

market by Canadian refiners or otherwise of 75,000 short tons of Cuban raw sugar within each of the calendar years 1951, 1952 and 1953, out of supplies made available by Cuba to the world market. The undertaking also included that sugar so purchased should be shipped from Cuban ports, imported into and not re-exported from Canada.

The Canadian Delegation also assured the Delegation of the Dominican Republic that should other exporters of non-preferential sugars with a traditional interest in the Canadian market, including the Dominican Republic, wish to receive allocations on a comparable basis for themselves, their position under the General Agreement on Tariffs and Trade would be accorded careful and sympathetic consideration. At the same time it was understood that the total of all Canadian commitments in this regard would not be in excess of 150,000 short tons per year.

The immediate necessity for honouring these obligations exists only with Cuba in that no approaches with regard to 1951 sugar requirements have been made by other governments outside of the Commonwealth nor are they expected in 1951 due to other existing arrangements for disposal of present crops.

From initial discussion with Canadian sugar refiners, it is understood that they will readily co-operate by purchasing 75,000 short tons of their total annual requirements for domestic consumption for the three years affected, provided that by remission of duty the landed cost of these purchases at the refineries will be so adjusted as to equalize it with what the landed cost of Commonwealth raw sugar would be for the same date of purchase.

Authority is necessary formally to advise the Canadian refiners of this undertaking to equalize the landed cost of Cuban with that of Commonwealth raw sugar. In view of their existing commitments for the purchase of Commonwealth raws, which already extend to the month of August, and in view of the upward trend of sugar prices, it is important to establish the basis for the purchase of Cuban as quickly as possible.

It is intended that a statement covering each importation, indicating the amount of duty remission necessary, will be certified by the Sugar Adviser to the Department of Trade and Commerce before presentation to the Department of National Revenue. These statements will be subject to audit.³

C.D. HOWE

³ Approuvé par le Cabinet, le 3 mai 1951./Approved by Cabinet, May 3, 1951.