



# The S.A. Sugar Journal

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## Sugar in 1931.

Within a few hours of this issue making its appearance another year will have been added to the illimitable past, and we shall be thinking of the future, and wondering what the New Year may bring forth. As the curtain is rung down on the old year many people will be speculating upon what they may have to pass through ere yet another year has gone. While the future is never so dark as a morbid imagination can make it, there are perhaps a number who have just cause for anxiety; indeed there is reason for anxiety on the part of most people connected with the local Industry because conditions have been growing gradually worse during the past few months, and it needs a powerful fund of optimism to be sanguine of the immediate future. Of the numbers of planters we meet from time to time they all without exception declare there is no profit in sugar to-day for any but the most fortunately situated. Some are in a position to go on paying out more than is coming in, but they naturally realise that living out of capital is unsatisfactory and should not be regarded with equanimity. People have, of course, to learn to cut down expenses and live at a cheaper rate, but if this is carried too far it will react on the Industry. Looking back over the past few months and at the same time looking to the future, the question naturally arises: "Is the Industry doing all it should to face the situation? And has it accomplished anything worth while?" And the answer would appear to be in the negative. It has not done much in the past, and it appears to have no particular programme for the future. At the present time the things that vitally matter are the necessity for selling more sugar in South Africa; for placing export and production on a commercial basis, and to cheapen the production both of cane and sugar wherever possible, and thus try to secure a greater

margin of profit for all **Docu** of production; Some of these points are emphasised in a letter appearing on the correspondence page of this issue from the pen of Mr. W. T. Brockwell, of Eshowe, whose suggestions are worthy of earnest consideration. Unquestionably the primary need of the Sugar Industry, as it enters upon the New Year, is to sell more sugar in South Africa. Until that is accomplished there must always be something lacking. That the propaganda carried out in the last year or so has been ineffective is evidenced by the fact that it fails when tested by the question: "Has it sold more sugar?" We are credibly informed that the sales of sugar have not only not increased but that they have actually fallen below the average, which is a complete confirmation of the ineffectiveness of the propaganda. At the same time the export quota goes on steadily rising. It is now 50 per cent., and as propaganda has not succeeded in placing any limits upon export it will not stop at that. The proportion of export to local sales is steadily bringing down the price, so that if it is not stopped the Industry must one day find itself in the same kind of position as Mauritius is in to-day, only with this difference, that while Mauritius is the victim of circumstances over which she has no control, having comparatively no local market, the South African Industry can only have itself to blame for not putting its house in order after some years of a steadily developing situation in which circumstances have constantly shouted warnings innumerable. And the outstanding necessity is propaganda to sell more sugar in South Africa and to apply business acumen to the situation. Let us analyse the position dispassionately, and, as far as possible, logically, and endeavour to see wherein the weakness lies. In 1928 the Industry voted £12,000 for propaganda, and this has been added to each year since. No record has been published showing how the money has been expended, but it is apparent it has been expended without any cohesive effort, and without expectation of definite result, in much the same way that money is spent by the Intelligence Department in war time—pay out upon demand, trust somebody, and ask no questions. It is unavoidable policy in war time, but it is absurd business for an organisation such as the Sugar Industry.

If, instead of setting that money aside as a thing to be nibbled at by all and sundry, like the monkey and the cheese in the fable, a special commercial department had been established, with a sales organiser and manager, responsible to somebody for results, there would undoubtedly have been a different story to tell to-day. As it is, who is responsible? Who will shoulder the blame for failure. As it happens the blame has to be divided amongst the Crop Disposal Committee, the Increase Consumption Committee, the Propaganda Committee, the Millers' Association, the Cane Growers' Association, and every one of the numerous committees which have had a finger in the pie. How different would it have been if they could have brought up one responsible man and charged him with failing to



