler."

M. Batanero says that if the penal clause is carried, it will be requisite to add to the duties of the Commission, as enumerated in paragraph 3, that of examining whether the non-contracting countries give bounties. He wishes the wording to be so altered as to include the event of the penal clause being adopted.

M. Dupuy de Lome explains that, even without the penal clause, it is desirable that the Commission should endeavour to ascertain whether the non-Contracting States give bounties. Nothing is of greater interest to trade than sound information, and the Commission and the Bureau are destined to become excellent means of information.

M. Verkerk Pistorius supports this view, and instances the case of Brazil, which gives real bounties to its manufacturers in the shape of advances, repayable without interest or with very low interest.

M. Guillaume says that the non-contracting countries are already mentioned in the paragraph (d).

M. Pallain proposes to substitute, for the words "direct or indirect," the words "open or disguised bounties."

The third paragraph is adopted as follows:—

"The Delegates shall be instructed—

"(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether, in practice, any open or disguised bounty is granted on the exportation of sugar or glucose;

"(b.) To pronounce an opinion on contested points ('questions litigieuses');

"(c.) To consider ('instruire') requests for admission to the Union made by States not having taken part in the present Convention."

Paragraphs 4, 5, and 6 are adopted as follows:—

"The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

"In order to assure the execution of the preceding provisions, the High Contracting Parties shall transmit through the diplomatic channel to Her Britannic Majesty's Government, which will forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

"Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate."

A debate arises upon paragraph 7, which makes London the seat of the Commission:—

"The Commission shall meet in London. Its President shall be appointed by Her Britannic Majesty's Government."

M. Jordan and *M. Kuefstein* accept the paragraph.

M. Dupuy de Lome thinks it would be better to say that the first meeting of the Commission shall take place in London, and that the Commission itself shall decide where it will subsequently meet.

M. Batanero shares the opinion of his colleague, but will accept the decision of the majority.

M. Du Jardin thinks the Commission should have its seat at the same place as the Bureau, and that the Bureau, with its records, should be at a fixed place.

M. Sans-Leroy is of opinion that some place in Central Europe would be most convenient as the seat of the Commission, which would thus have more facility for performing its duty.

The Commission is not to have the right to visit the factories, but though there may be no official police, it is pretty certain that the manufacturers of the divers countries will organize a volunteer police, and exercise supervision upon each other. The best sources of information which the Commission is likely to find will be, no doubt, such indications

as the Syndical Chambers will furnish. It seems unnatural that the Commission should meet in a non-producing country.

England has been the natural and necessary connecting link to procure an understanding as between the different interested States; but this part, which she alone was capable of taking, comes to a close on the day of the signature of the Convention.

The President says that the British Government is perfectly willing to leave it to the Powers to choose the place of meeting.

Count Kuefstein would like the Commission to meet permanently in London, but if it should be found that the Commission would work better in a beet-sugar-producing country, he would look upon the reasons given in support of that idea as an argument against stability; for, in this case, there would be an advantage in holding the meetings in turn in different capitals, as usually happens with many other international meetings.

M. Verkerk Pistorius thinks it possible to conciliate the two ideas of a wandering Commission and a Bureau at a fixed place. The documents brought together by the Bureau being published, there would be no displacement of the archives.

M. Guillaum thinks it best that the Commission should meet in London on the terms of the proposal before them. As *M. Sans-Leroy* says, it would be difficult to make the Bureau travel about with its records; in practice this arrangement would be most inconvenient. As regards the Commission, the decisions which it is likely to take will require a real authority, in consideration of its seat being in the capital of a Great Power which has no direct interest in the details of sugar legislation, and whose influence has been manifested by its success in bringing together the present Conference. Whatever may be the confidence naturally felt in the impartiality of the Governments represented and the members of the Commission, it might still be feared that local interests might interfere with the resolutions to be taken. It is therefore indispensable that the Commission should be completely protected from the possibility of such suppositions. There seems to be no reason why the difficulties possibly resulting from the insularity of Great Britain should form any obstacle, since information will arrive in London just as easily as anywhere else.

M. Jordan accepts this opinion; if the Commission was not at a fixed place, its displacements might be considered as a mark of suspicion in respect of the countries to which it should transfer itself; but he adds he has no instructions on this point, and can only give a personal opinion.

M. Catalani is of the same way of thinking.

M. Komensky insists that the Commission and the International Bureau should be in London for the following reasons:—

1. Great Britain not being a beet-root sugar-producing country is in this respect a neutral country, and her impartiality may be reckoned upon in the treatment of contested questions.

2. She possesses in the Foreign Office the most complete organization for bringing together all the information required for the Commission or the Bureau.

3. The diplomatic support which she would be ready to give to these institutions would be felt to have a great importance by all the Powers, which perhaps would not give as much attention to the wishes and complaints which these institutions might forward directly and on their own initiative.

4. Great Britain, being protected against all political complications in respect of commercial and industrial questions, will remain neutral; and

5. With her support and assistance all the duties of the Commission and the Bureau, which are likely to be large, will be carried out more conscientiously and with more impartiality than elsewhere.

The President proposes, as a means of conciliation, to revert to the wording of the British Delegates, which has been supported by *M. Dupuy de Lôme*, and which declares that the first meeting of the Commission shall take place in London, the question as to subsequent meetings being left to the Commission to decide. He proceeds to read the paragraph in question:—

“The first meeting of the Commission shall take place in London within six months of the signature of the present Convention”

M. Sans-Leroy bows to the opinion of the majority, but adds that in the absence of instructions upon this point he is obliged to make all reserves.

A debate ensues upon the question whether the first meeting of the Commission shall take place after the signature or after the ratification of the Convention.

M. Dupuy de Lôme says the ratification alone determines the existence of the Commission.

M. Jordan says that if the ratification is made the point of departure, the interval of six months may be shortened.

Mr. Kennedy explains that the proposal, as worded by the British Delegates, is meant to declare that the first meeting of the Commission shall take place before the Convention is ratified. The reason for this is that the Laws by which the Convention is to be put in force must be considered before the exchange of ratifications. It is in the preliminary meeting of the Commission that this examination can most easily be made.

M. Pallain asks whether *Mr. Kennedy* means that the authors of the proposal intend to postpone the examination of the projects submitted, or about to be submitted, to the Conference under the Protocol of the 19th December, 1887, to the Commission alluded to in the Article under discussion.

If such were the meaning of the British Delegates, it would be his duty to make reserves instantly; by this proceeding the Conference would be deprived of the chief purpose of its mission, which is to determine the conditions under which the Convention can be applied, by bringing the legislation of the interested States to the point required for insuring the suppression of open or disguised bounties.

The Conference now sitting, and that Conference alone, is bound to perform this delicate duty. It is to carry out this mission that the Governments here represented have designated their special Representatives. It is only, he adds, to his title of Director-General of the Customs that he owes the honour of taking part in the labours of the International Sugar Conference. What would be the object of his mission were he to part with the faculty to co-operate in examining the legislation to be devised for enforcing the exact application of the Convention? Had not the President at the last meeting of the first session said, "If we part now we only do so in order to prepare the Laws which shall establish concretely the draft Convention which we have now produced."

So long as the Projects of Law of the contracting countries have not been adopted by the Conference now sitting, there is no Convention in the sense of the terms of the Protocol of the 19th December. The Commission in question can only derive its existence from the Convention itself, and, for the French Delegates, the Convention can only exist by virtue of the adoption of the legislation by which it is proposed that perfect equality should be established between the rival industries of the contracting countries.

M. Sans-Leroy confirms this declaration of his colleague.

M. Catusse thinks it necessary to avoid every sort of misunderstanding. He therefore asks whether the Delegates think that the mission of the Conference will be at an end when it has adopted the text of the Convention without having made a detailed examination of the legislation? In other words, does the Conference release itself by this Article from the duty of examining the Projects of Law drafted by each Government, and does the Conference leave it exclusively to the Commission which it is proposed to establish to decide whether these Laws are in agreement or not with the principles laid down by the Conference?

The President replies that the Convention must be signed before the Commission can begin to act, and there can be no question of prolonging beyond that signature the powers of the present Conference.

M. Catusse thinks, on the contrary, that the Laws and Regulations should be considered as appended documents, and, as such, forming an integral part of the Convention, and that it is to the Conference itself that the Commission should submit its Report.

The French Delegates declare that, in respect of this transfer of the duties of the Conference, they must make the most express reserves. It is the opinion of the French Government that the Convention cannot be submitted for signature to the High Contracting Parties until the latter, and, consequently, the Conference of London, has examined and adopted the projects communicated, or remaining to be communicated, in accordance with the reciprocal engagements taken by the States represented.

Count Kuefstein renews his general reserves.

Under these reserves this paragraph and the following are carried as under:—

"The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.

"The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau."

The President reads the next paragraph:—

"At its first meeting the Commission shall draw up Regulations on its internal constitution, and will prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government."

M. Catusse inquires to whom the Report of the Commission will be addressed.

The President replies, to all the Contracting Governments.

The paragraph is adopted under the reserves already formulated for the previous one.

The President reads the next paragraph:—

“The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty’s Government, which shall communicate it to the Powers interested, and, if necessary—if such is the opinion of the majority of the Contracting Powers—summon a Conference which shall decide on the resolutions or measures called for by the circumstances of the case.”

A discussion arises on the meaning of the word “examine,” in the first sentence, which, some think, might involve the right of inspecting the mills.

M. Guillaume remarks that, according to the author of the proposal, the provision in question is only intended to exclude from the duties of the Commission the judgment of any infractions that may be committed. It does not appear to him that the duty of examining can justify the fears that have been manifested. Since the Commission, in an earlier paragraph, is empowered to examine whether the application of Laws and Orders does not in practice give rise to any bounty, and it has been agreed that this could not involve inspection of the mills,

M. Sans-Leroy objects to the words, “if such is the opinion.” He does not think that when the Powers meet for the purpose of treating questions of great importance they can acknowledge the law of majorities. He thinks that in the case stated it should be left to each of them to suggest the calling of a Conference. Assuredly no one will think of proposing such a meeting without cause, and it cannot be that in the Commission or in the Conference itself a coalition of four or five Powers should be allowed to stifle the views of two or three others and sacrifice their interests.

An alteration in this sense is made in the paragraph.

M. Pallain observes that no provision appears to have been made for arbitration in case of differences. How is it proposed to come to a final decision? The Convention of Berne provides for the case of a possible divergence between two or more members of the Postal Union, and remits the question to arbitration.

M. Jordan explains what, in his opinion, will be the course to pursue. The Commission will have to examine such cases of infraction as are brought before it. It prepares a Report and forwards the same to Her Britannic Majesty’s Government. The latter communicates it to the other Powers. It is enough that one of the Contracting Powers should demand the calling of the Conference. If none of them makes this demand, it is to be supposed that the infraction is but of slight importance.

In any case it is the Conference, and not the Commission, with which the final decision rests.

M. Pallain says that *M. Jordan* seems not to distinguish clearly the case in which the Commission itself might consider that the fact brought to its notice did not constitute an infraction of the Convention, even when the State giving the indication is convinced that the fact brought to the notice of the Convention constitutes an open or disguised bounty. It cannot be concealed that this definition may give rise to difficulties of interpretation, the expression “disguised” being so searching as to prohibit any advantage that a State might concede under any form whatever to the sugar industry. When the difficulty is foreseen it is best to secure means for solving it. He regrets that the Belgian Delegates who drafted the Article under discussion should not have completed it in the sense of Article XVII of the Convention of Berne.

M. Jordan thinks that the proposed wording is entirely satisfactory as regards the case suggested by *M. Pallain*. If the Commission receives information of any fact which may be supposed to constitute an infraction, the Power whose Delegate shall have called the attention of the Commission to the fact in question will have the right to demand the convocation of a Conference, even though the whole Commission should have been of opinion that no infraction had been committed. It is always possible that the Conference may hold the same opinion as the Commission, and that the Power which gave notice of a supposed infraction to the Convention may find itself in a minority for the second time. Though a majority does not bind the minority, even at the Conference, the latter will speak with so much authority that it is not necessary to provide for the case in which its decision should not be received as final. There is no necessity for arbitration.

The President reads the last paragraph of Article IX:—

“The expenses incurred on account of the establishment and working of the Commission—excepting the salaries or expenses of the Delegates, who are paid by their

respective countries—shall be borne by all the contracting countries, and divided among them in proportion to the amount of the sugar they imported and manufacture.”

The President notes that a provision of this kind is to be found in all Conventions under which a Permanent Bureau is established.

Upon the proposal of *M. Verkerk Pistorius*, the words, “in proportion to the amount of sugar imported and manufactured,” are struck out, and the following substituted: “in a manner to be determined by the Commission.”

A general conversation takes place on the subject of the expenses of the Commission and of the Permanent Bureau. It is decided that the expenditure of the Bureau alone shall be defrayed amongst the Contracting Powers.

M. Guillaume calls the attention of the Conference to the fact that it has not yet determined the mode of nomination of those who are to form the Permanent Bureau.

On the proposal of *M. Verkerk Pistorius*, it is decided that the Commission shall make these appointments.

M. Verkerk Pistorius reminds the Conference that in a note of the 3rd March last the Netherlands Minister of Foreign Affairs had asked Her Majesty’s Government for a précis of the Sugar Laws in force in all Colonies and British possessions, including those independent of the Crown. He now repeats the request then made by his Government.

The French Delegates also express the wish that a document of this kind should be presented to the Conference.

The President promises that the précis in question shall be prepared. (See Appendix to the papers laid before the Conference.)

He announces that the Commission appointed by the Conference at its tenth sitting has concluded its labours, and will present its Report to the Conference at the next sitting.

The sixteenth meeting is fixed for Thursday, the 3rd May, at half-past 11, to hear the Report of the Commission upon Article II, discuss Article III, concerning the equivalents offered by Belgium, and the final wording of Article XI.

The Conference adjourns at 2 o’clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Sixteenth Meeting.—Wednesday, May 3, 1888.

President: BARON HENRY DE WORMS.

Present:—the Delegates of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, the Netherlands, and Russia.

M. Sans-Leroy asks permission to make a declaration in reference to an incident recorded in the Minutes of the first session of the Conference. He had alluded to a conversation he had had with the Russian Minister of Finance regarding the formation of a Syndicate of manufacturers for the purpose of exporting sugar. It was a private conversation, and must not be considered as a declaration made by the Russian Government. The Russian Government now declares that it took no direct action as to the formation of the Syndicate in question, which was formed without its approbation or authorization; *M. Sans-Leroy* is unaware of anything which would tend to nullify this declaration.

M. Kamensky is satisfied with this declaration.

M. Guillaume calls attention to the circumstances under which Article XI was provisionally adopted. *M. Guillaume* thinks there is a misunderstanding in the Minutes. *M. Catusse* made a perfectly accurate remark, which was not taken account of in the text inserted in the Minutes, which says that the Article was adopted, whereas it was adopted with reservations. In order to remove this misunderstanding, the Belgian Delegates, in concert with the Netherlands Delegates, have prepared a new draft Article in the place of the original.

A conversation takes place on the subject.

It is agreed that the final wording of Article XI will be again discussed when *M. Catusse* is present.

The President states that Great Britain has received a note from the Spanish Ambassador announcing that the Plenipotentiaries of Spain for the signature of the Convention will be M. del Mazo, the Ambassador, M. Dupuy de Lome, and M. Batanero.

M. Catalani states that he has received the full powers the dispatch of which had been announced to him by his Government in a telegram already communicated to the Conference.

The President lays on the table of the Conference the Report of the Committee to which had been referred, as instruction, Article II and the draft Laws presented by the Governments for applying the principles of the Convention. (See Annex (A) to the present Minutes.)

The Conference will observe, says the President, that the Committee could arrive at no decision on the principles to be applied to refineries. He does not think that any solution would be reached by examining in full Conference the technical questions discussed in such detail by the Committee. He reminds the Conference that the Delegates of several Powers have expressed a wish to submit to their respective Governments, as a whole, the resolutions adopted by the Conference. This is a question on which the Delegates have been unable to agree. It would therefore be best, after adopting the Article on sugar factories, to take *ad referendum* the proposals put forward by the French Delegates as to refineries, so as to submit them to the various Governments after the signature of the Protocol and before that of the Convention.

M. Sans-Leroy is anxious that note should be taken of the fact that the proposal to refer to the Governments does not originate with the French Delegates. They ask nothing beyond what the other Delegates have asked. If the President thinks that it would be well in the interests of all to refer to the Governments, *M. Sans-Leroy* will raise no objections; but he wishes it to be remembered that he did not make the proposal. The French Delegates are, on the whole, convinced that the draft for applying the principles of the Convention, as presented by the French Government, are the most suited to attain the end sought, and that they would have more objections to make to the proposals of other countries than the latter would have to make to theirs. By not raising these difficulties they are giving fresh proof of the conciliatory spirit which inspires them.

The President announces that the First Delegate of the Netherlands has placed in his hands a proposal respecting refineries. (See Annex (B) to the present Minutes.)

M. Verkerk Pistorius states that this document is a re-draft of that part of Article II which relates to refineries. He does not wish it to be discussed by the Conference, but would like it submitted *ad referendum* to the Governments concerned.

The President moves the adoption of the Committee's Report.

M. Pallain remarks that the Report and the draft Article were only distributed at the beginning of the meeting a few minutes ago; most of the Delegates have, as yet, no knowledge of this most important document; the Governments which accepted the old version of Article II are not yet aware of the proposed amendment; it therefore appears to him impossible to proceed at once to the discussion of the Article on which the whole Convention may be said to turn.

An adjournment of eight days was granted to Delegates who wished to consult their Governments respecting the Spanish proposal. The President will doubtless allow them a few hours to study Mr. Walpole's Report giving the results arrived at by the Committee, as well as the new version of Article II.

M. Catalani supports *M. Pallain's* proposal; he has not even had time to read the Report.

M. Guillaume is of opinion that the procedure proposed by the President is that usually adopted; the Conference is not called upon to discuss the details of the question considered by the Committee and reported on by them, but merely to adopt or reject the Report.

Count de Kuefstein thinks that there can be no question of adopting or rejecting the Report of the Committee. The Report can be discussed, but the Conference is quite open to vote on the proposals made in the Report.

M. Kamensky cites the precedent of the last session. On that occasion the number of Delegates not on the Committee was much greater than now, but the conclusions come to by the Committee were adopted at once.

M. Pallain replies that the circumstances are no longer the same; during the first session the principles in debate were such that an agreement was quickly arrived at; the questions now before the Conference are much more complicated and much more delicate.

M. Verkerk Pistorius thinks there is a misunderstanding. The President meant, no

doubt, merely to lay the Report before the Conference. The Conference will now decide whether the Report shall be discussed at a future session, taking *ad referendum*, together with the proposal made by the Netherlands Delegates, that part of the Report which refers to refineries.

M. Jordan notes, in the first place, that Article II, as drafted by the Committee, is incomplete; it deals with sugar factories only. He cannot say whether the German Government will accept an Article dealing with factories only; he is of opinion that his Government would prefer to have the proposals regarding refineries at the same time.

In the second place, he observes that the Committee has rejected certain details shown in the third paragraph of the German proposal annexed to the Report. He is unaware whether his Government is or is not of opinion that these details should be inserted in the Convention.

It is agreed that the Report shall be simply laid on the table. It is further agreed that the Conference will meet on Saturday next to discuss Article II as drafted by the Committee.

The President moves the discussion of Article III, relating to Belgium.

M. Guillaume calls attention to the fact that Article III is in effect an exception to Article II. It appears to him hardly logical to discuss the exception before having agreed to the rule.

The President observes that, if this view is adopted, the discussion of Article III will be practically adjourned *sine die*, as all are agreed that the second part of Article II is suspended. Does the Conference order Article III to be referred to the Governments in the same manner as the second part of Article II?

M. Guillaume does not see why the same procedure should not be adopted in both cases.

The President states that in that case each Delegate will be asked to express his opinion of Article III, and, should there be any difference of opinion, the Article would be taken *ad referendum*.

M. Verkerk Pistorius remarks that Article III no doubt in effect constituted an exception to a rule which has not yet been finally laid down. But that hardly constitutes a sufficient reason for adjourning the discussion. The Belgian proposal can be considered by itself.

M. Guillaume is ready to bow to the decision of the Conference. He is ready to defend the Belgian action; but he thinks that the more proper course would be to postpone the discussion until after that of Article II, and then to follow, for Article III, whatever procedure may have been adopted for Article II.

M. Verkerk Pistorius reminds the Conference that the Belgian proposal has already been submitted to the various Governments. He cannot understand how the proposal can possibly be taken a second time *ad referendum*. The various Governments have pronounced a definite opinion, saving, of course, any new argument which may be brought forward.

M. Sans-Leroy thinks that it must not be forgotten that the concluding portion of the Committee's Report states that the internal laws of the various countries could not be discussed, owing to the fact that the general principles have not as yet been laid down. He does not see why the internal legislation of Belgium should be discussed if that of other countries is not similarly discussed. He is of opinion that the various questions to be submitted to the Governments must be decided before Belgium is placed in a position of inferiority, in which, indeed, the Conference most certainly does not desire to place her.

He rejects generally any idea of discussing the internal legislation of Belgium so long as the various draft Laws, required under the Protocol of the 19th December, 1887, have not been furnished. He opposed such discussion in the Committee.

Count de Kuefstein is prepared to agree to an adjournment if it is put forward as a mark of deference towards the Belgian Delegates. He cannot, however, accept the reasons which have been stated in support of the proposal for adjournment. The question of the Belgian equivalents was not raised in Committee. The special Article dealing with them was reserved for the consideration of the Conference. The examination of the draft Laws has been begun; a whole sitting was taken up with that of Austria-Hungary. The fact that the Belgian equivalents are no new proposal, as is the case with regard to other countries, but simply an alteration of the Tariff and rate of the *prise en charge*, makes it more difficult, in fact, to discuss them. But if the adjournment is proposed, he will be glad to vote for it.

M. Jordan speaks in the same sense as Count de Kuefstein as to the adjournment; but he would remind *M. Sans-Leroy* that the German proposal was taken by the Committee as the basis of its labours.

M. Sans-Leroy states, in reply, that the proposal just mentioned was put forward as a development of Article II, and was in no sense one of the draft Laws required under the Protocol of the 19th December. It is impossible to confound such a development, which deals with one point only, and was put forward, indeed, as a purely personal proposal, with any complete set of legislative provisions drafted with the intention of putting into practice the principles laid down by the Conference.

M. Jordan observes that the reason why Germany has not put in a special draft Law is that her present Law appeared to meet the requirements of the Conference, as it contains all the provisions necessary for insuring the collection of a tax on consumption by means of the system of working in bond.

M. Jordan adds that the question before the Conference is not whether the Belgian Law shall be discussed, but whether an exception shall be admitted in favour of that country.

Mr. Kennedy thinks it impossible to examine the draft Laws before the provisions of the Convention have been finally agreed upon; in this view the President proposed to take at the next meeting those Articles of the Convention on which the Conference has not yet expressed an opinion.

M. Guillaume repeats that he merely offered an observation on the question of procedure, and he thanks the First Delegate of France for the support he has given him, but he places himself entirely in the hands of the Conference.

The discussion of Article III is then adjourned until after the discussion of Article II.

M. Verkerk Pistorius thinks it would be well to make the meaning of Articles IV and V more precise. It is a question whether Article IV applies exclusively to Powers adhering to the Convention in the future, or whether it applies equally to Contracting Powers who do not tax sugar or who do not grant any kind of bounty, and do not, therefore, apply the system of taxation specified in Article II.

The expression "are admitted" seems to exclude the latter interpretation.

MM. Dupuy de Lome and *Batanero* propose the following new draft of Article IV:—

"ARTICLE IV.

"The High Contracting Parties, and their Provinces beyond the Seas, Colonies, or foreign Possessions which do not tax sugar, or which grant, on the exportation of raw sugar, refined sugar, or glucose, neither drawback, repayment, nor writing off of duties or quantities, undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Article II."

M. Verkerk Pistorius observes that this draft would grant to the countries specified in Article IV power to apply the system of temporary admission, which cannot be adopted by countries coming under Article IV, even though it might be accepted for countries under Article II.

M. Dupuy de Lome agrees to strike out the words which might give rise to a bounty, as they involve a further question.

The Article is adopted with this amendment, and with the reservations made at a previous meeting by the Italian Delegate.

The new Article takes the place of Articles IV and V of the draft hitherto before the Conference.

M. Sans-Leroy inquires what will be on the order of the day for the meeting on Saturday next.

The President states, in reply, that the Conference will discuss the text of Article II as drawn up by the Committee, the opinion of the Committee's Report as regards the system to be applied in refineries, and Article III respecting the equivalents offered by Belgium.

M. Sans-Leroy reminds the Conference that the penal clause proposed by the Spanish Delegates had been on the order of the day for Saturday. He thinks the views of certain countries may be much modified by the explanations which will be given as to Article VI and by the decision come to with regard to that clause.

M. Dupuy de Lome states that the Spanish Delegates are perfectly ready to discuss their proposal, all the more as they are personally convinced that without a penal clause no Convention is possible. They leave it to the President to decide when the discussion

shall take place; but they think it would be useful to know the opinions of the different Powers on their proposal; the President asked for these opinions at the fourteenth meeting.

M. Sans-Leroy calls the attention of the Conference to the words just spoken. In view of the important declaration just made, it appears to him that there would be no object in alarming the interests concerned and giving possible offence by discussions which may remain without result owing to want of unanimity on a most important point. It may, indeed, be said that Article VI is the turning point of the discussion.

M. Dupuy de Lome repeats that what he had said was merely his personal opinion.

The President explains that he will not be able to put the Conference in possession of the decision of his Government on the Article in question before the meeting of Monday next.

The meeting, which opened at a quarter to 12, closes at half-past 1.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex (A) to the Minutes of the Sixteenth Meeting.

Report of the Commission.

AT its tenth meeting the Conference appointed a Commission to draft Article II of the Project of Convention. That Commission reports the results of its labours. It has given all its care and attention to the drafting of this Article.

The Delegate of France had particularly insisted that Article II should not be divided; the majority of the Commission, however, decided to give its first care to the form of this Article in respect of sugar factories. At its last meeting the Commission adopted the Article of which the text is now given. That Article imposes on the contracting countries the system of manufacturing in bond; it forbids the granting of drawbacks on exportation in any shape whatever.

It requires, further, one or more methods of controlling the manufacture, and a magazine for finished sugars:—

“ARTICLE II.

“The High Contracting Powers engage—

“To levy the duty on the quantities of sugar intended for consumption without granting on exportation any drawback, or repayment of duties, or any writing off, which can give rise to a bounty.

“To this end they engage to place in bond, under the permanent supervision, both by day and by night, of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

“For this purpose factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the authorities shall have power to enter all parts of the factories.

“Controlling books shall be kept on one or more of the processes of manufacture, and finished sugar shall be placed in special storehouses, affording all proper guarantees of security.

“As an exception to the principle mentioned in the first paragraph, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.”

The French Delegate had demanded that an equal control should be established on all the phases of the manufacture. This proposal, strongly supported by Belgium, has not been adopted.

The Belgian Delegate proposed the following addition to Article II:—

“In respect of sugar factories it shall be obligatory to register, as a matter of control, the density and the volume of the juice of beet-root.”

This amendment, which at first had been accepted by the majority of the Commission, was subsequently set aside, because it was found that all measures of control

could not find a place in the Convention, and that by mentioning one as obligatory, namely, that proposed by Belgium, it would have appeared as if the others were excluded.

After some discussion, the last paragraph but one of the Article adopted was made to replace that of the Belgian Delegates.

In the second place, the Commission studied the system to be adopted for refineries, but in consequence of the difference of opinion which arose, the Commission has been unable to draw up the text of an Article on the rules which should be applied to them.

This difference of opinion involves a question of principle of the first order. The Commission considered it their duty to reserve its discussion for the full Conference.

The Commission confines itself to an indication of the question so raised, namely, whether refineries should be subject to the same rules as manufactures.

The Delegates of Germany, of Austria-Hungary, of Great Britain, and the Netherlands begged that, as regards the produce of refineries, the same guarantees should be given as against export bounties on the produce of the factories, because, in their opinion, a duty based on saccharimetric methods does not offer sufficient guarantees in this respect.

The French Delegate, in the name of his Government, put forward a system which consists in establishing the duty on the basis of a valuation, by saccharimetry, of the quantity of refined contained in raw sugar. Though, in his own opinion, this system gives more guarantees than any other, he did not oppose the adoption in other countries of the system of bonding.

The Belgian Delegate was of opinion that the system proposed by France practically afforded as many guarantees as refining in bond.

The Spanish Delegate said that his Government did not, in principle, reject the polarimetric system as a base of taxation for refineries provided that the adoption of that system did not result in a bounty.

The Delegate of Russia was of opinion that the system of saccharimetry proposed by the French Delegate might continue to work in France without contravening the Convention.

The Commission had also been asked to study the different projects prepared for the application of the principles contained in the Convention. It considered that it was not proper to enter upon this examination, which would be premature if it preceded the adoption of those principles by the Conference.

(Signed)

HENRY DE WORMS.

JAEHNIGEN.

Comte de KUEFSTEIN.

GUILLAUME.

ANT^o. BATANERO.

CH. SANS-LEROY.

F. G. WALPOLE.

W. A. P. VERKERK PISTORIUS.

G. KAMENSKY.

Annex to the Report of the Commission.

THE German Delegate had presented the following wording of Article II:—

“The sugar factories (for the manufacture of refined raw sugar and sugar from molasses, &c.) must be so built as to allow of a supervision of the process of manufacture, and of keeping watch over the manufactured goods till such time as it leaves the factory; it must also offer every guarantee against a clandestine removal of sugar.

“2. The manufacture of sugar (production of raw sugar, any operation of refining of raw sugar, &c.) must be subjected to the permanent supervision of the revenue officers. The sugar must be deposited, till such time as it may have been finally expedited by the fiscal authority in magazines the construction of which affords absolute security, and which shall be closed jointly by the people of the factory and the revenue officers.

“3. The amount of the tax on consumption shall be the same for all sugars, hard or liquid, which shall be subjected to that tax, except, if necessary, the residues of the manufacture of sugar (syrops and molasses).

“4. The tax on consumption shall be levied at the moment when the sugar leaves the control of the excise to enter into consumption, and shall be levied on the actual quantity of sugar.

It is forbidden to grant a remission of weight under the head of waste caused by manufacture.

"5. The levying of the duty on consumption may be postponed if the sugar is destined for exportation. Once levied, the tax on consumption cannot be remitted on exportation.

"Exceptions to this prohibition are only admissible on the exportation of manufactured articles containing sugar (chocolate, jam, &c.), in case the tax on consumption should have been levied on the sugar used in the production of all those articles."

This wording served as a basis for the discussion of Article II. Most of the provisions of the German proposal (1, 2, 4, and 5) were admitted in principle. Those parts only were set aside which would have introduced into the Convention details which do not seem necessary to appear in it.

Annex (B) to the Minutes of the Sixteenth Meeting.

REFINERIES.

Proposal of the Netherlands Delegates.

With reference to the second part of the Report of the Commission upon Article II of the draft Convention, the Delegates of the Netherlands have the honour to submit to the Conference the following draft Article as to the Rules to be adopted for refineries:—

"ARTICLE III.

"The High Contracting Parties engage to subject sugar refineries to the same regulations as sugar factories.

"Nevertheless, they reserve to themselves the right to estimate, by saccharimetric methods, the quantity of refined represented by the raw sugar entered into the refineries free of duty, under condition of exportation after refining, with the power of levying on the excess yields determined by the permanent supervision of the doors of the factory, and by the inventory of the sugars and syrups which remain in the refinery. This inventory must be made at least once a-year."

In order to show the grounds for this proposal, it will be sufficient to recall that the Delegates of some Powers thought fit to oppose the adoption of the system recommended by France, because, in their opinion, the estimate of the yield after refining by the saccharimetric method did not afford sufficient guarantees against export bounties. The French Delegates, on their part, and the Delegates of other Powers supporting them, have maintained that a system of taxation based on saccharimetric yields afforded a better guarantee than any other.

After more complete examination, the Netherlands Delegates think that all the Governments interested might agree to a system of bonding in its most simple form, *i.e.*, control on entering, and permanent supervision on leaving, supplemented by inventories of the refineries, together with a *prise en charge* and with discharge on exportation, according to the results of the saccharimetric analysis. On the one hand, this system would present much less difficulty than the supervision of refineries, the inconvenience of which was particularly dwelt upon in the Commission by the French Delegates. On the other hand, by insuring the levying of duties on possible excess yields, and so basing the duty on real rather than on presumptive yields on refining, it would set aside the fears expressed by the Delegates of Germany, Austria-Hungary, Great Britain, and of the Netherlands.

The Netherlands Delegates have the honour to submit the foregoing proposal *ad referendum* to the different Governments.

Seventeenth Meeting.—Saturday, May 5, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The meeting opened at a quarter to 12.

A text of the draft Convention was distributed to the Delegates.

This text shows what Articles have been adopted by the Conference, and what Articles remain to be discussed.

(See Annex to the present Minutes.)

M. Sans-Leroy asks permission to speak. The French Delegates have been informed that supplementary instructions have been addressed to them from Paris on the points involved in Article II. He adds that the French Delegates must necessarily await their arrival before they can take part in the discussion. They cannot be long delayed.

The President states that, as the French Delegates have not yet received their instructions, they cannot, of course, be asked to take part in the discussion of Article II. He asks the Belgian Delegates whether they are ready to discuss Article IV.

M. Guillaume recalls the fact that at the previous meeting he had stated that he was ready to abide by the decision of the majority; he had, it is true, pointed out that Article IV was an exception to the rules laid down by Articles II and III, and that the natural course of procedure appeared to be to come to an agreement of the rule before discussing the exception; but he repeats that he is ready for the discussion if the Conference asks for it.

The President thinks that time is valuable, and that, in view of the difficulties in Articles II and III, it would be well to commence the discussion of Article IV.

