

EXHIBIT 16. STATEMENT BY EDWARD W KNOX, GENERAL MANAGER OF THE COLONIAL SUGAR REFINING COMPANY (LIMITED), SYDNEY, ALSO STATUTORY DECLARATION

A.

IN reply to the request made to this company's manager in Auckland for a statement of the views of our directors in regard to the manufacture of beet-sugar in the Dominion of New Zealand, I have to say that such sugar cannot, in our opinion, ever be produced at a price that would allow of its being sold on equal terms against sugar made from cane grown within the tropics.

Even in Germany, with cheap labour, capital, and material, and under a system of chemical control of both cultivation and manufacture that has reached a remarkable pitch of perfection, there is no indication of a belief that the industry could stand without a protective duty, and in New Zealand, where the conditions just named would be—at any rate, for many years—completely reversed, the need for such duty or for an equivalent bonus would be much greater.

What would be the amount of the protection needed to thus insure a working margin of profit for both grower and manufacturer it is impossible to say, because the information obtainable as to the probable weight of the crop and the percentage of sugar in it is wholly inadequate for framing a just estimate on the subject. In the United States the effective protection is about nine pounds (£9) per ton of sugar, besides the cost of inland freight, and the coming crop is expected to give 425,000 tons of sugar from 410,000 acres under beet, but this yield of sugar per acre is far below that obtained in Germany, and one could hardly guess whether the causes that may have operated in America to reduce the return—poor cultivation, unsuitable climate, and insufficient labour—would similarly affect that in New Zealand in an equal or greater degree.

Perhaps all would tell a high degree of cultivation is a necessity; the distribution of the rainfall and adequate sunshine during the growing months largely determine the percentage of sugar, and there must be a sufficient labour-force when the young plants are to be thinned and weeded: moreover, experience only can decide whether the harvesting would clash with other agricultural operations.

At least two years would be required for obtaining records and making experiments before a fair opinion could be formed as to the chances of success of such a venture, and even then the risk of failure would be so great, and so much would depend on the willingness of a number of farmers to grow the crop, that no firm with experience in such matters could be expected to enter on a speculation of this sort if the factories erected were subject to resumption as proposed.

Whether the Dominion should attempt to divert capital and labour from agricultural industries now prospering and independent to one which can only live at the cost of the taxpayer is a question for the majority of the voters to answer. We can say, however, as to the existing position, that the absence of a duty on sugar secures to the people a supply of a necessary of life on the most favourable terms, and wholly prohibits the establishment of any monopoly in connection with its distribution. Our company has secured the market by underselling all other suppliers, and can only hold it by maintaining the same principle, when every distributor can procure his supplies from any country in the world. In support of this statement it can be said that Tate's Granulated—equal to our 1A—is now selling in London at £20 10s. per ton, the duty being £1 16s. 8d., in Auckland the price is £17 10s., duty-free, off which price there is an allowance of 10s. per ton. The advantage to the New Zealand distributor is obvious, and he receives in addition a larger discount, while our sugar is delivered in more costly packages.

EDW W KNOX,

General Manager,

Colonial Sugar Refining Company (Limited).

Sydney, 16th September, 1910.

STATUTORY DECLARATION

I EDWARD WILLIAM KNOX, of O'Connell Street, Sydney, in the State of New South Wales, do hereby solemnly and sincerely declare as follows 1 I am the general manager of the Colonial Sugar Refining Company (Limited). 2 The statement, dated the sixteenth day of September, one thousand nine hundred and ten, signed by me as general manager of the said company, and which is attached hereto and marked "A," is true in substance and in fact. And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act, 1900.

[L.S.]

Subscribed and declared at Sydney this seventeenth day of September, } EDW W KNOX.
ber, one thousand nine hundred and ten, before me—

ALFRED W NATHAN,

Notary Public,

Sydney, N S.W

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