and fully acknowledged. But the minute and commission were not barren of result. A fresh conference of the powers assembled at Brussels, on the invitation of the Belgian government, on the 7th of June 1898; and although the British delegates were not empowered to consent to a penal clause imposing counter­vailing duties on bountied sugar, the Belgian premier, who pre­sided, was able to assure them that if Great Britain would agree to such a clause, he could guarantee the accession of the govern­ments of Germany, Austria, Holland and his own. Of all the countries represented—Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, the Netherlands, Russia and Sweden—only one, namely France, was opposed to the com­plete suppression of all export bounties, direct or indirect; and Russia declined to discuss the question of her internal legislation, contending that her system did not amount to a bounty on exportation.

Apart from the proceedings at the sittings, much of the actual work of the conference was done by informal discussion, under­taken to discover some means of arriving at a common under­standing. Was a compromise possible which would bring about **a** satisfactory settlement? The British delegates wrote that it appeared that there were at that time but two methods of securing the suppression of the bounty system—an arrangement for limitation of the French and Russian bounties acceptable to the other sugar-producing states, in return for the total abolition of their bounties; or, a convention between a certain number of these states, providing for the total suppression of their bounties, and for the prohibition of entry into their terri­tory of bounty-fed sugars, or countervailing duties prohibiting importation.

The Belgian government thought a compromise might be possible. A proposal was annexed to the *procès-verbal* of the final sitting, and the president closed the first session of the conference on the 25th of June 1898 with the expression of a hope that the delegates would soon reassemble.

The annual aggregate output of cane and date sugar in India was short of 4,000,000 tons. Exportation had long ceased, partly owing to the bountied competition of beet sugar, and partly because the people had become able to afford the con­sumption of a greater quantity than they produced; and German and Austrian sugars were pouring into the country to supply the deficiency. But the importation of foreign sugar, cheapened by foreign state aid to a price which materially reduced the fair and reasonable profit of native cultivators, was a state of things the Indian government could not accept. On the 20th of March 1899 an act, authorizing the imposition of countervail­ing duties on bounty-fed articles at the port of importation, was passed by the Council of India, and received the assent of the governor-general.

This decisive step was not long in making itself felt in the chanceries of Europe. In October 1900 a conditional agree­ment for the reduction of the bounties was made in Paris between France, Germany and Austria-Hungary; in February 1901 the Belgian government proposed a new session of the Con­ference of 1898, and on the 16th of December following Brussels welcomed once more the delegates of all the powers, with the exception of Russia, to the eighth European Sugar Bounty Con­ference since that of Faris in 1862. The discussion lasted over eight sittings, but the conference, to which the British delegates had come with powers to assent to a penal clause, arrived at an understanding, and a convention was signed in March 1902. This was ratified on the 1st of February 1903, subject to a declaration by Great Britain that she did not consent to penalize bounty-fed sugar from the British colonies.

It was agreed “ to suppress the direct and indirect bounties which might benefit the production or export of sugar, and not to establish bounties of this kind during the whole duration of the convention,” which was to come into force on the 1st of September 1903. and to remain in force five years, and thenceforward from year to year, in case no state denounced it twelve months before the 1st of September in any year. A permanent commission was established to watch its execution.

The full text in French, with an English translation, of the Sugar Convention, signed at Brussels on the 5th of March 1902 by the plenipotentiaries of the governments of Germany, Austria- Hungary, Belgium, Spain, France, Great Britain, Italy, the Nether­lands and Sweden, will be found in a return presented to parliament in April 1902 (Miscellaneous, No. 5, 1902, Cd. 1013).

Table I.—Amounts (reduced to English money per cwt. avoir­dupois) of the total net sugar bounties granted by European powers, according to the computation issued by the secretary of the United States treasury on the 12th of December 1898.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Sugars polarizing* | | | | | | | | | | | | | |
| From .  To ... | 75°  88° | 88°  93° | | 65°  98o | 90°  98° | | 88° 93° 98°  99° 991/2° 991/2° | | | | 98°  100° | 99°  100° | 991/2°  100° |
| *Bounties (per cwt.)* | | | | | | | | | | | | | |
|  | s. d. | s. d. | | s. d. | s. d. | | s. d. | s. d. | s.d. | | s. d. | s. d. | s. d. |
| Countries- Russia  Austria- Hungary France  Crystals Refined Germany | 2 3·3 | 1 2 | | 4 43/4 | 1 3 | | 2 11·1 | 1 3 | 1 6 | | 4 61/2  4 101/2 | 34·65 | 19∙3  19·3 |
| *Sugars classed as (per cwt.)* | | | | | | | | | | | | | |
|  | | | | | | Raw Sugar. | | | | Refined Sugar. | | | |
| Countries—  Belgium .. ..  Denmark | | | | | | s. d.  1 10 | | | | s. d.  2 21/4  0 7 6 | | | |
| *Sugars analysing in pure sugar (per cwt.)* | | | | | | | | | | | | | |
|  | | |  | | |  | | | | Hard Dry Refined. | | | |
| Less than .  Country—  Holland . . | | | 98%  s. d.  1 10∙8 | | | 98 % and over.  s. d.  1 6 | | | | (Additional) s. d. 0 3 | | | |

Sir H. Bergne reported on the 27th of July 1907 to Sir Edward Grey that—

“ The permanent session had met in special session on the 25th of July, to consider the suggestion of His Britannic Majesty’s government to the effect that, if Great Britain could be relieved from the obligation to enforce the penal provisions of the conven­tion, they would be prepared not to give notice on the 1st of Sep­tember next of their intention to withdraw on the 1st of September 1908 a notice which they would otherwise feel bound to give at the appointed time and he added that “ At this meeting, a very general desire was expressed that, in these circumstances, arrange­ments should, if possible, be made which would permit Great Britain to remain a party to the Sugar Convention.”

On the 1st of August 1907 the Belgian minister in London transmitted to Sir Edward Grey a draft, additional act pre­pared by the commission for carrying out the proposal of His Britannic Majesty’s government, and on the 28th of August following an additional act was signed at Brussels by the plenipotentiaries of the contracting parties, by which they undert∞k to maintain the convention of the 5th of March 1902 in force for a fresh period of five years.

On the 2nd of December 1907 Sir H. Bergne wrote to the foreign office from Brussels, reporting that a special session of the permanent commission, established under the sugar bounties convention, had opened on the 18th of November, and the principal matter for its consideration had been the applica­tion of Russia to become a party to the convention on special terms. A protocol admitting Russia to the sugar convention was signed at Brussels on the 19th of December 1907.

Sir A. H. Hardinge on behalf of Great Britain made the following declaration:—

“ The assent of His Majesty’s government to the present protocol is limited to the provisions enabling Russia to adhere to the con­vention, and does not imply assent to the stipulation tending to restrict the importation of Russian sugar.”

When, in April 1908, Mr Asquith became premier, and Mr Lloyd George chancellor of the exchequer, the sugar convention