

*The Address—Mr. Olson*

which will put a solid foundation beneath the price of sugar so there is some incentive to get into production.

I think the government has done the consumers of this country a disservice by not accepting the price of between £45 and £48 per ton. As I have said, this was half what we were paying at the time. I think those commonwealth producers to whom the minister referred were going a long way when they were prepared to accept on a long term basis a price less than half that for which raw sugar was selling on the market that day. The minister told us in his statement:

In other words, these price trends suggest that the existing tight supply situation will not last beyond the current crop year and might ease considerably as the year progresses. Thus, the prospects, according to traders, are for a marked decline in prices by the end of the year.

I would point out, however, that in his statement the minister also said that the price for December 1964 delivery was somewhere between £51½ and £59½ per ton London daily price. This is the lowest price which is being offered on the market today. I say also that this is not necessarily the price which the consumers in Canada will be paying, because if the cash price in December 1964 is higher than the price which is quoted now, then the higher price will be the basis on which the price of sugar in Canada will be established. And there is a great deal of evidence before us today that the price for raw sugar in the market place does not really have very much to do with the supply. I have before me a pamphlet which was published on October 24 of last year by Salada Foods in which it is stated:

As a major Canadian buyer of refined sugar, we are forced to the conclusion that the rising costs of this staple food item on world markets do not result from demand but from speculation.

In the event that we were able to buy sugar today, or if our refineries bought a lot of sugar today for £51, December 1964 delivery, which is the lowest price quoted, and if the cash price was higher in December, all that would happen is that the refineries would make an extra profit.

The minister did not completely confirm whether this price of £45-£48 per ton had in fact been offered, but it appears to me very much from page 2 of the statement that this is substantially accurate. He said, speaking about the commonwealth producers:

The protection they offered at the maximum was substantially below then prevailing cash prices but it was just about at the level prevailing on the London futures market for delivery late in 1964.

Thus I think when we look back and see that the lowest price for December was £51½, this figure of £48 a ton was substantially in line with the price which I suggest was

offered. All I am suggesting is that we have been offered a reasonable deal on a long term basis. I think the government should re-examine its attitude. I think the government should reconsider its rejection of this offer, and I say so because two or three most beneficial results would flow from accepting the offer now. First, we would see an immediate, or almost immediate, decline in the price of sugar to the consumer in Canada. Second, we would see some stability in the price, with the result that sugar beet producers in this country could look to the future with some confidence that they would receive a price which was reasonably above their cost of production.

A third and very desirable feature is that we could expand considerably the production of sugar beets in this country, because there would be a stable basis upon which to carry out such expansion. We know, for example, that in 1962 many of the beet producers did not take as much sugar acreage under contract, if one can put it that way, as the factories offered them merely because they had experienced a long period of depressed prices during which the prices they received were below cost. Now, of course, when the price is away up, I agree with the minister when he says that acreage will be up to the capacity of the refineries in Canada. I think the total slicing and refinery capacity for beet sugar, even if it were at full capacity, could only supply about 25 per cent of the sugar requirements of this country.

So there are three very desirable features in accepting a long term, forward pricing for sugar now. I think these countries have offered us something that is reasonable, and I would urge the Minister of Trade and Commerce in particular, and the government in general, to take another hard look at this offer and perhaps get into it. The minister says this in closing his statement:

The government will be looking for a more favourable opportunity to negotiate for sugar supplies, both external and domestic and will also be working toward a more effective international agreement on sugar—one that will afford adequate protection to both consumers and producers.

In my opinion, Mr. Speaker, this has already been offered to the government, and something should be done now to accept it. If the price goes away down below £45 per ton, the consequence that will follow is that parliament will be called upon to pay subsidies to the beet producers in the country. I think one of the most desirable ways of setting up some stability is to have a reasonably fair price for the consumer and at the same time have built into the price of sugar all the costs, if you like, plus a reasonable profit