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Sugar's Sweet Deal

An unlikely Congressional pair — Charles Schumer, a liberal New York Democrat, and Dan Miller, a conservative Florida Republican — has begun a fresh effort to phase out America's archaic sugar price support program. The program has enriched domestic sugar growers at the expense of ordinary consumers and, in some cases, the environment. Scientists believe that the Florida sugar cane industry's rapid growth over the last 30 years, underwritten in part by the support program, has damaged the ecology of central and southern Florida, including Everglades National Park and Florida Bay, by interrupting the natural flow of clean water.

The present sugar support program was written into law in 1981. In simplest terms, it uses a combination of price supports, special loans and restrictions on imports to prop up the cost of sugar. The domestic raw sugar price of 21 cents a pound is about double the world price. This translates into high retail prices that, according to the General Accounting Office, cost consumers $1 billion a year. The Miller-Schumer bill would reduce the support price in stages and end it altogether in 2003. It would also encourage heavier imports. A similar bill was narrowly defeated in the House last year after ferocious lobbying by the industry.

The support program has kept some marginal producers in business while producing big profits for more efficient companies. The most conspicuous example of the latter is Flo-Sun, a huge operation north of the Everglades controlled by two brothers, Alfonso and Jose Fanjul, Cuban exiles who fled Castro and rebuilt their sugar empire in Florida with help from Washington's price supports. The G.A.O. estimates that in one year the sugar subsidy sent about $65 million directly to the Fanjuls' bottom line. Given their obvious interest in keeping the subsidy program alive, the Fanjuls are lavish contributors to politicians in both parties — giving as much as $3 million since 1979, by one estimate.

The industry has already begun its counterattack on Miller-Schumer. It calls the bill "a bullet in the brain," and warns that if the subsidy disappears, so will domestic producers and the thousands of workers they employ. The Florida cane growers' most energetic spokesman, Robert Buker of U.S. Sugar, Flo-Sun's biggest rival, argues that nobody can compete with foreign governments that dump sugar on world markets at artificially low prices.

But many independent economists think the industry exaggerates the potential damage. For one thing, Miller-Schumer's gradual phase-out will allow time for adjustments. Second, during the phase-out, and even after the price supports disappear completely, the Federal Government will still have powerful tools under existing trade laws to prevent dumping or unfair foreign competition.

The industry is right that there will be casualties. Operations in Hawaii, California and Texas that barely survive now will probably go out of business. Florida companies, the most efficient cane growers, may find some of their poorer lands are no longer profitable and take them out of production.

Environmentally, that could be beneficial. Economists estimate that perhaps one-fifth of the 450,000 acres now under cultivation might be at risk when the subsidy disappears. As it happens, that is about the same number of acres that the Federal Government and the state of Florida would like to buy to use as storage areas to replenish the water-starved Everglades and as water-treatment areas to clean up polluted runoff from the cane fields.

Ending the sugar subsidy will not kill the sugar industry. It will, however, continue to speed the process begun in last year's farm bill of moving American agriculture to a free market. It is also likely to give South Florida's beleaguered environment a happier future.