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DOLE REACTS TO ADMINISTRATION'S LATEST SUGAR SCHEME

Washington, D.C. -- In response to the Carter Administration's proposed sugar subsidy program, Senator Bob Dole(R-Kansas)stated yesterday that the program "is in direct conflict with the expressed intent of Congress as embodied in the Farm Bill just passed by both Houses of Congress."

"There is no reason for this action in definance of the expressed intent of Congress. The price support loan and purchase program called for in the Farm Bill should be implemented immediately. The announced program of yesterday should be withdrawn even before the proposal is printed in the Federal Register."

The following is the text of the statement made by Dole:

ADMINISTRATION'S LATEST SUGAR SCHEME
CIRCUMVENTS CONGRESSIONAL MANDATE

Mr. Dole, Mr. President, the Administration's proposed sugar subsidy program announced yesterday is in direct conflict with the expressed intent of Congress as embodied in the Farm Bill just passed by both Houses of Congress. "Title IX Sec. 902(2)(F)(1). The price of the 1977 and 1978 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 65 per centum nor less than 52.5 per centum of the parity price therefor: Provided, that the support level may in no even be less than 13.5 cents per pound raw sugar equivalent."
The Statement of Managers accompanying this Conference Report goes on further to express "The Department currently has authority under existing law to carry out the price support program required by this amendment to the Agriculture Act of 1949. It is the recommendation of the Conferees that the Secretary of Agriculture implement the program called for by the House amendment as soon as possible - even before the Act is signed into law."

Just one week ago today, I joined with 28 other Senators in sending a telegram to President Carter endorsing the Conferees' recommendations and calling for immediate implementation of the sugar program. Evidently this announced sugar subsidy program is the answer to our telegram,rejecting the recommendation of Congress and substituting a costly, ill-conceived, patched-up version of the previous proposal that was declared illegal. There is no reason for this action in defiance of the expressed intent of Congress. The price support loan and purchase program called for in the Farm Bill should be implemented immediately. The announced program of yesterday should be withdrawn even before the proposal is printed in the Federal Register.

The continued delay of implementing the sugar program called for in the Farm Bill is costing the U.S. Treasury about $1 million per day in lost revenues from import duties or fees called for in the Farm Bill. According to Mr. Fred Gray, the USDA sugar statistician, imports of sugar are flooding into the U.S. at a rate of about 500,000 tons per month. A duty and/or import fee of around 3 cents per pound is necessary to support prices at 13.5 cents.

This amounts to a loss of $1 million per day. In addition to this $1 million per day loss of revenue, the cost of the subsidies paid to processors will be very large unless actions are taken to limit the inflow of foreign sugar at distressed prices. Increase imports during this period of continued delay are apt to provide windfall profits to some in the industry. This delay started, in March 1977, with President Carter's rejection of the U.S. International Trade Commission's recommendation quotas to prevent the flooding of our market with low priced sugar. I have not seen the details of the announced program because they evidently are not complete enough to be printed in the Federal Register. The USDA has announced that the unfinished details of the program are legal even though clearly in violation of the express intent of Congress.