

CSR versus Sydney merchants, 1862

In 1862 the NSW Legislature debated whether to tax raw sugar imports at the same rate as refined sugar. CSR imported raw sugar, and argued for a lower rate: merchants imported refined sugar and demanded that raw sugar pay just as much.

The debate was ugly, personal – and revealing:

Mr. PIDDINGTON said he would vote against one of the most unfair and improper bills submitted to the Legislature. Its object was the remission of a certain amount of duty on sugar imported for refining, which remission would favour the Sugar Refining Company to the extent of ten or fifteen thousand pounds per annum ... [This bill] by favouring a monopoly, would benefit a wealthy company at the expense of the community generally. This company ... had at a cost of £30,000 bought and closed Mr. Robey's establishment at the North Shore [and] made this purchase to put Mr. Robey out of the market, and shut up his establishment. It was plain that the object of this company was to obtain a monopoly of the sugar market ...

They had not only possessed Mr. Robey's establishment, but had also bought up that of Mr Bowden ... nearly every merchant in Sydney connected with the importation of sugar had objected to this bill ... and no doubt the desire of the company was to drive other importers of sugar out of the market.

Mr LOVE denied that this bill would give a monopoly, because the privilege given to this company was available to all other companies that might come into existence. The sugar imported by this company was of such a low description as to be unfit for use, and for this they had to pay the same duty as the importer had to pay for [refined sugar] which was worth three times the money.

Mr ALLEN The existing system was practically to give a bonus to the importers of sugar or molasses, as against the manufacture in the colony, and it was upon this account that the merchants of Sydney were so unanimously opposed to this bill, which would take that bonus from them ...

He maintained that none of the evil results predicted would arise. On the contrary, its operation would remove the disability under which the colonial manufacturer has against the advantage of the foreign merchant.

Mr STEWART The manufacturer of confectionery in the colony had to contend with the duty, while imported confectionery came in duty free.

Mr DANGAR believed the Sugar Company had monopolised the sugar trade to the injury of the inhabitants as a whole. He did not say that the Secretary for Finance had any shares in this company, but that hon gentleman certainly showed a very warm interest in the passing of this measure.

Mr DICKSON contended that it was in consequence of the protection given to the importers over the manufacturer that small refiners had been obliged to give up business and sell their plant to this mammoth company.

The issue was decided in favour of CSR.

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