

ROYAL COMMISSION ON RAILWAYS
MINUTES OF EVIDENCE TAKEN BEFORE THE COMMISSIONERS MARCH 1864 - MAY 1866
APPENDIX CQ

TO THE CHAIRMAN AND DIRECTORS OF RAILWAY COMPANIES CONNECTED WITH THE METROPOLIS.

The MEMORIAL of the undersigned Merchants, Brokers, Sugar Refiners, Wholesale Grocers, and others interested in the Commerce of London.

THE Memorialists, in addressing the Railway Boards of lines connected with this City on the subject of the Tariff of Charges, beg to represent that London is placed in a very unfavourable position in comparison with some of the outports in reference to the carriage of sugar—the facilities given by the railways leaving London not being equal to those offered to the outports by other railway companies; from which cause the trade in sugar in the metropolis has materially suffered.

The Memorialists have been led to investigate the subject by observing that the London sugar trade has been for a series of years gradually decreasing, simultaneously with an increasing commerce in the article at the outports. The raw sugar entered for home consumption in London, which in 1860 reached upwards of 222,450 tons, fell last year to 178,600 tons, showing a decrease of 44,000 tons, whilst the quantity for Liverpool during the same period presents an increase of 28,000 tons; and by means of special rates made to Birmingham and the great centres of consumption by the northern lines, the sugar trade of Glasgow has in the same time increased 51,000 tons.

These facts are important in themselves, the cost of conveyance entering so materially into the calculations of the buyer; but when regarded with a view to the future, they become eminently worthy of attention. It is evident that the lower rate of carriage, when added to the other advantages possessed by the provinces in cheaper coal, labour and water, than the London refiner can command, are considerations which render it essential to the development of fair competition that a ton of sugar should, *ceteris paribus* be carried from London as cheaply as from Glasgow; and it is submitted that perfect equality in dealing with the scale of charges as between London and the outports is what the Memorialists are entitled to by the very policy of our railway legislation, as well as by sound principles of political economy.

It is therefore earnestly requested that,—

1st.—The Directors of the various Companies to whom this Memorial is addressed will forthwith each appoint a competent officer of their establishments respectively, to confer together in the view of equalizing the mileage rates for the conveyance of sugars, and granting an equitable reduction in favour of the London sugar trade.
2nd.—The Conference will afford the Memorialists opportunities of attending their deliberations, and more fully stating the details of their case.

Absolom, Crocker, & Co., 23, Rood Lane.
Anderson, William, & Co., 6, Mincing Lane.
Batten, James & Isaac, 125 and 126, Lower Thames Street.
Boddington & Co., 9, St. Helen's Place.
Bosanquet & Naghten, 23, Rood Lane.
Bowman, Charles & John F., 78, Leman Street.
Briebach & Mogge, 11, Denmark Street, St. George Street, E.
Broadhurst, William, & Co., 37, Mincing Lane.
Brown & Conway, White Horse Yard, Friday Street.
Bruxner, Michael Frederick, 49, Wellclose Square.
Bryant, James & Co., (late Prideaux, George, & Co.,) Church Street, Mile End New Town.
Budgett, H. H. & S., & Co., 5, Monument Yard.
Burnett, J., & Son, 14, Mincing Lane.
Carey & Browne, 36, Mincing Lane.
Cavan, Lubbock, & Co., 16, Leadenhall Street.
Chapman, John, & Son, 8, Commercial Sale Rooms.
Child, William Dirnsdale, 8, Finsbury Place South.
Coles, C. & C. J., 86, Great Tower Street.
Conway, Phelps, & Hay ward, 14, Mincing Lane.
Cook, James, & Co., 40, Mincing Lane.
Cooper, Thomas, & Co., 26, Lime Street.
Corrie & Co., 29, Mincing Lane.
Cottam, Mortan, & Co., 47, Lime Street.
Craven & Lucas, 12, Leman Street.
Craven, John, & Co., 3, Great Garden Street.
Cross, Edward, 1, Seething Lane.
Curteis, Whitworth, & Co., 12, Eastcheap.

