

*The Address—Mr. Olson*

During the past 18 to 24 months there have been some wide fluctuations in the price of sugar in Canada. I was interested in the statement the Minister of Trade and Commerce made to the house last week. In looking over some of the reasons that he advanced for not accepting a national sugar policy, which included long range pricing, I was a little disappointed.

In order to provide some background for this discussion, perhaps I may say that almost all the sugar that is traded in the world today is sold at forward agreed prices. I am told by the beet producers of Alberta that there is only about 10 per cent of the world's production of sugar that could be termed homeless sugar, that is sugar that finds its way into the free market. Of course Canada has been subjected to wide fluctuations in price because we buy about 80 per cent of our sugar requirements on the open market where only about 10 per cent of the world's supply of sugar is being sold. We know that in many of the cane sugar producing areas of the world there is a guaranteed price for up to 90 per cent of the production. This leaves, as I have said, about 10 per cent, and in some cases producers are not particularly interested in what happens to the price of that quantity as long as they get it off their hands.

I want you to know, Mr. Speaker, that this situation has resulted in a serious problem in our attempt to build up beet sugar production within Canada. At the moment the producers are very happy because the price is so high their returns are well above the cost of production. A few months ago and for a number of years before that the selling price was substantially below the cost of production.

May I call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

**AFTER RECESS**

The house resumed at 8 p.m.

**Mr. Olson:** When the house rose at six o'clock I was talking about the matter of a national sugar policy which would give some stability to sugar beet producers in this country and, at the same time, protect Canadian consumers against these wide and wild fluctuations in price.

A few days ago we heard a statement from the Minister of Trade and Commerce outlining to some extent the position of the government with respect to entering into long term agreements for the supply of that portion of the Canadian sugar requirement which is imported. I wish to say at this point that

[Mr. Olson.]

for many years prior to 1962 Canadian sugar beet growers had been denied any reasonable stability in the price of their product simply because Canada is one of the few major importing countries in the world which has not entered into long term price agreements with the cane producing areas of the world. As I have mentioned, only about 10 per cent of the world production of sugar actually finds its way into the free market. Countries such as the United States and the United Kingdom do have a national sugar policy which has brought some stability to the price so that both the producer and the consumer have a measure of protection against wide fluctuations. In the statement tabled on February 19 the minister said:

In general, the conclusion we have come to is that this is not an opportune time to enter into any long term arrangements for the supply of sugar to Canada from overseas producers.

He went on:

If I may say so, I think our judgment has already been supported by subsequent price trends. At their peak sugar prices reached £105 per long ton. When the commonwealth exporters met with the Canadian refiners to discuss a long term arrangement during the early part of December, the price on the London market was £90.

And today the price to consumers is around £80. I have been discussing this problem with some of the sugar beet producers of this country, and they have indicated to me that Canada was offered all her import requirements of raw sugar during January and late December at something between £45 and £48 per ton London daily price if she would accept this on the basis of an eight year forward pricing arrangement. This was less than half what Canada was paying for off-shore raw sugar brought into this country at that time. The minister in charge of these arrangements said the government chose to reject that offer.

Now, Mr. Speaker, it may be possible that if we waited until 1966, or perhaps 1965, we could get a price slightly lower than £45 per ton London daily price, but I suggest if this happened we would be doing a disservice to some of the commonwealth cane sugar producers who want to enter into long term arrangements in order that they may have some stability in their sugar marketing.

I further submit, Mr. Speaker, that as long as the price of sugar in Canada is subject to this 10 per cent of the world's supply which finds its way into the free market, we cannot avoid these wide fluctuations in price; at the extreme peaks the consumer is bound to be hard hit, and when a depression is reached the producer will be hurt. Never will we have a stable and expanding domestic production of sugar until we have a price arrangement