M. Guillaume acceding to the wish of the President, the discussion is commenced.

M. Jordan states that, not having yet received fresh instructions, he can but repeat that, in the opinion of his Government, the system of taxation adopted by the Powers represented at the Conference should be enforced by all members of the Union, and that in this view the exceptional position granted to Belgium by Article IV cannot, he thinks, be accepted. He trusts, therefore, that Belgium may, in the end, come round to the system of working in bond, which he hopes to see definitely adopted by the Conference.

M. Du Jardin observes that what *M. Jordan* has said brings out, in a striking manner, the inconvenience of discussing Article IV before having settled the preceding Articles. It is not yet decided what system shall constitute the general rule. The system of working in bond has been spoken of, but so has the system of control, and, in fact, no agreement has yet been reached.

M. Guillaume asks the President to consider whether it would not be well, before asking each Delegate to pronounce an opinion on Article IV, to ask the Belgian Delegates to make a statement and to communicate the intentions of their Government.

M. Guillaume is called upon to speak.

M. Guillaume will not try too severely his colleagues' patience. He will not recapitulate the economic reasons which prevent Belgium from adopting the system which other countries are prepared to enforce. He can only say that there are other and political reasons. He must say this emphatically because it has often been stated that Belgium has not the will; that she *will* not adopt the system accepted by the other Powers represented. The truth is that Belgium *can* not. During the interval between the two sessions of the Conference the Belgian Government has stated explicitly to the British Government through Lord Vivian that these reasons exist. *M. Guillaume* is not called upon to explain these motives to the Conference; he will only say that the present Ministry is but following the action of their predecessors in office, who during twenty-five years have refused to introduce the system of bond into Belgium. During the first session *Mr. Walpole* said that the manufacturers themselves had asked, and that the Centre party in the Chamber had proposed, that the system of working in bond should take the place of the present Belgian system. That is no doubt true, but the Government did not carry out the proposal they made. To account for such action very grave reasons must have existed. The Government cannot, therefore, be accused of want of good will. It had already shown what are its feelings in the matter by taking the initiative in proposing a Conference for suppressing bounties. Belgium is always

sure to be found in the vanguard of nations asking the most absolute liberty in commercial matters.

This being so, the Belgian Government had to ascertain what equivalents it could offer; it decided to raise the *prise en charge* to such a figure as should get rid of the bounty for the whole body of manufacturers, and to diminish the tax in order to lessen the inequality which might be found to exist between different manufacturers. M. Guillaume readily understands that the value of these equivalents should be discussed, and he is ready to join in the discussion.

What is more difficult to understand is that any attempt should be made to reject beforehand all equivalents by, as it were, moving the previous question. He does not see why Belgium should be refused what is granted to other countries. At the Committee the whole discussion turned on the question of equivalents. Some are in favour of control which supervises the substance being worked throughout every process; others are contented with a system of bond which gives as sole guarantee for the revenue a supervision by the authorities at the doors of the factories.

M. Guillaume does not doubt the good faith of the officials charged with the supervision of factories; he will be telling the Conference nothing new when he reminds it that the officials in question are often badly paid and are exposed to many and great temptations. In certain countries the attempt has been made to obtain a further guarantee by prescribing a particular mode of packing, and by applying trade-marks; in others manufacturers are called upon to present their books for inspection.

It cannot be said that equivalents will not be accepted, for the systems that the other Powers are on the point of adopting are equivalents the one of the other. Were it admitted that unanimity of legislation were possible, the various countries could not be in exactly the same position as long as there are different rates of taxes, for the possible advantage accruing to the manufacturers through defects of legislation is proportional to the rate of the tax. The Conference will therefore recognize that justice and equity will prevent the equivalents offered by Belgium being rejected *à priori*. The feeling of the people and administrative habits are not the same everywhere. Unanimity of legislation might in practice produce real inequalities, as the President so well said at the end of the first session. Need he call to mind the exceptions which the Conference is ready to grant in favour of certain countries, of Russia, for instance, in the matter of the bounties on the Asiatic frontiers, and the repayment on exportation of taxes calculated on the whole amount produced? Only yesterday the Committee agreed to an exception to the rule of working in bond in the matter of exported chocolate. M. Guillaume has no objection to offer to these exceptions, but he cannot understand that Belgium should not be allowed to adopt equivalents while all other countries are. The only point on which all are agreed is that bounties should be abolished to the utmost extent possible. For her part Belgium undertakes to do so.

But although he cannot understand that the system of equivalents should be rejected in principle, M. Guillaume readily admits that the rate of the *prise en charge* should be contested. One of the first arguments in favour of the Belgian system is that all fraud is now impossible, thanks to the controlling apparatus now in use, which the President and the Earl of Onslow saw working with absolute efficiency in Belgian factories. In this matter the Belgian system gives a complete guarantee.

It remains to be seen whether the rate of the *prise en charge* corresponds to the real yield. In the Memorandum put in by the Belgian Government it was proposed that the *prise en charge* should be raised to 1,700 grammes the first year, and to 1,750 and 1,775 grammes in the succeeding years, leaving an interval of two years between each change. In reply to the request made by the British Cabinet, in view of bringing about an agreement, his Government now authorizes him to declare that it will consent to raise the *prise en charge* to 1,750 grammes the first year that the Convention comes into force, and to 1,800 grammes after a lapse of two years.

M. Guillaume thinks this a wide concession, and that no bounty will be obtained on the bulk of sugar manufactured. The only possible objection is that manufacturers in especially favoured situations might still obtain some advantage. This is, however, a consequence of every system where the *prise en charge* is an average of the real yields. But although some manufacturers will gain, others will suffer from the reverse of a bounty, that is, they will not reach the *prise en charge*; the effect on the whole bulk produced will compensate for this.

On this point M. Guillaume must remind the Conference that in Belgium the beet is not so rich as in the Netherlands. In the southern parts of Belgium many manufacturers will be far from reaching the *prise en charge*. It has been objected that to force an average on all manufacturers will be to shut up factories which do not reach it.

There need, however, be no fear of this, for the Belgian Government, while raising the *prise en charge* to the average yield, will diminish the tax by half, and thus diminish by half the inequality existing between different manufacturers. The result will be that, if the Belgian proposal is accepted, manufacturers reaching a low yield only will find themselves in a better position than now as regards competing firms, for a difference between their respective yields will be affected by a tax less than half what it now is.

M. Guillaume thinks that he has answered beforehand the objections which will be made. He understands that every country must endeavour not to suffer by the laws applied in neighbouring countries. But Belgium, like every other country, has a right to ask not to be placed in a position of inferiority. It has often been suggested that the best way for Belgium to abolish bounties would be to abolish its duties. But this very thorough solution, besides sacrificing an amount of revenue which no other country is prepared to lose, would place Belgian manufacturers at a disadvantage. The greatest partisans of the system of working in bond do not deny that the system in question is not quite perfect. It would not, therefore, be just to impose on Belgium, a country which, by the concessions it offers, shows that it earnestly desires to abolish bounties, a condition which would endanger its industry, for it would make that country suffer without any possible compensation for all defects and inaccuracies in the systems adopted in other countries.

M. Jordan is sure that his Government is perfectly ready to consider the Belgian proposal again, as well as the arguments put forward by M. Guillaume. But at present his instructions tell him that the exception granted to Belgium by Article III of the draft of Convention does not appear acceptable, the more so as Belgium, by maintaining a tax assessed on the juice, will not be able to avoid all export bounty. M. Jordan is convinced that his Government will not refuse to consider the question again; perhaps the arguments used by M. Guillaume will be convincing. But M. Jordan has no right to prejudge the decision which will be come to.

Count de Kuefstein refers to the Austro-Hungarian Memorandum as giving the precise opinion of the Cabinets of Vienna and Buda-Pesth. It says: "We cannot accept the stipulation relative to Belgium. The majority of the Delegates have already declared that the equivalents offered by Belgium are insufficient, and cannot be accepted. We can but approve this judgment." When this opinion was expressed the new considerations submitted to the Conference by M. Guillaume, and which he has so warmly defended, were as yet unknown. Count de Kuefstein will not fail to communicate them to his Government. He would, however, like to remark that his reason for hitherto speaking against the equivalents proposed by Belgium is that that system appears to him not to give the same guarantee as working in bond. Every system no doubt may have defects, but here the system itself is considered defective.

Count de Kuefstein can offer no observations on the political reasons mentioned by M. Guillaume. All the Delegates are convinced that every one of the Governments are inspired by the same wish. With regard to the argument founded on the supposed equivalents which the Conference will admit in the case of other countries, Count de Kuefstein notes that he has always been against equivalents of every kind, and the Conference has not as yet accepted any. The exceptions mentioned as departures from the general rule are far from being so extensive as those proposed by Belgium. In the one case it is a mere question of detail, in the other a special system is to be substituted for the common system. In conclusion, Count de Kuefstein repeats that his instructions oblige him to vote a second time against the system of equivalents, but that he will submit the new proposals to his Government. In the matter of the marks alluded to by M. Guillaume, and provided for in the Austro-Hungarian Bill, a distinction must be made between trade-marks and marks showing that payment has been made, which are similar to those used in the United States, and which are expected to give satisfactory results.

M. de Barner states that, as his Government did not in its official answer raise any objection to the Belgian system, he will only say that, in his personal opinion, he thinks it would be better to have the same system in all contracting countries, in order to avoid the suspicion which will always arise if two different systems are admitted.

M. de Smet calls attention to the fact that during the first session of the Conference both the Danish and the Swedish Delegates accepted unreservedly the system of equivalents proposed by Belgium, although the concessions then offered by the Belgian Delegates were far less extensive than now.

M. Batanero remarks that Spain has not the same interest in the question of the Belgiane equivalents as countries using beet-root as their raw material. Spain would be

pared to accept as satisfactory any equivalents which countries producing beet-root sugar, and which are in a better position to judge of their value, may accept as sufficient. Spain therefore will vote with the majority of Powers producing beet-root sugar.

M. Sans-Leroy does not think, as indeed he already said during the last meeting, that he is called upon to pronounce an opinion upon the question under discussion. It does not appear to him to be right that the method of taxation proposed by one Power should be discussed until all the others have made known, by the presentation of detailed drafts, in accordance with the requirements of the Protocol of the 19th December, the system which they intend to adopt.

The President asks whether the same reasons would have prevented *M. Sans-Leroy* from joining in the discussion of Article II if he had already received the instructions of his Government.

M. Sans-Leroy would prefer not to answer this question. He must preserve his freedom of action until he is more fully informed.

M. Catalani has no remarks to make; he will vote with the majority.

M. Verkerk Pistorius cites the opinion of his Government, to the effect that the aim of the Convention, namely, the abolition of bounties, cannot be attained by the method proposed by Belgium. (Note from *M. de Karnebeek* to Her Britannic Majesty's Chargé d'Affaires at the Hague of the 3rd March.) This opinion is confirmed by the Memorandum of the Belgian Government, in which it is acknowledged that a *prise en charge* founded on an average must give an advantage to some manufacturers. The Netherlands Delegates cannot admit that such advantage would not go beyond some four or five factories in any particular region of Belgium. The information they possess shows that forty-five factories in the Provinces of Antwerp, Brabant, the two Flanders, and Liège, or nearly one-third of Belgium, can obtain a very good beet-root, and that in Hesbaye they are as good as in the Dutch Province of Zeeland, whence, indeed, many Belgian factories obtain their raw material. As regards the estimate formed of the excess yield in Netherlands factories, which, according to the Memorandum of the Belgian Government, presupposes yields which are practically impossible, the official Reports, although for the most part based on Returns not required by law, are nevertheless prepared with the greatest care, and their exactness is shown by their striking similarity. Although these Reports are drawn up each year by different officials, the same factories are always found to obtain the same greater or less excess of yield, the cause of which is in most cases understood. Thus, a particular factory on the German frontier, which is able to obtain roots of exceptional quality, always obtains an excess yield, varying from 24 to 30 per cent.

M. Pistorius refers to the details which he has already communicated to the Conference on this subject at the meeting of the 14th December, 1887, and which have since then been confirmed by the figures of the season 1887-88. An average of the last three seasons gives an excess of 17 per cent., which, taken with the *prise en charge* now exacted in the Netherlands (namely, 1,450 grammes of refined, or 1,647 grammes of raw, at 88 per cent.), gives a yield of 1,927 grammes per hectol. per degree of density of juice. The supposition of fraud put forward in the Belgian Memorandum must go for nothing, unless it be admitted that surreptitious abstraction of juice takes place regularly in all factories.

M. Pistorius attaches great value to the above information, because it appears to him to show the progress made by agriculture and industry since 1879, the date of the Blue Book containing the Report of the German inquiry quoted in the Belgian Memorandum. Has this progress reached its limit? The contrary would appear to be shown by the extract from the Memorandum prepared by the Economic Section of the Central Society for the Sugar Industry, communicated by the Austro-Hungarian Delegate.

But as a majority of the Delegates accept the fresh proposals made by the Belgian Delegates *ad referendum*, *M. Pistorius* will not decline to do the same, and will communicate them to his Government, so as to obtain their decision thereon.

M. Guillaume notes that the Austrian Memorandum quoted by *M. Pistorius* has no official character. He would prefer to rely on the statement of the German inquiry.

With regard to the yields quoted, *M. Guillaume* notes that in the meeting of the 14th December, 1887, the First Delegate of the Netherlands stated that the average yield of factories in his country was 1,900 grammes, and he stated frankly that he did not give this figure as that to which Belgium should raise her *prise en charge*. He therefore admitted implicitly that the average yield was less in Belgium than in the Netherlands. If a certain number of Belgian manufacturers reach the yield obtained in Holland, all the manufacturers of the southern region, that is, more than half the

manufacturers of Belgium, are far from reaching it, and far from obtaining the yield proposed by Belgium.

Count de Kuefstein says that the document alluded to by M. Verkerk Pistorius was issued by the Technical Section of the Society for the Sugar Trade. This document was prepared with great care, but he communicated it unofficially only to the Conference.

M. Kamensky reminds the Conference that the note from the Russian Ambassador to the Marquis of Salisbury stated positively, as the opinion of the Imperial Government, that the latter could not consent to a continuation of the system of levying the excise in force in Belgium. This opinion was formed on the Belgian proposal, as put forward in the first draft of Convention of the 19th December last, when the Imperial Government was as yet unaware of the fresh concessions offered by Belgium. *M. Kamensky* thinks, therefore, that he must submit the latter to the decision of his Government, accepting them provisionally and *ad referendum*.

The President, speaking in the name of the British Government, declares that that Government will vote with the majority of Powers producing beet-root sugar.

He then sums up the opinions expressed by the Delegates.

The Earl of Onslow remarks that the President has given a most exact summary of the views of the Delegates, excepting those of France. He regrets that the latter have not spoken, for he thought that the reasons given by M. Sans-Leroy for not giving an opinion on Article III were equally applicable to Article II. He therefore asks the French Delegates to make known their intentions.

The Final Protocol of the 19th December contained the following words: "Each Government will communicate to the British Government . . . the draft indicating the bases for applying the system of taxation of the quantities produced." The Conference has had before it the bases of application proposed by Austria-Hungary, by Belgium, by France, by the Netherlands, by Russia, and also the text of the present German Law. It is not easy to see what the French Delegates are waiting for. During the sixth meeting *M. Pallain* expressed the opinion that after adopting the general principle of Article II in the form in which it was submitted to the decision of the Governments who signed the Protocol of the 19th December, 1887, the Conference should consider the drafts of Laws as the necessary instruments for carrying out the system of taxation laid down in general terms by the draft of Convention.

It therefore appears that the drafts now before the Conference are not looked upon as those required by the Protocol of the 19th December, and that the Delegates must ask their Governments for fresh detailed drafts. Do the French Delegates wish the Conference itself to proceed to the examination of these drafts, and do they wish such examination to precede that of Article II?

M. Pallain observes that the passage quoted by Lord Onslow does but confirm the opinion expressed by his colleague.

Article I declares that the High Contracting Parties engage to take measures constituting an absolute and complete guarantee that no open or disguised bounty shall be paid on the manufacture or export of sugar. What are these measures? In what way do they constitute an absolute and complete guarantee? Are they to be found in some general provision, or are they, as in the opinion of the French Delegates, to be found in the Bills communicated or to be communicated to the British Government, which undertook to receive them?

M. Pallain reminds the Conference of the terms of the Protocol, and of the explanation thereof given by the President in his final speech, which gave a most complete programme for the work of the second session, which opened on the 5th April:—

"The draft Law which the Government of each State will draw up must clearly prove that from henceforth no bounties can exist. It is incumbent upon each Government to act as if the realization of our common desire depended on it alone; the provisions of each of these Laws must be so completely and evidently efficacious that the other Governments shall have no difficulty in finding in them all the guarantees which they have a right to demand, and without which they would not, on their part, enter the Union. . . . If we part now, we only do so in order to prepare the Laws which shall establish concretely the draft Convention which we have now produced."

M. Sans-Leroy says that *M. Pallain* has explained with perfect accuracy the motives which prevented his speaking; these motives were, indeed, the natural consequences of the attitude adopted by the French Delegates at the preceding meeting. So far as he is concerned personally, and without replying to Lord Onslow's question, he must reserve the liberty which he thinks he undoubtedly has of postponing any expression of his

opinion on the point in discussion, and all the more as he hopes soon to be in a position to give a more definite answer than he thinks would now be possible.

The Earl of Onslow admits this reservation for the present meeting; but he thought he understood the French Delegates to say that they did not wish to take part in the discussion of Article II before examining the various draft Laws and the German Law.

M. Sans-Leroy repeats that he reserves generally and for to-day any expression of his opinion, and objects to any deductions which he himself has not made.

The Earl of Onslow states that the British Delegates wish to know whether the French Delegates will maintain their attitude of reserve at the next meeting.

M. Sans-Leroy replies that his attitude will be in accordance with his instructions.

The President says that of course the attitude of the French Delegates must necessarily depend on the instructions they await.

With regard to Article IV, it is agreed that the Delegates shall ask for instructions from their Governments, and shall, at the earliest date possible, communicate to the Conference the answers they may receive.

The meeting closes at 2.

The next meeting is fixed for Monday, the 7th May, at 3 o'clock.

The President of the Conference,

(Signed) HENRY DE WORMS.

The Secretaries,

(Signed)

H. FARNALL.

A. E. BATEMAN.

E. BOIZARD.

Annex to the Minutes of the Seventeenth Meeting.

Draft of Convention.

THE High Contracting Parties, desiring to insure the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary,

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary; M. Guillaume, Director-General in his Ministry of Finance; and M. Du Jardin, Inspector-General in his Ministry of Finance;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary; M. Batanero, Deputy; and M. Dupuy de Lome, his Minister Resident;

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary; and M. Sans-Leroy, Deputy;

His Majesty the King of Italy, the Chevalier Catalani, his Chargé d'Affaires;

His Majesty the King of the Netherlands, Grand Duke of Luxembourg,

His Majesty the Emperor of All the Russias, M. the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Councillor of State;

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles :—

[Adopted.]

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

[Adopted, but with reservations as regards the entry of certain Powers into the Union.]

ARTICLE II.

The High Contracting Parties engage to take, or propose to their respective Legislatures, a system of duty on the quantities of sugar produced and delivered for home consumption, as the only system by which the suppression of the bounties in question can be attained, and to place under the same régime glucose factories and factories for the extraction of sugar from molasses.

[Referred to the Committee.]

Draft proposed by the Committee.

The High Contracting Parties engage :—

To levy the duty on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to bounty.

To this end they engage to place in bond, under the permanent supervision, both by day and by night, of the revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses affording all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

[To be discussed.]

ARTICLE III.

Proposal of the British Delegates.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may, nevertheless, keep a refining account, as a means of control, by the system of saccharimetry, or any other control which may appear most effectual, in order to prevent a bounty on exportation.

[To be discussed]

Proposition made by the Netherlands Delegates.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

They, nevertheless, reserve power to ascertain by the method of saccharimetry the quantity of refined sugar represented by the raw sugar admitted into refineries duty free and under obligation of exportation after refining, but undertake to collect the duty on any excess of production as shown by the permanent supervision of exits and the inventory of sugar and syrup existing in the refinery. Such inventory shall be made at least once a-year.

[To be discussed.]

ARTICLE IV.

Belgium not being in the same circumstances with regard to the application of a system of duty on the amounts of sugar produced, the system now in force in that kingdom may be continued with the following modifications:—

The rate of the tax shall be reduced from 45 fr. to 22 fr. 50 c. from the date of the present Convention coming into force. The *prise en charge* in contract factories shall be raised from 1,500 to 1,750 grammes.

[Reserved.]

ARTICLE V.

The High Contracting Parties and their Provinces beyond the Seas, Colonies, or foreign Possessions which do not tax sugar, or which grant, on the exportation of raw sugar, refined sugar, or glucose, neither drawback, repayment, nor writing off of duties or quantities, undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Article II.

[Adopted, but with reservations on the part of Italy.]

ARTICLE VI.

Proposal of the Spanish Delegates.

The High Contracting Parties engage to prohibit the importation of sugar and of glucose coming from countries granting bounties, or to levy thereon an extra duty or countervailing duty which shall not be less than the amount of the bounties.

Proposal of the Netherlands Delegates.

Should direct or indirect bounties be granted by third countries on the export of raw and refined sugar, and should these bounties become a source of danger to the production of one or other of the High Contracting Parties, a new understanding might be come to with a view of deliberating on the measures of defence which could be adopted.

[To be discussed.]

ARTICLE VII.

Proposal of the Netherlands Delegates.

The surtaxes on sugar imported directly from one of the contracting countries to another shall not exceed fr. per 100 kilog.; countries where such surtaxes are not now levied shall not levy any in the future.

[To be discussed.]

ARTICLE VIII.

The High Contracting Parties engage to establish an International Sugar Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau shall be connected with it.

The Delegates shall be instructed—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether, in practice, any open or disguised bounty is granted on the exportation of sugar or glucose;

(b.) To pronounce an opinion on contested points (“questions litigieuses”).

(c.) To consider (d’instruire”) requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit through the diplomatic channel to Her Britannic Majesty’s Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on

the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.

The Commission is charged with preparing, at its first meeting, a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

At its first meeting the Commission shall draw up Regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government.

The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested; and, at the request of any one of the High Contracting Parties, shall convoke a Conference, which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau, and of the Commission—excepting the salaries or expenses of the Delegates, who shall be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

[Adopted, but with reservations on the part of France as regards reference to the Commission of the duty of examining the Laws of the High Contracting Parties, and on the part of the Netherlands as regards the Commission.]

ARTICLE IX.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in the preceding Article.]

[Adopted.]

ARTICLE X.

The present Convention shall be put in force from the *1st August, 1890*.

It shall remain in force for *five* years from that day, and in case no one of the High Contracting Parties shall have notified, fifteen months before the expiration of the said period of *five* years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled to retire during the three following months.

[Adopted, saving the last paragraph, and saving the reservations made: (1) by France, in regard to the date of coming into force and the duration of the Convention; (2) by Germany and Austria-Hungary, in regard to the duration only; (3) by Russia, in regard to the country on the Asiatic frontier.]

Proposal of the Belgian Delegates.

The present Convention shall be put in force from the *1st August, 1890*.

It shall remain in force for *five* years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of *five* years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation will affect that Power only; *but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to retire from the 1st August of the following year.*

Should more than one Power wish to retire, a Conference of the Contracting Powers would meet in London within three months to determine what steps should be taken.

[To be discussed.]

ARTICLE XI.

The provisions of the present Convention are applicable to the Provinces beyond the Seas, Colonies, and foreign Possessions of the High Contracting Parties.

The High Contracting Parties have power to withdraw for one or more of the above-mentioned territories, in the manner and with the consequences set forth in Article X. The same power is reserved to self-governing Colonies and Provinces beyond the Seas.

In the event of one of the above-mentioned territories wishing to retire from the Convention, a notification to that effect shall be made to the Contracting Powers by the Government of the mother country of the Province, Colony, or Possession in question.

[Adopted.]

ARTICLE XII.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitution of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London on the 1st August, 1889, or sooner, if possible.

[Adopted.]

Eighteenth Meeting.—Monday, May 7, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The sitting opened at half-past 3.

The Minutes of the thirteenth and fourteenth meetings are adopted.

The President asks Count de Kuefstein to take the Chair for a few minutes.

M. Sans-Leroy asks permission to speak.

He states that the British Delegates had been particularly anxious to ascertain the opinion of France on a question recently discussed of the system to be applied in Belgium. He must now state that in the new instructions addressed to its Delegates the French Government insists that this system should not be adopted. But at the last meeting M. Guillaume put forward fresh proposals, and although he has no great hope that they will be accepted, for the principle of the system is objected to, M. Sans-Leroy will not fail to submit them to his Government. In fine, France is hostile to any system of *prise en charge*; but her Delegates will, without fail, bring to the knowledge of their Government the explanations furnished by M. Guillaume.

M. Guillaume remarks that it is difficult to reconcile the opposition offered by the French Government to the principle of the Belgian equivalents with the proposal put forward by the Government in question for its own refineries. It is evident that the system proposed for these factories is nothing but an equivalent for the system adopted in other countries. M. Guillaume is therefore surprised to find the French Delegates opposing so categorically all *prise en charge*, for it is manifest that the system of temporary importation and sacharimetry, like the Belgian *prise en charge*, are founded on an estimate of yield. M. Guillaume recalls to notice that he supported the French proposals because they rested on the same principles as the Belgian system. He could have understood that the Delegates should discuss the rate of the *prise en charge*, but not that they should oppose the principle of the system.

In conclusion, M. Guillaume takes note of the promise made by M. Sans-Leroy to refer again to his Government.

M. Sans-Leroy says that he cannot admit the similarity of which *M. Guillaume* has attempted to show the existence. He will not reopen an exhaustive discussion in again showing that the French system enables the revenue authorities, by an uninterrupted supervision of the processes of manufacture, to keep under their complete control the whole of the sugar obtained without a particle escaping taxation. But as *M. Guillaume* asks him to refer to his Government, the courteous relations existing between the Delegates make it a duty to accede to the wish so expressed; otherwise the instructions which he has received are so positive that he would hardly have ventured to submit the question a second time to his Government.

Baron de Worms again takes the Chair.

The President proposes to begin the discussion of Article II.

M. Jordan states that he has nothing new to say on Article II, but that he would take great interest in the discussion if any new proposals were made. He thinks it might be better not to discuss the Article in alphabetical order, but to ask whether any one has amendments to propose. *M. Jordan* has nothing to add to the declaration made by him during the sixteenth meeting:—

“*M. Jordan* observes, in the first place, that Article II, as drafted by the Committee, is incomplete, for it refers to sugar factories only; he does not know whether the German Government would adhere to an Article establishing a system for factories only; He thinks that his Government would be desirous of examining at the same time the proposals relating to refineries.”

Count de Kuefstein refers to the Memorandum put in by by the Imperial and Royal Government, in which one and the same system is asked for both factories and refineries. In the opinion of *Count de Kuefstein*, the question of refineries is intimately connected with that of factories. He has nothing in particular to say against Article II as drafted by the Committee. His final decision, however, must depend on the decision come to on Article III.

The Earl of Onslow thinks that each Delegate should be asked whether he will accept Article II in the event of Article III being satisfactory.

M. Guillaume has no observations to offer.

M. de Barner could accept either of the forms in the draft Convention; but he prefers the Article submitted to the Conference by its Committee.

M. Batanero accepts Article II as drafted by the Committee, but it must be submitted to his Government before the Convention is signed.

M. Sans-Leroy states that he accepts Article II in principle. The words “in bond” (“entrepôt”) appear to him not to have any well-defined meaning. “Control” (“exercice”) would be a better term. The words in the fourth paragraph: “Control books shall be kept on one or more processes” seem to mean that one process only of manufacture would be supervised. On this point *M. Sans-Leroy* must make a reservation. In his opinion, all the processes of manufacture must be supervised, so that the entries shall depend one on the other, and constitute a series of reciprocal checks.

Under the reservations which he expressed at the Committee, *M. Sans-Leroy* accepts Article II.

M. Pallain adds that, in the case of factories working in bond (“entrepôt”) can mean nothing but control (“exercice”). Such a general undertaking is an insufficient compensation for the rigorous system set forth in the French proposal. When the States represented lay before the Conference the Laws and Regulations which they intend to put in force under Article II, and then only, will it be possible to judge of that Article.

M. Catalani states that, if unanimity is reached, his Government will, notwithstanding the difficulties which a change of system would entail on Italy, adopt Article II as drafted by the Committee. *M. Catalani* therefore withdraws the reservations which he had made with regard to Article V.

M. Verkerk Pistorius has no observations to offer. He accepts Article II as drafted by the Committee, provided, of course, it is adopted by the other Powers.

M. Kamensky accepts Article II as drafted by the Committee; but maintains the reservation already made, that Russia shall not be obliged to change her present Law, which gives ample security against bounties.

The President sums up, and says that, with the reservations made by Germany, Austria-Hungary, France, and Russia, Article II is adopted.

M. Guillaume, calling to remembrance the proposal he made as to ascertaining the volume and density of juice, is constrained to renew the reservations which he made at the Committee, and which are of the same nature as those made by the First French Delegate.

M. Kamensky will make known the intentions of his Government after the adoption of Article II.

The President thinks that the time has come for making the declaration in question.

M. Kamensky reads the following statement:—

“Now that the IInd Article of the Convention has been adopted, I think that it is time, and I think that it is my duty, to state definitely the position of the Imperial Government of Russia in regard to it.

“This Article sets forth a manner of applying in practice the great principle which we all accept, the object of our Conference, I mean the abolition of bounties. While admitting the right of other Powers to apply this principle in the manner set forth in Article II, which the Russian Government considers perfectly effective and in agreement with the necessities and circumstances of their countries, the Russian Government is of opinion that it attains the same end, the abolition of bounties, by the system of excise on sugar now in force in Russia. The Memorandum on our Law which I had the honour to lay before the Conference gives, I believe, all the details of our system, which, I venture to think, makes the existence of any hidden bounty impossible. If the Government meant to encourage its manufacturers by giving them a hidden bounty, the Law would prevent its doing so unless it abetted the dishonest proceedings of its manufacturers and permitted them to break the law. But I trust that no one would suspect the Government of such disloyal conduct. We have a system of control in our factories which assures to us the maximum of a considerable and growing revenue, as is shown by the figures given in the statistical statement inserted in the Memorandum on our existing legislation.

“We impose our tax on the finished article, and levy it at the same rate on all sugar, whether raw or refined, and if it is repaid on exportation, the amount paid back is the precise amount of the tax. Compared with that levied in other countries, our tax is light, which naturally diminishes the desire to avoid it fraudulently. These circumstances appear to me to offer a guarantee against any possible existence of disguised bounties under our system; and, without naming any one in particular of my colleagues, I think that this was the opinion held by many of them, as expressed during the first meeting of the Conference.

“In these circumstances, I must now state, in the name of my Government, that it does not intend to make any change in its Law now in force on the sugar excise, or to submit to the Conference a draft of a clause defining its position under the Convention.

“The Imperial Government of Russia, seeing that the present system of levying the excise on sugar at a uniform rate on all finished produce, with the exception of exhausted molasses, furnishes every necessary guarantee against indirect bounties, has power to preserve this system unchanged, and to continue to pay back on exportation an amount equal to the tax.”

M. Pallain fears that the present Russian system, which the Government is unwilling to give up, will not offer sufficient guarantees to the Contracting Powers. Good proof that the system is liable to abuse is furnished by the statistics quoted by *M. Kamensky*, which show a large amount under the head of fines.

The French Delegates can only accept under reservation the conclusions of the note read by *M. Kamensky*.

Count de Kuefstein does not think it necessary to repeat the reservations which he has several times expressed, and which are also recorded in the Austro-Hungarian Memorandum.

M. Catalani must reserve to his Government power to decide on *M. Kamensky's* declaration.

M. Butanero, seeing that the draft Convention will be submitted to his Government, will leave to it the duty of ascertaining whether the system adopted by Russia gives sufficient security.

M. Verkerk Pistorius states that, as all the Delegates are expressing reservations, he must do the same; but, personally, he is perfectly ready to discuss the Russian proposal, being of opinion that the legislation of that country must produce the very converse of a bounty.

The President moves the adoption of Article III.

M. Pallain asks the Conference whether it would not conduce more to the harmony sought to adjourn the discussion of Article III, which is not on the order of the day, until such time as the Delegates are possessed of the whole body of Laws drafted, or to be drafted, in execution of the Protocol of the 19th December, and of the provisions of the

draft Convention. No decision can be come to on this Article until after the consideration of the various systems of legislation in regard to sugar proposed or to be proposed by the States represented. His instructions order him to use every endeavour to obtain identity of system; but it must be admitted that the Conference has, as his learned and experienced colleague M. Guillaume said, begun the examination of equivalents. Can the Conference really decide on mere general proposals without having before it the actual texts of the Laws, or the actual Bills, which, as the President so forcibly put it, are to give to each of the Parties an assurance that they will have *those guarantees which they have a right to demand, and without which they would not become members of the Union*. If the various proposals are considered in their usual alphabetical order, that of Germany comes first. After a careful study of the Law distributed to members of the Conference, he perceives that it does not show the means by which Germany intends, under the Protocol of the 19th December, to insure the suppression of bounties.

He has analyzed the German Law; he had already had it before him in the "Bulletin de Statistique et de Législation Comparée," published by the French Ministry of Finance in July 1887. The tax on raw material is maintained, reduced, it is true, and connected with a second tax on the actual amount cleared for consumption, but it, nevertheless, leaves to the manufacturer an excess of yield varying as the richness of the beet-root employed.

Beet-root yields 12 per cent., that is, 833 kilog. of beet-root yields 100 kilog. of raw sugar. From the 1st August next the tax on the raw material will be 80 pf. (1 fr.) per 100 kilog. of beet-root. The 833 kilog. of beet-root will, therefore, pay 8 fr. 33 c. Under the Law which will come into force on the 1st August the drawback will be 8 m. 50 pf., or 10 fr. 63 c.; the difference between the drawback and the duty paid will, therefore, be 9 fr. 33 c. per 100 kilog. of raw sugar, or from 2 fr. 50 c. to 2 fr. 60 c. per 100 kilog. of sugar expressed in refined. The bounty would be larger if the sugar were exported after refining.

