



NEWS from U.S. Senator Bob Dole

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FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 18, 1978

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DOLE, JOHNSON URGE PRESIDENT TO INCREASE SUGAR PRICE SUPPORTS AND IMPORT FEES

WASHINGTON -- Sen. Bob Dole (R-Kan.) and Rep. James Johnson (R-Colo.) last night sent a telegram to President Carter urging him to increase the price support loan rate on domestic sugar, and increase sugar import fees, "to prevent a chaotic situation in the world and domestic sugar industry." They also asked Carter for an announcement of support for long-range sugar legislation to be proposed early in the 96th Congress.

Following is the text of the telegram:

Dear Mr. President:

On May 4, 1977, you said, "I believe that a strong and viable domestic sugar industry is vital to the economic well-being of the American people." We concur with this position. This telegram is to urge you to take immediate action under existing authorities to prevent a chaotic situation in the world and domestic sugar industry, and to also announce your intention to support long-range sugar legislation to be proposed early in the 96th Congress.

Some market experts are predicting that world sugar prices will drop to the August levels of six to six and one-half cents per pound. They had risen to nine and one-half cents in anticipation of passage of the Sugar Stabilization Act, and the provisions for the ratification of the International Sugar Agreement contained therein. It was our intent, as it was yours, that ISA ratification should be completed. I am confident that the differences in the domestic sugar program could have been, and will be, resolved at the earliest possible time.

Meanwhile, in the interest of maintaining a stable world sugar industry, we would recommend the following Presidential action:

- 1) Increase the price support loan rate on domestic sugar to at least 15 cents per pound for the 1978 sugar crop, and at a higher level for the 1979 crop year, to reflect cost increases.
- 2) Increase import fees to four cents per pound, which when added to an estimated world price of eight cents per pound plus tariff and freight, would achieve a domestic market price of 15.5 cents.
- 3) Indicate your willingness to impose more restrictive import quotas if the fee adjustment does not accomplish the desired price.
- 4) Indicate your intention to support legislation to assure a viable domestic sugar industry as soon as possible.

These actions are inter-related and must be taken in tandem in order to prevent accrual of additional CCC stocks with resulting heavy budget outlays and increased sugar imports. Both such factors contribute to further trade deficits, weaken the value of the dollar and intensify domestic and worldwide inflation.

We respectfully suggest that this action needs to be made immediately to prevent further erosion in the world sugar market, witnessed yesterday when the market dropped the limit. We believe the ISA can be ratified along with passage of new sugar legislation immediately upon our return.