It is provided, however, that Cuba's share of the total consumption requirement of the United States must not fall below 28·6 per cent as was stipulated in the sugar act of 1937. Foreign countries other than Cuba and the Philippines were to get 1·36 per cent of that total. The sugar act of 1948 provided for payments of about $2.50 per ton in the case of beets, and a little over $1 per ton in the case of cane but there were several considerations upon which payments were based. The following is to be found in Lamborn's "Highlights of the Sugar Act of 1948, and 1951 Amendments" at page 14:

The base rate of payment shall be 80 cents per 100 pounds of sugar or liquid sugar, raw value.

We now come to what the United States did about the Cuban sugar situation to remedy it in respect of direct consumption sugar or refined sugar. All of the acts have severely restricted imports of direct consumption or refined sugar. In the 1934 act Cuba was limited to some 418,000 tons of refined, about 22 per cent of her total quota. Hawaii was limited to 26,000 tons, Puerto Rico to 133,000 and the Philippine islands to 80,000, all of which tends to show how careful the United States is about letting refined into her gardens to destroy them.

In the 1937 and 1948 acts Cuba received 375,000 tons as a quota and the Hawaiian islands and Puerto Rico about the same as in 1934. The quota for the Philippine islands in the 1948 act was set at 59,920 tons.

In the 1937 act it was provided that the refined quota provisions would expire one year before the act itself. The refined provisions did expire in February, 1940, and for some months there was a free flow of refined sugar into the United States, limited only by the total quota. However, when later in 1940 the act was extended, the limitations of refined sugar imports were again imposed. That should be a warning to us!

What might be safely recognized as being the achievements of the quota system as embodied in and applied through the United States sugar acts of 1934, 1937 and 1948? The following accomplishments must, it seems, be conceded:

1. The sugar acts have defined both sugar beets and sugar cane as basic agricultural commodities.

2. They have lent stability to sugar prices to the advantage of both producers and consumers.

3. They have tended to increase domestic production of sugar from both cane and beet.

4. They have improved the general economic position of Cuba.

Position of Agricultural Industry

5. They have provided some stability to the economies of the Philippines, the Virgin islands, the Hawaiian islands, Puerto Rico and other lands.

6. They have enabled the United States to reduce the tariff on sugar 1½ cents per pound without prejudice to her own economy.

7. They have enabled the United States to prevent Cuba from sending into the United States economy enough sugar, raw and refined, to deprive all other countries of the privilege of sending in any of their sugar and so sharing in the United States market.

8. They have made government sugar policy more acceptable to all concerned than has been the case under any other system of management.

Now what of the matter of price? Listen to this quotation:

While prices to farmers producing beets and cane are more than double those of the pre-war years, they have lagged behind the rise in the prices of almost all other farm products.

Then, another quotation:

. . . sugar prices have lagged far behind the rapid upward movement of the index of all food prices.

As a result of the deep and concerted study of the whole situation affecting sugar, United States representatives formed some settled convictions of importance to Canada. Certain of these are:

1. No nation can afford to permit its domestic sugar industry to be destroyed, impaired or even threatened.

2. No nation can afford to permit unregulated importation of refined sugar into its economy.

3. The means most useful and fair in regulating the sugar situation of the United States, and presumably in Canada, is the quota system as illustrated in the United States sugar acts of 1934, 1937 and 1948.

I think the general conclusion that all careful thinkers will come to might be expressed thus, that Canada would probably be best able to encourage her producers and protect her consumers of both beet and cane sugar by the use of the quota system determined and administered under a sugar act, like the United States sugar act of 1948, regulating by statute the amount of sugar, both raw and refined, permitted to enter her economy from each indicated source of supply.

There is one matter that does need attention before we leave the general aspect of the whole question. During 1952 a number of marketing irregularities developed into which I do not propose to go. For those who