The method of control is very incompletely laid down. The fiscal authority has power to exact or remit certain precautions which are absolutely necessary. The method of supervision cannot be compared to the system ("exercice") which has been in force in France since 1852.

This Law of 1887, which certainly marks a tendency towards the suppression of bounties, as M. Jordan has said, will require much amendment to put it in agreement with a Law for suppressing open or disguised bounties required under Article I of the draft Convention.

M. Pallain trusts that the British Delegates who drafted Article II will support him in asking that the discussion may be adjourned until after the examination in detail of the Laws presented or to be presented to the Conference. How can the reciprocal advantages or disadvantages of the various Laws be judged of before they have been examined?

There can be no doubt that Article III gives a direct and exclusive advantage to countries which do not tax sugar, for it involves in special expenditure and inconvenience countries which do tax it.

It is well known in London that the requirements of Article III mean increase of manufacture. England was the first, in the Treaties of 1860, to recognize the principle of compensation for the expense of control. English alcohol pays 477 fr. per hectolitre; French alcohol, entitled under the general provisions of our Treaty to equal treatment, pays 495 fr. Thus the English distiller benefits by a difference of 18 fr. as compensation for the inconvenience of working under control.

At previous Conferences it was readily admitted, and justly, that countries not taxing sugar were in a privileged position.

M. Pallain regrets that the British Delegates, representing a country which does not tax sugar, should insist on the immediate discussion and adoption of Article III before knowing what will be the advantages and disadvantages to the High Contracting Parties of the whole body of Laws passed for the exact and scrupulous application of the Convention.

M. Pallain concludes by calling attention to the fact that the smallest inequality maintained or established may change that economic status of free competition which each one desires to have guaranteed to himself and his neighbour. He maintains the opinion he has already expressed, that the previous or simultaneous examination of the Laws and Regulations is the duty of the Conference, not only in order to enable it to follow out the programme laid down by the British Delegates, but also in order to attain the goal to which tend the common efforts of all the Powers represented.

The President thinks that it would be difficult to discuss all the proposals at the Conference Table.

M. Pallain replies that, the Conference being unable to settle the question by means of identity of system, as he would prefer under his instructions, is obliged to have recourse to equivalents. But how can the proper result be arrived at in this manner unless the Conference has before it the system proposed for each Government? In the closing speech of the first session the President stated that the Delegates would on their return find the Bills by which the Governments proposed to suppress bounties, and that they would find therein all those guarantees without which no Power would part with its own freedom. He has not yet before him these Bills which were to have been specially prepared for carrying out the principles laid down by the Conference. Why, therefore, should a point be now discussed which especially affects the French system, while the Conference is ignorant of the Laws which will be passed in other countries? So long as France is unable to compare the foreign Laws with her own, she will be unable to judge of the concessions which in other circumstances she might make for the success of their common undertaking.

M. Jordan is well aware that the German Law, the text of which has been distributed to the Delegates, does not exactly fulfil all the requirements of the Protocol of the 19th December. It obviously contains provisions which are not in harmony with the principles of the Convention. But it is agreed that by accepting the Convention the German Government will bind itself to suppress them.

Mr. Walpole says that Article III proclaims a principle; he does not see why the principle should not be affirmed before examining the Laws for applying it.

M. Verkerk Pistorius notes that the German Law, although it may not fulfil all the requirements of the Protocol, shows generally the method by which the German Government intends to abolish bounties. It would, no doubt, be interesting to have the Regulations in detail, but it is not quite correct to say that it is not known what Germany will do.

M. Jordan thinks there is a misunderstanding. Has not the Conference instituted a Permanent Commission instructed to ascertain whether the Laws, Orders, and Regulations relative to the taxation of sugar are in harmony with the principles laid down by the Convention? Why, therefore, need the Conference go into these details?

M. Catusse says that *M. Jordan* has touched a delicate point, where the misunderstanding is to be found which is the origin of the differences of opinion which have made themselves heard. *M. Jordan* thinks that the Conference has, by charging the Commission instituted under Article VIII with examining the Bills for applying the Convention in the Contracting States, delegated to it a part of the duties with which it was itself intrusted. France did not accept unreservedly such transfer of the duties of the Conference. He reminds the Conference that each one of the French Delegates expressed a formal reservation on the point.

Personally, he was careful to express most positively that, in his opinion, the Laws and Regulations should, by being attached to it, form an integral part of the Convention, and that the Conference itself must therefore approve them.

The President asks the Delegates to make known their opinion on Article III.

Count de Kuefstein is of opinion that Article II and Article III are so intimately connected that the one cannot be judged of without the other. He does not at first sight see anything that would prevent his accepting Article III. Before giving his definite adhesion, he must, however, allow himself time for examining the new wording. He would be particularly glad for it to be explained whether the second paragraph is an exception to the rule stated in the first, or merely lays down certain supplementary measures. The word "nevertheless" does not appear to him to be sufficiently clear. If it is explained that the latter interpretation is correct, he accepts it as it agrees with his views.

M. Guillaume does not object to Article III; but if it is agreed that the second paragraph of the British draft does not restrict the meaning of the first, he does not see its utility. It is evident that no Government can be prevented from employing any measures of control it thinks necessary.

M. de Barner accepts the British draft, although the second paragraph appears to him not to be wanted.

M. Batanero accepts in the name of his Government the draft prepared by the British Delegates.

M. Sans-Leroy renews the reservations he had made. Notwithstanding the opposition of the French Delegates, the Conference has thought fit to discuss Article III, and

he must again repeat that he rejects it unconditionally, but that he will refer it to his Government. He adds that he cannot understand how M. Guillaume could support Article III, seeing the attitude hitherto maintained by Belgium.

M. Guillaume states, in reply, that it is evident that he only accepts this system for others, as the following Article grants an exception in favour of Belgium.

M. Catalani has not had time to form an opinion on Article III; he will refer it to his Government.

M. Verkerk Pistorius says that the Netherlands Delegates have no objection to offer to Article III. He thinks that the proposal which they put forward as a compromise should be maintained. He refers to the Memorandum drafted by him in support of his proposal. (See Annex (B) to the Minutes of the sixteenth meeting.)

M. Kamensky is ready to support the Article drafted by the British Delegates. But as the Conference is not unanimous, he thinks that the Article drafted by the Netherlands Delegates should be accepted as well *ad referendum*.

M. Jordan supports the views expressed a short time ago by Count de Kuefstein. He accepts Article III, but he must make the same reservations with regard to details as on Article II.

The President sums up the discussion.

M. Jordan asks *M. Verkerk Pistorius* for certain explanations on his proposal.

M. Verkerk Pistorius states, in reply, that he has already given all necessary explanations in writing. He thinks that his proposal should be examined quietly. Personally, he accepts the British draft; he cannot speak in the name of the French Delegates, but he thinks he can say that his draft is more in accord with their views.

M. Sans-Leroy is obliged to state that he can only accept this proposal under reserve. He appreciates the conciliatory spirit shown by *M. Pistorius*, and thanks him for the sentiments which inspired his proposal. He will submit it to the judgment of the French Government.

The President says that Article III is rejected by France, but is adopted in principle by the other countries, with reservations made by Germany and by Austria-Hungary; and that with regard to the second paragraph, the draft put forward by the Netherlands Delegates will be submitted to the Governments *ad referendum*.

The President opens the discussion of Article VI. He reads the draft proposed by the Spanish Delegates:—

“The High Contracting Parties engage to prohibit the importation of sugar and glucose coming from countries giving bounties, or to impose thereon an extra duty, or countervailing duty, which shall not be less than the amount of the bounty.”

M. Jordan says that he can but refer to the Memorandum presented by his Government. He reads the following passage:—

“In this view it is necessary that certain precautions should be taken to prevent one or other of the Contracting States taking measures which would relieve it from any obligation of not granting export bounties on sugar, whether open or disguised.

“For this purpose an international body might be created to record every open or disguised violation of the Convention, and measures might be agreed upon with regard to a State failing to abide by its obligations.

“Similar measures might be taken against any State not taking part in the Convention, or leaving it after having acceded to it.”

The German Government, before it had seen the proposal of the Spanish Delegates in its present form, had therefore given instructions to its Delegates as to the penal clause which, it seemed to it, should be inserted in the Convention. On certain points, however, these instructions do not go so far as the Article drafted by *M. Dupuy de Lome* and *M. Batanero*. Without going so far as the prohibition of bounty-fed sugar, the German Government was of opinion that a surtax equal to the amount of the bounty might, and should, be levied on such sugar. On the other hand, that Government did not think it necessary that all the Governments need undertake to establish such duties. He thought it would be sufficient for the measure in question to be taken with regard to importations into the United Kingdom. *M. Jordan* adds that he is personally of opinion that the Spanish proposal, as now put forward, is in harmony with the views of his Government, but that he has received no fresh instructions on the subject.

Count de Kuefstein refers to the Memorandum presented by his Government, in which occur the following passages:—

“The Spanish Delegates’ proposal, whereby a countervailing duty is imposed, appears to be the best, if not the only, way of inducing neutral countries to adhere to the Convention and of freeing beet-root sugar from the deadly competition which it will have to withstand from colonial sugar, on the production of the latter increasing through the

suppression of bounties; such countervailing duty would have to be fixed at an amount that would prevent its becoming inoperative, and would be levied not only on sugar actually receiving a bounty, but on sugar from all countries not parties to the Convention.

"This is the only means of making the Convention possible. For, if we are to assume that such a Convention could be called into life without the co-operation of the principal States that have already adhered to its principles; we think that it would be necessary to go further still to maintain its life. For from the first day of its existence it will be in constant danger so long as the United States, Brazil, and not only nearly all the British Colonies, but also those of France, Spain, and the Netherlands, the competition of which would at once acquire new strength and reach a stage of development which cannot be at present foreseen, remain outside the Union."

It may be thought that the Austro-Hungarian Government is giving a wide range to the penal clause. But, in their opinion, the clause in question must be a means of bringing hesitating countries into the Union. Were the countervailing duties to be levied only against contracting countries who should violate the Convention, there would be no inducement for others to join it; and it would be exposed to the danger of remaining ever incomplete. Now it might well happen that non-contracting countries might disturb trade by granting bounties. Austria-Hungary wishes, therefore, to see the countervailing duties applied both to contracting and non-contracting countries, and fixed at least as high as the highest bounty. Such a course, it is hoped, would induce all countries whose co-operation is made a *sine quâ non* by many Powers to sign the Convention.

M. Guillaume reads the following passage from the Memorandum communicated by the Belgian Government:—

"The Belgian Government is of opinion that the benefit of any diminutions of duty and the benefit of any Customs advantages whatsoever granted by one country to another enures, as of right, to all nations enjoying most-favoured-nation treatment in the former country.

"This view has always been energetically defended by Belgium whenever any foreign Government has seemed disposed to attack it.

"If other countries do not admit the same extended meaning in the clause in question it would be necessary to consider the reasons on which they might found their opinion."

M. Guillaume has nothing to add to this statement.

M. de Barner says that, in the opinion of the Danish Government, the proposal submitted to the Conference is irreconcilable with the most-favoured-nation clause. He can only accept the proposal made by the Spanish Delegates under reserve, and would be more inclined to support the proposal put forward by the Netherlands Government making the measures to be taken dependent on a new agreement.

M. Sans-Leroy states that the French Government maintains the attitude it adopted on accepting the British invitation to take part in a Sugar Conference. The condition was that all countries producing or refining sugar should be represented at the Conference. The Governments of Germany and of Austria-Hungary did likewise. The French Government must reply to the question now put in the sense that if the condition on which the invitation was accepted is fulfilled, *i.e.*, if all countries are bound by the Convention, it would not, in its opinion, be impossible to apply a penal clause to any country withdrawing from its obligations.

The President asks how the French Government would treat non-signatory Powers.

M. Sans-Leroy states that the case need not be considered, as France will only enter into an agreement if all States interested adhere.

M. Catalani has not received his instructions, but he thinks that he will be able to vote with the majority.

M. Verkerk Pistorius thinks that it would doubtless be an advantage to have a penal clause, but is of opinion that the Spanish proposal does not sufficiently allow for Commercial Treaties, and especially for the most-favoured-nation clause. In this view the Netherlands Government proposed a clause enunciating the principle of a penal stipulation, but leaving the question of its application to be settled by a new agreement. This proposal might be thought too vague, but *M. Pistorius* thinks that it will acquire greater precision in the course of debate.

M. Kamensky hands to the President the following document, which he begs him to read:—

"The Imperial Government of Russia has examined the Spanish proposal on the

prohibition of foreign bounty-fed sugar, *i.e.*, the *penal clause*, and has its best wishes, as the countervailing duties proposed as an alternative could never be assessed with sufficient nicety. In the event of the Sugar Convention being concluded and ratified with the penal clause in question, the Imperial Government will make use of the time which must elapse before the clause is put into operation to bring it into harmony with its Commercial Treaties with foreign countries. But it must be well understood that this clause will not be put into operation as concerns Russia until after the expiration of the present Law granting bounties on sugar exported to Asia, that is till the 1st May, 1891."

The President observes that the time has come to make known the views of the British Government. These views are expressed in the following draft Article, which he submits to the Conference in the name of his Government:—

"From the date of the present Convention coming into force all raw sugar, refined sugar, or glucose coming from any countries, foreign possessions, Colonies, or provinces beyond the seas, maintaining the system of open or disguised bounties on the exportation of sugar shall be excluded from the territories of the High Contracting Parties.

"The fact of the existence in any country, foreign possession, Colony, or province beyond the seas of a system involving open or disguised bounties on sugar or glucose shall be established by a vote of the Signatory Powers of the present Convention.

"The International Commission established by Article VIII is charged with the duty of giving this vote.

"The High Contracting Parties engage to take or to propose to their respective Legislatures the necessary measures to bring about this result.

"In order to exclude from the territory of one of the High Contracting Parties sugar on which have been paid open or disguised bounties, it shall be sufficient for such Power to exclude such sugar by a duty exceeding the bounty, instead of prohibiting it entirely."

M. Dupuy de Lome states that the Spanish Delegates are glad to have heard the above declaration. Even should their proposal not be adopted, the opinion expressed against bounties and on the interpretation of the most-favoured-nation clause by Her Britannic Majesty's Government, as well as the declaration by which the Imperial Government of Germany recognizes the right of every country to impose a countervailing duty on all goods which have received a bounty, would give to the Sugar Conference, even though it do not lead to a Convention, the greatest importance in the view of liberty and justice in international transactions.

M. Batanero understood the British proposal to leave a choice between prohibition and countervailing duties. This proposal covers the same ground as that put forward by the Spanish Delegates; it is, in fact, a development thereof, and reaches all bounty-giving countries.

The President answers in the affirmative, adding that as the countervailing duties must be higher than the bounties they will amount to prohibition.

M. Jordan inquires whether he is right in supposing that the penal clause applies to all non-contracting as well as to contracting bounty-giving countries.

M. Verkerk Pistorius asks whether any exception will be allowed on account of Commercial Treaties, and whether any reservation is made as to countries having most-favoured-nation treatment.

The President replies that no exceptions are allowed in the proposal made.

The discussion of Articles VI and VII is put on the order of the day, as well as the question of the expenses of the International Commission.

The meeting closes at 6 o'clock, the next meeting being fixed for Tuesday, the 8th May.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL,
A. E. BATEMAN,
E. BOIZARD.

Nineteenth Meeting.—Tuesday, May 8, 1888.

President: Baron HENRY DE WORMS.

Present:—Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The sitting opened at a quarter to 12.

The Minutes of the fifteenth meeting were adopted.

The discussion of the proposal made by the Delegates of the Netherlands regarding surtaxes is on the order of the day.

M. Verkerk Pistorius speaks as follows:—

“The Conference knows the views of the Netherlands Government on this question. I think I showed on the 14th December last that customs duties do not act only as a protective duty, but in a certain measure they act in the same direction as export bounties. In the Memorandum which we have had the honour to submit to the Conference, and which is printed as Annex (C) to the Minutes of the twelfth meeting, we put forward this idea in greater detail, and think that we proved that surtaxes, if too high, favour exportation by over-stimulating production, and by enabling manufacturers to sell their sugar cheaper in foreign markets. I will not repeat what I have already said, but I will ask permission to call the attention of the Conference to a striking example of what I have now put forward. Before 1885 the Russian Government gave no bounties. The repayment of the single tax was, on the contrary, unfavourable to exportation. The Government, however, decided to assist the manufacturers in order to free the market by according them a bounty of 80 copecks per poud (nearly 11 fr. per 100 kilog.). Production had increased by more than one-third during a single year (from 344,000 tons in 1884–85 to 414,000 tons in 1885–86). Consumption in Russia is estimated at 360,000 tons a-year. What was the cause of this excessive production? Nothing but the surtax on foreign sugar, which, if I am not in error, amounted at the time in question to more than 46 fr. per 100 kilog. on sugars imported by the Black Sea, and more than 48 fr. on others. This is so true, and is so thoroughly well understood in Russia, that the Minister of Finance is expressly authorized to propose a reduction of import duties should the price of sugar rise.

“The present duties on foreign raw sugars in Russia are, I believe, 1.60 roubles gold per poud, or 36 fr. per 100 kilog. Will this diminution of the surtax be sufficient to prevent a repetition of the circumstances which we fear? I fear not, and I think that there are doubts on the subject in Russia. It is shown in the Memorandum communicated to us by *M. Kamensky* at our first session that on the abolition of bounties on the 1st July, 1886, there was no further exportation for that year; but from the beginning of 1887 sugar was again exported, though in less quantities. I am of opinion that, with the Russian system, which is unfavourable to exportation, we have here an unmistakable sign of over-production, and this cause of perturbation in the regular development of the sugar industry will continue to be felt until the surtax is reduced to such an amount as will suffice to defend the home market against the invasion of foreign sugar, without, however, enabling manufacturers to overcharge consumers.

“The example of Belgium, to which I have already called the attention of the Conference during December last, proves the same thing. From the date of her imposing a surtax of 15 per cent. on foreign sugar her refined sugars are flooding more and more the Netherlands markets. The information we possess shows that the Belgian refineries in 1887 produced some 70,000 tons of raw sugar, sufficient to make 62,000 tons of refined, of which 17,000 tons were for export. It appears that all the refineries have increased their producing power, and the refineries of Tirlemont are so organized that they alone can turn out 50,000 tons of raw sugar. There is no shadow of doubt that the surtax of 15 per cent. imposed in 1885 is, in a large measure, the cause of this prosperity, and does force production.

“I will confine myself to these examples, from which I think I have proved that, to a certain extent, surtaxes have exactly the same effect as direct export bounties. But there is another point to which I wish to call the attention of the Conference. The Austro-Hungarian Memorandum points out, with great reason, that some consideration should be offered to other Powers to induce them to enter the Convention. The penal clause

will not suffice, for it will be applicable only to countries which give bounties. What advantages do the stipulations hitherto discussed offer to non-Contracting Powers? Why should the latter enter the Convention? To have their Laws scrutinized by the International Commission, or to contribute to the expenses of the Bureau? I think that as yet reciprocal obligations only have been considered, and not reciprocal advantages, and, from another point of view also, we should limit surtaxes, for it would be truly illogical if we continued to treat each other as bounty-giving countries after engaging not to give bounties. There must necessarily be some difference in this respect between contracting countries and others.

“Russia, as we have seen, has a customs duty of over 36 fr.; the difference between import duties and taxes in Spain amounts to about the same; Austria-Hungary levies a duty of 20 fl. on sugar, representing a surtax of about 11 fl. These are real prohibitive duties, and the countries in question need take no steps for applying penal clauses. They already apply prohibition, even to the countries with whom they are about to contract.”

M. Pallain says that, as the President has been so good as to permit the question of surtaxes to be discussed again, and to permit each Delegate to freely express his opinion, he will submit to the British Delegates one point of view from which this question can be considered. It will not be disputed, that the aim of the Conference is to assure to all producing countries, by means of the suppression of export bounties, equality in the advantages of competition on third markets, and principally on the English market. Would the Contracting Powers continue to enjoy such an equality if England, making use of the liberty which each country reserves to itself with respect to its Customs Tariff, were one day to establish a difference of duty on its colonial sugars and on those of any other origin? The present English Tariff contains no differential treatment at all. But is there any certainty that there will never arise in the future any circumstance which might bring England to follow another policy?

M. Pallain calls the attention of the British Delegates to this point, which, however, has already been raised in the Memorandum presented at the beginning of the session by the Government of the Netherlands.

M. Jordan can but repeat what he has already said, and which is contained in the Memorandum presented by his Government, viz., that Germany is anxious that the question of surtaxes should not be introduced in the programme of the Conference. His Government wishes to preserve entire liberty of action.

Count de Kuefstein says that, if the question of surtaxes is not mentioned in the Austro-Hungarian Memorandum, the reason is that it was not thought that the question could be submitted for the consideration of the Conference. He cannot, therefore, adhere to the proposal made by *M. Verkerk Pistorius*. He fully recognizes the value of what has been said by the First Delegate of the Netherlands as to the necessity of offering some advantages to States hesitating to enter the Convention, but he cannot go so far as to share the opinion expressed during the first session, to the effect that it would be a contradiction in terms to abolish surtaxes and at the same to establish others under the name of compensating duties. He readily admits that the abolition of surtaxes would be an efficacious consideration, but he does not think that the question is yet ripe for so complete a solution, or that it is contained in the programme of the Conference. The Conference has met to abolish bounties. *Count de Kuefstein* does not think it possible to go further at present. Compared to other articles of trade, sugar is in a peculiar condition, as it has enjoyed bounties for a quarter of a century, and other articles have not. A great step will have been taken when sugar is in the same situation as other merchandize. If the proposal of *M. Verkerk Pistorius* were adopted, it would be placed in a more disadvantageous position, for manufacturers would be deprived at once of all encouragement to export and of protection at home. *M. Verkerk Pistorius* has himself acknowledged that each country has the right to reserve its home market, and not to allow it to be inundated with foreign sugar. The suppression of bounties is the first thing to be obtained, for they make the Treasury liable for enormous sums, and falsify the advantages of competition and of value on every market. But at the very moment when the sugar industry will have to give up the bounties which it has so long enjoyed, it would not be right to ask for a further sacrifice and to abandon it on its own market to the competition of foreign sugar. For these reasons the Austro-Hungarian Government cannot adhere to *M. Pistorius*' proposal; it intends to preserve its entire liberty of action with regard to import duties.

M. Guillaume agrees with *M. Pistorius* that surtaxes may be assimilated to hidden bounties, and that they are, for this reason, opposed to the principles of the Convention. He is aware, however, of the difficulty of suppressing surtaxes. It was for this reason

that, during the first session, he put forward a proposal that they should not be augmented. M. Guillaume maintains this proposal, which is one of conciliation, and asks that if the more radical solution proposed by M. Pistorius is not adopted, it may be again discussed. He would add to the arguments put forward by M. Pistorius the fact that in France surtaxes have had the effect of maintaining a difference of price of 3 fr. between the London and the Paris market, thus constituting a true indirect bounty. He cannot allow that to abolish surtaxes would be in effect to treat sugar more harshly than most other goods. He concludes by stating that, in his opinion, the suppression of surtaxes would be an excellent step and in the interests of all. It would, moreover, be in harmony with precedent. In preceding Conferences the Powers have always abandoned every kind of surtax on sugars coming from contracting countries. It was not conceived to be possible that a Convention could be made and that the barriers between States forming the Sugar Union could at the same time be kept up.

He therefore asks for the suppression of surtaxes, and if this is not accepted, he returns to his conciliatory proposal.

M. de Barner says that his Government in their Memorandum declared themselves against the suppression of surtaxes, as they wish to maintain or adopt measures for reserving the home market for national industry. He must therefore make reservations if Article VII is adopted.

M. Batanero says that the Spanish Delegates hold that the propositions made by the Delegates of the Netherlands and of Belgium in regard to the suppression, or at any rate the limitation, of surtaxes between the High Contracting Powers, are not within the limits of the programme of the Conference.

It would not, indeed, have been easy to make the Powers called to the Conference consent unanimously to the fitness or utility of the discussion of this question.

The last proposal made by the Delegates of the Netherlands shows that they believe that surtaxes are a means of granting indirect bounties, giving the word its broadest meaning. The discussion of the question is therefore, according to them, involved in the first paragraph of the Circular of the 2nd July, 1887, signed by Her Britannic Majesty's First Minister, which asks "what steps, if any, can be taken for the removal of causes of disturbance of the sugar-producing and refining industry, so far as they are due to the action of Governments."

But this manner of considering the question may be contested.

In the Circular the Marquis of Salisbury put forward the reasons which made it necessary:—

"1. The recommendation made in 1880 to the House of Commons by the Committee on the Sugar Trade, to the effect that all sugar-producing States should be invited to a Conference, in order to arrive at an understanding as to the suppression of bounties.

"2. The invitation addressed ineffectually with this object to the Governments of Austria-Hungary, Germany, France, Belgium, and the Netherlands to elaborate a system of taxation which should suppress export bounties.

"3. The more favourable sentiments now entertained by the Governments most interested in the bounty question."

No other reasons are given in the Circular. It aims solely at the suppression of bounties.

The Circular does not raise, either directly or indirectly, the question of surtaxes. It is nevertheless a question of such importance that it could only be raised directly.

It is more than probable that none of the Powers invited, with the exception of Belgium and the Netherlands, would have accepted such a programme. France, who, during the Conference of 1876-77, admitted this principle in Article X of the draft Convention between herself, England, and the two above-mentioned countries, will not admit it now.

It is not surprising, therefore, that the four nations in question, whose economic system was then one of free trade, should have then agreed to introduce this principle, and that M. Teisserenc de Bort, President of the Conference, should have said that the opening of the respective markets was one of the conditions of a Treaty.

Evidently the opening of their respective markets would have been a consequence of the Convention they were about to conclude.

But the situation is now completely changed.

All the countries producing sugar have been convoked without the invitation having spoken of the abolition of surtaxes, a measure which would have affected the interior Customs systems and Laws of nearly all the Powers convoked.

The question was, however, raised during the first session of the Conference, and

Baron de Worms, the President, in giving, in the name of Her Britannic Majesty's Government, an authentic interpretation of the programme, said at the fifth meeting that his Government did not expect that the question of surtaxes would be raised; and at the sixth, that the British Government had no desire to raise this question, but that if all were agreed to discuss it he would not oppose the discussion.

The Belgian Delegates then proposed, as a compromise, an Article binding the Contracting Parties not to augment existing surtaxes, but this Article was not accepted by the Netherlands Delegate, who preferred that the Governments should be simply asked to examine the question as brought forward by him, viz., the suppression of surtaxes between the Contracting Powers on raw and refined sugar, including that from their respective Colonies.

The Spanish Delegates were therefore pledged to adhere to Article IV of the Provisional Convention, with the reservation that their Government should have liberty to preserve or establish customs duties, provided always that they did not involve either drawbacks or export bounties.

This reservation was and is indispensable. In Spain customs duties on foreign sugar have never been a means of defence against bounties. They have been established in view of a legitimate desire to reserve the mother market for national sugar, and to a certain extent in view of financial necessities. No sugar is, however, exported from the Spanish Peninsula. But the Peninsula of Spain, on the contrary, imports sugar.

The discussion of the question at this stage of the Conference is even less useful than before. It would prejudge the measures which the majority of the Governments may wish to adopt as part of their internal system, or to treat in diplomatic negotiations with other Governments and in Treaties of Commerce.

There is no question of a "Zollverein," or Customs Union, for sugar.

All the Powers, except Belgium, after having examined the proposal, are of opinion that it cannot be accepted.

In the various Memoranda presented, as well as the discussion at the tenth meeting, it was declared that the question was not to be treated, and that the Governments did not wish to part with their liberty of action. The circumstance foreseen by England has not arisen.

The Spanish Delegates think that the attitude of the Delegates shows that they wish the question not to be discussed.

As regards Spain, her Delegates are not authorized to limit the freedom of their Government in regard to the customs duties payable in the Peninsula on foreign sugar, and in regard to their power to impose such duties in all or any of her provinces and possessions beyond the seas.

For these reasons, and to their great regret, they can but reject the Article proposed by the Delegates of His Majesty the King of the Netherlands.

M. Sans-Leroy says that, after the explanations given by his colleague, he would not enter into any long arguments, were it not that he thought it well to arrive at a conclusion which should be beyond all doubt. He therefore asks either that Article VII be suppressed on a decision in explicit terms, or that a special clause should be inserted recognizing formally that each State has the right of reserving its home market. Such precision would have the advantage of preventing any misinterpretation as that by which *M. Guillaume* endeavours to assimilate surtaxes to bounties. It must be remembered that although they may have entered a Conference convoked for the suppression of bounties, the Governments which levy surtaxes have never had any intention of giving up the advantages which these surtaxes give to their own subjects on the home market. It is no doubt unpleasant for certain countries that their production should exceed the wants of home consumption, but the Conference cannot be called upon to remedy this inconvenience. There must therefore be no shadow of doubt that every Government intends to reserve power to regulate its Customs Tariff in such manner as it pleases.

M. Verkerk Pistorius says that after the declarations that have just been made he has but little chance of seeing Article VII accepted. He must, however, insist on one point. There is no question of denying the liberty of every country to keep its home markets. *M. Pistorius* took trouble, on the contrary, to make a distinction between those surtaxes which merely protect the national market and those very elevated duties which enable the manufacturer to exact from the consumer an excessive price, which is in effect a bounty. There is no question of doing anything against the principle of protection, but simply of eliminating surtaxes from the Union.

It has been asked whether the discussion of the question of surtaxes is in the programme of the Conference. *M. Batanero* produced considerable argument to show that this was not the case. The Government of the Netherlands was always of the con-

trary opinion. They understood the programme in the sense that all questions connected with bounties, including surtaxes, would be discussed.

M. Batanero said that, had the question of surtaxes been included in the programme, his Government would not have come to the Conference without making reservations. *M. Pistorius* would reply that the Netherlands Government would not have failed to make reservations in the opposite sense had they thought that the question of surtaxes would be excluded.

M. Kamensky thinks that *M. Pistorius* is in error in regard to the effect of surtaxes in Russia. He stated that surtaxes had stimulated production. This, however, was the result not of surtaxes, but of a fall in the exchange.

M. Verkerk Pistorius says that if this is the case he cannot understand the object of the Russian Law which authorizes the Government to alter the surtax when the price of sugar exceeds a certain fixed amount.

M. Kamensky, in reply, states that this power was given to the Government in order to counteract the effects of speculation. The limit of variation in the surtax is not very considerable.

M. Verkerk Pistorius states that, in his opinion, the Russian surtaxes are quite prohibitive.

M. Batanero thinks the question of surtaxes too important to have been included by implication only in the programme. Had it been the intention to include it, it would certainly have been mentioned in explicit and formal terms; and had it been so mentioned, not only the Spanish Government, but the greater majority of the States represented, would not have come to the Conference.

M. Jordan asks to speak to the proposal made by *M. Sans-Leroy*. To say in an Article of a Convention that the Governments reserve to themselves full liberty of action with regard to their Customs Tariffs is, in fact, unnecessarily to touch the question of surtaxes. *M. Jordan* is, however, obliged to declare, in the name of his Government, that surtaxes cannot be considered as disguised bounties. He makes this declaration in order to avoid every kind of misunderstanding with regard to the application of the third paragraph of Article VIII. It is impossible to admit that the Delegate of any country might, in the International Commission, denounce a surtax as a disguised bounty. In *M. Jordan's* opinion, it would be sufficient to state explicitly on the Minutes that the majority of the Conference is of opinion that surtaxes do not constitute bounties.

M. Sans-Leroy declares that, in view of the observations made by his colleague, who evidently represents the majority of the Delegates, he withdraws the second alternative he proposed. He merely asks that Article VII be struck out as foreign to the objects of the Conference.

It is understood that the fact of the Article being struck out implies that all States have entire liberty with regard to customs surtaxes.

Count de Kuefstein supports the new proposal. He would not willingly have supported the special Article reserving to each State that liberty which, in the opinion of the Austro-Hungarian Government, cannot even be placed in doubt. When his Government accepted the invitation of the British Cabinet it never thought that the question of surtaxes could be raised. He cannot support the contention that surtaxes are disguised bounties, in the sense in which the Conference has hitherto understood the word. Once such an interpretation admitted, there would be a danger that the advantages which one country might have over another through their differences of Tariff, cost of production, facilities of transport, &c., might be considered bounties.

M. Verkerk Pistorius asks *M. Sans-Leroy* why he makes no exception, not even in the case of England, with regard to the declaration by which he would mark the freedom of action possessed by every Power in the matter of its Customs Tariff.

M. Sans-Leroy at once sees the bearing of the question put by *M. Pistorius*; but he does not think it possible to impose restrictions on any one country which the other contracting countries do not themselves accept.

M. Pallain observes that when he raised this question at the beginning of the meeting he merely called attention to this aspect of it without putting it in the form of a question, much less of a proposal.

M. Batanero supports *Count de Kuefstein's* view with regard to *M. Sans-Leroy's* second proposal. The withdrawal of Article VII implies as much as is needful the liberty of each country to protect its own market.

M. Batanero adds that bounties, properly so called, can be perfectly well distinguished from surtaxes by their effect; the influence of the former is felt on foreign markets, that of the latter on the home market.

The President observes that all the Delegates, except those of Belgium and the Netherlands, are agreed to suppress Article VII. The British Government never considered surtaxes as bounties. It would not consent to take an engagement on a point whilst other Governments remained free. It was in this view that, at the fifth meeting, the President declared that the question of surtaxes was not within the competence of the Conference. The only question the Conference is called upon to decide is that of bounties. Surtaxes are not bounties; therefore surtaxes are not part of the programme of the Conference.

The President puts to the vote the question of eliminating Article VII.

