Sugar Relief Is Proposed

By KENNETH A. WEISS
(Times-Picayune Washington Correspondent)

WASHINGTON — The U.S. International Trade Commission recommended Monday that President Carter reduce cheap sugar imports to protect domestic producers from prices that have fallen below production costs.

The move could bring relief to Louisiana farmers who are being forced out of the sugar growing business by prices that have dropped below the break-even point.

Three members of the six-man commission urged imports be cut to 4.275 million short tons a year. The remaining three urged the quota be set at 4.4 million short tons.

The effect of the action would be to raise sugar prices domestically — something opponents have charged could cost consumers several hundred million dollars a year, depending on how high prices go.

The present sugar import quota is 7 million tons, but actual imports last year were only about 4.5 million tons.

Four members of the trade commission recommended that quotas be imposed for five years, through the end of 1981. Two members said the quotas should be imposed for three years, starting from the date Carter acts.

Sugar prices soared to more than 64 cents a pound in 1974, but have fallen drastically since then, and now average less than 11 cents a pound.

Sugar growers say they need between 13 and 15 cents a pound for raw sugar just to break even.

Although opponents have charged that raising sugar prices could cost consumers millions, there appears to be no general agreement just what the cost could be, and some authorities say the consumers would pay nothing more.

Sen. Russell Long, D-La., noted that when sugar prices soared products containing the sweetener went up in cost, but when sugar prices came down again, consumer prices were hardly cut at all.

Long said there should be "sufficient leeway in the profit margins of the big users and refiners to permit a slight rise in raw sugar prices without passing a dime of it on to the consumers."

The Louisiana Democrat noted that Agriculture Secretary Bob Bergland stated last week that a raw sugar price of 13 to 14 cents a pound should not increase consumer prices.

"While this price is still below the cost of production for many Louisiana growers, it certainly is better than the current prices," Long said.

Bergland has said he wants action to help U.S. sugar growers now operating at a loss, and has proposed both lower import quotas and domestic price supports of 12 to 14 cents.

However, Treasury Secretary Michael Blumenthal has called tight import restrictions on sugar and other items "the worse way" of dealing with import competition, signaling some opposition within the administration to protectionist quotas.

Some sugar refiners have protested that import quotas under consideration could cost American consumers more than $1 billion a year. Other opponents of lower sugar import quotas have also warned of added consumer costs.