Dames, C. R. & R., Rupert Street, Goodman's Fields.
Dames & Son, 2, Osborn Street, Whitechapel.
Daniel, Thomas, & Co., 4, Mincing Lane.
Davidsons' & Co., 8, Lime Street.
Davis, John & Son, 113 and 114, Leman Street.
Deffell & Bowling, 21, Mincing Lane.
Dipnall, Phare, & Co., 18, Mincing Lane.
Dobree, Samuel, & Sons, 6, Tokenhouse Yard.
Doekerill, Duchesne, & Dockerill, 97, Fenchurch Street.
Drake, John V. & Co., 24 and 26, Commercial Sale Rooms.
Duncan, Bell, & Scott, 21, Mincing Lane.
Edmunds, Furner, & Co., 62, Cannon Street.
Ellis, James Rose & Co., 150, Leadenhall Street.
Fairrie Brothers, & Co., Church Lane, Whitechapel.
Fawkes, Alfred Tritton, 80, Great Tower Street.
Fenn, Ford, 32, Botolph Lane.
Fleet Brothers, 141, Fenchurch Street.
Fry, Thomas, & Son, 75, Cannon Street.
Gadesden, Augustus William, 4, Christian Street, St. George's East, Chairman of the Sugar Refiners' Committee.
Gardner, Robert.
Gold Brothers, 4, 5, and 7, Shoreditch High Street.
Goodhart, Jacob, & Sons, 3 to 7, St. George Street East.
Goodhart, Charles Emanuel, 97 and 98, Leman Street.
Goodhart, Stephen Cloves, 76, Great Tower Street.
Grant & Kemshead, 46, Lime Street.
Hall & Boyd, Breezer's Hill, St. George Street East.
Hankey, Thomson, & Co., 7, Mincing Lane.
Hankey, William Alers, 86, Great Tower Street.
Hardcastle, John, & Co., 22, Eastcheap.
Harrison, John, 5, Dock Street, Upper East Smithfield.
Hawthorn & Shedden, 5, Lime Street Square.
Hawthorn & Watson, 5, Lime Street Square.
Hazzledine, Ayers, & Aubrey, 96, Houndsditch.
Henderson & Constable, 40, Cannon Street.
Henderson, Robert & John, 7, Mincing Lane.
Hicks, Thomas & Francis, 11, Little Alie Street, Goodman's Fields.
Hodge, Sydney Bryant, 17, Fieldgate Street.
Kemble, Trower, & Martin, 10, Mincing Lane.
Kilby, Thomas, & Co., 132, Fenchurch Street.
Kingston, John, & Co., 6, Crosby Square.
Kirkpatrick & Balguy, 27, Great Alie Street.
Kuck, Peter, 3, Christian Street, St. George's East.
Layton & Co., 17, Mincing Lane.
Liggins & Co., 37, Mincing Lane.
Lockett & Sherman, 87, Great Tower Street.
Lord, Stovell, & Co., 38, Mincing Lane.
Luckie, Edward, 4, Laurence Pountney Place.
Macgregor, Mildred, & Co., 27, Mincing Lane.
Maitland, Swing, & Co., 21, Birchin Lane.
Martineau, David, & Sons, 6, Christian Street.
Martineau, Peter, & Son, Goulston Street, Whitechapel.
Mayo & Man, 7, Mincing Lane.
Muhm, F. F., & Muller, 2, Gower's Walk.
Neilson, Claud, & Sons, 12, Great St. Helen's.
Newsam, John Fowler, 5, Idol Lane.
Paines & Young, 22, Mincing Lane.
Parker, Frederick, 12, Denmark Street.
Patry & Pasteur, 38, Mincing Lane.
Phillips, Thomas, & Son, 12, Arthur Street West.
Porter, Schlusser, & Co., 9, Mincing Lane.
Preston, John Cook, 71, Great Tower Street.
Price, Gifford, & Co., 17, Mincing Lane.
Renny, Anderson, & Co., 37, Mincing Lane.
Rolls & Lucock, 9, Mincing Lane.
Rucker, J. A., & Bencraft, 37, Mincing Lane.
Rucker, Sigismund & Co., 12, Great Tower Street.
Scott, Simpson, and Wallis, 73, Great Tower Street.
Shotton & Bouts, 91, Great Tower Street.

Simkin & Buck, 88, Leadenhall Street.
Smith, James, Bogle, & Co., 9, Tokenhouse Yard.
Startin, George, & Co., 150, Fenchurch Street.
Taylor & Whalley, 88, Great Tower Street.
Taylor, Werner Hocke, 7, Mincing Lane.
Teede & Bishop, 11, College Hill.
Tennant, Charles, Sons, & Co., 9, Mincing Lane.
Thompson, William, James, & Henry, 38, Mincing Lane.
Trueman & Rouse, 130, Fenchurch Street.
Wagener, John, 27, Wellclose Square.
Wainwright & Gadesden, 4, Christian Street, St. George's East.
Westmorland & Stewart, 21, Mincing Lane.
Whiting, Noel, 14, Mincing Lane.
Wohlgemuth, Conrad, 59, Church Lane, Whitechapel.
Woodhouse, J. C. & M., 30, Mincing Lane.

