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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Since July the price of raw sugar has steadily declined and is now below the cost of production for most U.S. sugar producers. At current price levels many U.S. sugarbeet and sugarcane producers are unable to operate profitably. I have watched these developments with growing concern, mindful of the important contribution that our sugar industry makes to the national economy. Consequently, when prices plummeted in August, the interagency Task Force on Sugar Policy was reconstituted to update the supply, demand and price outlook for the remainder of 1976 and to consider the policy implications of these projections. The Task Force has now completed its review and has reported to me its analysis of the problem and the policy options.

After reviewing the work of this Task Force, and determining the views of members of Congress from the affected areas, I have decided to give my full support to the request of the Senate Finance Committee for an escape clause investigation by the U.S. International Trade Commission under Section 201 of the Trade Act of 1974. I fully agree with the Finance Committee that this matter requires a full and complete examination by the USITC. Further, because of the urgency of the problem for America's sugar producers, I am asking the USITC to expedite its review and to report its findings as soon as possible.

In addition, in view of the depressed state of the sugar industry, I have decided, pending completion of the USITC investigation, to raise the duty on imported sugar from .625 cents per pound to 1.875 cents per pound effective immediately. Increased custom duties will offer domestic producers some protection from imports while the USITC investigation is underway. I emphasize that this is an interim measure which I will review following receipt of the findings of the USITC and that I am not prejudging the eventual findings and recommendations of the USITC with respect to the question of injury or possible remedial measures.

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