Grocery chains join sugar protest

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WASHINGTON — About 30 supermarket chains have joined in a growing effort to persuade consumers to use less sugar and to buy goods with relatively little or no sugar in them.

According to Albert E. Rees, former Princeton University economist who directs the government's Council on Wage-Price Stability, soft drink producers have joined the "save-on-sugar" campaign by trimming prices of their low-calorie products below those for high-sugar drinks.

REES NOTED that "U.S. sugar consumption is 102 pounds per person per year. Three-quarters of this sugar consumed is contained in such products as soft drinks, breakfast cereals, candy, bakery items and canned goods."

At the beginning of 1974, sugar retailed for about 18 cents a pound. Today, it retails for about 65 cents a pound.

That increase has brought outrages from consumers, some supermarket rationing and a pending two-day public investigation by Rees' agency. Hearings are set for Nov. 25-26 in Washington.

The sugar price rise has been linked to rising demand in the face of falling supply, speculation by Arab countries and adverse weather conditions which cut into beet sugar crops in Europe and the Soviet Union.

BUT REES insists: "We've heard all the rumors — that there has been hoarding by consumers, hoarding by refiners, hoarding by the Arabs, speculation in the commodity markets. But we don't really know the answers. That's what our hearing will be about."

Rees concedes his agency hasn't power "to order anyone to do anything," but he thinks the facts to be presented will lead to more rational decisions and possible government action.

The hearings will bring testimony from sugar refiners and producers and from major sugar-using industries. Rees has asked refiners and producers for "their gross and net profit margins per pound of sugar." Data will be made public.

REES CONCEDES sugar prices will not tumble lower in the foreseeable future, if only because it will take a year or more to boost supplies.

On Dec. 31, the 40-year-old U.S. sugar act will expire, ending international agreements on pricing, import quotas and relatively a low tariff. President Ford, however, is considering shifting to a new sugar quota system and also considering lifting all restrictions on domestic sugar production. Both moves are designed to keep a lid on prices.

The hearing may get into charges that American sugar refiners are selling their products high after buying raw sugar at sharply lower prices on domestic commodity exchanges.

Sugar refinery officials answer they are merely following good business practices and earning an adequate return after years of low profits.

Critics also charge the refiners have been hoarding sugar waiting for prices to go up.