

A SUGGESTED PROGRAM FOR THE CANE AND BEET SUGAR INDUSTRIES

THE PROBLEM

Ignorance concerning the value of cane and beet sugar (Sucrose) to the human system has always been widespread. In recent years faddists and others with axes to grind have made that ignorance an active menace to the sugar industry.

In medical circles, in home economics departments, and among nutritionists, there have been conflicting opinions about the use of sugar. The faddists within these groups have made the most noise, resulting, perhaps innocently in some cases, in a flood of publicity of an unfortunate nature. This has been generally detrimental to sugar's place in the diet. Furthermore, for decades, and increasingly so in recent years, certain interests, for their own selfish reasons, have conducted an insidious campaign in an effort to take a part of the consumer's dollar from sugar for the benefit of their own products. To accomplish their ends they have attempted to minimize the value and importance of sugar and of products of which sugar is an ingredient.

In the years following the First World War, when it became the fashion for our feminine friends to have slimmer figures, sugar and products of which sugar is an ingredient received the full brunt of these attacks. The public was told to eschew sweets of all kinds. Special emphasis was placed on this thought through advertising media reaching women. There was no foundation of honesty in this propaganda, since it is well known by all intelligent people that excess weight comes from an *overindulgence* in carbohydrates, fats, etc., combined with the lack of physical exercise.

The American Tobacco Company was quick to turn this line of thought to its own benefit in advertising Lucky Strikes. Its purpose was obvious. It wished to increase the consumption of its cigarettes; it desired as much as possible of the consumer's dollar to be diverted from sugar and products containing sugar to the purchase of cigarettes.

We all remember that campaign, upon which millions were spent advertising the slogan, "Reach for a Lucky instead of a sweet". Finally, through the efforts of the National Food Products Protective Committee, of which the writer was a member, the tobacco company was forced to cease and desist in this attack on sugar and products containing sugar. The Lucky Strike campaign was perhaps the most outstanding direct attack on sugar up to the present year, but there were other less forthright campaigns designed to gain the same end.

As like begets like, continuous propaganda of this kind gains momentum so that it becomes a very powerful influence in the thought processes of the public.

Rationing, which had its inception in late April of 1942, was the signal for a heavy barrage of anti-sugar propaganda. Most of it was done with the thought of sugarcoating the bitter pill of rationing. The attack was set off by a pamphlet issued jointly by the Consumers' Division of the Office of Price Administration and the Bureau of Home Economics of the Department of Agriculture. This pamphlet said in part:

"HOW MUCH SUGAR DO YOU NEED?"

NONE! Sugar is prized mostly for its sweet flavor. Food experts say you really don't *need* any sugar at all.

What you do need is the food energy that sugar gives you. And you can get that food energy from cereals, breads, potatoes, fats, and from many other familiar foods as well."

Women's magazines, newspapers, etc., carried editorials and articles about the God-sent deliverance of the public, through the medium of sugar rationing, from the *evil habit* of consuming one of nature's greatest concentrated foods. These carried the idea that reduced use of sugar would improve our health, prevent teeth decay, diabetes, etc. An avalanche of books, pamphlets, etc., giving sugarless menus and recipes, came streaming off the presses of the country. All were derogatory to sugar, or suggested substitutes. The United States was swept by a tidal wave of anti-sugar propaganda.

Due to the absence of any educational activities on the part of the sugar industry prior to this period, ignorance of the value of sugar as a food extended to government officials. They, without the true story and because of much current misinformation, have absorbed the impression and belief that the public was consuming too much sugar; that sugar is not beneficial to the health; and that the reduction in the use or even the elimination of sugar from the human diet would improve health generally.

There is no country in the world so diet-conscious as America. It is the writer's personal opinion that there are more hypochondriacs in the United States than in any other country of the world. The United States public is, therefore, the most susceptible of all peoples to food propaganda, advice of nutritionists, newspaper column

doctors, and the like. Since the last war home economics schools, dietitians and nutritionists have come rapidly to the forefront. As diet faddists, we are in a constant state of flux, waiting for the words of "the wise" to tell us what we should *not* eat next. There are many so-called and self-styled experts in these fields who are not experts at all. Nevertheless, to the American public, their word is as effective as though they were actually experts and knew what they were talking about.

A recent survey made by Lamborn & Company, Inc., clearly indicated that many of the home economics departments of our universities believe that the American public indulges too freely in sugar. It is true that dietitians and nutritionists sometimes counsel the consumption of less bread and potatoes, but it is an infinitely weaker effort than is put forth on sugar.

