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NEW ZEALAND.

BEE T-ROOT SUGAR.

LETTER FROM SIR JULIUS VOGEL, MAKING SUGGESTIONS AS TO THE ENCOURAGEMENT AND THE VALUE OF ITS PRODUCTION IN NEW ZEALAND.

Presented to both Houses of the General Assembly by Command of His Excellency.

Sir JULIUS VOGEL to the PREMIER.

SIR,—

7, Westminster Chambers, London, 14th June, 1880.

The remarks which I am about to have the honor to submit to you are not made in my character of Agent-General, but rather in that of a colonist taking great interest in New Zealand, and believing that it is a duty as well as a privilege to contribute, in however humble a degree, to its well-being. I feel also that there is the less cause to apologize for the observations I am about to volunteer, since were I in the colony I think I might fittingly submit them to the Royal Commission, which I believe has been appointed to consider the question of promoting Native Industries.

My object is to urge the desirability of promoting the manufacture of beet-root sugar. I believe that beet sugar would do for New Zealand what it has done for France and other countries, namely, prove to be an industry of priceless value. All efforts to establish beet-sugar manufacture by bonuses have failed, and I venture to say have naturally and fortunately failed. There are two great objections to bonuses such as those which were proposed: they would have worked for too limited a time, and would have created monopolies. What is required is, an easy road to the progressive development of the industry, till without any aid it is capable of depending on itself. In the papers which I prepared for Parliament in 1876, I pointed out the way this result could be attained, and long reflection since has made me see no reason for altering my opinion. The assurance that the import duty on sugar will be continued, and that there will be no excise duty on it for a reasonable number of years, would suffice to set this industry on its legs, to the incalculable benefit of the colony. An import duty of 1d. per lb. for seven or ten years, and after that a difference of $\frac{1}{2}$ d. per lb. between the import and excise duty, if any, or $\frac{3}{4}$ d. per lb. import duty alone for five years, would, in my opinion, suffice to induce beet sugar to be made in half a dozen different parts of the colony. Let me point out to you that the principle of this proposal is one that is constantly adopted in the colonies, including New Zealand, the only difference being that the encouragement, or protection, if you like to call it so, is given without the specific assurance required in this case. Take beer, for example. It is through the import duty and freedom from excise duty that beer making has become so established and successful an industry in New Zealand. The other colonies, however, present more notable instances. I am mistaken if in any of the colonies there is an excise duty on tobacco, which means, if you like to put it so, a protection of a very large amount to tobacco-growers. The case of wine is yet more remarkable. The protection enjoyed by the manufacturers of wine in the Australian colonies is enormous, and has lasted over many years. I am much in error if any one will propose to abate it for a long period to come. The result will justify the course taken. The wine industry of Australia bids fair to become a gigantic one. Yet another instance, and one so entirely similar that I do not see how its lesson can be overlooked. I am informed, on unquestionable authority, that sugar-producing is certain to become a most valuable and important interest in New South Wales and Queensland. But its establishment entirely depends, in the first instance, on its freedom from excise penalties. Beet sugar, in the absence of slave-labour, can favourably compete with cane sugar. Why should New Zealand see its neighbours prospering with sugar-making, and itself losing all the advantages it might derive therefrom? The difference between the two cases is that in the other colonies the manufacturers and producers are content to depend on the discretion of the Government, whilst in New Zealand the beet sugar-makers would require an assurance of a positive nature. There are several reasons to account for this. The principal one, probably, is that so much has been said of the reluctance of the Government to give any assurance against an excise duty,

or that the import duty will be continued, that persons who contemplate entering into the business, naturally suppose there will be one, whilst the producers of wine and sugar in Australia know they need not fear the contingency.

Every part of the country and every class of the population in New Zealand would benefit by the beet industry. Large tracts of land would be devoted to its cultivation. The farmer and farm labourer, the artizan and town labourer, the railways and the shipping, would each in turn benefit. The refuse of the beet would be valuable for cattle-feeding, and the time is coming when there will be a demand in this country for colonial meat. Perhaps one of the largest advantages will be that, like beer, colonial sugar will gradually become cheaper than the imported article. Cheap sugar will mean other industries. For example, with cheap sugar, look at the enormous work open to New Zealand in the way of preserving fruits in tins—an industry which, in the United States, has grown to colossal proportions.

It is true that as the beet sugar comes into use, the revenue from imported sugar will be less; but you will have built up wealth in other directions from which taxes can be raised. Land cultivated and a population employed are a sufficient guarantee for revenue to enable you to look without dread upon the possible consequences of diminished receipts from an import tax on sugar.

I have noticed of late such a disposition to misconstrue the motives of those who aspire to be useful, that it is perhaps necessary I should add that I am writing these remarks without concert with any one desiring to embark in the industry to which they refer, and with no present thought of doing so myself.

I have, &c.,

The Hon. the Premier, Wellington, New Zealand.

JULIUS VOGEL.

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