sell the sugar, and asked him for an explanation, and if unsatisfactory decided that he was the wrong man and selected a better one. Of course, the obvious thing would have been to have made doubly sure in the first place that the man had the right qualifications and knew that his emoluments and his future depended upon his ability to sell the sugar. On the other hand, what has happened? With an eye at the wrong end of the telescope we have made gorgeous displays in various parts of South Africa, and particularly in Durban (where it was easiest and most useless) to impress upon the mentality of the European retail purchaser of sugar that the manufacture of sugar is an intricate business for the mechanical engineer, and that it gives employment to a number of units of the Government railway—in brief, that operating large factories for making sugar and running trains is the special prerogative of the Sugar Industry. Some visitors may even have got the impression that in some mysterious way the railway trains made the sugar. It was all very fine and spectacular, and—don't forget—costly, but has it sold an extra ton of sugar? Apparently not. Then another big bite has been taken out of the propaganda cheese for advertising. If there is one thing more than another upon which money can be, and is, wasted, it is advertising. Misplaced advertising may be profitable to some and wasteful to others, but here, again, it can only be judged by results, and if it has failed to sell even a ton more sugar it must be weighed in the balance and found wanting.

The worst feature of the Sugar Industry is its lack of cohesion. Nearly everybody is doing something as an individual and accomplishing nothing worth while. They are experimenting here with one idea and there with another, but without cohesive effort. Nothing is accomplished. One factory is putting up raw sugar specially treated for native consumption in 2lb. packets for sale at 6d. It may be an excellent idea as part of a sound scheme to sell more sugar, but on its own it stands alone and will be a failure. On its own in any case it will merely have the effect of selling more in one direction of one kind and less of another, with an average nil result. The retailers in some parts of South Africa make 60 per cent. profit out of the sugar sold to natives, so why should they want to sell this special sugar on a margin of 10 or 20 per cent.? A sales organiser would know how to handle a situation of this kind, but to the particular water-tight compartment of the Industry at present concerned this is "an insuperable obstacle," and we shall probably be told later on in the New Year how this experiment was tried and proved a failure because of "the enormous difficulties in the way, and the opposition from the retailers." And yet to go to the root of the matter, the failure will all be due to the Industry's lack of cohesive effort.

It is easy to find excuses for failure, but as the Jew said to his inefficient traveller, "Wat ve rant is orders." Nothing else matters. The test in this case is: "Have we sold more sugar?"

But it is never too late to mend, and if money is available there is still time to appoint a sales organiser and a sales department to sell more sugar.

As regards export and production, if anything were to happen to the British preference South Africa would be in as bad a way as Mauritius, but there is no reason to fear anything on that score at present, although it is always wise to have a safe fall back. There must always be some anxiety about the export side of the industry while it has to depend to a great extent upon the vagaries of a gentleman of Mr. Snowden's temperament. As things stand now the export is a fine thing for the Sugar Industry, and it is a consoling fact that Great Britain and Canada can take a much larger quantity of sugar than we are likely to be able to supply for some years to come. Even so, the gradually increasing export is slowly but surely bringing down the price procure for sugar in South Africa, and unless something is done soon the day must come when stress of circumstances will close down the small mill and put the small planter in the Bankruptcy Court. Every effort must be made to avoid this, and it seems the way to set about it is to increase consumption in South Africa, to impose some form of restriction on production, to prevent new areas coming into cultivation, to produce more sugar per acre, to cut down the cost of conveying sugar to the mills, to appeal to Government for an embargo on imports of sugar, and for a rebate of the heavy excise of £1 a ton which the Industry has paid for years past. It is disappointing to think that no constructive schemes have emanated from the Cane Growers' Association in the past year. The people they represent are the hardest hit of any section, yet their chief object seems to be to keep the legal profession in affluence. Planters complain frequently that they were better off with the old Zululand Planters' Union and their Hulett's Natal and Zululand Planters' Associations. Whether that is right or not is a matter of individual opinion, but the Cane Growers' Association has done nothing to show that it is working for the betterment of the conditions of those planters who are going to be hard hit if things continue as at present. It is absurd to sit and do nothing because our Industry is accounted so infinitesimal that it counts for nothing in the affairs of the sugar world. We have our own internal problems which must be attended to or, it may be, neglected with fatal consequences.

A bright ray of hope comes from the work Mr. Chadbourne put his hand to three or four months ago, to improve sugar conditions throughout the world. Negotiations have so far proceeded satisfactorily, and when completed they will have the effect of stabilising the world's market, and so far as South Africa is concerned it will most probably remove the menace of sugar being dumped from foreign countries and it will thus stabilise our market, but the rest is in our own hands. It will not by any means remove all our future problems. How far the industry will prosper in the next year or two depends to a very great extent on how far it helps itself.