It is observed that no derogatory information is being put out about wheat or wheat products, corn or corn products, potatoes or potato products, etc., by government officials. All of the emphasis is put on sugar and on products of which sugar is an ingredient; whereas those of us who know the facts realize that, in addition to sugar, wheat, corn and potatoes are all carbohydrates.

Sugar, however, which is simply another source of carbohydrates, is being unethically and unjustly attacked and many of the poor unfortunate public swallow the misinformation broadcast by the propagandists. Although other elements are contained in some of these other carbohydrate products, nevertheless this is so only in modest and varying degrees, and basically they are purely carbohydrates.

It should be noted that the Office of Defense Health and Welfare Service, in the advertising campaign being carried on in many of our prominent magazines and on the radio in connection with the National Nutrition Program, avoids the mention of sugar or products containing sugar in suggesting a properly balanced diet for the public.

Another phase of the present campaign against sugar and of products containing sugar, is found in the activities of the corn products industry. Everyone in the cane and beet sugar industries is familiar with the subtle and effective advertising and publicity campaign now being carried on through the press of the country by the corn products people. Corn sugar is being presented to the public as a Godgiven, *unique, natural* sweet. Their copy is convincing to the uninformed and since corn sugar is not rationed, the corn sugar people are making a Roman holiday out of the war. We have observed over the years that little by little the corn sugar industry has been gaining ground. It is probable that during the coming year they will produce a record output.

During this period when Sucrose is in eclipse, the corn sugar industry is establishing a solid foundation in the public mind that will enable them to build more rapidly than ever a great structure in the future. Every day there is new evidence that people who in the past would not use corn sugar are turning to it; the swing-over on the part of the candy manufacturer, the ice cream manufacturer, the bottler and the like, is rapid; in many instances this will become permanent.

Perhaps it is wise to point out here that the attempt of the corn sugar industry to appropriate the word "sugar" to their uses has been unsuccessful heretofore. In 1940 the Federal Security Administrator acting under the Federal Food, Drug and Cosmetic Act made this finding after extensive hearings:

"Finding 14: Sugar is the refined product in crystallized form commonly obtained from sugar-cane or sugar beet; it is chemically known as sucrose."

The great bulk of consumers regard "sugar" as the common name of "sucrose", i.e. cane sugar or beet sugar; and this heritage must be preserved and fostered.

It will be seen that, between the propagandists who damn sugar on the one hand and the competitive industries who are taking advantage of a most fortuitous situation on the other, beet and cane sugar are being ground between the upper and nether millstones. Sugar is fast becoming one of the casualties of the war.

Obviously, all of the above is highly detrimental to the best interests of those farmers who are engaged in the cultivation of sugarcane and sugar beets. It is detrimental to the interests of labor engaged in the sugar industry. In fact, it is detrimental to those engaged generally in the production, processing and refining of sugar.

Basically, the problem of the beet and cane sugar industries is threefold:

(a) All of the propaganda, inspired or otherwise, to the effect that sugar is a non-essential food is affecting the thinking of government officials, legislators, etc., as well as the public. Those in power will not facilitate the movement of non-essentials, or what they believe are non-essentials.

(b) Past experience clearly indicates that wars cause revolutions in the thinking and habits of peoples. On the one hand, the public is propagandized against sugar and products containing sugar, and, on the other hand, they are denied their full need of these products and are being educated in the use of substitutes. In addition to the risk of harming many in the industry during the war period, the probability is that the cane and beet sugar industries will be injured seriously during the post-war period,—in fact, for many years to come. Habits formed during an emergency period usually become life-long habits. For example, coffee without sugar today, in many cases will result in coffee without

sugar during the post-war period. This is especially true where the dietitians, the nutritionists, and others have stressed the idea that sugar is only a flavor and not a food.

(c) Other industries, such as the corn products industry, naturally are taking, and will continue to take full advantage of the opportunities currently presented to increase the use of their products at the expense of cane and beet sugar.

All of the above boils down to the fact that after the war with a tremendous production of sugar, and a stock-pile now being built up in many areas, a great congestion of sugar will exist. A country that has become accustomed, perforce, to a lower consumption of cane and beet sugar will not be able then to absorb the domestic and insular productions and accumulated stocks—without economic repercussions to the sugar industry as a whole.

