The Sugar Price Squeeze

Thibodaux.

Editor, The Times-Picayune:

Your article "Sugar Import Decision is Delayed" (Feb. 27) contained a statement which is very misleading. The article states, "Every penny-a-pound increase in sugar prices is estimated to cost Americans $225 million a year." This "huge" cost of $225 million a year represents no more than $1 per year per person in the United States!

Is this such a high price to pay to maintain the jobs and livelihood of hundreds of thousands of people? Yet, these jobs will be lost if our domestic sugar industry disappears, and it will disappear if it does not get some relief from imported sugar. Four sugar beet processing plants have already closed this year, 11 more are laying off more than 480 workers.

We have already seen the disastrous effects of dependence upon foreign supplies in the case of petroleum and coffee. If our domestic sugar industry disappears, we will be totally dependent upon foreign countries for our sugar, a very basic commodity. We would then be completely at their mercy and the American consumer could be made to pay through the nose; the cost could be much more than $225 million a year!

Few people are aware that in 1945, the price of raw sugar was 6.35¢ a pound and that it averaged 6.33¢ from 1945 to 1954 and 9.00¢ a pound from 1967 to 1973. How many other commodities increased their price by only 42 percent during that same 38-year period? During the past 30 years, the sugar industry has had only two years of exceptional profits, 1963 and 1974. These exceptional profits were not due to restriction of supply or any other form of market manipulation by the domestic industry. They were due to the loss of Cuban sugar in 1962 and an anticipated world shortage of sugar in 1974. During the other 28 years out of the 30, the domestic sugar industry earned profits well below those of the automobile, pharmaceutical, telephone, electrical, steel, and other industries.

MICHELE B. FRANCOIS, Ph.D.,
Assoc. Prof. of Economics,
Nicholls State University.