M. Verkerk Pistorius says that after the declaration just made by the President, he must reserve his Government's liberty of action with regard to the whole Convention.

M. Guillaume does not think that the President's declaration necessarily closes the discussion. He is anxious to avoid any proposal which might be thought incompatible with the views of certain Governments, but if some formula could be found which would conciliate all the interests involved, it would be wrong to exclude it on the mere pretext that it touches a point not explicitly included in the programme of the Conference. After the straightforward declarations which have been made, and which will be recorded in the Minutes, there is no fear that the Commission will ever accuse a country of giving bounties because it imposes surtaxes. The fear of so unlikely a danger should not be allowed to stand in the way of a conciliatory proposal, which, in M. Guillaume's opinion, will protect the interests of all. If M. Pistorius does not insist on the first part of his proposal, an agreement might perhaps be come to on the second point, in the sense that Powers not imposing surtaxes should not do so in the future. Two countries only are in this situation, Great Britain and the Netherlands.

It would therefore be a hardship for the other Powers to accept the second part of the proposal. The British Government would certainly not hesitate to give an undertaking which is in harmony with its economic doctrines, and would be of a nature to remove certain apprehensions, groundless, no doubt, which have been expressed at the Conference table.

M. Guillaume would have preferred the entire suppression of surtaxes, but in view of the strenuous opposition he limited himself to asking that they should not be augmented. In view of the evident opinion of the Conference, he now restricts his proposal still further, and merely asks that Powers who do not levy surtaxes shall undertake not to levy them in the future.

M. Sans-Leroy has no objection to make to this proposal. If two Powers represented will themselves grant a concession which they do not ask of others, he, for his part, will certainly not oppose their so doing. On the contrary, he would, with pleasure, accept the concession, which, in his opinion, would greatly contribute to the success of the Convention.

M. Jordan recognizes that the observations made by M. Pallain at the beginning of the meeting were entirely well founded. He is also in agreement with what M. Sans-Leroy has just said. The German Government would be glad to receive an assurance that, so long as the Convention is in force, sugars from the contracting countries will, on importation into Great Britain, continue to receive the same treatment as now. M. Jordan reminds the Conference that the Convention will be entirely in the interests of Great Britain. He would therefore be glad if the spirit of reciprocity should lead England not to modify her present system as long as the Convention lasts. For the present, however, M. Jordan thinks it would be sufficient if the Minutes record the wishes which have been expressed, and the answer which will be made by the President.

M. Sans-Leroy wishes to observe that on this point he is in entire agreement with his German colleague.

Count de Kuefstein agrees with M. Sans-Leroy and M. Jordan.

The President is under the necessity of making a categorical declaration in the name of the British Government, viz., that it cannot give the undertaking asked; such an undertaking would infringe the rights of Parliament. In reply to M. Jordan, he must state that the English market is the only one open to the sugars of every country in the world. Although surrounded by protectionist countries, England remains faithful to the principles of free trade. But the British Government is of opinion that bounties are a violation of free trade. Her Majesty's Government, by convoking the Conference, wish to attain, by an *entente cordiale*, a result which it might have reached by other means without abandoning its principles. This *entente cordiale* is on the point of being realized. The President trusts it will be lasting. Everything leads to the belief that

the United Kingdom will not abandon the path of free trade, which it has so long followed; but the Conference cannot ask it to give up its freedom in this respect.

M. Jordan trusts that if the Convention is concluded the British Government will continue to give to other than bounty-fed sugars, coming from contracting countries, the same favourable treatment on importation which it now grants.

But contracting countries which tax sugar, and have therefore to bear the burden imposed on them by the Convention, would be glad to know that countries that have no such tax are in their turn disposed to make some concession.

M. Sans-Leroy thinks that if the British Government have not hitherto used the right which it thinks it possesses against bounty-giving countries, it may be relied upon not to treat those Powers less favourably who accepted its invitation by coming to the Conference.

M. Dupuy de Lome states that the Spanish Delegates opposed the proposal made by *M. Pistorius* in order not to weaken the interpretation, admitted by the majority of the Delegates to be correct, that the question of surtaxes was not within the programme of the Conference, and in order to establish formally the right which every Power possesses over its own Customs legislation. But being anxious to reconcile varying interests, and with a view to induce *M. Pistorius* to withdraw his reservations, they ask whether it would not be possible, quite apart from the Convention, to ask the various Governments to consider the question of fixing the present duties by Treaty, and of thus maintaining the present conditions as long as the Convention lasts. *M. Dupuy de Lome* is of opinion that the Conference has no power to decide on the internal duties, taxes, or surtaxes, but every Government has the right, with the sanction of Parliament in constitutional countries, of so fixing by Treaty any particular duty, as was done, for instance, by Great Britain with regard to the alcoholic scale by her Treaty with Spain, which will last until 1892. This conciliatory proposal would lead the Governments to decide whether an obligation to maintain the present duties would not be preferable to the rejection of the Convention.

M. Batanero supports what has been said by his colleague. He avails himself of this opportunity to inform *M. Guillaume* that he said nothing against the latter's proposed compromise. The question is still intact. In accepting it *ad referendum* no obligation is incurred.

The President would be glad to do everything that he can in favour of conciliation, but he thinks that Article VII of the draft Convention must be suppressed. It is impossible that Article VII, or any other proposal intended to replace it, can be accepted *ad referendum*.

M. Dupuy de Lome does not deny it; and he is not about to propose any new wording for Article VII. His proposal will, in fact, only be made if the Article in question is eliminated. He merely asks the Conference to express the wish that the question should be considered by the various Governments.

The President can, of course, make no objection to the proposal that the question be treated diplomatically.

M. Jordan says that he cannot support the proposal made by *M. Dupuy de Lome*, because in accepting it *ad referendum* the Conference would be turning away from the proper goal of the Convention.

M. Dupuy de Lome says that in that case he will put his proposal in another shape. If the wish which he has just expressed represents that of the Belgian and Netherlands Governments, the latter might propose the question to the other Powers diplomatically in order to discuss it at the next meeting of the Conference.

The President says that the question of customs duties, as may be clearly seen from what *M. Jordan* said, refers especially to England; and as far as concerns that country it is impossible to give the assurance asked for, but all the Powers know what has so long been the prevailing doctrine in the United Kingdom.

M. Sans-Leroy is glad that the question has been raised, although no positive answer has been given to it. There is the spirit of the thing as well as the letter. If the letter is not in the Convention, the spirit will remain in the memory of all.

The President then proposes to eliminate from the Convention the proposal made by the Delegates of the Netherlands, placed temporarily between Articles VI and VIII.

The Delegates of the Netherlands renew their reservations.

M. Guillaume adds that his last proposal, viz., to prohibit the establishment of surtaxes in countries which have none at present, was a minimum. As that proposal has now been rejected, he must make the same reservations as the First Delegate of the Netherlands.

After some remarks by *the President* as to the estimated cost of the permanent

Bureau, it is understood that M. Pallain, Mr. Kennedy, and M. Kamensky will meet to examine the question.

The President proposes the discussion of Article X. He reminds the Conference that the Russian Delegate asks for power for his Government to maintain the Asiatic bounties until the 1st May, 1891.

M. Jordan says that he must maintain the reservations he has already made to Article X. In the first instructions given to the German Delegates, their Government had declared that the period of ten years was much too long. He had referred home the new wording of Article X, but he had not yet received an answer. He must also renew the reservations already made respecting the exception asked for in favour of Russia. He thinks that the exception in question cannot be pleasing to his Government; he is, however, unaware whether his Government would consider as a *sine quâ non* that the Russian bounties on the Asiatic frontier shall cease on the Convention coming into force.

Count de Kuefstein repeats what he had already said at a previous meeting respecting the duration of the Convention. He had submitted to his Government the new draft fixing five years for the duration, but he has not yet received instructions. At the thirteenth meeting of the Conference he had suggested a duration of two or three years. Would the British Delegates accept this proposal as a compromise? A declaration to the effect that the present legislation of the United Kingdom would be maintained would have made an agreement on this point easier. With regard to the exception asked for by Russia, Count de Kuefstein can but make a reservation. He will, however, indicate to M. Kamensky that a middle course is possible. The present bounty on sugars showing 98 per cent. is 80 copecks per pood (16·38 kilog.), that is 4 r. 88 $\frac{4}{10}$ copecks per 100 kilog. The new Law will grant an open bounty to refined Austro-Hungarian sugar of 2 fl. 30 kr. per 100 kilog. This bounty will disappear entirely on the Convention coming into force. Would the Russian Government consent to reduce by a similar amount, and at the same date, the bounty on sugars exported over the Asiatic frontier?

M. Kamensky will submit this proposal to his Government, but he does not think it will be accepted. The bounty in question will continue eight or nine months beyond the date of the Convention being enforced.

MM. Guillaume and *De Barner* have no observations to offer.

M. Batanero says that Spain is ready to apply the Convention. He trusts that it may come into force at the earliest date possible, and that its duration will be fixed for the longest period that the other Powers can accept.

M. Sans-Leroy thinks it possible to offer a solution which would settle all difficulties; it would remove the reservations made by Germany and Austria-Hungary with regard to Russia; would enable France to give her complete adhesion, and would do all that is necessary, from an economic point of view, where commercial interests of such importance are involved.

The date of the 1st August, 1890, cannot be acceptable to the French Government. In the first place, its Commercial Treaties expire in 1892, and if one of the Governments represented at the Conference is able to answer categorically with regard to the interpretation of Commercial Treaties, each Power must nevertheless reserve its opinion on that matter; in the second place, the present Law on sugar expires on the 31st August, 1891.

M. Sans-Leroy therefore asks the Conference to fix the 1st August, 1892, as the date for coming into force. The exception asked for by Russia would then not be required. Furthermore, France would be all the more able to adhere to the Convention, as she would not thus have to modify her Sugar Laws before they expired. He can easily understand that certain Powers wish for an early solution; but it is impossible to act so quickly where so great interests are concerned. A period of transition is absolutely necessary in making great changes affecting the very existence of an important industry.

The Conference will have accomplished a great work; but it is impossible not to see that its work will be subjected to much discussion, and that many private interests will be seriously endangered. If the date he proposed seems to many who hear him to be far off, it will appear very near to manufacturers who see they will not be able to stand against the competition which the Convention will permit.

The President says that it is impossible for the British Delegates to accept the date of the 1st August, 1892. If due consideration is had to the enormous harm done to British interests by the bounties, it must be admitted that it is impossible to permit the present situation to continue for four years longer.

M. Sans-Leroy asks that if the objections founded on the Treaties of Commerce cannot be admitted as valid, the date of the 1st August, 1891, be accepted; a concession of one year appears to him one easily made.

The President replies that the question has been most carefully considered, and that the 1st August, 1890, is the extreme limit.

M. Jordan thinks that his Government will accept the date proposed by the British Delegates.

Count de Kuefstein states that Austria-Hungary is able to accept any date; for in all probability the new Law which is to come into force on the 1st August next will have passed before the end of the present session.

M. Guillaume will vote with the majority.

M. de Barner hopes the Convention will come into force as soon as possible.

M. Batanero speaks in the same sense.

M. Sans-Leroy gathers from the declaration made by *M. Guillaume* that the Treaty of Commerce between Belgium and France does not stand in the way.

M. Guillaume replies that this is a question which will have to be studied.

M. Kamensky also votes for the date in question, maintaining his reservation, however, as regards the bounties on the Asiatic frontier.

M. Sans-Leroy states that he proposed the 1st August, 1891, as the date in accordance with his instructions, and because that date seemed to be recommended by many arguments. In view of the opinions expressed by members of the Conference, he must make certain reservations; but it must be understood that these reservations apply solely to the date, and not to the whole Convention. The question of duration must also be considered. Like *Count de Kuefstein*, *M. Sans-Leroy* wishes a short duration, at least for the first period of the Convention; it is impossible to foresee the results it will have. It is the first time that so important a decision has been taken in the matter. *M. Sans-Leroy* thinks that it would be imprudent for the Powers to bind themselves for a long period. He is inclined to adopt the views expressed by *M. de Kuefstein*, and asks the other Powers to weigh well the danger of binding themselves for long, seeing that they are uncertain what the effects of the Convention will be.

Count de Kuefstein reminds the Conference that he had at first proposed that the Convention might be denounced from year to year without assigning any long duration; he had afterwards suggested a duration of two or three years.

M. Sans-Leroy referred to the latter proposal. He does not think that it will be opposed. It is certain that no Power will withdraw unless driven to do so by absolute necessity.

Mr. Walpole states what were the stipulations of the Treaty of 1875 in this respect. He reads Article VIII, which was as follows:—

“The present Convention shall come into force on the 1st March, 1875.

“Its duration will be ten years from that date. Nevertheless, each of the High Contracting Parties may, by giving notice twelve months in advance, put an end to it at the expiration of the second, the fifth, and the eighth years.”

M. Sans-Leroy would accept a clause in these terms.

Count de Kuefstein would accept it *ad referendum*.

The President says that the British Delegates are also ready to accept it *ad referendum*.

M. Catusse had made some remarks as to the consequences of Article X, as it appeared to have been provisionally adopted according to the Minutes of the thirteenth meeting. *M. Guillaume* has since then proposed the completion of the Article by an addition of a paragraph which entirely removed his doubts. He asks the President to submit the fresh draft to the Conference.

The President reads the wording of the Article as proposed by *M. Guillaume*:—

“In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st August of the year in which denunciation takes place, to notify their intention of retiring from the 31st August of the following year.

“If more than one Power should wish to retire, a Conference of the Contracting Powers shall meet in London within three months to consider the measures to be taken.”

This proposal is put to the vote and adopted.

The meeting, which began at a quarter to 12, closed at 3.

The next meeting is fixed for Wednesday, the 9th May.

M. Dupuy de Lome notices that the penal clause proposed by the Spanish Delegates is on the order of the day for the next meeting. The Article drafted by the British Delegates appears to him to be a development of the principles found in the original Spanish Article. In order to show the complete accord which exists between the views of

the two Governments, and in order to facilitate the discussion, the Spanish Delegates accept the draft put in by the British Delegates.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Twentieth Meeting.—Wednesday, May 9, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The meeting began at half-past 11.

A text of the draft Convention is distributed to the Delegates.

This text shows which Articles have been adopted by the Conference and which remain to be discussed.

(See Annex to the present Minutes.)

The President submits to the Conference Article VI, to which has been added a provision regarding sugar passing in transit through a country to which the Article applies.

M. Jordan has often spoken of the necessity of some stipulation insuring the execution of the Convention. It appears to him that Article VI will do so. He asks, however, for explanations on the meaning of the following paragraph:—

“The International Committee established under Article VIII is intrusted with the duty of pronouncing this vote.”

A general discussion ensues as to the procedure to be adopted for the application of Article VI. The question is whether the International Committee is empowered to decide whether the penal clause is to be applied, or whether this decision is reserved for the Powers themselves.

The President states that according to the British Government the Committee would have to give an opinion as to whether sugars of such a country receive a bounty, and that in the case of the answer being in the affirmative the Powers would be bound to apply the penal clause.

M. Guillaume reminds the Conference that under Article VII the Committee is merely charged with controlling and examining. The President's interpretation would make it a real Tribunal.

The President then proposes to interpret the Article in the sense that the Committee would report to the Powers, who would then authorize their Delegates to vote. Thus the Powers would pronounce through the medium of the Committee.

M. Dupuy de Lome observes that it will be necessary to adopt such a procedure as shall not allow bounty-fed sugar to come in while the Powers are deliberating what steps to adopt.

M. Guillaume points out that the procedure to be adopted is already laid down by Article VII, which says:—

“The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and shall forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and at the request of any one of the High Contracting Parties shall convoke a Conference, which shall take such decisions or measures as circumstances demand.”

M. Guillaume proposes, therefore, that paragraphs 2 and 3 of Article VI be amended as follows:—

“The fact of the existence in any country, foreign possession, Colony, or province beyond the seas of a system involving open or disguised bounties on sugar or on glucose shall be established by a Report of the International Commission established by Article VII.

“The Signatory Powers shall decide on the conclusions come to in the Report.”

Count de Kuefstein says that he thinks it impossible to give the Committee any other duties than those of controlling and proposing. The final decision would always be reserved to the Governments themselves. He considers that M. Guillaume's draft entirely fulfils this condition.

M. Catalani calls attention to an important point: will the decision of the Powers be unanimous or by majority?

The President answers that the Delegates on the Committee will vote in accordance with diplomatic usage.

M. Dupuy de Lome observes that no mode of voting must be adopted which will nullify Article VI. A question of fact has to be decided; it is difficult to see how any differences of opinion could arise thereon.

Count de Kuefstein doubts whether unanimity will always be attainable.

M. Jordan sums up the case. First comes the case of a Contracting Power suspected of giving bounties. Unanimity can never be obtainable in such a case, for the suspected Power cannot condemn itself. Unanimity might be required of the other Powers. Second comes the case of non-contracting countries. In their case the decision might be by majority. It would be dangerous to insist on unanimity. The suspected Power might often have a friend at Court.

M. Pallain observes that this event must equally be provided for under the first case. He asks whether an agreement might not be come to by providing arbitration, as in the Convention of Berne.

The President thinks that the simplest way would be to strike out the paragraph in dispute, for, as pointed out by M. Guillaume and M. de Smet, the procedure is already laid down by Article VII.

This proposal is adopted. The discussion on the whole of Article VI recommences.

M. de Barner has no objections to offer.

M. Dupuy de Lome is happy to support the adoption of Article VI, which amplifies the ideas contained in the Spanish Delegates' proposal.

M. Sans-Leroy says that, as to the form to be adopted, he will vote for that which may be accepted by the majority.

M. Catalani holds the same view.

M. Verkerk Pistorius repeats the remark which he has already made on the Spanish proposal, namely, that it does not take the Commercial Treaties sufficiently into account. In his opinion, this remark applies equally to the proposal put forward by Great Britain. He must reserve both the form and substance of Article VI for the decision of his Government.

The President asks whether it is therefore to be understood that M. Pistorius opposes any penal clause.

M. Verkerk Pistorius repeats that he reserves the question for the decision of his Government.

M. Kamensky follows in the same sense as M. Sans-Leroy.

M. Batanero calls attention to the words: ". . . or to propose to their respective Legislatures." These words have been struck out from Article I in order to make it clear that it was not sufficient merely to *propose* measures, but that measures must be really taken.

After an exchange of views it is decided that these words shall be eliminated.

The whole of Article VI is then adopted, subject to the reservations already expressed.

M. de Barner asks that molasses should be added in Article V to the list of Articles which are not to receive bounties.

This proposal is adopted.

The President asks the Conference to decide on the following addition to Article V:—

"Are assimilated to this category High Contracting Parties which levy the tax at one single rate on the whole amount manufactured, and which grant on the exportation of all kinds of sugar a repayment not exceeding such rate."

Count de Kuefstein reserves entirely his decision as to this wording, which constitutes an infringement of the principle laid down by Article II.

Mr. Walpole remarks that the exception asked for by Russia appeared to have been admitted by the Memorandum communicated by the Austro-Hungarian Government.

Count de Kuefstein replies that his Government had not fully accepted the exception asked for by Russia. They had simply reserved the question. But Count de Kuefstein emphasizes the fact that the proposed wording generalizes the exception. He accepts, with a reservation and *ad referendum*, the exception asked for by Russia, on account of

her having but a single rate of duty, but he cannot admit the generalization. The proposed wording not only goes beyond the point intended, but would certainly bring about a failure.

M. Jordan and *M. Sans-Leroy* also make reservations.

M. Dupuy de Lome is ready to admit the exception, but in the case of Russia only.

It is agreed that the British Delegates shall prepare a fresh draft.

M. Jordan asks another question: he quotes the following passage from the Memorandum presented by his Government:—

“In return for the obligations undertaken by the Contracting States to abolish export bounties on sugar, it would be just that, in the Colonies of Contracting States, beet-root sugar should, on importation, be guaranteed the same treatment as cane sugar.”

A particular case pointed out by *M. Pallain* shows that his Government was not wrong in calling the attention of the Conference to this point, namely, to the differential duties imposed by the Colonies of Victoria on cane and beet sugar respectively.

The President answers, as at the last meeting, that the question of customs duties is not before the Conference. The British Government, moreover, cannot, in this matter, dictate terms to the self-governing Colonies. By accepting the Convention the Colonies in question engage to abide by its provisions; if they infringe them, they will have to submit to the penalty.

M. Jordan takes this answer *ad referendum*.

The President thinks it important that he should, as First British Delegate, state that he cannot permit the discussion of a proposal involving the freedom in Customs matters of the British Empire only of all the contracting countries. The question is not within the competence of the Conference, and cannot be submitted to its judgment. The President cannot admit that the maintenance of sugar on the free list of Great Britain can be taken *ad referendum* by the Delegate of any Power. The Conference cannot be empowered to legislate on the fiscal system of Great Britain.

M. Jordan points out, in reply, that the question of surtaxes was discussed. He maintains his right to make a proposal.

The President says that an academical exchange of views may have taken place on the surtax question, but that the Conference had no power to discuss it.

M. Jordan will not reopen the surtax question. He asks that it may be recorded in the Minutes that he had proposed that during the continuance of the Convention there should be no differential treatment as between beet and cane sugar imported into Colonies of Contracting States.

The President says that his refusal to permit the question to be discussed will also appear in the Minutes.

The next meeting is fixed for Friday, the 11th May, at 4 o'clock.

The meeting closes at 1 o'clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex to the Minutes of the Twentieth Meeting.

Draft of Convention.

THE High Contracting Parties, desiring to insure the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary,

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary; M. Guillaume, Director-General in his Ministry of Finance; and M. Du Jardin, Inspector-General in his Ministry of Finance;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary; M. Batanero, Deputy; and M. Dupuy de Lome, his Minister Resident;

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary; and M. Sans-Leroy, Deputy;

His Majesty the King of Italy, the Chevalier Catalani, his Chargé d'Affaires;

His Majesty the King of the Netherlands, Grand Duke of Luxemburg,

His Majesty the Emperor of All the Russias, M. le Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Councillor of State.

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles:—

[Adopted.]

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

[Adopted, but with reservations as to the entry of certain Powers into the Union.]

ARTICLE II.

The High Parties engage:—

To levy the tax on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

To this end they engage to place in bond, under the permanent supervision, both by day and by night, of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment on writing off may be granted on the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

[Adopted, but with reservations on the part of Germany, Austria-Hungary, France, and Russia.]

ARTICLE III.

Proposal made by the British Delegates.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may, nevertheless, keep a refinery account, as a means of control, by the system of saccharimetry, or any other control which may appear most effectual in order to prevent a bounty on exportation.

[Adopted, but with the most express reservations on the part of France.]

Proposal made by the Netherlands Delegates.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

They, nevertheless, reserve power to ascertain, by the method of saccharimetry, the quantity of refined sugar represented by the raw sugar admitted into refineries duty free and under obligation of exportation after refining, but undertake to collect the duty on any excess of production as shown by the permanent supervision of exits and the inventory of sugar and syrup existing in the refinery. Such inventory shall be made at least once a-year.

[Taken *ad referendum*.]

ARTICLE IV.

Belgium not being in the same circumstances with regard to the application of a system of duty on the amounts of sugar produced, the system now in force in that kingdom may be continued with the following modifications:—

The rate of the tax shall be reduced from 45 fr. to 22 fr. 50 c. from the date of the present Convention coming into force. The *prise en charge* in contract factories shall be raised from 1,500 to 1,750 grammes from the date of the present Convention coming into force, and to 1,800 grammes two years after.

[Taken *ad referendum*.]

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, or glucose neither drawback, repayment, nor writing off of duties or quantities, undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Article II.

[Adopted.]

ARTICLE VI.

Proposal made by the British Delegates.

From the date of the present Convention coming into force, all raw sugar, refined sugar, molasses, or glucose coming from any countries, foreign possessions, Colonies, or provinces beyond the seas, maintaining the system of open or disguised bounties on the exportation of sugar, shall be excluded from the territories of the High Contracting Parties.

The fact of the existence in any country, foreign possession, Colony, or province beyond the seas of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose, shall be established by a vote of the Signatory Powers of the present Convention.

The International Commission established by Article VIII is charged with the duty of giving this vote.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, the necessary measures to bring about this result.

In order to exclude from the territory of one of the High Contracting Parties raw sugar, refined sugar, molasses, or glucose on which have been paid open or disguised bounties, it shall be sufficient for such Power to exclude such raw sugar, refined sugar, molasses, or glucose by a duty exceeding the bounty, instead of prohibiting them entirely.

[To be discussed.]

ARTICLE VII.

The High Contracting Parties engage to establish an International Sugar Commission, charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers. A Permanent Bureau will be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether, in practice, any open or disguised bounty is granted on the exportation of sugar or glucose.

(b.) To pronounce an opinion on contested points (“questions litigieuses”).

(c.) To consider (“d'instruire”) requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty's Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the objects of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.

The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

8. At its first meeting the Commission shall draw up Regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government.

9. The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Parties, shall convoke a Conference, which shall take such decisions or measures as circumstances demand.

10. The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who shall be paid by their respective countries—shall be borne by all the contracting countries, and will be divided among them in a manner to be determined by the Commission.

[Adopted, but with reservations on the part of France with regard to the reference to the Commission of the duty of examining the Laws of the High Contracting Powers, and on the part of the Netherlands as regards the Commission.]

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in the preceding Article.

[Adopted.]

ARTICLE IX.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for five years from that day; and, in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of five years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are also entitled, until the 31st October of the year in which denunciation takes place, to retire from the 1st August of the following year.

Should more than one Power wish to retire, a Conference of the Contracting

Powers would meet in London within three months to determine what steps should be taken.

[Adopted, but with reservations on the part of: (1) France, in regard to the date of coming into force and duration of the Convention; (2) Germany and Austria-Hungary, in regard to the duration of the Convention; (3) Russia, in regard to the Counties on the Asiatic frontier.]

Proposal made by the British Delegates.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of ten years, its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fifth, and eighth years.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only, but the other Powers also are entitled, until the 31st October of the year in which denunciation takes place, to retire from the 1st August of the following year.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

[To be discussed.]

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

The High Contracting Parties are entitled to retire on behalf of one or more of these territories in the manner and with the consequence shown in Article X. The same power is given to self-governing Colonies and provinces beyond the seas.

In the event of one of these territories wishing to withdraw from the Convention, a notification to this effect shall be made to the Contracting Powers by the mother country of the province, Colony, or possession in question.

[Adopted.]

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged, in London, on the 1st August, 1889, or sooner if possible.

[Adopted.]

Twenty-first Meeting.—Friday, May 11, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, and Russia.

The meeting opens at 4 o'clock.

The President submits to the Conference a draft of the Final Protocol, prepared by the British Delegates. (See Annex to the present Minutes.)

A discussion commences on the question whether the reservations made by the Delegates of the various Powers are to form a Memorandum annexed to the draft Convention. It is decided that the reservations as recorded in the Minutes shall be merely referred to in the Protocol.

M. Jordan expresses the opinion that the date of the 5th July for the signature of the Convention is too near; a more distant date might secure the adhesion of the

United States and Brazil, to which several Powers, his own Government in particular, continue to attach the greatest importance; he remarks that the draft Convention is still subject to many reservations, and that to arrive at a final agreement the various Governments must make reciprocal concessions. It is not possible to foresee what amount of time such an exchange of views will require. For this reason likewise M. Jordan thinks that a longer period will be necessary.

The majority of the Delegates are of the same opinion.

Count de Kuefstein is of opinion that no date need be fixed, as it might be left to the British Government to convene the next session. It seems to him to be necessary to the success of the meeting that the various Governments should have communicated to one another their respective opinions on the Convention. He submits a draft in this sense. It appears to him difficult to foresee the exact date on which it will be possible to sign.

Mr. White says that M. Jordan's remarks oblige him to state that he has nothing to add to his previous declarations. He will inform his Government of the wish expressed by the Powers represented at the Conference.

He reads the following document respecting the working of the drawback system in the United States:—

“ Revised Statutes.

“ Chapter IX.

“ Section 3019. There shall be allowed on all articles wholly manufactured of materials imported, on which duties have been paid, when exported, *a drawback equal in amount to the duty paid on such materials, and no more*, to be ascertained under such Regulations as shall be prescribed by the Secretary of the Treasury. Ten per cent. on the amount of all drawbacks so allowed shall, however, be retained for the use of the United States by the collectors paying such drawbacks respectively.”

Mr. White explains that under this Law the Secretary to the Treasury must maintain an exact correspondence between duty and drawback. For this purpose he may increase or diminish the drawback. The Conference may like to know that since the drawback was reduced by the Secretary to the Treasury in 1886, the importation of United States' sugars to England, which in 1885 had reached 114,000 tons, fell to 71,000 tons in 1886, and to 39,000 tons last year. During the first four months of 1888 it amounted to 526 tons only.

The meeting is suspended for a quarter of an hour.

On the sitting being resumed, the President reads the following draft of Article 3 of the Protocol:—

“ They undertake, furthermore, to recommend to their respective Governments to communicate to the Government of Her Britannic Majesty their opinion on the draft of Convention before the 5th July of the present year.

“ Her Britannic Majesty's Government proposes to convoke on the 16th August, at latest, a Conference of Plenipotentiaries for the signature of the Convention.”

M. Jordan trusts that this delay will be sufficient; but as he cannot be certain on the matter, he will pronounce no opinion.

Count de Kuefstein is of the same opinion as his German colleague.

The President thinks it right to avoid all possibility of misunderstanding. He must therefore state that the British Government cannot put off beyond the 16th August next to do what depends on it to stop bounties. Her Majesty's Government have done all that is possible to make the Convention succeed; no responsibility will rest on them should it fail.

M. Dupuy de Lome remarks that the Delegates cannot misunderstand the meaning and force of the President's declaration.

He is glad of it, and can assure the Conference that the Plenipotentiaries of Spain will be in London to sign the Convention on the day proposed.

After these remarks the draft Protocol is adopted.

M. Verkerk Pistorius asks that the following declaration may be inserted in the Minutes:—

“ The Netherlands Delegates declare that they sign the Protocol as a mere record of what took place at the Conference, and that thereby they in no wise engage the liberty of action of their Government.”

Certain remarks are then made on the draft Convention.

On the motion of *M. Dupuy de Lome*, the preamble is completed by the addition of the following words: “ desire to insure by reciprocal engagements”

On an observation made by *M. Sans-Leroy*, it is admitted that *M. Verkerk Pistorius'* draft for the second paragraph of Article III must be inserted.

After some remarks made by *M. Guillaume*, the paragraph of Article VII respecting goods in transit is struck out.

The discussion closes.

The President proposes the adoption of the Minutes of the sixteenth, seventeenth, eighteenth, nineteenth, and twentieth meetings.

In regard to the Minutes of the seventeenth meeting, *M. de Barner* says that, had he been present, he would have spoken on the establishment of the International Commission and on the powers proposed to be given to it.

The Minutes are adopted.

The next meeting will be held on Saturday, the 12th May.

The sitting closed at half-past 6.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.
E. BOIZARD.

Annex to the Minutes of the Twenty-first Meeting.

Draft of Final Protocol.

THE Undersigned, Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, Netherlands, and Russia reassembled in London on the 5th April, 1888, to draw up a Convention for the suppression of export bounties on sugar.

At the conclusion of the discussions recorded in the Minutes of the meetings, they prepared the draft of Convention annexed to the present Protocol, which they undertake to submit to the decision of their respective Governments, together with the reservations recorded in the annexed Memorandum.

They undertake furthermore to recommend to their respective Governments that the Plenipotentiaries of the High Contracting Parties meet in London on Thursday, the 5th July of the present year, for the exchange of their full powers and for the signature of the Convention.

Annex to the Final Protocol.

DRAFT OF CONVENTION.

THE High Contracting Parties, desiring to insure the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries :

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.;

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary,

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary; M. Guillaume, Director-General in his Ministry of Finance; and M. Du Jardin, Inspector-General in his Ministry of Finance;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary; M. Batanero, Deputy; and M. de Dupuy de Lome, his Minister Resident;

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary; and M. Sans-Leroy, Deputy;

His Majesty the King of Italy, the Chevalier Catalani, his Chargé d'Affaires;

His Majesty the King of the Netherlands, Grand Duke of Luxemburg,

His Majesty the Emperor of All the Russias, M. the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Councillor of State;

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles:—

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

ARTICLE II.

The High Contracting Parties engage:—

To levy the tax on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

To this end, they engage to place in bond, under the permanent supervision both by day and by night of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose, factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

ARTICLE III.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may nevertheless keep a refining account, as a means of control, by the system of saccharimetry or any other control which may appear most effectual in order to prevent a bounty on exportation.

ARTICLE IV.

Belgium not being in the same circumstances with regard to the application of a system of duty on the amounts of sugar produced, the system now in force in that kingdom may be continued, with the following modifications:—

The rate of the tax shall be reduced from 45 fr. to 22 fr. 50 c. from the date of the present Convention coming into force. The *prise en charge* in contract factories shall be raised from 1,500 to 1,750 grammes from the date of the present Convention coming into force, and to 1,800 grammes two years after.

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II and III,

provided they undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the systems established by Articles II and III.

Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph as long as its present system is maintained.

ARTICLE VI.

The High Contracting Parties engage to establish an International Sugar Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau shall be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

(b.) To pronounce an opinion on contested points (“questions litigieuses”).

(c.) To consider (“d’instruire”) requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty’s Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.

The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

At its first meeting the Commission shall draw up Regulations on its internal constitution and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty’s Government.

The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and will forward the same to Her Britannic Majesty’s Government, which will communicate it to the Powers interested, and at the request of any one of the High Contracting Parties shall convoke a Conference, which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission, excepting the salaries or expenses of the Delegates, who shall be paid by their respective countries, shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

ARTICLE VII.

From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any countries, provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar shall be excluded from the territories of the High Contracting Parties.

Any Contracting Power may, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose having benefited by open or disguised bounties, prohibit these articles altogether, or levy thereon a duty which must necessarily exceed the amount of the bounty.