Thus the competition for the United States market engendered after the war may well be ruinous to many in the industry, including the domestic and insular areas. For example, imagine this nation rationed down to a consumption of 5,000,000 tons of sugar per annum for the duration—what happens when the flood-gates are opened at the close of the war? It will readily be seen that it is important not to have the mind of the American public poisoned against an invaluable and almost indispensable food—sugar.

THE SOLUTION

It is suggested that there be formed to solve this problem, the SUGAR RESEARCH FOUNDATION, a non-profit organization. The details for the formation of the FOUNDATION will be found in a subsequent paragraph. It would be the purpose and the function of the SUGAR RESEARCH FOUNDATION to:

- (A) Inform and educate the public on the merits of sugar, its value, function and place in the diet;
- (B) Secure all of the available data in connection with sugar as a food; its value and importance in the human diet; its cost from a food value standpoint as compared with the cost of other commodities, etc.;
- (C) Engage research men where necessary for the purpose of dietetic analysis and medical study of sugar and its by-products; engage men for the co-ordinating, classifying and compiling all of the data developed by the research men engaged by or working for the FOUNDATION, the sugar industry, or related industries; and engage any others necessary in the furtherance of this program;
- (D) Endow fellowships at universities and selected institutions for the intensive study of sugar and its importance to human welfare;
- (E) Combat and counteract unfair, misleading and unethical advertising or propaganda against the use of sugar;
- (F) Study and develop better and new uses for sugar and its by-products;
- (G) Transmit to the public, through advertising or other media, the information secured and developed by the FOUNDATION so as to promote and protect the public safety and health;
- (H) And in general take such other action as may effectuate the objectives outlined herein.

It should be at all times a guiding principle of the SUGAR RESEARCH FOUNDATION, directors, officers, and members as well, to cooperate in every way with the government's rationing program.

It cannot be emphasized too strongly that the chief purpose of the FOUNDATION would be to secure all of the known facts about sugar and its effects on and need by, the human system, and to present them plainly, convincingly and completely, to the public.

In the formation of this organization, it should be definitely understood that the FOUNDATION is not interested in any type of research work having to do with the methods and mechanics of sugar manufacturing, sugar refining, etc. Nor should the FOUNDATION plan to make research studies of such special subjects as cultivation of cane or beets, blights that affect these agricultural crops, etc.

Further, it should be clearly understood that the FOUNDATION would not be interested directly or indirectly in tariffs, trade treaties and the like. Rather, the FOUNDATION should confine itself to study and action in connection with the program outlined above.

Since each one of the several areas has its own peculiar agricultural, manufacturing and political problems, these subjects should be religiously avoided in the considerations of the FOUNDATION. In the establishment of a SUGAR RESEARCH FOUNDATION for the purposes outlined, it should be definitely understood by all participating that those providing the sugar for the American market have the one major problem in common, i.e., *the defense of sugar as a food* and the expansion of post-war markets for sugar.

PLAN FOR SUGAR RESEARCH FOUNDATION

Formation:

It is suggested that the FOUNDATION be incorporated for these reasons:

1. To assure continuity of existence.
2. To set up definite financial responsibility and to limit the financial responsibility of the members of the FOUNDATION.
3. To assure the FOUNDATION an adequate method of protecting its work and name.
4. For all matters of business convenience, the corporation is the preferred form.

To those who may think that a voluntary association might be advisable, it is pointed out that:

- (a) The liability of any individual member may be unlimited.
- (b) It is difficult to make contracts or to assume liabilities without undesirable inconvenience.
- (c) An unincorporated association must take title to property, including trade-marks, copyrights, etc., in the name of one or more members.
- (d) Suit may be brought against the President, Treasurer, or all of the members of a voluntary association.

It is suggested that the headquarters of the SUGAR RESEARCH FOUNDATION be established in New York. It is also suggested that the FOUNDATION be incorporated under the laws of the State of New York.

Proposed Membership:

Membership in the FOUNDATION should be open to any sugarcane grower, producer, processor, refiner and any sugar beet grower and processor in the several areas from which the United States secures its sugar supplies. It is suggested that the producing areas be grouped as follows:

Eastern Beets	Puerto Rico
Western Beets	Cuba
Louisiana	Virgin Islands
Florida	Philippine Islands
Hawaii	Full Duty and other suppliers

and that the United States Cane Sugar Refiners be considered as a group.

Directorate:

It is suggested that the directors of the FOUNDATION should consist of two representatives from each of the above areas and from the refining group. A farmer or grower representative should be chosen as one of the two representatives for each of the areas.