MEMORIAL OF THE COMMITTEE OF SUGAR REFINERS AND WHOLESALE GROCERS OF LONDON ON THE RAILWAY TARIFF OF CHARGES FOR THE CONVEYANCE OF SUGAR, AND OTHER PAPERS CONNECTED THEREWITH.

ALTHOUGH the Memorialists, in their general character as merchants and traders, have a deep interest in the whole economy of the railway transit of the United Kingdom, and are materially affected by any obstructions presented by railway management to the free distribution of commodities, they desire at this time to confine their strictures upon the subject of goods traffic, entirely to that branch of commerce which concerns the trade in sugar.

London, as the seat of government, and of a population that may be regarded as almost a nation in itself—the place to which a very large proportion of the whole income of this kingdom is drawn—and the centre of the trade, the shipping, and the financial operations of the world, enjoys advantages for the pursuit of commerce peculiar to itself. It is not only the largest market in reference to consumption, but also in the power of purchase. Both foreign and home vendors of every description of commodity know that in London they can command an immediate sale upon which they cannot rely elsewhere. Shippers and supercargoes naturally turn a preferential attention to a port where they are always certain of customers at a price. To such a mart the trade in an article of such universal consumption, and applicable to such a variety of uses, as sugar, should be especially attracted. An extensive foreign demand is incident to the very fact that London is by far the largest shipping port and market for money in the world. If the different classes in this city concerned in promoting the trade in sugar could only understand their own interests and co-operate with each other in their common and mutual advantage, London should entirely outstrip provincial competition in reference to this commodity.

A new feature has of recent years characterized this department of enterprise. Raw sugar has rapidly given place to refined in domestic use. A comparatively insignificant proportion of the whole supply passes into consumption in an unmanufactured condition. The tastes and habits of society have combined with other causes to supersede in a great measure the consumption of the article in its raw state—and, to meet the wants of the public, the processes of conversion have become very largely extended.

Yet, with all these means and appliances for the promotion of an extended business, and in the face of the fact that the general commerce of London is in progressive development, it is very certain that the *trade in sugar in the metropolis has steadily decreased*, in strict coincidence with a proportionate advance in the demand for the commodity in the provinces. While the quantity entered for home consumption in London in 1860 reached 222,400 tons, it fell last year to 178,600, equal to a progressive decrement of 44,000 tons. The quantity entered for Glasgow has advanced in the same period 51,000 tons, and for Liverpool 28,000, presenting a contemporaneous increase of 79,000 tons. The London consumer is served with at least as good an article, and certainly at as low a price, as the provincial buyer can command. Yet one refinery after another has been closed in London, simultaneously with the opening up of new establishments at the outports. It is in the competition for the custom of neutral markets that the London refiner finds he is losing ground; and after a careful analysis of the whole incidence of the trade, the Memorialists are persuaded that the *result is attributable to the preferential traffic rates of carriage given by the northern lines of railway to the refiners at Liverpool and Glasgow*, as contrasted with the exorbitant rates charged by the traffic managers of the lines radiating from London. Had the trade at the outports suffered in sympathy with that of London—had it only maintained its normal condition while that of the metropolis retrograded, the Memorialists might have looked to other causes to account for the decline; but where it is obvious that the business done in the north increases even in a greater ratio than the decrement in the metropolis, the result must be attributable to the sympathy of a mutual relation common to both. From a tabulated statement of such returns as the Memorialists could procure, they extract the figures which follow:—