The High Contracting Parties engage to take, or to propose to their respective Legislatures, the necessary measures to bring about these results.

The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar,

refined sugar, molasses, or glucose shall be established by a vote of the Signatory Powers of the present Convention.

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in Article VI.

ARTICLE IX.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified twelve months before the expiration of the said period of ten years its intention of terminating the effects thereof, it shall remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to notify their intention of retiring from the 1st August of the following year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fifth, and eighth years of the said period of ten years.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to that effect shall be made to the Contracting Powers by the Government of the mother country, in the manner and with the consequences shown in Article IX.

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London on the 1st August, 1889, or sooner, if possible.

Twenty-second Meeting.—Saturday, May 12, 1888.

President: Baron HENRY DE WORMS.

Present:—The Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, the Netherlands, and Russia.

The meeting opens at 1.

The Minutes of the twenty-first meeting are adopted.

The Final Protocol is signed. (See Annex (A) to the present Minutes.)

M. Sans-Leroy reminds the Conference that at the close of the first session it was thought that it would be difficult to keep the results of their deliberations secret. He asks, therefore, whether the same rule will be applied to the documents relating to the second session—in other words, whether the Final Protocol, the draft Convention, and the Minutes, which are the necessary complement of the Convention—for they contain the reservations made by all the Delegates—may be published.

In support of the question put by his colleague, *M. Pallain* says that it was to meet the legitimate requirements of Parliamentary government that the President had, at the meeting of the 19th December last, asked that the results of the first session of the Conference might not be kept secret. It would be difficult not to follow that precedent.

The President, after taking the opinion of the Conference, replies that circumstances have changed, and that the British Government does not intend to publish the documents in question. He thinks that, in the present state of the work done by the Conference, publication would be disadvantageous rather than the reverse. He appeals to the courtesy of his colleagues, and asks them to request their respective Governments not to publish the papers, either through the press or by presenting them to their Legislatures.

The Conference expresses its readiness to accede to the wishes expressed by the President.

The President makes the following speech :—

“ Dear Delegates and Colleagues,

“ Now that the Conference as such is over, and the object of the further meeting will only be to give practical form to the good work which has been done, it remains for me to acknowledge, both in the name of Her Majesty’s Government and in my own, my high appreciation of the admirable manner in which the Representatives of all nations have devoted themselves to the arduous and difficult task before them; and, as far as I am personally concerned, the unfailing courtesy and good feeling which they have displayed towards me, and which materially lightened the onerous and delicate task which devolved upon me.

“ One fact I wish specially to place on record: that this second and final meeting of the Conference has confirmed unequivocally, and without any reserve on the part of any nation represented, their entire concurrence in the principle of the abolition of bounties.

“ The discussions which we have had, and which are in the *procès-verbaux*, show that, while absolutely adopting the principle, the only question really before us was to find a truly practical means of strictly carrying it out—a means which, efficient in itself, could afford proper guarantees that the arrangements shall be, as the words of the proposed Treaty indicate, a reciprocal one among the Powers represented.

“ I may say that, although difficulties have been surmounted, the measure of those difficulties and their extent can in no way be taken to be proportional to the amount of time consumed in our deliberations, or be measured by the length of each sitting. And in no case, I am happy to say, has any difficulty which has been considered been declared by the Representative of any Power to be insurmountable.

“ In the case of the Belgian equivalents, notably, although all the Powers unanimously rejected the original proposal made by Belgium, they have yet shown a very conciliatory spirit in—while not withdrawing from their original position—showing that they were still willing to take the new Belgian proposals *ad referendum*.

“ The same conciliatory spirit was shown in the case of the proposal of the Netherlands Delegates with regard to surtaxes. The other Delegates, while admitting the view which I myself put forward on behalf of Great Britain, that the Conference was not in a position to arrive at any practical decision with regard to the question of surtax, yet were willing to give the matter full consideration, a course which must be considered beneficial as being a free interchange of international views upon a question which may at some future time be submitted in some practical form.

“ One more point it is incumbent on me to touch upon before concluding these remarks. The nations who have done us the honour of assembling in response to our invitation have—as the record of our deliberations shows—done so with the object of putting down a system the principle of which they have unanimously condemned. International Conferences are not summoned or held for the purpose of granting a concession to one nation or another, but for the purpose of arriving, if possible, at a mutual arrangement which shall either remove an acknowledged injustice, or bring about a change of equal benefit to all. The Conference which has assembled here has the double purpose to which I have alluded. It is to remove an acknowledged injustice; not to make a concession to a Power the ports of which are free to the trade of the world, and which in no way seeks to hamper the commerce of other countries, while at the same time it is to do away with a system contrary to the best principles of political economy, and which weighs heavily and unfairly upon the taxpayers of other nations by subsidizing one industry at the expense of others.

“ Great Britain has shown no symptoms of a return to that protective policy against which the nation declared many years ago. But I would urge upon the Delegates who hear me the vast distinction there is between protection in a fiscal sense, which closes the markets against the produce of the world by high protective duties, and that protection which in the ordinary sense of the word means defence, and in this case self-

defence, which might be forced upon this free trade country by the just clamour of public opinion, urging upon the Government of the day that their first duty is to suppress a system which, in the belief of the great mercantile and artizan classes, is in contravention to the principles of free trade, and absolutely destructive to one of their principal industries.

“I think it but right, Gentlemen, at the moment of our separation, to lay these views before you, and to ask you to bring them to the serious consideration of your respective Governments.

“And let me express the hope that our deliberations will not have been in vain, and that the Sugar Conference of 1887-88 will be productive of the object for which it was convened, and will be memorable in the annals of the history of the countries represented, as marking an epoch when the nations of the world declared that the principle of commerce was honest competition, and that trade ought not to be unfairly trammelled by State subsidies.

“I beg to express on your behalf and my own our best thanks to the Secretaries and Assistant Secretaries of this Conference for the valuable services they have rendered.”

Count de Kuefstein replies as follows to the President's speech:—

“We have arrived at the last meeting of the present session; I ask to be permitted to speak in the name of all, and to express to the President our warm thanks for the kindness and courtesy with which he has conducted our debates, and for the manner in which he has brought them to a successful conclusion. For we may indeed say that we have obtained a valuable result. The sphere of contested questions has become smaller and smaller, and although it may be true that there are important points not yet settled, we may hope that the time which will elapse before we meet again will be sufficient to bring about an understanding. It is with this with this hope that we bid adieu to our noble President and to our esteemed colleagues, the British Delegates. We offer to them all our sincere thanks for the courtesy and kindness which they have never failed to show us.”

On the proposal of *Count de Kuefstein*, a vote of thanks to the Secretaries is passed. The Minutes of the present meeting are read and adopted. The meeting closed at 3 o'clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL
A. E. BATEMAN.
E. BOIZARD.

After the close of the meeting *M Kamensky* handed to the President a telegram which he had received from the Russian Minister of Finance. This telegram stated that if the Convention was ratified by the Imperial Government the latter would not renew the bounties on sugar exported over the Asiatic frontier.

(See Annex (B) to the present Minutes.)

Annex (A) to the Minutes of the Twenty-second Meeting.

Final Protocol.

THE Undersigned, Delegates of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, Netherlands, and Russia met again in London on the 5th April, 1888, to draw up a Convention for the suppression of export bounties on sugar.

At the conclusion of the discussions recorded in the Minutes of the meetings they prepared the draft of Convention annexed to the present Protocol, which they undertake to submit to the decision of their respective Governments, together with the reservations recorded in the annexed Minutes.

They undertake furthermore to recommend to their respective Governments to communicate to the Government of Her Britannic Majesty their opinion on the draft of Convention before the 5th July of the present year.

Her Britannic Majesty's Government proposes to convoke, on the 16th August at latest, a Conference of Plenipotentiaries for the signature of the Convention.

Done in London, May 12, 1888.

(Signed)

HENRY DE WORMS.
 ONSLOW.
 C. M. KENNEDY.
 F. G. WALPOLE.
 JORDAN.
 JAEHNIGEN.
 KUEFSTEIN.
 GUILLAUME.
 DU JARDIN.
 D. DE SMET.
 DE BARNER.
 ANT^o. BATANERO.
 DUPUY DE LOME.
 CH. SANS-LEROY.
 JUSSERAND.
 G. PALLAIN.
 A. CATUSSE.
 T. CATALANI.
 PISTORIUS.
 C. VAN DE VEN.
 G. KAMENSKY.

Annex to the Protocol of May 12, 1888.

DRAFT OF CONVENTION.

THE High Contracting Parties, desiring to insure by reciprocal engagements the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries :

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c. ; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c. ;

His Majesty the Emperor of Germany, King of Prussia,

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary,

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary ; M. Guillaume, Director-General in his Ministry of Finance ; and M. Du Jardin, Inspector-General in his Ministry of Finance ;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs ;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary ; M. Batanero, Deputy ; and M. Dupuy de Lome, his Minister Resident ;

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary ; and M. Sans-Leroy, Deputy ;

His Majesty the King of Italy, the Chevalier Catalani, his Chargé d'Affaires ;

His Majesty the King of the Netherlands, Grand Duke of Luxemburg,

His Majesty the Emperor of All the Russias, M. the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Councillor of State;

Who, having exchanged their full powers found in good and due form, have agreed on the following Articles:—

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

ARTICLE II.

The High Contracting Parties engage:—

To levy the tax on the quantities of sugar intended for consumption, without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

To this end, they engage to place in bond, under the permanent supervision, both by day and by night of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

ARTICLE III.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may, nevertheless, keep a refining account, as a means of control, by the system of saccharimetry, or any other control which may appear most effectual in order to prevent a bounty on exportation.

Proposal made by the Netherlands Delegates.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

They, nevertheless, reserve power to ascertain, by the method of saccharimetry, the quantity of refined sugar represented by the raw sugar admitted into refineries duty free and under obligation of exportation after refining, but undertake to collect the duty on any excess of production as shown by the permanent supervision of exits and the inventory of sugar and syrup existing in the refinery. Such inventory shall be made at least once a-year.

ARTICLE IV.

Belgium not being in the same circumstances with regard to the application of a system of duty on the amounts of sugar produced, the system now in force in that kingdom may be continued with the following modifications:—

The rate of the tax shall be reduced from 45 fr. to 22 fr. 50 c. from the date of the present Convention coming into force. The *prise en charge* in contract factories shall be raised from 1,500 to 1,750 grammes from the date of the present Convention coming into force, and to 1,800 grammes two years after.

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw

sugar, refined sugar, molasses, or glucose neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II and III provided they undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Articles II and III.

Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph, as long as its present system is maintained.

ARTICLE VI.

The High Contracting Parties engage to establish an International Sugar Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

(b.) To pronounce an opinion on contested points (“questions litigieuses”).

(c.) To consider (“d’instruire”) requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty’s Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.

The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

At its first meeting the Commission shall draw up Regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty’s Government.

The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty’s Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Powers, shall convoke a Conference which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

ARTICLE VII.

From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any countries, provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar, shall be excluded from the territories of the High Contracting Parties.

Any Contracting Power may, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose having benefited by open or disguised bounties, prohibit these articles altogether, or levy thereon a duty which must necessarily exceed the amount of the bounty.

The High Contracting Parties engage to take the necessary measures to bring about these results.

The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose shall be established by a vote of the Signatory Powers of the present Convention.

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in Article VI.

ARTICLE IX

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of ten years, its intention of terminating the effects thereof, it will remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to notify their intention of retiring from the 1st August of the following year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fifth, and eighth years of the said period of ten years.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to state effect will be made to the Contracting Powers by the Government of the mother country, in the manner and with the consequences shown in Article IX.

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London, on the 1st August, 1889, or sooner if possible.

Annex (B) to the Minutes of the Twenty-second Meeting.

YOU are authorized to declare to the Conference that, in the event of the Convention being ratified by the Imperial Government, it has no intention of renewing the bounties on sugars imported into Asia after the 1st May, 1891.

(Signed) WISCHNEGRADSKI,
Minister of Finance.

APPENDIX TO THE DOCUMENTS LAID BEFORE THE CONFERENCE
ON SUGAR BOUNTIES (APRIL-MAY 1888).

Memorandum on the Laws respecting Sugar in the British Colonies and Possessions.

I.—*Import Duties.*

IN the British Colonies and possessions import duties are charged on sugar at the rates given in the Table below.

This Table distinguishes between autonomous Colonies (including Natal and Western Australia) and Colonies not having responsible government. In the latter class are included the Crown Colonies.

Sugar-producing Colonies are marked thus (*), and sugar-refining Colonies thus (†).

AUTONOMOUS COLONIES.

Colonies.		Rate.
†Dominion of Canada..	Sugar, imported direct, above No. 14 D. S. in colour, and refined sugars of all kinds, grades, or standards.	1½ cents per lb. and 35 per cent.
	Sugar, imported direct, not for refining purposes, and not over No. 14 D. S. in colour.	1 cent per lb. and 30 per cent.
	Sugar, melado, concentrated melado, concentrated cane juice, concentrated molasses, concentrated beet-root juice, imported direct from the country of growth and production, for refining purposes only, not over No. 14 D. S. in colour, and testing from 80 to 97 degrees by the polariscope.	1 cent per lb., and for every additional degree shown by polariscope tests 3¼ cents per 100 lbs. additional.
	Sugar, not imported direct, above No. 14 D. S. in colour, and refined sugar of all kinds, grades, and standards.	1½ cents per lb. and 35 per cent., and 7½ per cent. of duty additional.
	Sugar not imported direct, not for refining purposes, and not over No. 14 D. S. in colour.	1 cent. per lb. and 30 per cent., and 7½ per cent. of duty additional.
	Sugar, melado, concentrated melado, concentrated cane juice, concentrated molasses, concentrated beet-root juice, not imported direct from the country of growth and production, for refining purposes only, not over No. 14 D. S. in colour, and testing from 70 to 95 degrees by the polariscope.	1 cent. per lb., and for every additional degree shown by polariscope test 3¼ cents per 100 lbs. additional, and 7½ per cent. of duty additional.
	Syrups, cane juice, refined syrup, sugar-house syrup or sugar-house molasses, syrup of sugar, syrup of molasses or sorghum, imported direct or not.	1 cent per lb. and 30 per cent.
	Molasses, other, imported direct without transhipment from the country of growth and production.	15 per cent.
	Molasses, other, when not so imported	20 per cent.
	Molasses, imported for or received into any refinery or sugar factory, or used for any other purpose than actual consumption.	An additional duty of 5 cents per gallon.
	Sugar candy, brown or white, and confectionery	1½ cents per lb. and 35 per cent.
Glucose or grape sugar, dutiable as sugar	According to grade by D. S. in colour.	
Glucose syrup	2 cents per lb.	
Newfoundland ..	Loaf and refined sugar	4 dol. 50 c. per cwt.
	Raw sugar	3 dollars „
	Bastard sugar	3 dol. 60 c. „

Colonies.		Rate.
Cape	Sugar of all kinds	8s. 4d. per 100 lbs.
*Natal	Raw sugar	3s. 6d. per cwt.
	Refined sugar	9s. 4d. "
*†New South Wales	Syrup of glucose, syrup, molasses	3s. 4d. "
	Raw sugar and glucose, solid	5s. "
	Refined sugar	6s. 8d. "
†Victoria	Raw cane sugar	3s. "
	Cane sugar, refined and in bond	2s. "
	Beet and other sugar	6s. "
*†Queensland	Refined sugar	6s. 8d. "
	Raw sugar	5s. "
Tasmania	Sugar candy, loaf sugar, and pieces	9s. 4d. "
	Raw and other sugar	6s. "
South Australia	Sugar of all kinds	3s. "
	Glucose	6s. "
(Northern Territory)	Sugar and molasses	5s. "
Western Australia	Sugar and molasses	4s. "
†New Zealand	Sugar of all kinds	4s. 8d. "

COLONIES and Possessions not having responsible Governments, and Crown Colonies.

BRITISH INDIES.

No duty is levied on sugar.

EASTERN COLONIES.

Colonies.		Rate.
Ceylon	Sugar candy and refined sugar	3 rupees per cwt.
	Raw sugar	1.75 rupee "
	Palm sugar and "jaggery"	75 cents "
Hong Kong .. ..	.. .. .	No duty.
Labuan .. ..	.. .. .	"
Straits Settlements .. ..	.. .. .	"
*Mauritius	Refined sugar and sugar candy	4.75 rupees per 100 kilog.
	Raw sugar	7½ per cent. <i>ad val.</i>

AFRICAN COLONIES.

Sierra Leone	Refined sugar	10s. per cwt.
	Raw sugar	5s. "
Gambia	Sugar of all kinds	9s. 4d. "
Gold Coast .. ..	.. .. .	No duty.
Lagos	Sugar of all kinds	4 per cent. <i>ad val.</i>

WEST INDIES.

Colónies.		Rate.
*Jamaica ..	Refined sugar	16s. 8d. per 100 lbs.
	Raw sugar	10s. "
Turk Islands ..	Refined sugar	8s. 4d. "
*British Honduras ..	Sugar of all kinds	3 dollars "
*British Guiana ..	Sugar of all kinds	16s. 8d. "
Bahamas	Raw sugar	5s. 6d. "
	White clayed sugar	10s. "
	Refined sugar	12s. 6d. "
*Trinidad	Sugar of all kinds	10s. "
*Barbados	Refined sugar	10s. "
*Windward Islands—		
Grenada	Sugar of all kinds	5s. "
Santa Lucia	Usine and muscovado sugar	8s. 4d. "
	Refined	16s. 8d. "
St. Vincent	Muscovado sugar	1s. 6d. "
	Crystallized sugar	3s. "
	Refined sugar	4s. "
Tobago	Sugar of all kinds	8s. 4d. "
*Leeward Islands—		
Antigua	Refined sugar	8s. 4d. "
		and 12½ per cent.
Montserrat		8s. 4d. per 100 lbs.
St. Christopher and Nevis	Muscovado or melado sugar	5s. "
Virgin Islands	Refined sugar	4s. 8d. per cwt.
	Muscovado sugar	2s. the barrel.
Dominica	Refined sugar	6s. 3d. per 100 lbs.
		and 15 per cent.
	Muscovado, usine, and vacuum-pan sugar	4s. 2d. per 100 lbs.
		and 15 per cent.

OTHER COLONIES AND POSSESSIONS.

Bermudas	Sugar of all kinds	5 per cent. <i>ad val.</i>
*Fiji	"	9s. 4d. per cwt.
St. Helena	"	No duty.
Gibraltar	"	"
Malta	"	"
Heligoland	"	"
Falkland Islands	"	"
Cyprus	Sugar of all kinds	8 per cent. <i>ad val.</i>

II.—Drawbacks.

In nearly all the Colonies there are Laws respecting drawbacks. Repayment of duty is granted as a rule only on goods re-exported without breaking bulk, and in the packing in which they have been imported. It may be said generally that sugar does not enjoy this privilege, but there are some exceptions.

It has been stated at the tenth meeting of the Conference that a duty is levied in Victoria which gave rise to a bounty. It would appear that this declaration was based on a misunderstanding respecting the effects produced by drawbacks. However that may be, a report from the Government of the Colony shows that the drawback on sugar, when re-exported, is equal to the duty payable on importation.

The Canadian Government grants the exports of sugar refined in the Dominion from sugar imported in the raw state a drawback of 90 per cent. on the duties paid on importation.

The same Government also admits the principle of the refund of duties upon all articles used in the manufacture of any commodity in bond.

In the same way, the Governments of Tasmania and South Australia refund, on export, the duties levied on sugar used in the manufactures of preserves. But as these Colonies do not produce any sugar, the legislation does not imply even an indirect bounty. Tasmania grants the following drawbacks:—

On jams	3 <i>l.</i> per ton.
(The quantity exported must not be less than 1 ton.)	
On confectionery	6 <i>l.</i> per ton.
(The quantity exported must not be less than 1 cwt.)	

In South Australia the drawback equals the duty paid on importation.

III.—Export Duties.

In several of the West Indies and in the Mauritius a duty is levied on exportation. This is not a fiscal measure, but a payment made by the sugar producers to the Government in consideration of a part of the costs arising out of the coolie immigration.

For the year 1887 these duties were fixed as follows:—

Colonies.	Rate.	
	<i>s.</i>	<i>d.</i>
Mauritius	0	3½ per cwt.
Jamaica	3	0 per hogshead.*
Trinidad	4	0 "
Santa Lucia	2	0 per 1,000 lbs.
St. Vincent	0	4 per 100 lbs.
Antigua	5	4 per hogshead.
Montserrat	5	0 "
St. Christopher	8	4 "
Dominica	4	6 "

* The average weight of the hogshead may be taken at 18 cwt. net.

The export duties in the Island of St. Christopher have recently been reduced, and are shortly to be abolished altogether.

In Trinidad, St. Vincent, Montserrat, St. Christopher, and Dominica an export duty is levied on molasses.

IV.—Excise Duties.

In the Dominion of Canada a clause of the Customs Law No. 34 of 1886 provides that all commodities refined in bond and sent into consumption in the Dominion shall pay an excise duty equal to the customs duty which they would have paid if imported from the United Kingdom and entering direct into consumption.

It might seem that this provision applied to sugar refined in bond, but it would appear that no excise duties have, up to now, been levied under the provision in question.

As regards the other countries, it may be said that excise duties do not exist there.

V.—*Countervailing Duties.*

Two Colonies, Canada and Victoria, have adopted the principle of a countervailing duty on bounty-fed sugar.

By a recent Decree the Canadian Government have imposed an additional duty of $7\frac{1}{2}$ per cent. *ad valorem* on sugar coming from a bounty-giving country.

The Table of import duties given above shows that Victoria imposes an import duty of 6s. per cwt. on beet sugar, and of 3s. per cwt. on cane sugar. This differential duty has been adopted by the Colonial Government as a countervailing duty, all beet sugar, of whatever origin, being considered to enjoy a bounty, either open or disguised.

VI.—*Refining in Bond.*

Of all the British Colonies, Victoria is the only one where the system of refining in bond appears to be actually in force. The principle of this system is, however, recognized by the legislation of Canada and Barbados; but it has not reached a stage of any importance in the latter Colonies.

VII.—*Cultivation of Beet-root.*

The growing of beet-root has been tried in Canada, Victoria, and New Zealand, but the amount produced is only nominal.

There are eleven factories in Canada where beet and sorghum are used for making sugar, but they are of little importance. They are not subject to any special legislation.

In Victoria the growing of beet-root has been confined to 4 acres.

No Colony except New Zealand grants any bounty on home-produced raw sugar. An Act was passed on the 8th November, 1884, "to encourage the production of sugar from beet-root and sorghum;" by this (1) a bonus of $\frac{1}{2}d.$ per lb. is to be granted "on the first 1,000 tons of sugar produced from beet-root or sorghum grown in the Colony;" and (2) it is provided that no excise or other duty shall be levied on such sugar for fifteen years from the 1st January, 1885, "whilst the present import duty of $\frac{1}{2}d.$ per lb. continues;" but that if the import duty is raised an excise duty may be levied provided that such duty shall always be less by $\frac{1}{2}d.$ per lb. than the import duty; (3) if, during these fifteen years, "the present import duty on sugar is removed or reduced," a bonus equal to the duty so removed or reduced (but not exceeding $\frac{1}{2}d.$ per lb.) is to be paid for all sugar produced in the Colony from home-grown beet-root or sorghum. No record, however, appears of any payments made by the Colonial Treasurer under this Act.

PART II.—CONFERENCES HELD IN AUGUST 1888.

MINUTES OF THE MEETINGS HELD IN LONDON FROM AUGUST 16 TO AUGUST 30.

Twenty-third Meeting.—Thursday, August 16, 1888.

President: BARON HENRY DE WORMS.

THE International Sugar Conference reassembled at the Foreign Office on Thursday, the 16th August, at noon, under the presidency of Baron Henry de Worms, M.P., Under-Secretary of State for the Colonies.

The respective States are represented by their Plenipotentiaries, who have met to adopt and sign a definitive text of Convention.

Germany is represented by—

Count Hatzfeldt, Ambassador Extraordinary and Plenipotentiary.

M. Jaehnigen, Superior Privy Councillor of Finance and Director of the Administration of Taxes and Customs at Hanover.

Austria-Hungary by—

Count de Kuefstein, Envoy Extraordinary and Minister Plenipotentiary.

Belgium by—

Baron Solvyns, Envoy Extraordinary and Minister Plenipotentiary.

M. Guillaume, Director-General in the Ministry of Finance.

M. Du Jardin, Inspector-General in the Ministry of Finance.

Brazil by—

Baron de Penedo, Envoy Extraordinary and Minister Plenipotentiary.

Denmark by—

M. de Barner, Chamberlain of His Majesty the King of Denmark, Inspector-General of Customs.

Spain by—

M. del Mazo, Ambassador Extraordinary and Plenipotentiary.

M. Batanero, Deputy to the Cortes.

M. Dupuy de Lome, Minister Resident.

France by—

M. Waddington, Ambassador Extraordinary and Plenipotentiary.

M. Sans-Leroy, Member of the Chamber of Deputies.

Great Britain by—

Baron Henry de Worms, M.P., Under-Secretary of State for the Colonies.

Mr. C. M. Kennedy, C.B., Head of the Commercial Department of the Foreign Office, specially appointed to assist the Plenipotentiaries of Great Britain.

Italy by—

Count di Robilant, Ambassador Extraordinary and Plenipotentiary.

M. Catalani, Councillor of Embassy.

The Netherlands by—

Count de Bylandt, Envoy Extraordinary and Minister Plenipotentiary.

M. Verkerk Pistorius, Director-General of Direct Taxes, Customs, and Excise in the Department of Finance.

Russia by—

M. de Staal, Ambassador Extraordinary and Plenipotentiary.

M. Kamensky, Real Councillor of State.

Secretaries to the Conference—

Mr. H. Farnall, of the Foreign Office; Mr. A. E. Bateman, of the Board of Trade.

Assistant Secretaries—

Mr. Eyre A. Crowe, of the Foreign Office; and Mr. C. A. Harris, of the Colonial Office.

Attaché to the Conference—

Mr. W. E. T. Lawrance, Private Secretary to Baron H. de Worms.

M. del Mazo, Lord Salisbury, and M. de Staal are unable to attend the meeting.

The sitting is opened at noon.

The following documents are laid upon the table of the Conference: a text of the draft Convention, a draft Declaration regarding the establishment of a Special Commission, and a draft Protocol recording the declarations made by certain Powers, and the answers received from the Powers respecting the draft Convention annexed to the Protocol of the 12th May, 1888. These papers form respectively the Annexes (A), (B), (C), and (D) to the present Minutes.

The President opens the proceedings with the following speech:—

“Gentlemen,

“The Marquis of Salisbury has asked me to bid you the most hearty welcome. His Lordship is unhappily prevented by urgent and unexpected business from attending the meeting. In his absence I am authorized to represent Her Britannic Majesty’s Government. His Lordship will, however, be present at to-morrow’s sitting in order to sign the Convention, and has for that purpose postponed his departure for the Continent.

“This our meeting of to-day marks the termination of the important labours of the Conference on the Sugar question. Our deliberations have necessarily been protracted, but we must remember the importance of the interests at stake and the delicate character of the duties confided to us.

“We must, in the first place, proceed to settle a purely formal point which arises at the signature of every Convention, namely, the verification of the full powers.

“This done, I shall have the honour to propose to you the adoption of the text of the draft Convention. With the exception of a modification of Article IV, in respect of which Her Britannic Majesty’s Government have ceded to the wishes of several Powers, this is the text which you have already received through the diplomatic channel. I venture to hope that its adoption will offer no difficulties.

“The legislation of the various countries might, it is true, give rise to certain questions, but these will be of a technical character, and cannot therefore be submitted to a Conference of Plenipotentiaries. In order to solve these technical difficulties, Her Majesty’s Government propose the nomination of a Special Commission to examine the Laws or drafts of Laws by which the Convention is to be carried out. The Commissioners would thus be enabled to report to their respective Governments the modifications (if any) required to bring their legislation in accord with the conditions of the Convention, and such Reports will be of the greatest importance in the consideration by the legislative bodies of the steps necessary to insure the ratification of the present Treaty.

“Our labours therefore may (I venture to hope) be not alone satisfactory but short. The leading principles of the Convention are untouched; they have been approved by two Conferences, and have been subjected to the test of a searching investigation by all the Powers concerned. We are now called upon to signify the final approval of the Convention by the Powers by signing it in their name.”

Baron Penedo begs leave to express the regret of the Brazilian Government that they have been unable to take part in the previous deliberations of the Conference, and to explain, at the same time, his presence amongst the Plenipotentiaries who have met to-day to adopt and sign the Convention. With this view he need but mention the invitation addressed to him by the Marquis of Salisbury in his Lordship’s note of the 13th instant, asking him to attend the meeting of this Conference, even without being authorized to sign the Convention, and to read the following answer returned to this invitation:—

“My Lord,

“Brazilian Legation, London, August 14, 1888.

“I have the honour to acknowledge the receipt of your Excellency’s note of yesterday’s date, by which you were good enough to inform me that the Plenipoten-

aries of the Powers represented at the meetings of the Conference which took place in April and May last are to meet at the Foreign Office on the 16th instant, at noon, in order to adopt the final wording of the draft Convention on the Sugar question.

"In reply, I hasten to state that I shall have the honour of attending at the hour indicated.

"As the Imperial Government was unable to send a Representative to the previous meetings of the Conference, and to take part in the discussions of the draft Convention, I have, of course, not been furnished with full powers to sign this Convention. But I am authorized to declare that the Brazilian Government adheres in principle to the Convention, whilst reserving to itself the right of adhering formally after its definitive adoption by the Signatory Powers, as I have already had the honour to inform your Lordship in my note of the 11th instant. I shall, therefore, make a point of appearing at the Conference in order to communicate this decision of the Imperial Government.

"I avail, &c.
(Signed) "PENEDO."

Baron Penedo requests that this declaration may be formally inserted in the Minutes of the meeting.

The President replies that this request of the Brazilian Minister shall be complied with.

He proceeds to submit the draft Convention to the Conference Article by Article.

M. Waddington thinks that he ought now to state the reserves which he is instructed to make in the name of his Government. He reads the note which forms Annex (E) to the present Minutes.

As for the procedure proposed by the President, he would observe that it will be difficult for him to take part in a general discussion. He is instructed to sign the Convention, but cannot enter into questions of technical detail.

Count Hatzfeldt requests that the words, "in the name of the German Empire," be inserted in the preamble after the words "King of Prussia."

This modification is adopted.

The President reads Article I:—

"ARTICLE I.

"The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar."

This Article does not give rise to any observations.

The President proceeds to read Article II:—

"ARTICLE II.

"The High Contracting Parties engage:—

"To levy the tax on the quantities of sugar intended for consumption, without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

"To this end, they engage to place in bond, under the permanent supervision both by day and by night of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

"For this purpose factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

"Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

"As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby."

M. Catalani states that the Italian reserves are embodied in his note to the Marquis of Salisbury of the 30th July, which has already been laid before the Conference (see Annex (D) to the present Minutes). Not having received any answer to this note, he concludes that the reserves of his Government do not give rise to any objections.

The President declares that the interpretation given by the Italian Government to Articles II, III, and V of the Convention is perfectly correct. The Convention leaves to the Contracting States the most complete liberty of action as regards excise and customs duties. The undertaking of Her Majesty's Government embodied in Article IV is a concession made with a view to facilitate the adoption of the Convention by the other Powers, binding solely upon Great Britain and her Colonies.

M. Verkerk Pistorius remarks that there is a passage in the note in question which is not quite clear; he refers to the passage dealing with the application of the bonding system to those refineries which may wish to benefit by the drawback on exportation. If he has correctly understood the note on this point, there will be two kinds of refineries in Italy—those which will and those which will not be placed in bond. The former alone will be able to claim the right to export free of excise. The Italian Government, in signing the Convention, doubtless does not intend to continue the system of drawbacks; any refiner wishing to export will request to be placed in bond, which system, in that case, will replace the drawback of the present law.

M. Catalani confirms this interpretation.

The President reads Article III:—

“ARTICLE III.

“The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

“Each country may, nevertheless, keep a refining account, as a means of control; by the system of saccharimetry or any other secondary control in order to prevent a bounty on exportation.”

Count Hatzfeldt proposes to replace the words “secondary control” by the words “supplementary control.”

This modification is accepted.

The President reads Article IV:—

“ARTICLE IV.

“Her Britannic Majesty's Government agree not to impose differential duties on cane or beet sugar imported from countries, provinces beyond the seas, Colonies, or foreign possessions taking part in the Convention. As long as the Convention lasts, therefore, no higher duties shall be imposed on beet-root sugar than on cane sugar on importation into the United Kingdom or the Colonies and foreign possessions of the British Empire taking part in the Convention.

“It is agreed, moreover, that sugar imported into the United Kingdom from the countries, provinces beyond the seas, Colonies, or foreign possessions taking part in the Convention shall not be subject to duties which shall not equally apply to similar sugar of national origin or manufacture.”

The President trusts that the Plenipotentiaries will take note of the conciliatory attitude manifested in this Article. Great Britain has done all she possibly can with a view to meet the urgent requests formulated by several of the Delegates in the course of the last session of the Conference.

M. Guillaume asks the President whether it may be understood that the word “national” at the end of the Article applies not only to sugar of the United Kingdom but also of the British Colonies.

The President replies in the affirmative.

He proceeds to read Article V:—

“ARTICLE V.

“The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II

and III, provided they undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Articles II and III.

“Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph, as long as its present system is maintained.”

M. Jaehnigen proposes that the words, “or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose neither drawback, repayment, nor writing off of duties or quantities,” be suppressed. According to the present wording, those States which accord no drawback are dispensed from the obligation of conforming to the provisions of Articles II and III. In the opinion of the German Government, it would be more reasonable if all the States which have a duty on sugar had to submit to the same conditions.