Executive Committee:

Considering the vast distances by which the Directors of the FOUNDATION would be separated, it is obviously important that there be established an Executive Committee consisting of say, five of the Directors, which could function with a Managing Director in conducting the activities of the FOUNDATION. As a suggestion, the Executive Committee might properly consist of:

- 1 United States refiner
- 1 United States beet processor
- 1 Mainland cane producer
- 1 Domestic insular producer
- 1 Foreign insular producer

Managing Director:

The Managing Director should have the full burden of responsibility in carrying out the purposes of the SUGAR RESEARCH FOUNDATION.

ORGANIZATION OF SUGAR RESEARCH FOUNDATION

To conduct properly the affairs of the SUGAR RESEARCH FOUNDATION, funds will be needed for three main purposes:

Working staff (including permanent research men)
The endowment of fellowships for research
Advertising and public relations work

Working Staff:

At this time it is not feasible to outline specifically the permanent office staff needed for the SUGAR RESEARCH FOUNDATION, for obviously a new trail must be blazed and we must feel our way. The permanent staff should be no larger than absolutely necessary for efficient and economical handling of the problems. Where possible, special Committees should be appointed consisting of men in the industry so that their specialized knowledge can help to solve problems. It is to be assumed that the members of the FOUNDATION, when called upon, would gladly serve without remuneration for the good of the cause. To put it generally, in the maintenance of the FOUNDATION, duplication of effort and expense should be avoided. The experience and knowledge of learned men within the industry should be utilized.

Endowments for Research:

It is impossible to state specifically at this time how much should be appropriated for fellowships and research work. This should be a matter for careful study from time to time by the Executive Committee as progress is made and the full extent of the problems and necessities develop. Certainly, it is patent that out of any assessments on the industry, a proper proportion should go to fellowships in order to accomplish the purposes set forth elsewhere in this memorandum.

Advertising and Publicity:

After exhaustive study, an advertising agency and perhaps a public relations specialist, both of the highest calibre, and equipped to handle the problems of the FOUNDATION, should be selected and employed.

Finances:

Since the true story of sugar must be told to some 130,000,000 people in the United States, it will readily be recognized that a considerable amount of money will have to be raised and appropriated each year for this purpose, to say nothing of the cost of research work, etc. As an indication of the cost of getting a message across to the general public in an effective manner, we may look at the experience and expenditures of others. According to the best information obtainable in the advertising world, the several advertisers listed below made expenditures for advertising in 1941, in part, as follows:

Corn Products Refining Company.....	\$1,100,296
California Fruit Growers Exchange.....	1,319,944
American Meat Institute.....	926,596
Campbell Soup Company.....	5,556,840
H. J. Heinz Company.....	2,473,583
Kellogg Company.....	2,408,742
Quaker Oats Company.....	1,837,361
Wrigley Company.....	1,608,830
Lucky Strike Cigarettes.....	5,053,129

It should be noted in connection with the above data that we have secured our figures from the Bureau of Advertising of the American Newspaper Publishers' Association. The survey covers only certain media of advertising,—for instance car cards and outdoor billboard advertising are *not* included. Furthermore, the media which have been covered are:

- (a) Newspapers: Newspaper advertising in the daily and Sunday papers of 755 cities in the United States which have a population in *excess* of 10,000
- (b) Magazines: 103 magazines of national circulation are included
- (c) Farm Journals: 42 of the leading Farm Journals
- (d) Radio Chains: National Broadcasting Company, Columbia Broadcasting System, and Mutual Broadcasting System.

Undoubtedly all of the above advertisers spent much more money on advertising than the figures shown, for the Survey of the Bureau of Advertising did not include every newspaper and magazine in the country, nor did it attempt to estimate the additional expenses which are inevitably involved in nation-wide advertising. For instance, in the matter of radio expenditures, the figures show only the cost of the radio time. In addition to radio time, the advertisers have the expense of talent, which is very large.

Furthermore, the above figures do not include money spent by the advertisers in trade work of one kind or another, nor do the figures include money spent in strictly public relations work. And of course, in addition to the expenditures listed above, all of these advertisers had a great expense in the maintenance of a staff to handle and direct this work, to say nothing of the cost of their research departments, etc.