RATES OF CARRIAGE for Cask Sugar between the undermentioned Places—

From	Distance	Rate per ton per cask.	Rate per ton per 100 casks.	From	Distance	Rate per ton per cask.	Rate per ton per 100 casks.
Glasgow to Birmingham	302	1d.	£ s. d.	Glasgow to Gloucester	490	0 1 10ths.	£ s. d.
Bristol to Birmingham	32	1 4-10ths.	0 13 3	Bristol to Gloucester	374	2 2-10ths.	0 18 10
Liverpool to Birmingham	98	2 2-10ths.	0 18 0	Liverpool to Gloucester	147	1 3-10ths.	0 10 10
London to Birmingham	113	2 2-10ths.	0 19 2	London to Gloucester	114	2 1-10th.	0 17 6
Glasgow to Dudley	294	1	8 8 9	Glasgow to Nottingham	258	1 3-10ths.	0 10 10
Bristol to Dudley	34	2	0 16 10	Bristol to Nottingham	132	1 7-10ths.	0 16 6
Liverpool to Dudley	97	2	0 15 4	Liverpool to Nottingham	95	2 4-10ths.	1 0 2
London to Dudley	111	2 4-10ths.	0 19 3	London to Nottingham	103	2 4-10ths.	1 0 0
Glasgow to Worcester	292	1 7-10ths.	0 10 3	Glasgow to Oxford	413	1 1-10th.	0 8 10
Bristol to Worcester	66	2 8-10ths.	0 15 2	Bristol to Oxford	63	2 1-10th.	1 5 7
Liverpool to Worcester	100	2	0 16 8	Liverpool to Oxford	236	1 6-10ths.	0 15 2
London to Worcester	115	2 4-10ths.	1 0 3	London to Oxford	63	2 2-10ths.	1 6 5
Glasgow to Derby	310	1 4-10ths.	0 12 1	Glasgow to Manchester	233	0 8-10ths.	0 7 4
Bristol to Derby	1304	1 4-10ths.	0 15 3	Bristol to Manchester	178	1 3-10ths.	0 12 6
Liverpool to Derby	92	2 1-10th.	1 0 12	Liverpool to Manchester	33	2	1 2 6
London to Derby	127	2 2-10ths.	0 18 4	London to Manchester	186	1 7-10ths.	0 14 7

The Memorialists are perfectly aware that unless they can make the redress of their grievances compatible with the promotion of the interests of the railway proprietors, to whom they make this appeal, they are merely wasting the time of all parties. It is therefore to this consideration that they would chiefly confine what more they have to say on the subject.

Coal is an article which enters largely into the manufacture of sugar. The distance from Glasgow and Liverpool to the coal-fields is short, and in that respect the custom of the refiners of those ports is not very profitable to the railways in the shape of carriage. The farther coal has to be carried, the more lucrative must be the process of manufacture to the railway interest. If the coal which costs 6s. per ton to the Glasgow refiner is charged 16s. or 17s. to his metropolitan competitor, the difference must represent the profit of each respectively to the carrier. It is obviously greatly to the interest of the railways to encourage the manufacture at the greatest remunerative distance from the seat of the coal supply. It is equally to their advantage to sustain the London refiner in his competition for the custom of distant markets. The farther the sugar has to be sent from London, the greater must be the traffic secured to the Metropolitan railways. In the keen struggle for business, and the precision to which the calculations of the retail dealers are now reduced, the mere "turn of the market" makes the whole difference between a large as well as progressive trade, and no trade at all. A liberal reduction in the charge for carriage may open many refineries that have been closed, and encourage the erection of many more. London ought to be the cheapest market from the very fact of its being the largest—and to the cheapest will be attracted not only the most extensive demand for all the heavy materials that enter into the manufacture of the article, but the greatest number of traders—railway travellers—from all parts to the common market—the distribution of whose purchases will form another source of increased goods traffic to the London lines.

The district of the metropolis produces none of the elements of which the manufacture of sugar is composed. Every requisite of the refinery must be brought from a distance; and when the process of conversion has been completed, the area of distribution extends over the whole kingdom. The consumption of the article is limited practically only by the price; the slightest fractional increase or reduction is instantly felt by a market peculiarly responsive to the oscillations in the cost. It is not too much to say that, could the charge on the carriage of sugar be materially reduced, not only would the decreasing delivery of 44,000 tons be arrested in its declining course, but a considerable increase of the traffic would immediately take place, and by proper arrangements on the part of the railway boards, London might again take the position it formerly held as the best and cheapest market in the kingdom. That any of that traffic should be water-borne is a reproach to the management of the railways, in reference to an article which the distributors would always prefer to convoy by rail if the tariffs of the companies would reasonably admit of it. The alteration in the sugar duties adopted by Mr. Gladstone in 1864 has materially stimulated the import of foreign refined sugars by sea direct to Hull and other outports, and greatly superseded railway traffic, both in the conveyance of the elements of the refining process, and of the manufactured article; so that any unreasonable treatment of the London dealers which would drive them to have recourse to water-carriage, by which the shipping trade is even now extending its connexion with lines from the coast to the interior, might lose to the metropolitan lines a valuable traffic, which, once established in other districts, might prove wholly irrevocable.