The President sees in this proposal an almost insurmountable difficulty for certain States. It is absolutely necessary to provide for the case of such countries or Colonies as tax sugar as a source of revenue, without exporting any sugar.

M. Guillaume considers the proposal made by *M. Jaehnigen* unacceptable, as it would render the adhesion of certain States impossible. The Convention only deals with the abolition of export bounties. It is evident that there can be no bounty where there is no drawback. He believes, moreover, that this is a proposal on which Germany is not likely to insist.

M. Dupuy de Lome agrees with *M. Guillaume*. The words which the German Government desire to suppress are of the utmost importance for Spain, that being the only country which has already changed its legislation so as to conform with the stipulations of the Convention. Spain has avoided all possibility of an export bounty by abolishing all drawbacks and writings off. Yet, in spite of these sacrifices, the German proposal would compel the Spanish manufacturers to submit to the bonding system. This would be a condition which would prevent the Government of His Catholic Majesty from adhering to the Convention.

The President states that several of the British Colonies are in the same position as Spain.

M. Sans-Leroy points out the peculiar position in which the French Plenipotentiaries are placed. They have already declared, in the note which his honourable colleague has read to the Conference, that they must reserve all questions of internal legislation. They cannot therefore now take part in this discussion. Otherwise, France would have sided with *M. Guillaume*.

The President, having put the proposal made by the German Plenipotentiaries to the vote, declares that all the countries except Germany are in favour of maintaining the present text.

Count Hatzfeldt has another observation to make on Article V. His Government has already pronounced itself against the exception stipulated in favour of Russia, but has declared at the same time that it will not insist on this should a majority of the Powers think otherwise. He requests that the vote of the Powers be formally taken. If the Conference declares against the modifications desired by Germany, he will refer to his Government. At the next meeting he will then be able to give a definitive reply on the two questions raised by his Government in regard to Article V.

The President, having asked for the sense of the Conference, declares that Germany alone objects to the Russian system.

Count Hatzfeldt states that Germany will no doubt join the majority.

The President reads Article VI:—

“ARTICLE VI.

“The High Contracting Parties engage to establish an International Sugar Commission charged with watching the execution of the provisions of the present Convention.

“This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it.

“The Delegates shall be instructed:—

“(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

“(b.) To pronounce an opinion on contested points (‘questions litigieuses’).

“(c.) To consider (‘d’instruire’) requests for admission to the Union made by States not having taken part in the present Convention.

“The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

“In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty’s Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

“Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

“The first meeting of the Commission shall be held in London within three months after the signature of the present Convention.

“The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

“At its first meeting the Commission shall draw up Regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty’s Government.

“The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty’s Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Powers, shall convoke a Conference which shall take such decisions or measures as circumstances demand.

“The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.”

The President points out that, should the Conference accept the declaration of which the British Government has submitted a draft, certain paragraphs in Article VI must be modified. Thus, the Permanent Commission will no longer be intrusted with the preliminary examination of the legislation of the Signatory Powers. This will be a step in the direction indicated by France. As to the date of the first meeting, it would be best to go back to the original wording, and say:—

“The first meeting of the Commission shall be held in London within one month after the ratification of the present Convention.”

This modification is adopted.

M. Waddington, in reply to a question raised by *M. Guillaume*, says that he sees no objection to one person sitting on the two Commissions, as long as the latter are two distinct bodies: one, a special one, intrusted with the legislation of the various countries; the other, of a permanent character, as established by Article VI of the Convention. Moreover, the choice of persons rests exclusively with the Governments interested, which must have complete liberty of action.

M. Verkerk Pistorius considers it important that the Commission shall not meet before communication of all the Laws which is mentioned in the Declaration. If any of the Powers were not ready, the date of meeting would have to be postponed. It will be useful to compare the different legislations.

The President proposes to continue the discussion of the draft Convention before passing to the Declaration.

After a general discussion, it is agreed, on the proposal of *Count de Bylandt*, that in order to avoid all misunderstanding, the Commission established by Article VI

shall be called "Permanent Commission," and that in view of the nomination of a Special Commission, the Permanent Commission shall no longer be instructed to examine the draft Laws which are to be communicated by the Signatory Powers before the ratification of the Convention.

It is moreover agreed that it is unnecessary formally to instruct the Commission to draw up regulations on its internal constitution.

The following paragraph is therefore suppressed:—

"At its first meeting the Commission shall draw up regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government."

The President reads Article VII:—

"ARTICLE VII.

"From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any country's provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar shall be excluded from the territories of the High Contracting Parties.

"Any Contracting Power shall, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose having benefited by open or disguised bounties, prohibit these articles altogether, or levy thereon a duty which must necessarily exceed the amount of the bounty, and which shall not be levied on non-bounty-fed sugar coming from the contracting countries.

"The High Contracting Parties shall concert as to the principal measures to be taken with a view to obtain these results and to prevent bounty-fed sugar passing in transit through one of the contracting countries from enjoying any of the advantages of the Convention.

"The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose shall be established by the decision of a majority of the Signatory Powers of the present Convention. In the same manner, the minimum amount of the bounties in question shall be determined."

M. Verkerk Pistorius points out that, in the second paragraph the word "may" has been replaced by "shall," and in the third paragraph the word "necessary" by "principal." It might be concluded from this that the Contracting Powers are obliged to adopt one of the penal measures indicated by the Article, even in case such measures are not necessary in order to exclude the sugar in question from their territory. This, evidently, was not intended, and it would be quite useless to engage to take prohibitive measures in cases where the importation of bounty-fed sugar is impossible, owing to the force of circumstances.

In consequence of these observations of *M. Verkerk Pistorius*, the words, "considered necessary by the Commission," are substituted for the word "principal."

Count de Bylandt asks why it is said in the third paragraph, that "the High Contracting Parties shall concert as to the principal measures to be taken with a view to obtain these results," &c., since these measures are already very clearly indicated in the second paragraph.

The President replies that these words provide for the case of the application of the measures specified in the second paragraph being considered irreconcilable with the most-favoured-nation clause.

M. Waddington says that some explanation on this point is very necessary. A Power bound both by the most-favoured-nation clause and by the Article under discussion might be placed in the condition of having to obey two contradictory duties. This difficulty would of course not arise if all the sugar-producing States adhered to the Convention. Unhappily, this is not to be hoped for. A certain latitude ought therefore be allowed to such Powers as are already bound by the most-favoured-nation clause.

M. de Barner proposes the suppression of Article VII.

The President declares that this is a solution which Great Britain cannot accept.

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M. de Barner proposes the suppression of Article VII.

The President declares that this is a solution which Great Britain cannot accept.

M. de Barner, M. Batanero, and M. Catalani pronounce in favour of the earliest possible date.

M. Waddington must maintain his demand for 1891.

M. Verkerk Pistorius would prefer 1890 if possible.

M. Kamensky, although obliged to keep 1891 for the cessation of the bounties on the Asiatic frontier, accepts the text as it now stands.

The President declares that it is absolutely opposed to the intentions of the British Government to put off the coming into force of the Convention till 1891. His Government had earnestly desired to see bounties abolished in 1889.

M. Verkerk Pistorius thinks that perhaps the 1st May, 1891, the date of the suppression of the Russian bounties, might be accepted as a compromise.

M. Waddington repeats that France cannot accept any date before the 1st September, 1891. But he is ready to submit to the consideration of his Government the proposal made by *M. Verkerk Pistorius*.

With reference to the fourth paragraph of Article IX, *Count Kuefstein* points out that he has already spoken against the terms fixed for the duration of the Convention. It is not probable that a State will desire to denounce the Convention before the first period of two years, so that the first period given by the present text may be taken to be five years. This duration appears to him to be much too long, and one in which many changes may occur.

The question of duration is intimately connected with that of the adhesion of all the sugar-producing and consuming countries. It is evident that Article VII does not afford a complete guarantee. This article may prevent bounty-fed sugar entering the contracting countries, but it will prove impotent to protect the interests of the Signatory Powers on neutral markets against the competition of bounty-fed sugar coming from a non-Signatory State.

Under these circumstances, he cannot but renew his proposal that the Convention should be made denounceable from year to year.

The President thinks that there would be but little inducement for the Powers to enter a Union which might disappear almost suddenly.

Count Kuefstein suggests, as a compromise, the right of denouncing every two years, which he thinks may be acceptable. He requests the Plenipotentiaries to ask for instructions on this point from their respective Governments.

It is agreed that the Plenipotentiaries will ask for definitive instructions in case (1) France should insist on the 1st September, 1891, as the date for the coming into force of the Convention; (2) in case she should accept the 1st May, 1891; (3) in case Austria-Hungary should insist on the right of denouncing year by year; and (4) in case she should consent to accept the right to denounce every second year.

The President reads the following Articles:—

“ARTICLE X.

“The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

“In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to that effect will be made to the Contracting Powers by the Government of the mother country, in the manner and with the consequences shown in Article IX.

“ARTICLE XI.

“The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

“The present Convention shall be ratified, and the ratifications exchanged in London, on the 1st August, 1889, or sooner if possible.”

These Articles give rise to no observations.

The President proceeds to read the following draft of Declaration:—

“*Declaration annexed to the Convention of August* , 1888.

“The Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

“A Special Commission shall be appointed, with an instruction to examine the legislation of the different countries on sugar duties and drawbacks. The members of this Commission will, if necessary, draw up a Report to their respective Governments indicating which are the points on which the said legislation must be changed in order to bring it into harmony with the stipulations of the Convention to which the present Declaration is annexed.

“In witness whereof, the respective Plenipotentiaries have signed the present Declaration.

“Given at London, the . . . August, 1888.”

M. Waddington observes that the wording of this Declaration is rather vague; the dates ought to be given more precisely. In his eyes the important point is that the draft Laws shall be communicated to the different Governments at least one month before the meeting of the Special Commission. He asks the Plenipotentiaries to state what they consider the minimum of time required for drawing up the Laws in question.

The President replies that the draft Declaration submitted to the Conference by the British Government does but give a general idea of a Commission to be appointed for the purpose of examining the legislation of the various countries. He purposely left open the question of dates, and certain minor details, for the decision of the Plenipotentiaries.

After a general discussion, the following wording suggested by *M. Waddington*, subject to the approval of his Government, is adopted *ad referendum* by the Conference:—

“*Declaration annexed to the Convention of August . . . , 1888.*”

“The Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

“Six months after the signature of the present Convention a Special Commission shall meet to examine the legislation of the different countries on sugar duties and drawbacks. The members of this Commission will, if necessary, draw up a Report to their respective Governments, indicating which are the points on which the said legislation must be changed in order to bring it into harmony with the stipulations of the Convention to which the present Declaration is annexed.

“One month before the meeting of the Special Commission, the Laws submitted by the different Governments as suppressing all bounties shall be communicated to the different Signatory Powers.

“In witness whereof, the respective Plenipotentiaries have signed the present Declaration.

“Given at London, the . . . August, 1888.”

After an exchange of views, the next meeting is fixed for Monday, the 27th August, at noon.

The Conference adjourns at 3·30 P.M.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries:
(Signed) H. FARNALL.
A. E. BATEMAN.

Annex (A) to the Minutes of the Twenty-third Meeting.

DRAFT OF CONVENTION.

THE High Contracting Parties, desiring to insure by reciprocal engagements the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:

His Majesty the Emperor of Germany, King of Prussia, &c., the Count Hatzfeldt Wildenburg, his Ambassador Extraordinary and Plenipotentiary; and M. Jaehnigen, Superior

Privy Councillor of Finance and Director of the Administration of Taxes and Customs at Hanover ;

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary, the Count de Kuefstein, his Chamberlain and Envoy Extraordinary and Minister Plenipotentiary, Hereditary Member of the House of Lords of Austria, Knight of the Second Class of the Imperial Order of the Iron Crown, &c., &c. ;

His Majesty the King of the Belgians, Baron Solwyns, his Envoy Extraordinary and Minister Plenipotentiary ; M. Guillaume, Director-General of Direct and Indirect Taxes, Customs, and Excise in his Ministry of Finance ; and M. Du Jardin, Inspector-General of Direct and Indirect Taxes, Customs, and Excise in his Ministry of Finance.

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs ;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Maso, his Ambassador Extraordinary and Plenipotentiary ; M. Batanero, Deputy ; and M. Dupuy de Lome, his Minister Resident ;

The President of the French Republic, M. Waddington, his Ambassador Extraordinary and Plenipotentiary ; and M. Sans-Leroy, Deputy ;

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c. ; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c. ;

His Majesty the King of Italy, the Count di Robilant, his Ambassador Extraordinary and Plenipotentiary ; and the Chevalier Catalani, his Councillor of Embassy.

His Majesty the King of the Netherlands, the Count de Bylandt, his Envoy Extraordinary and Minister Plenipotentiary ; and M. W. A. P. Verkerk Pistorius, Director-General of Direct Taxes, Customs, and Excise in his Ministry of Finance ;

His Majesty the Emperor of All the Russias, the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary ; and M. Kamensky, his Real Councillor of State ;

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles :—

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

ARTICLE II.

The High Contracting Parties engage :—

To levy the tax on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

To this end, they engage to place in bond, under the permanent supervision both by day and by night of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose, factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

ARTICLE III.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may nevertheless keep a refining account, as a means of control, by

the system of saccharimetry or any other secondary control, in order to prevent a bounty on exportation.

ARTICLE IV.

Her Britannic Majesty's Government agree not to impose differential duties on cane or beet sugar imported from countries, provinces beyond the seas, Colonies, or foreign possessions taking part in the Convention. As long as the Convention lasts, therefore, no higher duties shall be imposed on beet-root sugar than on cane sugar on importation into the United Kingdom or the Colonies and foreign possessions of the British Empire taking part in the Convention. It is agreed, moreover, that sugar imported into the United Kingdom from the countries, provinces beyond the seas, Colonies, and foreign possessions taking part in the Convention shall not be subject to duties which shall not equally apply to similar sugar of national origin or manufacture.

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose, neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II and III provided they undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Articles II and III.

Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph, as long as its present system is maintained.

ARTICLE VI.

The High Contracting Parties engage to establish an International Sugar Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

(b.) To pronounce an opinion on contested points ("questions litigieuses").

(c.) To consider ("d'instruire") requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty's Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Commission shall be held in London within three months after the signature of the present Convention.

The Commission is charged with preparing at its first meeting a draft set of Regulations fixing the place and date of its subsequent meetings, as well as the seat of the Permanent Bureau.

At its first meeting the Commission shall draw up Regulations on its internal constitution, and prepare a Report on the Laws or Bills submitted to it by Her Britannic Majesty's Government.

The Commission shall be charged with controlling and examining only. It shall

draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Powers, shall convoke a Conference which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

ARTICLE VII.

From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any countries, provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar shall be excluded from the territories of the High Contracting Parties.

Any Contracting Power shall, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose having benefited by open or disguised bounties, prohibit these articles altogether, or levy thereon a duty which must necessarily exceed the amount of the bounty, and which shall not be levied on sugar not bounty-fed coming from the contracting countries.

The High Contracting Parties shall concert as to the principal measures to be taken with a view to obtain these results, and to prevent bounty-fed sugar passing in transit through one of the contracting countries from enjoying any of the advantages of the Convention.

The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose shall be established by the decision of a majority of the Signatory Powers of the present Convention. In the same manner, the minimum amount of the bounties in question shall be determined.

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in Article VI.

ARTICLE IX.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of ten years, its intention of terminating the effects thereof, it will remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to notify their intention of retiring from the 1st August of the following year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fifth, and eighth years of the said period of ten years.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to that effect will be made to the Contracting Powers by the Govern-

ment of the mother country, in the manner and with the consequences shown in Article IX.

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London, on the 1st August, 1889, or sooner if possible.

In witness whereof, the respective Plenipotentiaries have signed the present Convention and have attached their seals thereto.

Annex (B) to the Minutes of the Twenty-third Meeting.

DRAFT OF DECLARATION.

Declaration annexed to the Convention of August , 1888.

THE Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

A Special Commission shall be appointed, with an instruction to examine the legislation of the different countries on sugar duties and drawbacks. The members of this Commission will, if necessary, draw up a Report to their respective Governments, indicating which are the points on which the said legislation must be changed in order to bring it into harmony with the stipulations of the Convention to which the present Declaration is annexed.

In witness whereof, the respective Plenipotentiaries have signed the present Declaration.

Done at London, the August, 1888.

Annex (C) to the Minutes of the Twenty-third Meeting.

DRAFT OF PROTOCOL.

Protocol annexed to the Convention of August , 1888.

THE Plenipotentiaries of the Signatory Powers have taken act of the following declarations:—

Declaration of the Brazilian Government.

The Brazilian Envoy Extraordinary and Minister Plenipotentiary in London makes the following declaration in the name of his Government:—

“The Brazilian Government adheres in principle to the Convention, while reserving the right to adhere formally thereto after its final adoption by the Signatory Powers.”

Declaration of the Russian Government.

The Russian Plenipotentiary makes the following declaration in the name of his Government:—

“The Imperial Government adheres to the Convention, whilst expressly reserving the right of continuing the bounties on sugar exported across the Asiatic frontier till the 1st (13th) May, 1891.”

Declaration of the Swedish Government.

The British Plenipotentiaries are authorized to make the following declaration:—

“The Swedish Government, whilst reserving the right to adhere to the Convention

later, does not think it right at this moment to depart from the attitude of reserve which it has observed hitherto."

The British Plenipotentiaries declare, further, that the Egyptian Government has expressed the intention of adhering to the Convention.

Annex (D) to the Minutes of the Twenty-third Meeting.

Answers received by Her Majesty's Government from the respective Governments on the subject of the Draft Convention annexed to the Protocol of May 12, 1888.

1.—GERMANY.

THE Government of Her Majesty the Emperor of Germany, having examined the draft of Convention agreed to by the London Conference respecting the Sugar question (Annex to the Protocol of the 12th May last), declares itself ready to adopt it.

In the interest of the total suppression of export bounties, Germany maintains her proposal made with regard to Article III, to subject sugar refineries detached from factories to the same system as the factories themselves.

The Imperial Government can therefore only assent to the first of the two drafts proposed for Article III.

As regards Article IV, Germany, in view even of the proposals made by the Belgian Government in the second paragraph of this Article, feels compelled to observe that as the Convention is intended to lead to the absolute suppression of all bounties, it appears inadmissible in principle to allow Belgium to maintain the tax on the juice, which must inevitably result in a system of disguised bounties.

As regards Article V, it would be preferable to adopt the following wording in the first paragraph.

"The High Contracting Powers and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar are absolved from abiding by the provisions of Articles II and III, provided they undertake to maintain this system as long as the Convention is in force, or, in case of any change, to adopt the system established by Articles II and III."

The German Government is of opinion that there is no sufficient reason for according to Russia the exceptional position stipulated for in the second paragraph of this Article. Germany therefore, in the first instance, pronounces against the concession contained in the draft. The German Government, however, does not fail to recognize that the system now in force in Russia, as explained by the Russian Government, is not directly contrary to the principles of the Convention, inasmuch as it is based on the levying of a tax exclusively on consumption, and consists in one tax for all sugar without distinction of quality, and that the repayment accorded to sugar on export must not be higher than the tax. Under these circumstances, the German Government will not refuse to agree to the concession in question in case the majority of the Signatory Powers should decide to accept it.

Article VII likewise answers the intentions of the German Government. It might, however, be slightly modified as regards the countervailing duties which may take the place of the absolute prohibition of bounty-fed sugars; it would especially be useful to stipulate in the Convention that the executive measures mentioned in paragraph 3 should be taken on a common understanding.

Germany therefore makes the following proposals:—

1. A modification of paragraph 2, so as to leave no doubt that it shall not be allowed to put countervailing duties on non-bounty-fed sugar coming from contracting countries. This, moreover, would be in harmony with the spirit of the Convention, which intends that non-bounty-fed sugar coming from contracting countries shall enjoy privileged treatment, in so far as they may enter either free of duty, or with a duty less, by the amount of the bounty, than that placed on [bounty-fed] sugar.

2. According to the last paragraph of Article VII, the fact of the existence in certain countries of a system allowing of open or disguised bounties is to be determined by a vote of the Contracting States.

In the opinion of the German Government, such decision need not, however, be unanimous; it would, on the contrary, be sufficient that it was adopted by a majority of the Signatory Powers. It is also desirable that the amount of the bounty should likewise be determined by a common agreement, in order to prevent the possibility of

any State proceeding in an arbitrary manner, and in order to necessitate the fixing of the countervailing duties at a minimum rate.

3. As regards sugar coming from a bounty-giving country, and in transit through a contracting country, measures ought to be concerted in order to insure that the country through which the sugar passes in transit is not put down as the country of origin.

4. It will not be easy to effectually prohibit sugar coming from bounty-giving countries or to levy countervailing duties. With a view to insuring as far as possible a uniform procedure for this purpose, it would be necessary to stipulate in the Convention that the executive measures should be agreed upon by a common understanding. Such a provision would be particularly desirable with regard to the conditions which certificates of origin for sugar should comply with (as to contents, shape, competent authorities, &c.).

It is understood that the Colonies, &c., of the contracting countries are to take part in the Convention. It is therefore proposed to substitute the words, "shall be applied," for the words, "shall be applicable," in the first paragraph of Article X.

Lastly, Germany attaches particular importance to a guarantee being offered that the Contracting States shall not accord, in their countries or in their Colonies, less favourable treatment to, and especially not levy a higher import duty on, beet-root sugar than on sugar manufactured from cane or other material.

Berlin, July 1888.

2.—AUSTRIA-HUNGARY.

The new draft Convention drawn up by the Sugar Conference in its second session, and annexed to the Protocol of the 12th May last, has been attentively considered by the Governments of the two parts of the Monarchy, and has been judged proper for serving as a basis for an International Agreement for the abolition of bounties.

We can therefore declare our adhesion not only to the principle of the Convention, but also to most of the Articles of which it is composed, and the stipulations which it contains.

If we are led to propose some modifications which we think essential, it is solely in the interest of a favourable result; for, in our opinion, a Convention of this kind must be accompanied by all possible guarantees for the effectual suppression of bounties and for affording to the national industry the certainty that it may renounce without danger the advantages it has hitherto enjoyed.

In passing to the examination of the text of the Convention, we must repeat, as regards the preamble, the wish expressed in our last Memorandum, and also by our Delegate at the Conference itself, to see all important sugar-producing countries take part in the Convention. Up to now the United States of North America and Brazil have not declared their adhesion, without which our industry might have to face a bounty-fed competition in countries which have not taken part in the Convention.

The adhesion of these Powers, which have expressed up to now little more than vague intentions, appears therefore indispensable to us; moreover, that of Egypt would be very desirable.

We have no observations of importance to make with regard to Articles I and II.

As regards Article III, we would have preferred it to have formed part of Article II, for the tax on consumption does not, in our opinion, imply separate treatment of factories and refineries. But since the bonding system, the stipulation that no drawbacks or other advantages shall be accorded for exportation, and the tax on consumption are stipulated both for refineries and factories, we shall not raise any objection on this question of form, under the condition, however, that the second paragraph of this Article shall not be considered an exception to the rule formulated in the first paragraph, but only as allowing of a supplementary control. This is, moreover, the interpretation confirmed in the eighth sitting.

The wording proposed by the Netherlands Plenipotentiaries seems to us open to doubts as to the part to be played by saccharimetry, which we can only admit as a means of supplementary control, as we have had occasion more than once to declare.

The exceptional position stipulated for Belgium by Article IV has led to long and interesting discussions, and the Belgian Delegates have offered important concessions. We have carefully considered these proposals, but, to our great regret, we cannot admit that they exclude all possibility of a bounty. The figures proposed do but represent an average, and the system in itself is opposed to that which has been accepted as the basis of the Convention, and which we consider the only one that can

give our industry the necessary guarantees enabling it to give up the position it occupies at this moment. Moreover, this exception might create an inconvenient precedent.

The first paragraph of Article V, which might be made clearer by a slight verbal modification, does not give rise to any other objection.

We also accept the stipulation as regards Russia, for the reasons explained in our last Memorandum, under the condition, however, that the declaration made by the Delegate of that Power at the end of the twenty-second sitting (Annex (B) to the Minutes), containing the promise of the Imperial Government not to renew the bounties on sugar exported across the Asiatic frontier, is inserted in the text of the Convention.

As, however, Russia reserves the right of continuing this bounty till the 1st May, 1891, we consider the simplest way to get rid of this difficulty would be to delay the putting in force of the Convention till the 1st August, 1891, a date which has already been demanded by the Delegates of other Powers.

In our last Memorandum we had proposed not to fix any term for the duration of the Convention by allowing it to be denounced from year to year, and our Delegate has on several occasions urged this point. The arguments which we then adduced have lost none of their value, and we still believe that this mode of procedure would best answer the requirements and contribute materially to facilitate a general understanding. It would at least be necessary to reduce the terms to periods of two years, but the periods of three years appear to us too long for the beginning. For they amount, in fact, to periods of four years for which one would be bound, unless the intention of withdrawal had been notified at the end of the last year but one of the preceding period. Now it might so happen that circumstances arise just in the second or third year of the duration of the Convention which might oblige one of the contracting countries to withdraw or to place itself in a position of disadvantage.

Otherwise, we accept Article IX, but would suggest a slight modification by placing the fourth paragraph immediately after the second, which would seem to us more in accord with the sense of this paragraph.

In concluding the remarks suggested by the examination of the draft Convention, we must draw the attention of Her Britannic Majesty's Government to the position in which the Signatories of the Convention would be placed if, before its coming into force, the legislation of one of the contracting countries should be found not to be in harmony with the principles of the Convention, and that country were unable to change it before the coming into force of the Convention. As, on our part, we could give our adhesion only on condition that the Laws of all the Signatory States are in accord with the principles of the Convention, we must reserve our liberty of action in the case indicated, as in that of Brazil or the United States not having declared their adhesion before the date fixed for the putting in force of the Convention.

Vienna, July 1888.

3.—BELGIUM.

THE following considerations are the reply to the request which the Government of Her Britannic Majesty has addressed to the King's Government to state their views on the subject of the results of the labours of the London Sugar Conference.

Her Britannic Majesty's Government expresses the opinion that the interests of a final understanding between the Powers might be jeopardized by the publication of the details of the draft Convention and of the discussions recorded in the Minutes of the Proceedings of the Conference. The King's Government, as their first Delegate has declared in London at the last meeting, would have been in favour of publishing the Minutes of Proceedings, but in deference to the wish officially expressed on this point by Lord Vivian, and accepting the decision of the majority of the Conference, they will consider these documents as confidential papers.

The King's Government is ready to sign the Convention in its present form, and to accept either of the wordings of Article III, whichever may best meet the views of the Powers chiefly interested in the question with which this Article deals. It shares the opinion of the British Government that it may be inconvenient to put into a Treaty detailed stipulations as to the working of sugar factories and refineries (Articles II and III of the draft Convention), for such stipulations may have to differ to some extent in the various countries, nor could they, if defined in detail in a Treaty, be ultimately modified, except by means of supplementary Agreements of the same nature.

Whilst on this point sharing the opinion of Her Majesty's Government, the King's Government must express its regret that the Conference did not think right to admit, in the wording of Article II, the provision proposed by the Belgian Delegates at the Conference for making obligatory in beet sugar factories as a means of control the registration of the amount and the density of the beet juice worked. This control, which could have been easily applied in the factories of all countries, would have offered a serious guarantee against the possibility of fraud.

The King's Government, however, recognizes that the proper carrying out of the provisions of the Convention must above all be left to the good faith of the Government officials whose duty it is to watch over the execution of the Treaty.

As regards the special system proposed for Russia, the King's Government has no objection to raise to its adoption any more than Her Majesty's Government.

With respect to the system proposed by Belgium, the King's Government thanks the British Government for agreeing to accept it if the other Powers are equally disposed to do so. The King's Government must, however, state its opinion that the other Powers would not hesitate to admit the Belgian system if Her Majesty's Government were to use its powerful and legitimate influence with the said Powers in support of the equivalents latterly proposed by Belgium.* This support would doubtless enable Belgium to join, as she earnestly desires, the projected Sugar Union. The Belgian Government, moreover, wishes to point out that its Delegates at the London Conference have not only offered, in lieu of the general system proposed by the Conference, to reduce by one-half the amount of the duties, but, besides and above this, to raise the *prise en charge* in factories from 16.67 to 20 per cent. It may also be pointed out that the figures ultimately proposed by the Belgian Delegates have been criticized at the Conference by one Delegate only. The others chiefly fell back upon the necessity of applying the principle of a uniform system. But the argument loses all its value in the face of the numerous exceptions to this principle, which, after having been pointed out by the First Belgian Delegate, were implicitly recognized by one of the French Delegates at the eighteenth meeting. The same will hold good in case Article VII is interpreted in the sense of allowing France, as the Government of that country proposed, to dispense with the bonding system in refineries.

As regards the International Commission with which Article VI deals, the King's Government thinks that its duties, as clearly defined by the said Article, will enable it to bring to the notice of the Contracting Powers any abuses to which the systems of duty admitted by the Convention may give rise in practice.

The King's Government admits that Article VII, which compels the Contracting States to exclude from their territories sugar coming from countries which continue to give bounties, is such as to satisfy the Powers which desire to be assured that their abandoning the system of bounties shall not be made use of by other Powers to destroy their industry.

As for the Belgian Government, whilst adhering to the declaration made in its name, it must add that as the majority of the Powers has pronounced itself in favour of a penal clause in the shape of a prohibition or countervailing duties, it does not regard this stipulation as a sufficient reason for refusing to join the Union.

The King's Government could not, however, consent to the application of the prohibitory clause or of the countervailing duties to sugar in transit. Such a measure, besides necessitating a complete reversal of the general transit legislation in Belgium, would tend to seriously endanger our transport industry, which draws a great part of its revenues from consignments in transit. It may be remarked that this measure would in many ways be inapplicable in our country, as goods declared to be in direct transit, *i.e.*, which only pass through the country, are stowed in the railway trucks without having been specifically declared and without being liable to search. The Customs Administration confines itself to placing the goods under leaden seal and regulating the transport.

The King's Government has, of course, no objection to applying the prohibitive measures or countervailing duties to sugar at first declared for transit and subsequently to part of the transport in the country having been effected or after being deposited in bond, declared for consumption, but in this case a stipulation mentioning the transit is supererogatory, since the duties on imported sugar naturally apply also to sugar declared for consumption, after renouncing the rights of transit.

As regards Article IX, the King's Government accepts the 1st August, 1890, as

* We have just been informed by the Italian Government that they accept our equivalents.

the date for the coming in force of the Convention, and adheres also to the stipulation respecting the duration and eventual denouncing of the Treaty, these stipulations having been taken from the draft Convention of the 11th August, 1875.

With respect to surtaxes on sugar imported from one of the contracting countries into another, the King's Government continues to consider them as constituting indirect bounties in opposition to the object of the Convention, as clearly defined in Article I. As, however, the adoption of the Convention, as it now stands, implies the acceptance of the equivalents proposed by Belgium, that Power, desirous of affording one more proof of its conciliatory spirit, would consent in that case, but in that case only, to waive the express reserves made with regard to this question. This is a point to which the King's Government would call the particular attention of Her Majesty's Government.

Finally, the King's Government sees no objection to its Plenipotentiaries proceeding to London in the first week in August next in order to sign the Convention, in case, of course, it is previously informed that the other Powers likewise adhere to the Convention as it actually stands.

4.—BRAZIL.

(Telegraphic.)

Brazil, August 1, 1888.

I AUTHORIZE you to inform Her Majesty's Government that the Brazilian Government adheres in principle to the Convention, whilst reserving the right to adhere to it formally after its definitive adoption by the Signatory Powers.]

5.—DENMARK.

M. le Ministre,

Copenhagen, July 13, 1888.

IN transmitting to me, by your note of the 23rd May last, a copy of the Minutes of the meetings of the second session of the International Sugar Conference, and in informing me that the British Government is ready to sign the Convention of which the draft is annexed to the said Minutes, you have expressed in the name of your Government the wish to be informed of the views of the King's Government on the subject of this draft.

In reply, I beg to inform you that the King's Government, after a careful consideration of the different questions connected with this draft, think they can adhere to its provisions, excepting one point. As the engagement to take the measures foreshadowed in Article VII, whether in the shape of an absolute prohibition of, or of a surtax on, bounty-fed sugar cannot be reconciled with the obligations imposed by our Treaties, the King's Government will not be able to adopt the stipulations of that Article.

In agreeing to all the other stipulations of the Convention, I beg to observe that, as regards sugar factories, Denmark is quite ready to take the engagement mentioned in Article XI of the draft, whilst our refineries must be placed under the provisions of the first paragraph of Article V, as, in their case, all repayment on the exportation of sugar will be abolished.

I beg that you will bring the above to the notice of the British Government, and I avail, &c.

(Signed) DE ROSENÖRN-LEHN.

6.—SPAIN.

M. l'Ambassadeur,

The Palace, July 2, 1888.

YOUR Excellency's note of the 27th May last has duly reached this Ministry, together with the thirty-seven copies of the Minutes of the meetings of the Conference which twice assembled in London with the view of arriving at an understanding on the means of suppressing bounties granted, in some countries, on the exportation of sugar.

The Conference has officially laid before the Governments represented a draft of Convention, annexed to the Protocol of the 12th May, consisting of eleven Articles which prescribe, besides the suppression of export bounties, the necessary regulations and conditions for carrying out the Agreement; the draft Convention also comprises an important stipulation, a kind of penal sanction or guarantee for insuring the practical results of the Conference, and for preventing those sugar-producing

countries which have not taken part in the Conference, and continue to remain outside the Sugar Union, from deriving any advantages from the abolition of the bounties.

The Government of His Catholic Majesty has carefully considered the above-mentioned draft Convention, and I have the pleasure of announcing to your Excellency now, for the information of your Government, that it accepts the said draft in all its parts and in its present form. I would only wish to point out to your Excellency that, although the Spanish Government considers the two wordings of the second paragraph of Article III, which describes the means of ascertaining the amount of refined sugar, equally acceptable, it would prefer that proposed by the Netherlands Delegates as being somewhat more precise.

