WHY THE UNITED STATES SHOULD NOT RENEW
THE SUGAR QUOTA FOR SOUTH AFRICA

Congress will shortly have a chance to strip from the Sugar Act a costly subsidy to wealthy sugar interests in one of the world's most oppressive countries, South Africa.

The basic purpose of the Sugar Act is to guarantee a steady supply of sugar to American consumers. U.S. sugar producers are not able to supply more than 55% of U.S. requirements. Foreign producers and domestic producers alike are awarded what amounts to a protected higher price in order to assure that U.S. producers will be able to meet a percentage of U.S. requirements without being subjected to world market fluctuations. Since 1962, U.S. prices have averaged higher than world prices in all but two years, 1963 and 1973, costing the American consumer more than $500 million a year.

This rich windfall has given rise to intense lobbying by foreign countries jockeying for a better position at the feeding trough supplied by the U.S. consumer.

Since 1962, sugar exported under this quota system has given South Africa more than $33 million in subsidies (see attached chart). In its March 7th testimony before the House Agriculture Committee, the South African Sugar Association had the gall to suggest that it had "lost" $2.9 million in 1972 and $8.8 million in 1973 by selling on the U.S. market. These figures are incorrect and grossly exaggerated; SASA, in effect, multiplied its alleged "losses" by a factor of five by adding up price discrepancies on each shipment and multiplying the total by the total tonnage. Actually, 90% of South Africa's 1973 sugar exports were sold to Canada and Japan under supply commitment prices which were lower than U.S. prices. Surely the South African Sugar Association would not be employing highly paid lobbyists to request an increased quota from 60,000 to 75,000 tons if it did not expect to be rewarded as handsomely in the future as it has been in the past.

Because the Sugar Act creates a subsidy for foreign producers, the House Agriculture Committee has set criteria for selecting those foreign producers to be rewarded, including: (a) "the need of the country for a premium-priced market," (b) "non-discrimination against U.S. citizens," and (c) the extent to which the benefits of the subsidy are shared between workers and owners.
South Africa flunks this test on all three of these counts:

(a) **South Africa does not need to depend on U.S. subsidies to support its economy.** South Africa is the most industrialized nation in Africa. It is, in fact, a developed country, and has been classified as such by the Agency for International Development. Even the South Africa Sugar Association admits that South Africa is both a developed and developing nation. What SASA means by "developing" seems to be that the Bantustans, the 13% of South Africa where Africans (70% of South Africa's population) are supposed to be citizens with rights, are not developed. South Africa keeps them underdeveloped on purpose. These barren sections are convenient dumping grounds where black labor can be kept in a state of near-starvation in order to supply a reservoir to fill in the gaps in the ranks of low-paid wage slaves in the "European"-controlled economy.

South African exports of sugar represent 2.6% of her total exports, and only 6.8% of that amount comes to the United States. South Africa is already enjoying other subsidies: 90% of its sugar exports are sold according to a supply commitment price plan of the international Sugar Agreement.

(b) **U.S. subsidies feed South Africa's rich owners, not its workers.** Ninety-one percent of the South African Sugar Association's employees are African and six percent are Indian. They do not share in any of the profits from the publicly and privately owned corporations which control the plantations which grow and the mills which grind the sugar. In 1972, one such corporation, Huletts, cultivated 60% of South Africa's sugar cane. The two out of twenty mills which are co-operatives, in which small African producers may share ownership, grind only 8.9% of the nation's sugar. African small growers number over 4000, but their acreage is but some 4% of the total cultivated.

While SASA makes much of recent wage increases, the sugar field worker and mill hand who is African or Indian is still earning less than the $124 month which the University of Port Elizabeth computed in 1973 as the Poverty Datum Line for the Durban area. The Poverty Datum Line level is not an adequate wage; it is merely what is required to keep a family of four from starving to death.

Furthermore, 75% of the agricultural work force is transient and migratory contract labor. Without permission from the Bantu tribal labor bureau, no African can seek work outside the homeland. His wife and children cannot join him because under the pass law system they have no right to do so.

(c) **South Africa practices gross discrimination not only against its own citizens but against U.S. citizens.** South Africa's Sugar Association boasts that South Africa has never nationalized or expropriated American property or interfered with U.S. interests. Nothing whatever is said as to South Africa's actions against the persons and activities of U.S. citizens. This omission is understandable for a country which prefers money-making at the expense of the human rights of the majority of its people.
Since 1970, the attempt of U.S. churches to question U.S. companies in which they are shareholders in regard to their employment practices in South Africa has been blocked by the South African government. In the fall of 1972, Dr. Cornelius Mulder, Minister of Information, announced that he would allow no further visas for church officials from the United States to look at conditions in American-owned factories.

Congressmen Charles Diggs and Ogden Reid, advocates of real improvement in the conditions of Africans, Indians and Coloureds in South Africa, have been denied unrestricted visas.

Black visitors from the United States do not have freedom to move as they might wish in South Africa, and, unless they are accorded "honorary white status" because of wealth, prestige or connections, they are subjected to the same humiliating treatment in public accommodations, facilities and transportation as Africans. Richard Sanders, a black U.S.I.A. officer, was recently permitted to stay in a white hotel only if he agreed not to dance in its nightclub. Bob Foster, U.S. heavyweight fighter, was forced to go to a barely completed hotel in order to avoid "embarrassing encounters." A black supervisory or management officer of an American corporation could not be employed in South Africa without running afoul of South African laws and customs which forbid blacks to supervise whites. No U.S. citizen who is black could own real property in the 87% of South Africa where the European minority lives; it would be a violation of the Group Areas act.

U.S. public policy conflicts with these South African apartheid practices. Section 2151 of Title 22 of the U.S. Code declares that "it is the policy of the U.S. to support the principles of...recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race and religion...any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or exercise of personal or other rights available to American citizens is repugnant to our principles."

CONCLUSION

There is no reason why the United States should extend a privilege and a subsidy to a nation which legally permits and encourages the degradation and exploitation of its own people and United States citizens on the basis of race. U.S. consumers have enough problems meeting the high cost of living without lining the pockets of the rich sugar barons of South Africa. Little or nothing of our largesse will trickle down to the workers. South Africa does not need our help. There are many developing nations in Africa and elsewhere which can produce the additional sugar we need and who are far more in need of assistance than South Africa.