

*Position of Agricultural Industry*

the Cuban refining industry from 1926 on, may I read again from the 1939 cane refiners' brief, section 85, where it says:

For years prior to 1926 there was a refined sugar industry in Cuba which supplied a portion of the home market but was a negligible factor in export trade. In 1926, however, a series of causes operating together brought about a rapid expansion. Production rose from 50,000 tons in 1925 to 427,000 tons in 1931 and exports grew in the same period from 4,000 tons in 1925 to over 380,000 tons in 1931. During that period there was little change in the figures of home consumption in Cuba.

Then the United States Department of Agriculture stated "By 1933 it had become evident that the tariff was no longer adequate to ensure either a healthy domestic industry or a dependable source of foreign supplies".

May I now deal with what the United States did about the Cuban sugar situation, to remedy it? First, in respect of Cuban raw sugar: From 1930, on, various agencies of the United States government studied the sugar problem with great earnestness. The federal farm board called a conference of continental sugar producers. Resulting from this conference the federal farm board established a sugar beet and sugar cane advisory committee. This group met with the board on several occasions during 1930 and 1931. The Agricultural Adjustment Act was passed on May 12, 1933. Under the A.A.A. auspices an industry conference was convened in Washington in June of 1933. Within three weeks this group presented a draft marketing agreement which became known as the sugar stabilization plan.

This sugar stabilization plan (1) allocated a quota to each of the areas supplying sugar to the United States; (2) provided for establishing a minimum price for raw sugar, such price to be determined by formula; (3) called for an increase of production in home-grown sugar, both beet and cane. Disagreement among interested parties caused action to be deferred, but everyone learned that there was, in respect of sugar, a real problem, difficult of solution.

On February 8, 1934, the president sent a message to congress asking for legislation to achieve certain objectives. From the statement of two of these objectives, I quote the following:

1. To maintain the existing acreage of sugar beets in the continental United States;
2. To increase returns to domestic growers.

This message became the basis of orderly management of sugar in the United States. There followed the first of three sugar acts, the third of which is now in force and will be until 1956.

[Mr. Blackmore.]

The first of these was the Jones-Costigan act, approved on May 9, 1934, and often called the sugar act of 1934.

This sugar act did the following:

1. Defined both sugar beets and sugar cane as basic agricultural commodities—and it is high time this was done in Canada!
2. Required the appropriate governmental official to determine upon a national consumption estimate as a basis for arriving at quotas.
3. Provided for a quota to be allowed United States domestic producers of both beet and cane sugar, greater than the production of any previous year, except 1933, the record year of United States sugar production.
4. Provided for a quota to be allowed to Cuba, the Philippines, the Virgin islands, the Hawaiian islands and Puerto Rico.
5. Provided for giving payments to participating growers.
6. Imposed a half cent per pound processing tax on all sugar consumed in the United States and its territories.

Then came the sugar act of 1937. It embodied the main provisions of the sugar act of 1934, with some elaborations and modifications. Instead of the half cent per pound processing tax, this act had an excise tax of one-half cent per pound.

And then came the sugar act of 1948, which has since been extended to December 31, 1956. It set out the following quotas:

Continental beets increased from 1,550,000 tons in 1934-1937 to 1,800,000 tons in the 1948 act. It will be noted that provision was thus made for an expansion in the beet sugar industry.

Then, secondly, continental cane increased from 260,000 tons in 1934-37 to 500,000 tons in 1948. And it will be noted again that there was a provision for expansion! And it is time something like that was done in Canada! Then came Hawaii with 1,052,000 tons; Puerto Rico, 910,000, increased to 1,080,000 for 1953; and the Virgin islands at 6,000, increased to 12,000 for 1953. The total for 1953 equals 4,400,000 tons. The figure for the Philippines is 982,000 short tons raw value. Including the Philippine quota the total for 1953 therefore equals 4,400,000 tons plus 982,000 short tons raw value.

Cuba's quota equals 98.64 per cent of the total United States consumption requirement after the 4,400,000 United States domestic quota and the 982,000 short tons raw value Philippine quota are subtracted from the total United States consumption requirement determination.