The difficulties with which the Memorialists have to contend in sustaining a competition in neutral markets with the outports are not the less real that they are local and natural. Labour, water, fuel, are all dearer on the Thames than on the Clyde and the Mersey; and the elements of the manufacture are therefore more expensive. Against these disadvantages the Memorialists are willing to bear up, and, as they believe, able to contend; but as it is the last straw that breaks the camel's back, so the Memorialists find themselves overweighted, when, in addition to these formidable drawbacks, they have further to struggle against differential traffic rates in favour of those competitors who are already armed for the contest with superior local and natural facilities. The scope and spirit of the policy of Parliament in reference to railways have assumed that these institutions are legalized in the public interest; that their proprietors shall not be suffered to abuse their great powers to the effect of interfering with the natural laws which regulate commerce, and the ordinary course and operations of trade; and that all subjects of the Crown shall be dealt with on the same conditions, under equal circumstances. Without such precautionary stipulations it is obvious that those who have practically a monopoly of the carrying trade, by exclusive powers of railway construction conferred by statute,

could really dictate the locality and conditions of business throughout the country.

Whilst the Memorialists seek no peculiar immunities for their own special interest, they ask at least equal rates and a liberal spirit of co-operation on the part of the railway companies in the pursuit of a branch of trade in the success of which they are mutually interested. They desire but that these companies shall assist in that which is a common interest to both, and in an undertaking which is virtually joint adventure. With an increasing trade, the Memorialists would add to the profits of conveyance; by moderating and equalizing the charges of conveyance, the railways permit the sugar importers, refiners, and dealers to extend their trade—while by exacting from the Memorialists larger freight charges for equal distances than prevail elsewhere, the railway companies put it out of the power of the Memorialists to sustain the competition with districts at once more highly favoured by natural position and by artificial advantages in the way of preferential freight rates. The districts northwards enjoy these advantages just in the ratio in which they cease to contribute to the revenue of railways,—the manufacturers going to the fuel in place of employing the railways to bring the fuel and others materials of manufacture to them. That sugar should be carried per ton per mile from London as cheaply as from Glasgow is what the Memorialists are entitled to claim by the avowed policy of railway legislation, as well as by sound principles of political economy. They ask no more than this, and they very confidently contend that they ought not to rest satisfied with less. While opinions may vary and even differ as to the causes for the depression of the London sugar trade, there is no difference whatever of opinion among wholesale dealers that a reasonable reduction of traffic rates would provide an efficient remedy, and create a complete revival. A reasonable reduction upon the carriage would afford a sensible relief to the suffering interests of the Memorialists—who now appeal with confidence to the directors of the metropolitan lines to cooperate with their constituents in sustaining a competition in which their profits are identified with the lucrative promotion of railway traffic.

THOS. HICKS.

DAVID MARTINEAU.

GEORGE STARTIN.

ARCHIBALD TRAVERS.

SIDNEY SMITH, *Secretary*.

4, Charlotte Row,
Mansion House.

London, May 1865.

31, Bush Lane, Cannon Street,
SIR,

London, October 31, 1865.

I am instructed by the Committee of sugar refiners and wholesale grocers of London to subjoin for your information copies of a letter from the Great Western Railway Company on the subject of their tariff of rates for the carriage of sugar, and of their answer.

I am further to state, as the Committee are given to understand the chief lines from London act in this matter in concert, and have arrived at a decision as to their course virtually for the same reasons, that the Committee take the liberty to request, you will regard their answer, in so far as it is applicable to the circumstances of your position, as being also addressed to you, and formally to repeat the proposals made to you in their original memorial.

I remain, &c.

(Signed) SIDNEY SMITH,
Secretary.

Great Western Railway,
General Manager's Office, Paddington Station,

SIR,

London, September 28, 1865.

SINCE the receipt of your circular on the subject of the tariff of charges for the conveyance of sugar, and enclosing a memorial from the sugar refiners, brokers, &c. of London, I have been making inquiries with reference to the rates charged for the same descriptions of traffic sent from the other ports.

A great many of the statements contained in the circular and the memorial, which are put forth as facts, are incorrect, because they are based on incorrect data; the rates on which the calculations are based having been divided on an erroneous basis without reference to the extra cost of cartage in London as compared with that at the other places. The matter has been very fully gone into, and it has been shown conclusively that the London rates are perfectly fair as compared with those in force from Bristol, Hull, Glasgow, &c. and in course of the inquiry it was elicited that the decrease in the London manufacture was not attributable to any inequality in the rates, but to the superior article supplied, the increased credit given, and the greater facilities afforded at the other ports as compared with London. Under these circumstances, therefore, I beg to state that, as far as this company is concerned, we are unable to comply with your request.

I am, &c. (Signed) J. GRIERSON pro A. BEASLEY,

Sidney Smith, Esq.,
4, Charlotte Row, Mansion House.