After this slight modification, I have but to inform your Excellency that, as regards the Spanish Government, there is no objection to the meeting of the Delegates of the Powers for the signature of the Convention taking place in the first week of August next, and not the 16th, the date mentioned in the last paragraph of the Final Protocol of the Conference.

I avail, &c.

(Signed) MARQUIS DE LA VEGA DE ARMIJO.

True copy:

(Signed) J. G. AGÜERA.

7.—UNITED STATES.

My Lord,

United States' Legation, London, July 3, 1888.

IN view of the desire expressed in the Protocole de Clôture of the second session of the International Conference on the Sugar Bounties question, that the opinions of the Powers represented at the Conference, with respect to the draft Convention for the abolition of export bounties, should be communicated to Her Majesty's Government before the 5th instant, I have the honour, in accordance with instructions to that effect, to acquaint your Lordship of the conclusions at which my Government has arrived in the matter.

You are aware that no legal bounty exists in the United States upon the exportation of imported sugar, or upon the production and manufacture of sugar; and the Secretary of the Treasury considers that the rate of drawback which is now allowed by law upon the exportation of refined sugars manufactured from imported sugars is not excessive, and does not constitute an indirect bounty as claimed; frequent investigations having shown that the present rates of the said drawback are substantially correct, and represent the duties collected on the importation of the raw material, less the retention of 1 per cent.

The objects of the Conference are, however, in the opinion of my Government, foreign to the interests of the United States, and moreover the question as to whether any bounty or subsidy should be allowed in connection with the production or manufacture of sugar is one which cannot be determined by the Executive Branch of the United States' Government, Congress having sole and exclusive jurisdiction in such matters.

Under these circumstances, my Government considers itself precluded from giving its adhesion, for the present at least, to the proposed Convention, or to any Convention following the same lines, unless Congress should take action of a nature to render such adhesion possible.

I have, &c.

(Signed) E. J. PHELPS.

8.—FRANCE.

THE different points discussed in the communication received from Her Britannic Majesty's Ambassador, dated the 26th May, 1888, respecting the draft Convention on the Sugar question drawn up by the Conference of London, have been attentively examined by the Government of the Republic; the result of such examination will be found in the following observations:—

1. With a view of meeting the wish expressed in the name of the British Government at the close of the second session of the Conference, as regards keeping the records of the Conference and the state of the negotiations for the moment secret, the

French Government is ready to treat the Minutes of the Conference and the draft Convention as confidential, under the reservation, however, made by his Excellency Lord Lytton, that any communications that may be judged useful may be made to persons interested in the trade. It must, however, be added that, in view of demands which may be made in Parliament, the Government of the Republic might find itself obliged to make known to the Chambers the Protocol and the reservations made by the French Delegates; it would in such case give notice thereof to the British Government. On the other hand, it is evident that, if other States were not to consider these documents as confidential, the French Government could no longer consider itself bound in this respect.

2. As regards Article I of the Convention, the British Government is of opinion that there would be no need to adjourn the Conference in the event of all the Governments interested in the question not being able to authorize their Plenipotentiaries to sign the Convention in August next.

The provisions made for the subsequent accession of non-contracting States, the establishment of an International Commission of control, and the obligation to exclude bounty-fed sugar from the markets of contracting countries, appear to it to offer such guarantees as would justify the withdrawal of the reservations made in this respect by the French Delegates.

Notwithstanding its desire to facilitate an agreement, the Government of the Republic is obliged to maintain the reservation it made on this point from the beginning of the negotiations. It does not appear to it to be possible to admit that certain of the bounty-giving States may be allowed to remain even temporarily outside the Convention, for sugar from such States would be placed on certain markets under conditions that would make it impossible for French sugar to compete with it. The Convention would then have led to a result the contrary of what was intended.

3. Should the Convention contain stipulations in detail regarding the working of factories and refineries, or should the International Commission to be established under Article VI of the draft Convention be left to amend any imperfections in the systems of refining and manufacturing adopted by the contracting countries?

The English Government is of opinion that the previous examination of the Laws and Regulations on the sugar trade in each country is of secondary importance, firstly, because existing Laws will have to be changed in many countries after, and because of, the signature of the Convention; and, secondly, because the International Commission of Control will be charged with examining these Laws and Regulations.

But, on the contrary, it does not seem possible to avoid laying down such matters of detail, for unless the loyalty and impartiality of the agents of the various Administrations are to be placed in doubt, which cannot, however, be brought under discussion, it appears to be necessary that the instructions which will be given to them, and the Laws which they will have to apply, should be made known. In matters so delicately adjusted, where the least differences in price may open or close a market, insufficiency of control or concessions which might in themselves appear unimportant might make the results of the Convention very different from those which each Contracting Power has a right to expect.

The Government of the Republic is further of opinion that it would not be possible under Article VI of the draft Convention to instruct the International Commission to lay down the circumstances of the rules for the working of the Convention. This duty belongs to the Conference itself, for the International Commission, having solely to control and examine, cannot commence to do so until after the ratification of the Convention.

On this point the French Government is under the impression that the Powers should have exact knowledge as to the working of the system adopted in each country, before the signature of the Convention. This opinion, which was moreover unanimously adopted by the Delegates who signed the Protocol of the 19th December, 1887, is founded on the impossibility of undertaking an engagement without a clear and explicit definition of its conditions.

The reservations made with regard to the duties of the International Commission of Control apply equally to the proposal made semi-officially by his Excellency Lord Lytton, to create a Special Commission which would meet between the signature and the ratification of the Convention. The French Government is of opinion that a Commission convoked during that period could only be instructed to prepare the work of the International Commission and the Permanent Bureau the creation of which is proposed, but not to take the place of the Conference in the matter of the examination of Laws now existing in Contracting States with regard to the sugar trade.

4. With respect to Article III, concerning the control of refineries, the French Delegates made express reservations on account of the absence of any precise information on the means by which that system was to be rendered effectual in each country. The reasons set forth above justify the maintenance of the reservations in question until the regulations adopted by each Power have been examined.

5. The French Delegates explained, during the sittings of the Conference, the reasons which, in the opinion of their Government, make it impossible to reconcile the suppression of bounties with the maintenance in Belgium of the system of contract factories, where the tax is based on the amount of juice worked. The maintenance of any drawback, and this is equally the case with the Russian system, appears to be at variance with the first principle of the Convention (Article II, § 1); it is desirable that the abolition of the drawback should be general.

6. In the opinion of the French Government, the countervailing duties proposed as the penal provision in the draft Convention cannot be held to be an equivalent for the non-accession of a nation exporting or producing sugar. France declared, moreover, at the beginning of the Conference that she took part only on condition that all the sugar countries should accede to the Convention.

The Government of the Republic is, however, ready to acknowledge that countervailing duties might be admitted as a guarantee for the proper execution of the Convention in the case of Contracting States violating or leaving the Convention; this penalty might also be applied to such countries as do not now make sugar but might do so in the future without acceding to the Convention, but it would in such case be necessary that special and precise provision should be made to the effect that the Contracting Governments do not intend to apply the most-favoured-nation clause in the matter under discussion, either among themselves or to third countries.

7. As regards the date for bringing the Convention into force, the 1st August, 1890, cannot be accepted by France on account of the considerable loss which the suppression of bounties at so near a date would entail on French trade and agriculture. France, which was the last country to adopt the bounty system, is still far from having reaped the advantages due for the considerable sacrifices she has made for improving the beet-root and bringing machinery to greater perfection. The amount spent will not be recouped even by the 1st September, 1891, and if the Government of the Republic was ready to adopt that date it was thereby offering what is, in its opinion, an important concession. France, however, is not alone in requesting this extension of time; Russia will not abolish her bounties on the Asiatic frontier till the 1st May, 1891, that is, not till after the sugar season of 1890-91.

While offering the above observations, as required under the provisions of the Final Protocol of the second session of the Conference of London, the Government of the Republic expresses the hope that an agreement may be arrived at. The reservations now expressed with regard to the proposed Convention are made with the intention of giving it that solidity of foundation and that equitable character which can alone render it lasting and insure its working satisfactorily.

9.—ITALY.

My Lord,

19, Grosvenor Square, July 30, 1888.

WITH reference to the note which I had the honour to address to your Lordship on the 3rd instant, I have the honour to inform you that I am authorized by the King's Government to subscribe to the Convention for the abolition of bounties on sugar, according to the text of the draft attached to the Closing Protocol of the Conference held in London on the 12th May, 1888.

It is understood that no State is bound by any international obligation not to impose customs dues, and that the suppression of Article VII of the draft Convention* relating to the surtax at the custom-house which was proposed by the Dutch Delegates and formed the principal subject of discussion at the nineteenth sitting, should be interpreted in conformity with the declarations made in that sitting by M. Sans-Leroy:—

“Il est entendu que cette suppression implique pour tous les États la faculté de conserver une entière liberté en matière de surtaxes de douanes.”

In the same way it must be understood that according to the provisions of Article V of the draft Convention in question, so long as no drawback is granted for the export of sugar, Italy will be under no obligation to conform to the provisions of Articles II

* The Article VII here referred to was an Article proposed by the Netherlands Delegates, which was not adopted by the Conference.

and III of the draft, in so far as they refer to the produce of manufactories and refineries.

The Italian Government understands also that the provisions respecting working in bond in the refineries should apply only to those refineries which demand benefit of the drawback, according to the tenour of the Italian Law of the 2nd April, 1886, which admitted the principle of drawbacks on refined sugar, and of which I have the honour to transmit a copy to your Lordship.

After this, the Government do not have any objection to Article III of the draft Convention drawn up according to the text which has secured the votes of the majority.

In case the plan suggested by the Dutch Delegates for purposes of conciliation should fulfil that object, I am authorized to give my favourable vote, as an alternative, to the Articles formulated by those Delegates, which is embodied in the addition to the Closing Protocol of the 12th May.

The Government of the King have no intention of raising objections to Article IV of the draft Convention, which admits in favour of Belgium the principle of equivalence with regard to fixing the tax, and they have authorized me to give a favourable vote for the maintenance of Article IV in its present wording.

With regard to the exception requested by Russia in a paragraph of Article V in the text of the draft, the King's Government have no objections to make.

Accept, &c.
(Signed) T. CATALANI.

10.—NETHERLANDS.

Ministry for Foreign Affairs,

The Hague, July 4, 1888.

Sir,

WHEN Mr. Fenton made known to me, by his letter of the 21st May last, the views of the British Government with regard to the draft Sugar Convention drawn up by the Conference of London, he expressed the wish of your Government to receive before the 5th instant a reply to the communication in question.

In view of that wish, I now have the honour to state that, after consideration of the last negotiations with Baron de Worms and with the King's Minister in London, His Majesty's Government is ready to accept, with the following reservations, the draft Convention in question.

In the first place, it cannot accept the equivalents offered by Belgium. All experts are of opinion that the system of taxation in force in that country would, even with the changes recently proposed, give considerable advantages to Belgian manufacturers; Article IV of the draft could not therefore remain in a Convention the principal object of which is the abolition of bounties.

In the second place, it is not a matter of indifference to it which of the two forms of Article III is adopted. It is of opinion that sugar refineries in all countries parties to the Convention should be placed in bond or under control as the basis for the collection of the tax, and cannot therefore accept as a basis of taxation the system of saccharimetry, as proposed by the French Delegates to the Conference. Should it appear, however, that the Government of the Republic is so anxious for the maintenance of the latter basis as to make its accession to the Convention depend thereon, His Majesty's Government would, in order to conciliate to the utmost the views of France and of the other countries interested, admit the second draft of Article III as proposed by its Delegates.

Lastly, with regard to the penal clause (Article VII), the only objection is found in the most-favoured-nation clause in Treaties of Commerce. Should all the Powers represented in London accept Article VII, their mutual co-operation would considerably reduce the extent and importance of this objection, and the King's Government would no longer see any reason to oppose it, as, in its opinion, the Powers in question, by the fact of their accession, must be supposed to submit to have the clause in question applied to their bounty-fed sugar, even in the event of their withdrawing from the Convention.

In begging you to bring the above to the knowledge of your Government, I avail, &c.

(Signed) HARTSEN.

*Ministry for Foreign Affairs,
The Hague, July 6, 1888.*

Sir,

I would ask you to revert to the contents of my note of the 4th instant, a particular part of which has not, I think—from the substance of a verbal communication from your Legation—made the opinion of the King's Government sufficiently clear with regard to the Sugar Convention.

The part in question contains what I wish to say as to the penal clause.

The objection raised by Article VII in connection with the Commercial Treaties loses a great deal of its extent and importance by the co-operation of all the parties taking part in the Convention; by the fact of their accession they must, I think, be understood to submit to have the penal clause applied to them, not only during the time they are parties to the Convention, but in such a manner that, if one or more of them were to withdraw from the Convention before its expiration, the fact of their accession would constitute an undertaking not to appeal in such a case to the Commercial Treaties.

I have, &c.
(Signed) HARTSEN.

11.—RUSSIA.

My Lord,

London, June 23 (July 5), 1888.

I DID not fail to transmit to my Government the draft Convention drawn up by the Conference of London for the abolition of export bounties on sugar.

The provisions of the instrument in question having been attentively considered by the competent authorities in Russia, I am directed to inform your Excellency that the Imperial Government accedes to the draft Convention in question, reserving explicitly the right to grant bounties on the exportation of sugar over the Asiatic frontier until the 1st (13th) May, 1891.

It must be well understood that the clause recording this reservation must be explicitly enacted, and must be placed either in the text of the Convention, or in a separate instrument attached to the principal document and having the same public character.

In making this communication, I have, &c.

(Signed) STAAL.

12.—SWEDEN.

Sir,

Stockholm, July 27, 1888.

IN his letter of the 22nd May last, Mr. Napier, in transmitting to me two copies of the Minutes of the Conference on the Sugar question which sat in London from the 5th to the 12th [*sic*] April last, was so good as to express the hope of Her Britannic Majesty's Government that the King's Government would authorize the Minister of the United Kingdoms in London to sign on behalf of Sweden, the new draft Convention lately drawn up by the Conference.

The matter having been attentively examined by the King's Government, I have the honour to state to you that, while reserving power to accede later to the Convention, it has not thought proper to abandon for the present the attitude of expectancy it has hitherto maintained.

I have, &c.
(Signed) EHRENSVÄRD.

Annex (E) to the Minutes of the Twenty-third Meeting.

Reservations made by France.

THE Government of the French Republic, after making itself acquainted with the latest communications from the British Government relative to the draft Convention for the suppression of export bounties on sugar, has appointed its Plenipotentiaries, and has authorized them to sign the instrument in question, with the following reservations:—

The French Government considers that as long as the Laws of the various

countries have not been discussed by the Conference of London, and are to be referred to a Commission which is to meet after the signature of the Convention, the advantages of allowing legislative provisions which are defective in important points to remain in that instrument would be outweighed by the disadvantages. It is but logical to examine simultaneously all the various Laws concerned, and not to do more in the Convention than set out the object to be attained by the Laws in question, namely, that they shall constitute an absolute and complete guarantee for the suppression of every bounty, whether open or disguised, by collecting the tax on the quantities of sugar intended for consumption.

We have therefore to make a first reservation by omitting from the draft Convention paragraphs 2, 3, and 4 of Article II, Article III, and Article V.

2. The Commission which will be instructed to examine the various Laws cannot be the same as that contemplated by Article VI of the draft. The latter is appointed to watch over the execution of the provisions of the Convention, which will not be finally concluded until the ratifications have been exchanged, and which is not to come into force for one year after such exchange. It is therefore right to agree expressly that the duty of examining the various Laws and ascertaining whether they do or do not give all necessary guarantees against the maintenance of any open or disguised bounties shall be confided to a new Conference or Special Commission distinct from that provided for under Article VI. Such Conference, at which all the Powers would be represented, and the creation of which seems to have been agreed to at least semi-officially by the British Cabinet, might meet four or five months after the signature of the Convention. But it should be understood that the Laws put in by the different countries as abolishing all bounties shall be communicated to the Signatory Governments one month at least before it meets. They could then be examined preliminarily in each country, which would be a very useful proceeding.

3. For the reasons explained at the Conference and in our reply of the 6th July last, we must insist unconditionally on the 1st September, 1891, as the date for the Convention to come into force. This is the utmost concession we can make in the matter.

4. We must also make the signature of the Convention conditional on its receiving the adhesion of all sugar-producing States. We have from the beginning of the negotiations made a formal reservation on this point, from which we cannot depart.

5. The Protocol of Signature of the Convention should contain an explanation of Article VII, which, as pointed out by the Government of the Netherlands as well as by us, would, unless all sugar-producing countries become parties to the Convention, be contrary to the most-favoured-nation clause in Treaties.

Should any one of these conditions, and especially those relating to the omission from the draft Convention of the legislative provisions mentioned above; to the Conference or Special Commission for examining Laws; to the date of the 1st September, 1891, and to the accession of all sugar-producing countries, remain unfulfilled, the French Plenipotentiaries would, as far as they are concerned, have to put off the signature of the Convention and refer to their Government.

Twenty-fourth Meeting.—Monday, August 27, 1888.

President: BARON HENRY DE WORMS.

Present: The Plenipotentiaries of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, the Netherlands, and Russia; the Brazilian Minister, and Mr. Kennedy.

The sitting commences at 12.

Amended texts of the draft of Convention and draft of Declaration are laid before the Plenipotentiaries. These documents form Annexes (A) and (B) to the present Minutes.

The Minutes of the twenty-third meeting are adopted.

The President proposes to discuss the amended text of the draft Convention Article by Article.

Article I gives rise to no objection.

Count de Kuefstein observes only that the words "on manufacture" relate to the States contemplated in Article V, for there can be no question of bounties in such States as adopt the system of working in bond.

The President observes that the words in question were adopted in that sense.

On Article II, *M. Waddington* can but repeat the general reservations he made in the name of his Government at the last meeting. His Government has always held the opinion that the legislative provisions contained in Articles II, III, and IV should be submitted to the previous examination of the Contracting Powers. He is of opinion that these Articles should be referred to the Special Commission. They are doubtless not without value; but France cannot consider them as complete. She is unwilling to prejudice the decision of the Commission by giving these Articles the character of Treaty stipulations at this stage of the negotiations.

Count de Keufstein takes act of the reply given by *M. Catalani* at the last meeting with regard to Italy's intention of ceasing to give a drawback.

Articles II and III are adopted, saving, however, the reservations made by France.

Article IV is adopted.

M. Guillaume asks permission to make the following declaration regarding the diplomatic correspondence which took place on Article IV as it originally stood:—

"From the beginning of the Conference, Belgium, remaining faithful to the principles she has ever defended, declared that she was in favour of an absolute abolition of all bounties. She would have acceded with pleasure to the most thorough solution of the Sugar question, *i.e.*, the abolition of all taxes and all customs duties on sugar in all sugar-producing countries. Belgium is most anxious for the advent of the day when that great reform can be carried out. The radical solution in question, having but little chance of being accepted at present, was not discussed, and the Conference formed the opinion that bounties would be abolished by manufacturing and refining in bond. Belgium could not adopt that system on account of certain political and economic reasons, which need not be here repeated, but submitted a system which, in her opinion, was an equivalent for it.

"The British Government informed us that four of the principal Powers producing beet-root sugar did not admit that the Belgian proposal was such an equivalent, and that Article IV could not therefore remain in the draft Convention. Our Government, replying to Her Britannic Majesty's Government, stated that it would in these circumstances await the definitive text of the Convention before coming to a final decision."

Article V was then discussed.

M. Jaehnigen declares that his Government is ready to accept the Article in question in its present shape. The German Plenipotentiaries are, however, instructed to make the following declaration:—

"According to the interpretation placed by the German Government on Article V as now drawn, Contracting States granting on exportation no drawback, nor repayment of duties, nor any writing off capable of giving any bounty whatsoever, are bound under Article I, notwithstanding the exemption allowed them under the provisions of Article V, to abstain from granting open or disguised bounties on the manufacture or refining of sugar for *home* consumption. One of the duties with which the Permanent Committee is charged will consist in watching over the execution of this obligation."

The President remarks that the interpretation of Article V must be sought for in the Minutes of the Conference.

M. Guillaume points out that Article V establishes two exceptions to the obligation of manufacturing and refining in bond, one in favour of States that do not tax sugar, the other in favour of such as grant no drawback capable of giving rise to any bounty. Either of these two exceptions suffices to exempt a State from having to abide by Articles II and III. It is important, adds *M. Guillaume*, for the reasons given by him during the meeting of the 16th, which were unanimously accepted by

the Conference with the exception of the German Plenipotentiaries; that Article V shall not be altered.

M. Batanero observes that the Conference has always been anxious to preserve the two exceptions quoted by *M. Guillaume*.

M. Waddington renews the general reservations he has already made.

M. Verkerk Pistorius asks whether the German Plenipotentiaries, by the interpretation they have proposed, wish to limit the power of every country to settle its internal duties as it pleases? The preamble of the Convention shows that if a Government wished to grant any favours whatsoever to its manufacturers, it has every right to do so provided such favours do not constitute a bounty on exportation. The Conference decided, against the advice of the Netherlands Delegates, that customs duties intended to protect the home market are not prohibited by the Convention. The same end can be reached by other means, for instance, by granting an exemption from taxation to sugars of home manufacture intended for home consumption. If the interpretation put forward by the German Plenipotentiaries tends to prohibit the use of one kind of such means while preserving another, it appears to be contrary to logic, and to exceed the scope of the Convention.

M. Guillaume observes that the Conference admitted, in opposition to the opinion defended by his colleague of the Netherlands and himself, that home-manufactured sugar might be protected by surtaxes on foreign sugar. Her Britannic Majesty's Government, wishing to facilitate the conclusion of an Agreement, gave up its right to do so, and by Article IV undertook to levy no surtax on foreign sugar. This exception applies to England only; other countries are free in this respect. *M. Guillaume* must therefore support the view taken by the Plenipotentiary of the Netherlands.

M. Dupuy de Lome thinks it would have been useful to record in the Minutes that the Conference adopts the interpretation placed by Italy on Article V, and states that Spain supports that interpretation.

M. Jaehnigen does not share the opinion expressed by *M. Pistorius*. Article I prohibits explicitly all bounties on manufacture or exportation. *M. Jaehnigen* thinks, therefore, that the favours mentioned by *M. Verkerk Pistorius* are prohibited.

Count de Kuefstein, who had at the beginning of the meeting raised the question of bounties on manufacture, states that he is satisfied with the explanations he has received. It appears to him that the interpretation proposed by Germany is not in harmony with that given by the President at the last meeting to *M. Catalani* on the subject of Articles II, III, and V.

M. Batanero remarks that the favours which *M. Jaehnigen* would prohibit have the same character as customs surtaxes. But it has been repeatedly decided that the question of surtaxes is not within the scope of the Conference.

Count von Hatzfeldt thinks that he should remind the Conference that Germany does not propose to alter Article V, she merely makes a declaration respecting its interpretation.

M. Verkerk Pistorius cannot accept the interpretation given by the German Plenipotentiaries to Article I, and would refer, in connection therewith, to what was said by the President at the meeting of the 16th of August with regard to the Italian note. Should the Netherlands sign the Convention, it must be well understood that they take no engagement as to the rate of their excise duties, and that, in accordance with the principle laid down at the beginning of the Convention, His Majesty's Government will remain free to regulate as it chooses the duties to be levied on home-made sugars intended for home consumption, or to levy no duty at all upon them, saving the obligation to grant no export bounties, open or disguised, whether at the time of manufacture or refining of sugars intended for exportation, or at the moment of their leaving the territory. *M. Verkerk Pistorius* is anxious that this declaration should be recorded as formally as that made by the German Plenipotentiaries.

The Plenipotentiaries of Belgium, Spain, Italy, and Russia support the above view.

Count de Kuefstein agrees with the interpretation placed by *M. Verkerk Pistorius* on the words "on manufacture" in Article I, which relate to the States mentioned in Article V.

But as the text of the first paragraph of the Article in question appears to him not to be sufficiently clear, he proposes the following amendment, which is one of form only:—

"The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose neither drawback, repayment, nor writing

off of duties or quantities, are absolved from abiding by the provisions of Articles II and III so long as they maintain one of these systems. In case of any change they shall adopt the system established by Articles II and III."

The President announces that Article V is adopted as amended.

M. Waddington observes that the Conference is adopting an Article as to the interpretation of which no agreement has been arrived at. He requests that the different interpretations be recorded in the Minutes.

On Article VI, *the President* proposes that the first meeting of the Permanent Commission take place after the Convention has come into force. The Powers will determine the date of meeting at a future time. The Commission will be instructed to watch over the execution of the Convention. It is therefore useless for it to meet before the Convention operates.

M. Waddington accepts this amendment; it involves the appointment of the Special Commission.

The amendment proposed by the President is adopted.

The Conference passes to the discussion of Article VII.

M. Verkerk Pistorius proposes to omit the words "à prendre" and "pas" in the third paragraph. They are useless, and interfere with the sense.

The words in question are omitted accordingly.

M. de Barner renews his reservations on the whole of Article VII, which the Danish Government cannot accept.

M. Batanero observes that the special duty mentioned in the second paragraph, which must exceed the amount of the bounty, is a duty over and above the amount of the customs duty levied on all imported sugars. It is this excess of duty, or additional tax, which must exceed the bounty. *M. Batanero* proposes, therefore, that the words "or extra duty" be added after the word "duty."

M. Waddington would prefer to keep the text as it is, as it appears to him to be sufficiently clear on the point.

Count de Kuefstein thinks that States having duties which already prevent the importation of foreign sugar need not add to them, and thus raise absolutely useless questions on the subject of the interpretation of the most-favoured-nation clause.

After a general discussion, *M. Batanero*, observing that the majority of the Conference supports his opinion as to the manner of calculating the amount of the special tax, does not insist on carrying the amendment he has proposed.

M. Waddington proposes the adoption of an additional paragraph, intended to meet the case of countries already bound by the most-favoured-nation clause. In France, for instance, the sugars of certain countries will enjoy most-favoured-nation treatment until 1892. If these sugars were to come under Article VII, France would have to meet two contradictory obligations. Such a case must most certainly be provided against. *M. Waddington* reads the paragraph he proposes for the purpose:—

"The present Convention being intended to include all sugar-producing States, it is agreed that privileges under the most-favoured-nation clause existing in other Treaties shall not be pleaded with a view to evading the consequences of the application of the second paragraph of the present Article, even on the part of such Signatory States as may hereafter withdraw from the Convention."

M. Dupuy de Lome states that the Spanish Government has always maintained that bounties were an infraction of the most-favoured-nation clauses. He cannot, therefore, look upon the additional paragraph proposed by *M. Waddington* as being necessary. But *M. Dupuy de Lome* does not think that Spain will refuse to accept it.

The President states that Her Britannic Majesty's Government also accepts it.

Count von Hatzfeldt states that the Imperial Government does not share the opinion that the most-favoured-nation clause would prevent the High Contracting Parties from prohibiting bounty-fed sugar altogether, or from levying thereon a special duty exceeding the amount of the bounty. The German Plenipotentiaries can therefore adopt the declaration made by the French Ambassador on the most-favoured-nation clause in so far only as that declaration is in harmony with the statement that he has just made. Neither can the German Government admit that the co-operation of all interested Governments is to be considered indispensable for the application of the penalties provided for under Article VII.

M. Waddington states that France asks to be relieved formally from obligations at variance with Article VII, although Germany may not consider such a course to be necessary.

Count von Hatzfeldt thinks that Germany and France are in agreement as to the principle involved.

Count de Kuefstein observes that in the opinion of a majority of the Conference the signature of the Convention implies an abandonment of privileges acquired under the most-favoured-nation clause, even in the case of a country having left the Union. *Count de Kuefstein* is unable to decide what, in the opinion of his Government, would be the rights and duties of Signatory towards non-Signatory Powers with regard to the application of Article VII, but he thinks that that Article binds only such States as sign the Convention. He will ask for definite instructions from his Government on the proposal made by *M. Waddington*.

Baron Solvyns accepts the additional paragraph proposed by the French Ambassador.

M. de Barner asks whether the words, "sugar-producing States," in the French proposal include refining countries. If it is so, the proposal implies the accession to the Convention of all sugar-producing and refining countries, especially the United States; in that case the Danish Government could accept Article VII.

M. Waddington has no doubt that the question asked by *M. de Barner* will be answered in the affirmative.

Count di Robilant and *M. Kamensky* accept the French proposal.

M. Verkerk Pistorius also accepts it, and the more readily as it is entirely in harmony with the opinions expressed by His Netherlands Majesty's Minister for Foreign Affairs in his note of the 6th July addressed to the British Minister at the Hague.

The President announces that Article VII, together with the additional paragraph proposed by *M. Waddington*, is adopted, saving the reservations made by Denmark.

Article VIII gives rise to no observations.

On Article IX, *M. Waddington* renews his proposal to defer the date for coming into force until the 1st September, 1891. He regrets that he cannot accept the 1st May, 1891, which date was proposed as a compromise by the Netherlands Plenipotentiaries. The date in question would have the disadvantage of dividing a season into two, while the date of the 1st September has the advantages of falling between two seasons and of coinciding with the expiration of the present French Law on sugar.

Count von Hatzfeldt says that he will speak on the question of the date after hearing the opinion of the other Plenipotentiaries.

Count de Kuefstein supports the 1st September, 1891, with pleasure. The Russian bounties on the Asiatic frontier, which alone prevented him accepting the date of 1890, will have then ceased.

The Plenipotentiaries of Belgium, Denmark, Italy, and Russia accept the date asked for by the French Ambassador.

M. Batanero says that, while regretting the fresh adjournment of the date for putting the Convention into force, the Plenipotentiaries of Spain accept the date of 1891 in order to show their desire for conciliation, and in order to show their good-will towards France.

M. Verkerk Pistorius will vote with the majority.

The President states that Great Britain accepts the date of the 1st September, 1891; this, in her opinion, is a very great concession.

Count von Hatzfeldt, having heard the opinion of the Conference, accepts the date in question.

Count de Kuefstein observes that it would be more logical to transpose paragraphs 3 and 4.

This amendment is adopted.

Count Kuefstein reminds the Plenipotentiaries that they were so good as to promise during the last meeting to ask for definite instructions on the question of making the Convention terminable at the end of every second year.

Count von Hatzfeldt will vote with the majority.

M. Guillaume would prefer to let the present text stand, but he does not reject the proposal made by the Austro-Hungarian Plenipotentiary.

The President, having put the question to the vote, announces that a majority of the Plenipotentiaries accepts the proposal to make the Convention terminable at the end of every second year.

Article IX is adopted with the above-mentioned amendments.

Article X raises no discussion.

In Article XI, the 1st August, 1890, is substituted for the 1st August, 1889, as the date for the exchange of the ratifications.

On commencing the discussion of the draft Declaration, *the President* states that Count von Hatzfeldt wishes the word "existing" to be added after the words "to examine the Laws."

M. Guillaume thinks this addition might give rise to a misunderstanding. The Commission might consider itself obliged to examine first the present Law of a country, and afterwards the Law intended to do away with bounties.

M. Waddington thinks that the word "or" removes all ground for *M. Guillaume's* objection. The Commission will examine one Law only for each country.

After this explanation has been given, Count Hatzfeldt's amendment is carried.

The President observes that the period of one month allowed under the second and third paragraphs are not long enough, and proposes that they be altered to eight months and two months respectively.

These amendments are carried.

On *M. Waddington's* proposal, the words, "on which all States interested may be represented," are inserted in the second paragraph after the words, "a Special Commission."

A general discussion then takes place on the question whether the Report mentioned in the second paragraph is to be drawn up individually by the Delegate or Delegates of each country, or collectively in the name of the Commission. It is agreed that it will be work of the whole Commission, and will be communicated by the British Government to the Governments represented.

The following form, drafted by *M. Guillaume*, is then adopted:—

" DRAFT OF DECLARATION.

" Declaration annexed to the Convention of August , 1888.

"The Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

"Eight months after the signature of the Convention, to which the present Declaration is annexed, there shall meet a Special Commission, at which all the States interested may be represented, with instructions to examine the existing Laws or drafts of Laws for bringing the Convention into force. The Commission in question shall make to the British Government, which shall communicate it to the other Governments interested, a Report, showing in what particulars existing or intended legislation in one or other of the contracting countries shall, if necessary, be changed in order to bring it into harmony with the stipulations of the present Convention.

"Two months at least before the Special Commission meets, the Laws put in by the different Powers, as suppressing all bounties, shall be communicated to the various Signatory Governments.

"In faith whereof, the respective Plenipotentiaries have signed the present Declaration.

"Done at London, the August, 1888."

On *M. Du Jardin's* proposal, it is agreed that Laws or drafts of Laws will be communicated to the Special Commission in French.

M. Verkerk Pistorius asks leave to speak. He does so as follows:—

"Although the present meeting has not been convoked to discuss purely technical questions, we are instructed by our Government to call the attention of the Conference to a chemical produce which has of late been much talked about, and which appears seriously to threaten the trade and revenue of all sugar-producing countries. I refer to saccharine, which is derived from coal tar, and which has, according to the opinions expressed by experts, a sweetening power 250 times as great as cane or beet-root sugar. Although still dear, this substance is now manufactured in many countries, and its use is spreading. The moment seems to have now come for examining what measures should be adopted for preventing its taking the place of sugar in food; such a result would be all the more to be regretted, as several medical authorities are of opinion that its daily use is injurious to health.

"It is evident that Customs precautions taken by individual countries will not prevent its being imported fraudulently, and, indeed, on a large scale, as the amount

of saccharine required to replace a considerable quantity of sugar is so small as to escape all control at the frontier. In the opinion of the Netherlands Government some regulation in common is required, and, without entering into details at present, I would venture to add my personal opinion that the only efficacious method would be, firstly, to tax saccharine in direct proportion to its sweetening power, and, secondly, to impose a rigorous control on its manufacture and exportation. The question might be treated more fully by the Special Commission which is to meet next spring, and, if we have thus ventured to trouble the present meeting with the subject, it is with the sole desire that the Governments interested will examine the question during the interval, and give their Delegates such instructions as will enable the Commission to deal with it."

