Increases defended despite 'windfall' claims

WASHINGTON (AP) — The nation's sugar refiners say they are not to blame for the spiraling cost of sugar, but a government study points to "very large windfall gains" throughout the sugar industry.

The differing points of view came Monday at a hearing of the Council on Wage and Price Stability. The council is investigating the causes of the four-fold increase in the price of sugar in the last year.

"If you are looking for the cause of the high price of sugar, either household or industrial, it is not to be found in the refiners' margins," said Edward D. Hollander, senior vice president of the accounting firm of Robert R. Nathan Associates, representing sugar refiners.

However, Bruce Walter, who presented the council's staff study of profits, said all segments of the industry reaped windfall gains when increasing prices raised the value of their sugar inventories. He said grocers also shared in the windfall.

Hollander contended the refiners' profits amount to just enough to keep ever-costlier raw sugar moving through their mills.

PROTEST PRICE OF SUGAR—Members of the Consumers Education and Protective Association International arrive at the Interior Department in Washington Monday with signs and petitions calling for a reduction in the price of sugar. The petitions were presented at hearings of the Council on Wage and Price Stability which is looking into the quadrupling of the price of sugar this year. (AP Wirephoto)