31, Bush Lane, Cannon Street,

London, October 31, 1865.

SIR,

I AM instructed by the Committee of sugar refiners and wholesale grocers of London to acknowledge receipt of your letter of 28th ultimo in reference to railway charges on the carriage of sugars, the answer to which has been delayed until the Memorialists had an opportunity of fully considering it in conjunction with the replies of other companies. The Committee desire me to express a well-founded dissatisfaction that the railway companies should have come to a decision on the subject of their memorial without advertng to its second and concluding request, that the Conference would afford the Memorialists opportunities of attending their deliberations, and more fully stating the details of their case. Representing an important commercial interest, and an extensive body of customers to your traffic, they were entitled to expect that, as men of business, you would have seen it to be your interest as well as your duty to meet face to face those who form a not unimportant body of that public upon whose enterprise you must depend for your dividends, to confer upon concerns which are in the strictest sense mutual, and in which you and they stand in the purely mercantile relation of buyer and seller. The Memorialists have the greater reason to complain of this course because you have disputed their statements, in point of fact, without affording them an opportunity of testing their correctness in verbal discussion. The only instance of inaccuracy you particularize is the allegation that the memorialists have calculated the rates of carriage "without reference to the extra cost of cartage in London," and on that point they have to state, that on one of their number, Mr. George Startin, of Fenchurch Street, proposing to the manager of the London and North-western Railway Company, who acts in this matter in concert with yours, to find his own cartage on being allowed a deduction from the whole charge for conveyance, of the extra cost of collection; he was informed that extra cost for cartage was so small that no allowance could be made on that account, and the Memorialists have reason to believe that the arrangements made with the carriers for the companies have in view the provisions of the Act of Parliament for compelling railways to charge all persons alike under similar circumstances, by mixing up and thereby confounding the question of cartage with that of the tariff of rates for carriage on the line. The tariff which came into operation on the 1st ultimo, can be said not to be an alteration for the mere sake of change only because the memorialists can see scarcely any appreciable difference between the new scale and that which it supersedes.

You are pleased to express the opinion that the depression in the London sugar trade is not to be attributed to railway rates, but, as is alleged, to the better description of sugar produced in Scotland against that produced in London, and the lower price and more liberal terms of credit and discount allowed on Scotch refined sugar. The expression of that opinion involves the admission that the London sugar trade is depressed; it also, by evading entirely, admits by implication the charge against your system, preferred by the Memorialists, that it deals out one measure to Scotland and a much harder one to London, and it tacitly concedes that the prosperity of the Scotch sugar trade results from the article being supplied to the purchaser on cheaper terms than he can realize by dealing with the metropolis. It is quite clear that it can make no difference to his inducements in the selection of a market whether his saving is in discount or in carriage. The Memorialists do not admit that they either supply an inferior article or trade on less liberal terms than their competitors. If they do, they are perfectly prepared to suffer the consequences of all self-imposed disadvantages, and to accommodate their terras to the requisitions of their business. But whether they do or not is enth-ely beside the question they have raised. They complain that your charge per mile for carriage is higher from London than from Scotland. You do not answer that charge, and the Memorialists maintain that your treatment is a violation of the general policy enforced by Parliament in reference to railway traffic, and involves the assertion of a principle which, if carried out, would place it in the power of the railway interest to dictate the whole course of the commerce of the country.

All that the Memorialists contend for is, "that a ton of "sugar should *ceteris paribus* be carried from London as "cheaply as from Glasgow, and for perfect equality in "dealing with the scale of charges as between London and "the outports." They do not request this concession as a favour, but demand it as a right. They applied to yourselves in the first instance to do them justice. In the hope that you may yet consider it consistent not only with your duty but your interest, to comply with a solicitation so obviously founded on fairness and sound policy, they now beg leave formally to repeat the proposals embodied in their memorial, and they have only to conclude with the expression of a hope that they may not be driven to an appeal to the Royal Commission to redress a grievance which your own good sense ought to meet by a reasonable and timely concession.

(By order.)

I remain, &c.

(Signed) SIDNEY SMITH,

A. B. Beasley, Esq. Secretary.
General Manager,
Great Western Railway, Paddington.

TO THE CHAIRMAN AND MEMBERS OF THE COMMITTEE OF RAILWAY COMPANIES ON THE TARIFF OF RATES FOR CONVEYANCE OF SUGAR.

GENTLEMEN,

THE London Committee of Sugar Refiners and Wholesale Grocers, whom you favoured with a conference on the 12th December last, retired from that meeting under the impression that you would, after privately consulting together, oblige them with the communication of your determination on the subject of a modification of your current tariff. I am to express the hope that their anticipation in this respect will in due time be verified, and, in the meantime, they beg leave to submit the following suggestions for your candid consideration.