M. Waddington proposes the adoption of the following Declaration on the question of the adhesion of all sugar-producing States:—

"The Plenipotentiaries who have met to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

"The putting into force of the Convention signed this day is contingent on the adhesion of all countries producing raw or refined sugar, and to the adoption, recorded in a common Agreement by the Contracting Powers before the exchange of the Ratifications, of the Laws guaranteeing the exact application of the principles set forth in Article I and in the first paragraph of Article XI, so as to place all sugar-producing countries on a footing of complete equality.

"In witness whereof, the respective Plenipotentiaries have signed the present Declaration.

"Done in London, the August, 1888."

M. Waddington requests that the adoption of this Declaration be put to the vote.

Count de Kuefstein shares in principle the view expressed by France regarding the adhesion of all sugar-producing and consuming States, which Austria-Hungary has always desired. But, in present circumstances, Austria-Hungary will not, he thinks, go beyond asking for the adhesion of all the important European States, which are, indeed, represented at the Conference, for it appears to him that it would be difficult to insist on the more general condition, the realization of which, for the present at least, is, unfortunately, seen to be impossible. He has not, however, received his final instructions, and can only express a personal opinion.

The President observes that Great Britain has perhaps greater interest than any other country in seeing the Convention accepted by the greatest possible number of States. The accession of the United States is doubtless very important. The Queen's Government will do its best to obtain it, but cannot promise success beforehand. The large majority of sugar-producing States are now prepared to sign the Convention and abolish bounties; he cannot, therefore, admit that the execution of the Convention by that important majority is to be made subject to the condition asked for by France. The disastrous effect of adopting the French Declaration must be carefully considered. The refusal of one single producing country, however insignificant its sugar industry, to accede to the Convention would render it null and void, would oblige the Signatory Powers to abandon it, and would prolong the bounty system for ever. The Conference cannot allow the success of its labours to be made contingent on what it knows to be absolutely impossible of realization. He must, therefore, declare that Great Britain cannot, under any condition, accede to the Declaration proposed by *M. Waddington*.

Count von Hatzfeldt says that he supports the observations made by the President, and that his Government adopts the British view of the case.

Baron Solvyns and *M. Verkerk Pistorius* support the views expressed by *Count de Kuefstein*.

The Plenipotentiaries of Denmark, Spain, Italy, and Russia declare themselves against the adoption of the French Declaration.

On an observation made by *M. Dupuy de Lome*, *M. Verkerk Pistorius* asks leave to explain what he said. *Count de Kuefstein* stated that Austria-Hungary desired the accession of all the States represented at the Conference. In supporting this view, *M. Verkerk Pistorius* did not wish to be understood to mean that the abstention of one single Power would prevent his signing the Convention. That is a contingency on which he must ask his Government for instructions.

Count de Kuefstein states that he is in the same position as the Netherlands

Plenipotentiaries. He will await the next meeting to announce the decision of his Government.

M. Verkerk Pistorius asks an explanation with regard to one part of *M. Waddington's* Declaration. Are the words "complete equality" to be taken to mean that the French Government demands identity of legislation? The Conference has hitherto not gone beyond endeavouring to attain identity of results.

M. Waddington does not think the suggested interpretation correct. "Complete equality" does not, in his opinion, involve absolute identity of legislation.

M. Verkerk Pistorius is satisfied.

M. Waddington, seeing that the Conference has at once rejected the French proposal, announces that he cannot sign the Convention. In these circumstances, he is instructed by his Government to lay the following Declaration before the Conference:—

"The Government of the French Republic adheres in principle to the Convention of the _____, respecting the suppression of bounties, and reserves the right of adhering to it definitively in accordance with Article VIII, after the adhesion of all the countries producing raw or refined sugar, and after communication to it of the Laws by which it is intended to afford complete and absolute security against the granting of any open or disguised bounty on the manufacture or export of sugar."

M. Waddington requests that this Declaration be inserted in the Protocol which will be annexed to the Convention.

M. de Barner asks leave to make the following Declaration in the name of his Government:—

"The King's Government adheres to all the provisions of the Convention as this day finally adopted, with the exception of Article VII, the terms of which would not be in agreement with the obligations undertaken in our existing Treaties."

M. de Barner adds that if it were formally recorded in the Minutes that the word "producing," in the paragraph added to Article VII by the Conference, included refining countries, he might be able to accept the Article in question, and consequently withdraw the Declaration he has just made.

After an exchange of views, it is agreed that the Conference will meet to-morrow, the 28th August, at 4 o'clock, to examine the texts, as finally adopted, of the drafts of the Convention, Declaration, and Protocol.

The documents in question will be signed at 4 o'clock on the 29th August.

The sitting ends at half-past three.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.

Annex (A) to the Minutes of the Twenty-fourth Meeting.

Draft of Convention.

THE High Contracting Parties, desiring to insure, by reciprocal engagements, the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries:

His Majesty the Emperor of Germany, King of Prussia, &c., in the name of the German Empire, the Count Hatzfeldt Wildenburg, his Ambassador Extraordinary and Plenipotentiary; and M. Jaehnigen, Superior Privy Councillor of Finance and Director of the Administration of Taxes and Customs at Hanover;

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary, the Count de Kuefstein, his Chamberlain and Envoy Extraordinary and Minister Plenipotentiary, Hereditary Member of the House of Lords of Austria, Knight of the Second Class of the Imperial Order of the Iron Crown, &c., &c.;

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and

Minister Plenipotentiary, Grand Cross of his Order of Leopold; M. Guillaume, Director-General of Direct Taxes, Customs, and Excise in his Ministry of Finance, Grand Officer of his Order of Leopold; and M. Du Jardin, Inspector-General of Direct Taxes, Customs, and Excise in his Ministry of Finance, Officer of his Order of Leopold;

His Majesty the King of Denmark, M. de Barner, his Chamberlain, Inspector-General of Customs, the King's Chamberlain and Knight of his Order of the Danebrog;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary; M. Batanero, Deputy; and M. Dupuy de Lome, his Minister Resident;

The President of the French Republic, M. Waddington, Senator, his Ambassador Extraordinary and Plenipotentiary; and M. Sans-Leroy, Deputy;

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty's Most Honourable Privy Council, Her Majesty's Principal Secretary of State for Foreign Affairs, &c., &c.; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c.;

His Majesty the King of Italy, the Count Nicolis di Robilant, his Ambassador Extraordinary and Plenipotentiary, Senator of the Kingdom; and the Chevalier Catalani, Councillor of His Italian Majesty's Embassy in London;

His Majesty the King of the Netherlands, Charles Malcolm Ernest George, Count de Bylandt, Commander of the Order of the Netherlands Lion, Knight of the First Class of the Order of the Golden Lion of the House of Nassau, Grand Cross of the Order of the Oaken Crown, his Envoy Extraordinary and Minister Plenipotentiary; and M. William Arnold Peter Verkerk Pistorius, Knight of the Order of the Netherlands Lion, Director-General of Direct Taxes, Customs, and Excise in his Ministry of Finance;

His Majesty the Emperor of All the Russias, the Chevalier de Staal, his Ambassador Extraordinary and Plenipotentiary; and M. Kamensky, his Real Councillor of State, Agent in London of the Ministry of Finance;

Who, having exchanged their full powers, found in good and due form; have agreed on the following Articles:—

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar.

ARTICLE II.

The High Contracting Parties engage:—

To levy the tax on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty.

To this end, they engage to place in bond, under the permanent supervision both by day and by night of the Revenue authorities, sugar factories, and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose, factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

ARTICLE III.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may nevertheless keep a refining account, as a means of control, by the system of saccharimetry or any other supplementary control, in order to prevent a bounty on exportation.

ARTICLE IV.

Her Britannic Majesty's Government agree not to impose differential duties on cane or beet sugar imported from countries, provinces beyond the seas, Colonies, or foreign possessions taking part in the Convention. As long as the Convention lasts, therefore, no higher duties shall be imposed on beet-root sugar than on cane sugar on importation into the United Kingdom or the Colonies and foreign possessions of the British Empire taking part in the Convention.

It is agreed, moreover, that sugar imported into the United Kingdom from the countries, provinces beyond the seas, Colonies, and foreign possessions taking part in the Convention shall not be subject to duties which shall not equally apply to similar sugar of national origin or manufacture.

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose, neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II and III provided they undertake to maintain one of these systems as long as the Convention is in force, or, in case of any change, to adopt the system established by Articles II and III.

Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph, as long as its present system is maintained.

ARTICLE VI.

The High Contracting Parties engage to establish a Permanent International Sugar Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

(b.) To pronounce an opinion on contested points ("questions litigieuses").

(c.) To consider ("d'instruire") requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty's Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Permanent Commission shall be held in London during the month next after the ratification of the present Convention.

The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Powers, shall convoke a Conference which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

ARTICLE VII.

From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any countries, provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar shall be excluded from the territories of the High Contracting Parties.

Any Contracting Power shall, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose having benefited by open or disguised bounties, take the measures necessary therefor, either by prohibiting these articles altogether, or levying thereon a special duty which must necessarily exceed the amount of the bounty, and which shall not be levied on sugar not bounty-fed coming from the contracting countries.

The High Contracting Parties shall concert as to the measures which the Commission may consider necessary to be taken with a view to obtain these results, and to prevent bounty-fed sugar passing in transit through one of the contracting countries from enjoying any of the advantages of the Convention.

The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose shall be established by the decision of a majority of the Signatory Powers of the present Convention. In the same manner, the minimum amount of the bounties in question shall be determined.

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in Article VI.

ARTICLE IX.

The present Convention shall be put in force from the 1st August, 1890.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of ten years, its intention of terminating the effects thereof, it will remain in force for another year, and so on from year to year.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to notify their intention of retiring from the 1st August of the following year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fifth, and eighth years of the said period of ten years.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to that effect will be made to the Contracting Powers by the Government of the mother country, in the manner and with the consequences shown in Article IX.

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London, on the 1st August, 1889, or sooner if possible.

In witness whereof, the respective Plenipotentiaries have signed the present Convention and have attached their seals thereto.

Annex (B) to the Minutes of the Twenty-fourth Meeting.

DRAFT OF DECLARATION.

Declaration annexed to the Convention of August , 1888.

THE Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration :—

Six months after the signature of the Convention, *to which the present Declaration is annexed*, there shall meet a Special Commission instructed to examine *the existing Laws or drafts of Laws for bringing the Convention into force*. The members of this Commission shall, if necessary, make to their respective Governments a Report showing in what particulars the said Laws must be changed in order to bring them into harmony with the stipulations of the present Convention.

One month at least before the Special Commission meets, the Laws put in by the different Powers, as suppressing all bounties, shall be communicated to the various Signatory Governments.

In faith whereof, the respective Plenipotentiaries have signed the present Declaration.

Done at London, the August, 1888.

Twenty-Fifth Meeting.—Tuesday, August 28, 1888.

President: BARON HENRY DE WORMS.

Present:—The Plenipotentiaries of Germany, Austria-Hungary, Belgium, Denmark, Spain, France, Great Britain, Italy, the Netherlands, and Russia; the Brazilian Minister, and Mr. Kennedy.

The sitting commences at 4 o'clock.

The President reads the following note addressed by the Egyptian Ministry for Foreign Affairs to Her Britannic Majesty's Minister Representative at Cairo :—

“ Sir,

“ *Cairo, August 12, 1888.*

“ I have received the note you addressed to me on the 1st instant transmitting to me, on behalf of the Marquis of Salisbury, the draft of Convention relative to the suppression of sugar bounties drawn up by the International Conference held in London for that purpose.

“ His Highness' Government has not failed to examine attentively the documents annexed to your note, and I have the honour to state to you that it will adhere at once to the draft Convention, being convinced that the agreement sought to be arrived at will have a beneficial result on the development of the cultivation of sugar, which forms one of the most important branches of Egyptian agriculture.

“ I would ask you, Sir, to notify this adhesion to Her Majesty's Government, and have, &c.

(Signed)

“ ZULFICAR,
“ *Minister for Foreign Affairs.*”

The President calls the attention of the Conference to the text of the paragraph added to Article VII, as adopted by the Conference during the last meeting. The first words imply that the Conference has adopted the Declaration proposed by the Plenipotentiary of France. But, as the Conference has rejected the Declaration in question, the words referred to cannot be allowed to stand.

The words, “ the present Convention being intended to include all sugar-producing States,” are cancelled.

M. de Barner states that he is unable to sign the Convention. The Danish Government reserves the right, however, to adhere to the Convention later, under the

provisions of Article VIII. He requests that the Declaration made by him on this point during the last meeting may be completed by the words:—

“The King’s Government reserves the right to adhere later under Article VIII.”

The President suggests that the Declaration made by the Danish Plenipotentiary should be inserted in the Final Protocol.

M. de Barner agrees.

Count de Kuefstein, in reply to a question, states that he has not yet received final authority to sign the Convention. He observes that the attitude of France has considerably altered the situation. He expresses the purely personal opinion that his Government may perhaps make the reservation that the Convention shall not come into operation in Austria-Hungary until all sugar-producing countries in Europe have adhered.

M. Guillaume thinks that it is necessary to wait for the decision of the Austro-Hungarian Government. The decision in question may have a great influence on the other Powers.

It is then agreed that the signature of the Convention will take place at the Foreign Office on the 30th August at 3 o’clock. The instrument will remain open in order that such of the Plenipotentiaries as may not by then have received their final instructions may sign afterwards.

On a proposal made by *M. Dupuy de Lome*, it is agreed that for the exchange of the ratifications provided for under Article XI, each Contracting Party shall present one single document, which shall be deposited in the archives of the Foreign Office with those presented by the other countries. Each Contracting Party will receive in return a copy of the Minutes recording the exchange of the ratifications, signed by the Plenipotentiaries present thereat.

M. Guillaume requests permission to make the following communication to the Conference:—

“Notwithstanding the difficulties produced by the rejection of the equivalents proposed by her, Belgium will not separate herself from the other sugar-producing nations in their pursuit of the object which it has been her constant desire to attain, as such action might endanger the success of the negotiations.

“The Belgian Government will, however, have to consider which of the sugar-producing Powers will become parties to the Convention, what will be the results of the labours of the Special Commission, and how Article VII can in practice be reconciled with the most-favoured-nation clause in the case of countries not acceding to the Convention.

“It is under these conditions that our Government has authorized us to sign the Convention, and I beg that this Declaration may be inserted in the Minutes.”

M. Guillaume adds that the above reservations refer to the future. With regard to signing the Convention, the Belgian Plenipotentiaries must preserve full liberty of action until such time as they shall have learnt the decision of the Austro-Hungarian Government. Should one or other of the Parliaments interested reject the Convention, Belgium reserves power to consider whether or not she will continue to be a party to it.

None of the other Plenipotentiaries wishing to speak further on the Convention, the meeting rises.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.

Twenty-sixth Meeting.—Thursday, August 30, 1888.

President: Baron HENRY DE WORMS.

Present:—The Plenipotentiaries of Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, Italy, the Netherlands, and Russia; the Brazilian Minister, and Mr. Kennedy.

The International Conference on the Sugar question holds its twenty-sixth meeting at the Foreign Office on Thursday, the 30th August, at 3 o'clock. The Plenipotentiaries of the Contracting States have met to sign the Convention for the suppression of export bounties on sugar.

The Minutes of the twenty-fourth and twenty-fifth meetings are adopted.

Count de Kuefstein requests that the following Declaration, which he makes in the name of Austria-Hungary, be added to the Protocol containing the Declarations of certain other Governments:—

“Austria-Hungary, which has always held that a Convention for the suppression of bounties on the exportation of sugar ought to include all countries of importance as producers or consumers of sugar, gives, although this condition is not yet fulfilled, her adhesion to the present Convention, so as not to compromise the understanding to be arrived at.

“But, having regard to the effect which may be caused by the abstention of one or more European countries of importance as producers or consumers of sugar, she can give her signature only with the condition that the adhesion of these countries shall be secured at the moment of the Convention coming into operation, and she reserves, in default of this adhesion, the right to examine and decide whether she is or is not able to put the Convention into execution at the time indicated in Article IX.”

This Declaration is added to the Protocol.

M. Guillaume, on hearing that the reservations made by Austria-Hungary will be inserted in the Protocol, asks that a similar course may be adopted with regard to the reservations made by Belgium.

The President observes that the course suggested would materially delay the signature of the Convention. He adds that the insertion of the Belgian reservations in the Minutes of the previous meeting has precisely the same effect as putting them in the Protocol.

M. Guillaumme will not insist on his request if it is understood that the declaration just made by the President will appear in the Minutes of the present meeting.

The President says that that will be the case.

On the President's proposal, it is agreed that the Minutes of the second and third sessions of the Conference, as well as the instruments which are about to be signed, may be published.

The Plenipotentiaries having exhibited their full powers at a previous meeting, verify the signature copies of the Convention, the Declaration annexed to it, and the Protocol containing the Declarations made by certain Governments. All these instruments being found in good and due form, the Plenipotentiaries sign them. They also seal the Convention with their arms.

(See the Annexes to the present Minutes.)

The President speaks as follows:—

“Gentlemen,

“Before we separate, I wish to express to you my hearty thanks for the kindness and courtesy I have received at your hands. I am commanded by Her Majesty's Government to express its great desire that the important work which we have now accomplished may, as we all hope it will, bring about the complete abolition of sugar bounties, and that France and other non-Signatory Powers interested in the question may accede to our International Convention. The British Government is firmly convinced that their wish will before long be realized.

M. Waddington speaks as follows :—

“ Gentlemen, I am sure that I shall be the interpreter of my colleagues’ feelings if I offer our warm thanks in their name to Baron de Worms, our President, who has so remarkably directed the labours of the Conference. We have all appreciated the courtesy, the tact, the thorough knowledge of the subject, which he has shown during our protracted deliberations. We shall long remember them.”

The President says that he owes his sincerest thanks to all his colleagues for the generous words spoken in their name by the French Ambassador. Those words will be to him personally a most valued and never-to-be-forgotten remembrance of the Conference.

Count von Hatzfeldt conveys the thanks of the Conference to the Secretaries.

The present Minutes, prepared during the meeting, having been read and approved, the Conference separates at 6 o’clock.

The President of the Conference,
(Signed) HENRY DE WORMS.

The Secretaries,
(Signed) H. FARNALL.
A. E. BATEMAN.

Annexes to the Minutes of the Twenty-sixth Meeting.

CONVENTION.

THE High Contracting Parties, desiring to insure by reciprocal engagements the total suppression of open or disguised bounties on the exportation of sugar, have resolved to conclude a Convention to this effect, and have named as their Plenipotentiaries :

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable Robert Arthur Talbot Gascoyne Cecil, Marquis of Salisbury, Earl of Salisbury, Viscount Cranborne, Baron Cecil, Peer of the United Kingdom, Knight of the Most Noble Order of the Garter, Member of Her Majesty’s Most Honourable Privy Council, Her Majesty’s Principal Secretary of State for Foreign Affairs, &c., &c. ; and Baron Henry de Worms, Member of Parliament of the United Kingdom of Great Britain and Ireland, Under-Secretary of State for the Colonies, &c., &c. ;

His Majesty the Emperor of Germany, King of Prussia, &c., in the name of the German Empire, the Count Hatzfeldt Wildenburg, his Ambassador Extraordinary and Plenipotentiary ; and M. Jaehnigen, Superior Privy Councillor of Finance and Director of the Administration of Taxes and Customs at Hanover ;

His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary, the Count de Kuefstein, his Chamberlain and Envoy Extraordinary and Minister Plenipotentiary, Hereditary Member of the House of Lords of Austria, Knight of the Second Class of the Imperial Order of the Iron Crown, &c., &c. ;

His Majesty the King of the Belgians, Baron Solvyns, his Envoy Extraordinary and Minister Plenipotentiary, Grand Cross of his Order of Leopold ; M. Guillaume, Director-General of Direct Taxes, Customs, and Excise in his Ministry of Finance, Grand Officer of his Order of Leopold ; and M. Du Jardin, Inspector-General of Direct Taxes, Customs, and Excise in his Ministry of Finance, Officer of his Order of Leopold ;

His Majesty the King of Spain, and in his name the Queen Regent of the Kingdom, M. del Mazo, his Ambassador Extraordinary and Plenipotentiary, Senator of the Kingdom, Grand Cross of the Royal Order of Charles III, Grand Cross of the Order of Isabella the Catholic, &c., &c. ; M. Batanero, Deputy of the Cortes of the Kingdom, Grand Cross of the Order of Isabella the Catholic, &c., &c. ; and M. Dupuy de Lome, his Minister Resident, Commander of the Number of the Royal Order of Charles III ;

His Majesty the King of Italy, the Count di Robilant, his Ambassador Extraordinary and Plenipotentiary, Grand Cross of the Order of St. Maurice and St. Lazarus, Grand Cross of the Order of the Crown of Italy, Knight Commander of the Military Order of the House of Savoy ; and M. Catalani, his Councillor of Embassy, Knight

Commander of the Order of the Crown of Italy, Officer of the Order of St. Maurice and St. Lazarus ;

His Majesty the King of the Netherlands, the Baron Gevers, his Chargé d'Affaires *ad interim* in London ; and M. William Arnold Peter Verkerk Pistorius, Knight of the Order of the Netherlands Lion, &c., &c., Director-General of Direct Taxes, Customs, and Excise in his Ministry of Finance ;

His Majesty the Emperor of All the Russias, M. Bouteneff, his Chargé d'Affaires in London, and M. Kamensky, his Real Councillor of State, Agent of his Ministry of Finance in London ;

Who, having exchanged their full powers, found in good and due form, have agreed on the following Articles :—

ARTICLE I.

The High Contracting Parties engage to take such measures as shall constitute an absolute and complete guarantee that no open or disguised bounty shall be granted on the manufacture or exportation of sugar:

ARTICLE II.

The High Contracting Parties engage :—

To levy the tax on the quantities of sugar intended for consumption without granting on exportation any drawback or repayment of duties, or any writing off which can give rise to any bounty:

To this end, they engage to place in bond, under the permanent supervision both by day and by night of the Revenue authorities, sugar factories and factories which are also refineries, as well as factories for the extraction of sugar from molasses.

For this purpose, factories shall be so constructed as to give every guarantee against any surreptitious carrying away of sugar, and the said authorities shall have power to enter all parts of the factories.

Controlling books shall be kept on one or more of the processes of manufacture, and finished sugars shall be placed in special storehouses giving all proper guarantees of security.

As an exception to the principle mentioned in the first paragraph of this Article, repayment or writing off may be granted of the tax on sugar used in the manufacture of chocolate and other produce intended to be exported, provided no bounty is produced thereby.

ARTICLE III.

The High Contracting Parties engage to place sugar refineries under the same system as sugar factories.

Each country may nevertheless keep a refining account, as a means of control, by the system of saccharimetry or any other supplementary control, in order to prevent a bounty on exportation.

ARTICLE IV.

Her Britannic Majesty's Government agree not to impose differential duties on cane or beet sugar imported from countries, provinces beyond the seas, Colonies, or foreign possessions taking part in the Convention. As long as the Convention lasts, therefore, no higher duties shall be imposed on beet-root sugar than on cane sugar on importation into the United Kingdom or into the Colonies and foreign possessions of the British Empire taking part in the Convention. It is agreed, moreover, that sugar imported into the United Kingdom from the countries, provinces beyond the seas, Colonies, and foreign possessions taking part in the Convention shall not be subject to duties which shall not equally apply to similar sugar of national origin or manufacture.

ARTICLE V.

The High Contracting Parties and their provinces beyond the seas, Colonies, or foreign possessions which do not tax sugar, or which grant on the exportation of raw sugar, refined sugar, molasses, or glucose, neither drawback, repayment, nor writing off of duties or quantities, are absolved from abiding by the provisions of Articles II and III so long as they maintain one of these systems. In case of any change they shall adopt the system established by Articles II and III.

Russia, which levies the tax at one single rate on the whole amount manufactured, and which grants on the exportation of all kinds of sugar a repayment not exceeding such rate, is put on the same footing as the Powers specified in the preceding paragraph, so long as its present system is maintained.

ARTICLE VI.

The High Contracting Parties engage to establish a permanent International Commission charged with watching the execution of the provisions of the present Convention.

This Commission shall be composed of Delegates of the different Powers; a Permanent Bureau will be connected with it.

The Delegates shall be instructed:—

(a.) To ascertain whether the Laws, Orders, and Regulations respecting taxes on sugar are in harmony with the principles laid down in the preceding Articles, and whether in practice any open or disguised bounty is granted on the exportation of sugar, molasses, or glucose.

(b.) To pronounce an opinion on contested points (“questions litigieuses”).

(c.) To consider (“d'instruire”) requests for admission to the Union made by States not having taken part in the present Convention.

The Permanent Bureau shall collect, translate, arrange, and publish information of all kinds respecting legislation on and statistics of sugar, not in contracting countries only, but in all other countries as well.

In order to insure the execution of the preceding provisions, the High Contracting Parties shall transmit, through the diplomatic channel, to Her Britannic Majesty's Government, which shall forward them to the Commission, the Laws, Orders, and Regulations on the taxation of sugar which are or may be in force in their respective countries, as well as statistical information relative to the object of the present Convention.

Each of the High Contracting Parties may be represented on the Commission by a Delegate, or by a Delegate and an Assistant Delegate.

The first meeting of the Permanent Commission shall be held in London after the coming into force of the present Convention.

The Commission shall be charged with controlling and examining only. It shall draw up a Report on all questions submitted to it, and forward the same to Her Britannic Majesty's Government, which shall communicate it to the Powers interested, and, at the request of any one of the High Contracting Powers, shall convoke a Conference which shall take such decisions or measures as circumstances demand.

The expenses incurred on account of the establishment and working of the Permanent Bureau and of the Commission—excepting the salaries or expenses of the Delegates, who will be paid by their respective countries—shall be borne by all the contracting countries, and shall be divided among them in a manner to be determined by the Commission.

ARTICLE VII.

From the date of the present Convention coming into force all raw sugar, refined sugar, molasses, or glucose coming from any countries, provinces beyond the seas, Colonies, or foreign possessions maintaining the system of open or disguised bounties on the manufacture or exportation of sugar shall be excluded from the territories of the High Contracting Parties.

Any Contracting Power shall, in order to exclude from its territory raw sugar, refined sugar, molasses, or glucose that has benefited by open or disguised bounties, take the measures necessary therefor, either by prohibiting these articles altogether or by levying thereon a special duty which must necessarily exceed the amount of the bounty, and which shall not be levied on sugar not bounty-fed coming from the contracting countries.

The High Contracting Parties shall concert as to the measures which the Commission may consider necessary in order to obtain these results, and to prevent bounty-fed sugar passing in transit through one of the contracting countries from enjoying any of the advantages of the Convention.

The fact of the existence in any country, province beyond the seas, Colony, or foreign possession of a system involving open or disguised bounties on raw sugar, refined sugar, molasses, or glucose shall be established by the decision of a majority of the Signatory Powers of the present Convention. In the same manner, the minimum amount of the bounties in question shall be determined.

It is agreed that privileges under the most-favoured-nation clause existing in other Treaties shall not be pleaded with a view to evading the consequences of the application of the second paragraph of the present Article, even on the part of such Signatory States as may hereafter withdraw from the Convention.

ARTICLE VIII.

States which have not taken part in the present Convention may adhere to the same on their request, provided their Laws and Regulations in the matter of sugar are in agreement with the principles of the present Convention, and have been previously submitted for the approval of the High Contracting Parties in the manner laid down in Article VI.

ARTICLE IX.

The present Convention shall be put in force from the 1st September, 1891.

It shall remain in force for ten years from that day, and in case no one of the High Contracting Parties shall have notified, twelve months before the expiration of the said period of ten years, its intention of terminating the effects thereof, it will remain in force for another year, and so on from year to year.

Each of the High Contracting Parties may, however, by denouncing the Convention twelve months beforehand, put an end to it, as regards such Power, at the expiration of the second, fourth, sixth, and eighth years of the said period of ten years.

In case one of the Signatory Powers should denounce the Convention, such denunciation shall affect that Power only; but the other Powers are entitled, until the 31st October of the year in which denunciation takes place, to notify their intention of retiring from the 1st August of the following year.

Should more than one Power wish to retire, a Conference of the Contracting Powers shall meet in London within three months to determine what steps should be taken.

ARTICLE X.

The provisions of the present Convention shall be applied to the provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties.

In case one of such provinces beyond the seas, Colonies, and foreign possessions of the High Contracting Parties should wish to retire separately from the Convention, a notification to that effect will be made to the Contracting Powers by the Government of the mother country, in the manner and with the consequences shown in Article IX.

ARTICLE XI.

The execution of the reciprocal engagements contained in the present Convention is, in so far as necessary, subject to the formalities and rules established by the Constitutions of each of the contracting countries.

The present Convention shall be ratified, and the ratifications exchanged in London, on the 1st August, 1890, or sooner if possible.

In witness whereof, the respective Plenipotentiaries have signed the present Convention and have attached their seals thereto.

Done at London, the 30th August, 1888.

(Signed)

SALISBURY.
HENRY DE WORMS.
VON HATZFELDT.
JAEHNIGEN.
KUEFSTEIN.
SOLVYNS.
GUILLAUME.
DU JARDIN.
C. DEL MAZO.
ANTO. BATANERO.
DUPUY DE LOME.
C. ROBILANT.
T. CATALANI.
W. GEVERS.
PISTORIUS.
BOUTENEFF.
G. KAMENSKY.

DECLARATION.

Declaration annexed to the Convention of August 30, 1888.

THE Plenipotentiaries assembled to sign the Convention for the suppression of export bounties on sugar have agreed to the following Declaration:—

Eight months after the signature of the Convention, to which the present Declaration is annexed, there shall meet a Special Commission, at which all the States interested may be represented, with instructions to examine the existing Laws or drafts of Laws for bringing the Convention into force. The Commission in question shall make to the British Government, which shall communicate it to the other Governments interested, a Report, showing in what particulars existing or intended legislation in one or other of the contracting countries shall, if necessary, be changed in order to bring it into harmony with the stipulations of the present Convention.

Two months at least before the Special Commission meets, the Laws put in by the different Powers, as suppressing all bounties, shall be communicated to the various signatory Governments.

In faith whereof, the respective Plenipotentiaries have signed the present Declaration.

Done at London, the 30th August, 1888.

(Signed)

SALISBURY.
HENRY DE WORMS.
VON HATZFELDT.
JAEHNIGEN.
KUEFSTEIN.
SOLVYNS.
GUILLAUME.
DU JARDIN.
C. DEL MAZO.
ANTO. BATANERO.
DUPUY DE LOME.
C. ROBILANT.
T. CATALANI.
W. GEVERS.
PISTORIUS.
BOUTENEFF.
G. KAMENSKY.

 PROTOCOL.

Protocol annexed to the Convention of August 30, 1888.

THE Plenipotentiaries of the Powers which have signed the Convention of the 30th August, 1888, or which have taken part in the Conference, have taken act of the following Declarations:—

Declaration of Austria-Hungary.

“Austria-Hungary, which has always held that a Convention for the suppression of bounties on the exportation of sugar ought to include all countries of importance as producers or consumers of sugar, gives, although this condition is not yet fulfilled, her adhesion to the present Convention, so as not to compromise the understanding to be arrived at.

“But, having regard to the effect which may be caused by the abstention of one or more European countries of importance, as producers or consumers of sugar, she can give her signature only with the condition that the adhesion of these countries shall be

secured at the moment of the Convention coming into operation, and she reserves, in default of this adhesion, the right to examine and decide whether she is or is not able to put the Convention into execution at the time indicated in Article IX.

(Signed) "KUEFSTEIN."

Declaration of the Brazilian Government.

The Envoy Extraordinary and Minister Plenipotentiary of Brazil in London makes the following Declaration in the name of his Government:—

"The Government of Brazil adheres in principle to the Convention, while reserving the right to adhere formally thereto after its final adoption by the Signatory Powers.

(Signed) "PENEDO."

Declaration of the Danish Government.

The Danish Plenipotentiary makes the following Declaration in the name of his Government:—

"The King's Government adheres to all the provisions of the Convention, as finally adopted on the 28th August, 1888, with the exception of Article VII, the terms of which would not be in agreement with the obligations undertaken in our existing Treaties. The King's Government reserves the right to adhere thereto later, under Article VIII.

(Signed) "BARNER."

Declaration of the French Government.

The French Plenipotentiary makes the following Declaration in the name of his Government:—

"The Government of the French Republic adheres in principle to the Convention of the 30th August, 1888, respecting the suppression of bounties, and reserves the right of adhering to it definitively in accordance with Article VIII, after the adhesion of all the countries producing raw or refined sugar, and after communication to it of the Laws by which it is intended to afford complete and absolute security against the granting of any open or disguised bounty on the manufacture or export of sugar.

(Signed) "WADDINGTON."

Declaration of the Swedish Government.

The British Plenipotentiaries are authorized to make the following Declaration:—

"The Swedish Government, whilst reserving the right to adhere to the Convention later, does not think it right at this moment to depart from the attitude of reserve which it has observed hitherto.

(Signed) "SALISBURY."
"HENRY DE WORMS."

Declaration of the Egyptian Government.

The British Plenipotentiaries declare further that the Egyptian Government has expressed the intention of adhering to the Convention.

(Signed)

SALISBURY.
HENRY DE WORMS.

Done at London, the 30th August, 1888.

(Signed)

SALISBURY.
HENRY DE WORMS.
VON HATZFELDT.
JAEHNIGEN.
KUEFSTEIN.
SOLVYNS.
GUILLAUME.
DU JARDIN.
BARNER.
PENEDO.
C. DEL MAZO.
ANTO. BATANERO.
DUPUY DE LOME.
WADDINGTON.
C. ROBILANT.
T. CATALANI.
W. GEVERS.
PISTORIUS.
BOUTENEFF.
G. KAMENSKY.

