

Sugar is extracted from molasses by the three known processes—osmosis, elution, and treatment by strontium.

I would here remark that, from the technical point of view, the Russian sugar industry is worked at the same high level of perfection as in other countries.

The number of hands employed was, in 1885-86, 93,395, of whom 78,479 were men, 12,000 women, and 2,097 children.

Under the influence of the direct bounty of 1 rouble, and later of 80 copecks, per pood (13 fr. 67 c. and 10 fr. 91 c. per 100 kilog.) paid to exporters by way of loan in 1885-86 (the 12th July, 1885, to the 1st July, 1886), exportation became considerable, and reached 7,582,351 poods (124,198,909 kilog.), of which 7,323,932 poods (119,966,006 kilog.) were exported over the European frontier, and 258,419 poods (4,232,903 kilog.) over the Asiatic frontier.

After the 1st July, 1886, when direct bounties on the exportation of sugar to European countries were abolished, exportation almost ceased on the European frontier, 3,939 poods (64,521 kilog.) only being exported thither between the 1st July, 1886, and the 1st January, 1887; but exportation over the Asiatic frontier, still stimulated by a direct bounty of 80 copecks per pood (10 fr. 94 c. per 100 kilog.), not returnable till 1891, amounted to 392,656 poods. The total amount of sugar exported during 1886 amounted to 3,871,377 poods (63,413,155 kilog.).

As in previous years, the importation of foreign sugar into Russia was but small during 1886, 4,825 poods (79,033 kilog.) being imported, of which 252 poods (4,128 kilog.) over the European frontier, and 4,573 poods (74,905 kilog.) over the Asiatic frontier; the latter was principally Chinese candy.

This short statement gives sufficient proof, I think, that it is only since a change was made in the system of collecting the tax, viz., the introduction of an excise on the amount actually produced, which is, indeed, the only rational system, and since the abolition of hidden bounties, that the sugar industry of Russia and the revenue derived from it have really and considerably developed.

Sweden.

His Excellency Count Ehrensward to Her Britannic Majesty's Chargé d'Affaires at Stockholm.

Sir,

Stockholm, March 31, 1888.

WITH reference to my letter of the 24th February last, and to your note of the 24th instant, I now have the honour to communicate to you the decision of the Royal Government as to the draft of Convention between the States who took part in the Conference of London on the Sugar question.

The King's Government approves the principles laid down by the Conference for taxing sugar and suppressing export bounties as being, generally speaking, just, and such as are likely to remedy the grievances which caused the Conference to be called together. The King's Government declares formally that it has no intention of changing the system, that, namely, of not giving a bounty, which has hitherto been followed. This being so, the King's Government, in view of the small importance of Swedish exportation as it now is, and in all probability will remain, does not, for the present at least, intend taking part in the proposed Convention. Such participation would entail on us the inconvenience of altering our legislative and administrative arrangements, although it is to be presumed that by reason of the smallness of our exportation our co-operation could be but of little value to the other Powers interested.

Should circumstances make it desirable for us to adhere, the King's Government reserves to itself the right of taking advantage of the facilities offered to non-contracting States by Article VII of the draft Convention.

I beg, therefore, to inform you that the King's Government will not be represented at the forthcoming meeting of the Conference, and to bring the above to the knowledge of your Government.

With regard to the questions raised by the Delegates of the Netherlands and of Spain, to which you called my attention in your note of the 4th January last, I suppose that, when the opinion of the King's Government has been given, our non-participation