You cannot, I think, expect my constituents to acquiesce in the doctrine which seemed to be implied in your argument, that you could not listen to any requisition based upon the principle of a mileage rate. The idea that the limit to your exactions is not that of cost and of a reasonable profit on the actual service performed, but simply that of the ability of your customers to pay, is a proposition to which they must entirely demur. They do not regulate the price of their sugar by the income of the purchaser. They do not think of contending that, as the cost of the carriage of their sugar to Croydon or Staines will be less than to Derby, therefore they should be entitled to add the saving thereby effected by the buyer to the price to be charged by the producer, nor do they charge more to the retailer or confectioner who makes a profit out of the distribution or manufacture of the commodity than to the private consumer. They postulate that you are justified in exacting as much for carriage from London to Birmingham as from Glasgow to Birmingham, because the whole cost of the article when delivered is not more in the one case than in the other, proves too much. It implies that you would be warranted in charging as much for five miles as for 500, and it would perfectly justify the Glasgow producer in arguing, by parity of reason, that you should carry his goods 500 miles as cheaply as you carry those of the London refiner 50, because they both pay the same price for the raw material, and both purchase in the same market, while he can get no more from the Birmingham consumer to make up for the greater distance. The notion that public carriers or ordinary traders are to regulate their prices, not by their own costs of production and profit, but by the circumstances of their customers, is a novelty in economical science, in the soundness of which the Memorialists can by no means acquiesce. They do not regulate their bargains by any consideration of the profits of the respective purchasers. They sell as cheaply to the retailer, who buys much, does a ready money business, gets quick returns, and retails in a great thoroughfare, as to the smallest dealer with the slowest trade. If the Memorialists are nearer Birmingham than their Glasgow competitors, they are very much farther removed from coal fields, from cheap water, from low-priced labour, and, probably, from cheap money. To regulate your tariff by the circumstances of your various customers is really to assume the power of confiscating their respective natural advantages. It is to tell them that you, not they, are to reap the profits, either of their superior skill, their greater capital, or their better local position. In fact, it is to proclaim the principle that railways, the statutory highways of the country, deriving their powers entirely from considerations of public policy, bound by the legislation applied to them to treat all subjects under similar circumstances alike, are to be entitled to look into every merchant's profits, to make one man pay for the disadvantages under which another labours, to say where business shall be fostered and where it shall be discouraged; in fact, to regulate the trade of the nation, not by its own exigencies, but in subserviency entirely to railway competition and dividends, or to the traffic arrangements by which the advantages of competition have been lost to the public.

The Memorialists must take leave to deny that railway companies are to be placed in the same economical category as other traders. "Any man," observes the Committee of London Merchants on Railway Goods Traffic, in their report of 1850, "*may place their own boat on a canal, his own vehicle on a road, or his own ship or steamer on a navigable river, choosing his own time, loading and unloading at his own pleasure, regulating his load or his classification of goods as his interest or convenience prompts him. The fullest and freest competition is open to all. If the public are dissatisfied with the punctuality, the carefulness, the charges of one earner, lighterman, or shipowner, it is open to them to employ another and to choose one line of road, river, or canal, to arrive at a common destination in place of another. But railway companies have acquired the exclusive privilege of the carriage on their lines, the rapidity of locomotion attained by the railways induces an universal preference by passengers for that method of conveyance, and as goods without passengers will not support any other medium of transit, roads cease to be kept up, steam boats stop plying, barges and lighters fail to maintain the struggle against their powerful adversary, and at last the public are left without any other means of transit than railways, and become gradually the subject of an unavoidable monopoly.*" The Railway Commissioners, in their Report of 1848, pages 50, 51, and 52, justify the interference of the Legislature with the management of railways on the express ground, "*that they form an exception to the rule of ordinary commercial enterprise, that in coming to Parliament for exclusive powers, they give Parliament the right of stipulating the conditions on which such powers shall be cancelled, and that, as it has been found that the original supposition that a railway might be the property of one company, and the traffic on it might be carried on by other companies or by private individuals is wholly impracticable, the principle of competition is not applicable to such an undertaking.*" The House of Commons, in its own report of 1846, observes that "in return for their monopoly *companies ought to submit to an efficient system of control with a view to the security of the public against extravagant fares and charges and the adoption of uniformity on the different lines in the scales and in the mode of charging.*" The Memorialists need scarcely add that both by private and the general Railway Acts, the companies are bound to uniformity in their rates of charge. Chief Justice Wilde observed, in determining this very point, "*By law, they (the companies) have no right to charge any person more than*

the ordinary and usual rate. They must charge all alike; they cannot say to one trader, 'I shall charge you one farthing,' and to the next 'one penny.' That would interfere with and contract trade in a strong degree, and would enable one man to undersell another. Therefore, the Legislature has said, you are in a situation by which you excite competition, and you shall charge all the public equally for the same duty."

