

Certainly, the Canadian market and the growth in this market are such that it should be possible to find room for Commonwealth Caribbean bananas without in any way prejudicing established trading interests.

The trade in sugar between Canada and the Commonwealth Caribbean has been and continues to be of great importance. This item touches the heart of our trading relations more than any other. Canada relies on the Commonwealth Caribbean for something like 30 per cent of our sugar import requirements. In turn, our Commonwealth Caribbean friends market about 20 per cent of their total sugar exports on the Canadian market.

This important trade has been built up within the framework of the preferential tariff arrangements. Under normal competitive conditions, Canada has thereby enjoyed an assured source of supply for a large part of its sugar requirements. In turn, the Commonwealth Caribbean countries have found in Canada a preferential market where they have been able to realize a return on sales substantially above the price on the free market.

Unfortunately, we have all too often encountered abnormal conditions in the international sugar situation. Several years ago, there was serious concern in Canada about the excessively high prices for sugar. Canadians were paying an all-time record price of over 18½ cents a pound for raw sugar. Now, three years later, the international price for sugar has reached an all-time low. This is not a satisfactory situation for anyone. There is clearly a real need for an effective international sugar agreement which would give greater stability, would yield a more remunerative return to producers without being unfair to consumers and encourage increased international trade in sugar to the benefit of both exporting and importing countries.

We have been hearing a good deal in recent weeks and months about sugar. Canadian sugar refiners have been free to buy raw sugar on world markets and there are several countries which can and do produce sugar cheaper than the Commonwealth Caribbean countries. To hold even their present share of our market, these countries have had to lower prices - sometimes below costs of production - and our Caribbean friends have accordingly been seriously concerned over the low price they have realized in their sales to Canada. There is no doubt that the situation would be even more serious from their point of view if they did not benefit from the tariff preference of \$1.00 a hundredweight which has been accorded since 1898.

We are in the process of working out an arrangement whereby we might overcome the remaining tariff impediment of some 29 cents a cwt on the traditional volume of their sales. However, I hope to be able to announce the details of this arrangement soon. All of this is designed to do what we can to help the West Indies maintain their position in the Canadian market and to realize a higher return on their sales to the Canadian refiners, while, at the same time, maintaining our open market for sugar.

In pursuit of this objective, Canada's sugar policy, in the present world market situation, has been to work actively for the negotiation of an effective international sugar agreement. It is our intention to work for an