LAST-DITCH EFFORT

Sugar-Act Extension Weighed

By ISADORE BARMASH
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NEW YORK — A last-ditch effort is expected to be made this week by the House Agriculture Committee to keep the expiring Sugar Act alive. According to industry reports Friday, a three-or-six-month extension is to be proposed in order to maintain existing quotas on sugar imports and subsidies to domestic sugar-growers.

Expiration of the act on Dec. 31, after 40 years, had been regarded as a bitter development for the American sugar industry. The statute hasn't only limited foreign access to the domestic market, but also provided a floor for prices.

Sugar prices have risen by more than 400 per cent since the first of the year and continue high, despite a reduction at wholesale amounting to 7 per cent — the first drop in some 20 months — which was announced last Monday.

Sources close to the Agriculture Committee Friday confirmed in Washington the existence of a plan to propose an extension to the act. The committee's subcommittee on domestic marketing and consumer-relations is preparing to hold a four-day hearing on sugar beginning Monday.

Two weeks ago, bowing to strong industry pressure, President Ford set up a quota of seven million tons for sugar imports in 1975. He also changed the allocation system, which under the Sugar Act set quotas on a country-by-country basis and made it global, allowing domestic industrial sugar buyers and brokers to buy more freely on the world market and strengthening their ability to negotiate on price.

But, probably due to the uncertainty of foreign speculation on world market and a dropoff in domestic consumer demand for products containing sugar, the Agriculture Committee members apparently believe that a simple extension of the act would offer more protection than the President's recent action.

An extension would mean Ford's move would be superseded.

In addition to its quota provisions, the Sugar Act provides for federal subsidies to United States cane-sugar and beet-sugar growers, which are paid in relation to production gains.

In recent years subsidy payments have amounted to about $60 million annually. Estimates are that the total this year will be about $85.7 million.