It is very clear that the unequal treatment to which the Memorialists have been subjected, and the line of observation adopted by your board meeting at the conference are utterly ignored by the authorities above cited and by the rudimentary principles of political economy. It cannot fail also to occur equally to the Memorialists and to your board as a striking verification of the preceding quotations from the most eminent mercantile, judicial, and parliamentary authorities, that in place of free trade and healthy competition being the result of leaving railways to the management of private enterprise, the very conference which has been the occasion of this representation is really a combination of railway companies to agree upon a common course of action to secure themselves against mutual rivalry in favour of the public. The Memorialists, however, not representing the general interest of commerce, and having presented their case as that only of a class of merchants who are desirous to confine themselves to the particular merits of their own concerns and to arrive at some practical conclusion in reference to their special grievance rather than to discuss the general question.

Referring to their former statement, the Memorialists will shortly add the few following considerations:—

1st. The charge for collection and delivery fixed at the railway clearing house for 1865 is for London 8s. 6d., and for the country towns 4s. 6d. per ton.

2nd. While the deliveries of sugar for London amount to one-third of that for the whole kingdom, an increase of the trade in refined sugar of 200,000 tons has only yielded 20,000 tons or one-tenth, as the share of the general progress enjoyed by the metropolis.

3rd. The carriage per ton per 100 miles from the Clyde, to eight leading English towns is 9s. 2d. from Bristol, 16s. 5d.; from Liverpool, 7s. 8d., and from London 19s. 5d., or 111 per cent, above the Glasgow rate.

The operation of this is very palpable in the relative position of the sugar trade on the Thames and on the Clyde. While for the year 1864 the stock in London

amounted to		111,214 tons
Landings		227,239 tons
Duty paid for home use		180,444 tons
		<hr/>
		518,590 tons
And in Glasgow to stocks	24,306 tons	
Landings	129,075 tons	
Home use	127,275 tons	
	<hr/>	
		280,656 tons
		<hr/>
	Difference	237,934 tons
For 1865, the quantities		
in London were	505,364 tons	
In Glasgow	309,324 tons	
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		196,040 tons
		<hr/>
		41,894 tons

Reducing to the prejudice of the Thames the difference between the trade of the two ports by tons in a single year.

4th. The inequalities of charge from the same town are quite as unaccountable. From Liverpool to Glos'ter the charge is 10s. 10d., to Dudley 16s. 4d., to Derby 20s. 10d; the difference in mean distance being just five miles and a half.

5th. The falling off in the deliveries from London has been most felt in those towns where the railway charges have been the most unequal, to the prejudice of the metropolis, while in those districts where the freight from London has not been unduly raised above that from the outports, the metropolis still fairly holds its ground.

In compliance with the invitation of the conference, the Memorialists beg leave to say that the districts in reference to which they were, urgently stand in need of relief from the inequalities of the present tariff, are the Midland, Staffordshire, and Yorkshire, and that especially they solicit & material reduction in the charges to Birmingham, Dudley, Nottingham, and Derby.

The Memorialists would venture to enter their protest against the excess of charge for collection and delivery to

which London is subjected in comparison to the outports. to advert to the growing competition of the continental refineries encouraged by large Government bounties, and to the fact illustrative of the argument based on the difference between the mileage rate and the gross charge that the cost of manufacture and distribution in London is much greater than it is or need be at the northern outports.

In conclusion the Memorialists would add that their chief reason for founding their calculations upon mileage rate was this, that they maintain the proposition is entirely inexpugnable, that the cost of the railway company per mile of carriage from Glasgow is the measure of the cost per mile to the company from London. That if a railway can realize a fair profit upon conveying sugar from Glasgow to Birmingham at one penny per ton per mile, which is not denied, it can perfectly well afford, with its heavy additional charge of cent, per cent, for collection, to carry sugar from London at the same rate, and that the excess of 125 per cent, in the rate from London is wholly without reasonable excuse.

I remain, &c.

(By order)

(Signed) SIDNEY SMITH, Secretary.

31. Bush Lane, Cannon Street,
London, February 1866.