How the Sugar Trust Made Six Millions by Boosting Prices

A special dispatch to the Nashville Tennessean: New York, Sept. 9.—All grades of refined sugar were advanced ten cents a hundred pounds today.

This follows closely on the heels of three other advances since Wednesday, aggregating 45 cents a hundred for three days. The price quoted to jobbers last, by the sugar trust is $6.98½. The price to retailers is $7.05.

The American Sugar Refining Co., known as the sugar trust, has made added profits of approximately $6,000,000 since July 6 when its 11 directors began to steadily increase the price of sugar. Since that time 19 advances have been made, aggregating $1.80 a hundred pounds over the price of $5.18½ a hundred on July 6.

It is a coincidence that the sugar trust has recently completed payments to the United States government of approximately $3,993,486 in fines and restitution for the "drawback" funds and for acknowledged cheating of the government by means of crooked scales on shipping docks. The trust also was put to considerable expense in defending criminal actions filed by the government against its officials on fraud charges. The added profits received from the consumers of sugar in the last two months will more than make up these items.

The increased profits of the trust do not include the profits of the various independent refiners whose price has kept pace with trust prices. When the trust made an increase in price the independents invariably followed the lead and quoted the same advanced prices to jobbers.

The reason made public by the trust from its Wall street offices for the arbitrary advance in the selling price of sugar is that there is a shortage of 1,500,000 tons in the beet crop in Germany, and that the prospect of the Cuban crop is below the average.

The sugar now being sold by the trust is cane sugar manufactured from cane bought by the trust several months ago at low prices. The beet sugar will not reach the market until the middle of October, according to a broker for the trust, who receives the sugar quotations daily from the directors' conference room at 117 Wall street, and prepares a daily bulletin of trust prices for jobbers.

Sugar sold prior to July 6, when the price was $5.18½ a hundred, was made from this year's cane crop. The sugar now being sold by the trust is being made from the same crop at no additional expense, according to this broker.

"But the American Sugar Refining company must figure ahead on the price it expects to have to pay for beets to supply the demand for sugar in October after the cane supply is gone," said the broker. "A large part of the beets necessary to supply the demand must come from Germany. The crop there is short, and the prices have advanced on the raw material 59 cents since August 19. Sugar could now be sold for a much lower price if it was assured that the coming beet crop would be as large as usual."

This apparently shows that the sugar trust is making immense profits on the present supply of sugar on the theory that it may have to pay a higher price for the beet crop to supply the demand in October. The advanced price, therefore, is all extra profit to the trust, as long as the present cane sugar supply lasts.

Practical Tariff Talks

The iron and steel exports for the past year furnish some fairly conclusive proof of the lack of any necessity for the high tariff protection still to be found in that schedule. These exports amounted to over $230,000,000, or fifty-one millions more than in the preceding year and forty-seven millions more than in any preceding year. This increase was distributed among nearly all of the principle classes of iron and steel, and included machinery, sewing machines, wire, structural iron and steel, builders' hardware, tools, typewriters, pipes and fittings, bars, rods and locomotives. In fact there was scarcely any iron and steel manufactures that was unrepresented in this export business. This, too, has been done during a year when the export price—which means the price fixed by competition in the world's markets—was on a lower level than in years.

When the steel and iron schedule was under discussion before the committees of congress having to do with the making of the present tariff law, Andrew Carnegie, who was in a position to view the matter with impartiality, since he is no longer directly interested in the profits arising from the business in this country, declared that there was no reason why the tariff should be retained upon the principal items manufactured of iron and steel in America. He gave as the reason for this that the manufacture had been fully developed, that the business had become standardized, and that the superior processes employed and the superior capabilities of the American workmen were such that steel could be manufactured cheaper here than anywhere else in the world. This being true, there is no excuse, even under the republican theory of protection, for the retention of duties on all of the steel and iron manufactures.

This theory is—or perhaps it would be more accurate to state that it was—that protection was necessary in order to permit the manufacturing industries to develop to the point where they could compete with the world. The argument implied that as soon as this was accomplished the tariff should come off because it would then be no longer necessary. Later this theory was amended so as to provide that the protection should never represent more than the difference between the cost of production here and abroad, with a profit for the manufacturer added, a reasonable profit. It is a fact that no one disputes that America leads all the world in the manufacture of steel and iron. There are no longer any infant industries of that class requiring protection. It ought not to require any extended argument to prove that, under the latest test laid down by protectionists, the steel subsidy should be abolished.

When the steel trust and those other manufacturers who are in price agreement with it are able to send over 230 millions dollars worth of their products and sell them at a profit in the world's markets it is presumptive evidence that they need no tariff protection against foreign rivals who might sell in their home markets. If they can meet those rivals on a field so far distant from America, where the item of freight and the cost of handling handicap them, and undersell them to such a large extent it becomes quite evident that the tariff is only a price club for use at home. Here is what Mr. Carnegie said not long ago: "The republic has won supremacy in steel and can today, even during a temporary world-wide depression, send it profitably to every free market in the world in successful competition with all other manufacturers."

Mr. Carnegie's statement can not be successfully controverted. There are the export figures to prove that this is what the steel manufacturers of America are doing, and increasing their business abroad each year. If the American manufacturer makes his steel at a less cost than does his foreign competitor, then under the rule laid down by the republican platform as to the measure of protection, he is not entitled to any protection, since the difference in costs here and abroad is in his favor and not against him. There are no infant industries in the steel business. Mr. Carnegie is authority for the statement that practically all of them rank higher in mere bigness with foreign manufacturers. The iron and steel schedule, it should also be recalled, is one that Chairman Underwood didn't want the democratic house to meddle with at the recent special session.

C. Q. D.

WATCH IT GROW

Mr. Bryan has given instructions that every new subscriber shall receive The Commoner for a period of two years (which will carry it beyond the presidential election of 1912) for the sum of one dollar. Every Commoner reader is asked to secure at least one new subscriber. Many will be able to secure more than one. Everyone, however, may render some aid in this work.

The following named readers have sent in new subscribers in numbers as folows: C. O. Wiggins, Ind., 7; Albert Hughes, Pa., 7; Chas. McNickle, Ill., 5; W. R. Atchison, Minn., 6; P. H. Van Slyck, Ia., 10; A. L. Chandle, Fla., 5; A. J. Schaap, Ia., 10; J. F. Sailer, N. J., 5; Saml. Shimp, O., 7; Geo. W. Acklin, Pa., 5; J. A. Froelich, Wis., 5; S. M. Redfield, Mo., 5; A. M. Griffith, N. Y., 5; J. L. Scholl, Ia., 5; J. E. Coulter, N. C., 6; Jno. B. Waddell, Mo., 10; Jas. A. Thomas, Mo., 15.

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