

*Inquiries of the Ministry*

search under the Combines Investigation Act. On the morning of May 21, 1963 the refinery price for sugar in Montreal was \$16.19 net per 100 lbs. in a paper bag. On May 21, 1962 the comparable price was \$7.03. The increase is \$9.16. On May 15, 1962 the world spot price for raw sugar was \$2.68 U.S., and on May 20, 1963 it was \$12.30 U.S. The difference is \$9.62 U.S., and when allowance is made for the fact that it ordinarily takes 107 lbs. of raw sugar to make 100 lbs. of refined sugar, the Canadian refiners, who must buy their raw sugar under pricing conditions that are directly affected by world market prices, have had a cost increase of \$11.11 Canadian per 100 lbs. of refined sugar.

Between April 8 and May 20, 1963, the world spot price for raw sugar went up by \$4.47 U.S. or approximately \$4.83 Canadian. In the same period the net refinery price in Montreal increased from \$11.98 to \$16.19, or by \$4.21.

Both these illustrations indicate that Canadian refinery prices have gone up less than the price for raw sugar. The figures given, however, are not completely reliable because they do not show the actual prices at which the refiners, who are continually making purchases of raw sugar for future requirements, have bought, but they are the best available figures for purposes of comparison and do show why the refiners have had to increase their prices. They also indicate that the price advances have not been out of line with increased costs for the basic and essential raw materials.

The two main reasons for lower prices on refined sugar in the United States at the present time are, first, that there is now no tariff on importation of raw sugar into the United States and, second, the United States prices are apparently lower than Canadian prices because of the different exchange values of the United States and Canadian dollars.

The increase in raw sugar prices is said to flow from increased demand, poor beet sugar crops in Europe for the past two years, and poor cane crops in Cuba. Speculation in the world sugar market may also play a part. None of these matters is under the control of the Canadian refiners.

Beet sugar production in Canada is substantial, but it only accounts for about one fifth of the country's requirements. In the present situation, sugar beet growers and beet sugar makers are not in a position to affect the price of sugar in cane sugar consuming areas in any significant way.

It is the practice of the combines branch to scrutinize all notable commodity price movements for the purpose of determining

whether there may be cause for inquiry under the Combines Investigation Act. In the case of sugar, the director indicates that price changes of the nature experienced can take place without their necessarily having any significance under that act. The director will continue to keep the matter under surveillance.

**POWER****COLUMBIA RIVER—POSSIBILITY OF AGREEMENT AT FORTHCOMING MEETING**

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** I should like to address a question to the Prime Minister and ask him whether the negotiations with the United States respecting the Columbia river have reached the stage where he shares the optimism of Premier Bennett that an agreement will be reached at the June 3 meeting.

**Right Hon. L. B. Pearson (Prime Minister):** Premier Bennett will be discussing these matters with myself and other members of the cabinet on June 3 in a preliminary way. I should think it would be a little optimistic to deduce from this fact that complete agreement between British Columbia and ourselves will be reached at this one meeting, let alone agreement between Canada and the United States.

**Mr. Olson:** A supplementary question. Will there be representation from the United States interests at this meeting on June 3?

**Mr. Pearson:** No. This will be a discussion between representatives of British Columbia and the federal government with a view to getting matters cleared up between ourselves before we can make a final arrangement with the United States.

**UNEMPLOYMENT INSURANCE****INQUIRY AS TO POSITION OF FUND**

On the orders of the day:

**Mr. William Dean Howe (Hamilton South):** I should like to direct a question to the Minister of Labour. Can the hon. gentleman give the house information on the present financial status of the unemployment insurance fund and its future prospects?

**Hon. A. J. MacEachen (Minister of Labour):** In reply to the question asked by the hon. member for Hamilton South I wish to say that one of the first things I did on entering the Department of Labour was to inquire about the status of the unemployment insurance fund. The figures I have seen indicate