It is interesting to note that the amount of money expended by the American Meat Institute is insignificant as compared with the total amount of money spent by the individual packing companies themselves. For example, based upon the Bureau of Advertising survey, Armour alone spent \$1,438,624; Swift, \$1,880,909; Cudahy \$866,528; Hormel \$628,151; Wilson \$514,801; five smaller packers \$422,848.

In fact, it would seem that the meat advertising of which there is a record, amounted to almost \$6,000,000 in addition to the \$926,596 spent by the Institute. In this connection we observe a news item in the New York Times under date line of October 5th in which George A. Schmidt, Chairman of the American Meat Institute, is quoted as having advised the members of that institute that it must continue its meat promotion campaign despite record breaking military and lend-lease requirements "as an instrument of good will" and as an influence in rebuilding civilian demand for meat after the war. The article further continues:

"Mr. Schmidt recalled that the industry lost business during the last World War and that 'Meatless days caused us more hardship and worry after the war than they did during it'. That war, he added, was 'a dividing line between an increase and a decrease in the per capita consumption of meat'.

Two years ago, the speaker said, the packers were warned that the nation 'would soon reach a period of static population' and that 'if the industry desired to grow', the use of its product must necessarily increase among each unit of the population.

'When this war is over', he pointed out, 'we will be much nearer that period than when we were first reminded of it. All the more reason, I feel, that we must not neglect a job which has been handled so meritoriously and so capably during the past two years'."

In connection with the meat industry's advertising and the individual work done by the various packers, the point is stressed that meat is a food and an *indispensable* food, and this message has been effectively and emphatically placed before the American consumer. All of this advertising contributes to the present high per capita consumption of meat in the United States and to the fact that no one has questioned or is questioning, as is the case with sugar, the virtues of meat as an essential food.

The reason the advertising expenditures of Campbell and Heinz are listed individually, even though they are advertising trade-named food products, is to show the expenditures necessary to make their names and their products a by-word in the home. To put it another way, the Campbell Soup Company has found it necessary and advisable to spend over \$5,000,000 per annum and the H. J. Heinz Company over \$2,000,000 per annum to maintain their positions in the public eye.

There are those who might say that the Campbell and Heinz illustrations have no place in a discussion of advertising of the type the SUGAR RESEARCH FOUNDATION might undertake, since these private companies are merchandising their own food products and can measure with a fair degree of accuracy the benefits they will derive for each dollar expended in advertising. It is true that an exact analogy may not be drawn between the Campbell or Heinz situation and the sugar industry's problem. But we do have an industry marketing in normal times a commodity—sugar—on which the American public spends approximately three quarters of a billion dollars each year. It is a business that now awakes to the painful fact that it has been inarticulate and has built no defense or foundation against attacks by bringing forcefully before the public the merits of its product as an essential food. That industry's product—sugar—today lacks a strongly supported position, and is threatened with an irreparable loss of volume and injury to farmers, laborers and investors.

To illustrate the sugar industry's needs of today, let us imagine that five years ago there had been established the SUGAR RESEARCH FOUNDATION and through a vigorous campaign the merits of sugar had been presented to the public at large, including legislators, etc. It is patent that the sugar industry would not now be in its present sorry plight, with a dismal future before it. Such moneys as might have been expended over those five years would have been well spent, and results would have been evident today. That it was not done then is all the more reason that corrective measures should be instituted without further delay.

There are other Associations which have spent considerably less than those listed above; for example, the survey indicates that the Association of American Railroads spent \$525,749 in 1941; the Air Transport Association \$279,645; the American Trucking Association \$226,510; the Institute of Life Insurance \$219,777; the National Association of Ice Industries \$220,125; the Portland Cement Association \$109,862. Without any intended criticism of the campaign of these Associations, it must be obvious to all that the messages they have tried to carry have not generally registered in the mind of the public at large, as has the campaign, for example, of the California Fruit Growers' Exchange. Who does not know of Sunkist oranges? But on the other hand how large an audience knows the story of the Association of American Railroads, the National Association of Ice Industries, etc.?

Now, it may well be that the Air Transport Association's program has been highly successful, but after all they were telling their story to the upper middle classes who could afford to travel by airplane and it may have

been necessary to spend only \$279,645 to reach this group of people. In the matter of sugar, however, the *entire* population, regardless of income, must be reached. That is the reason we have stressed the expenditures made by others who have found it necessary, either as Associations or as private companies, to reach the public at large.

In regard to the corn products activities it should be carefully noted that the corn sugar industry supports the CORN INDUSTRIES RESEARCH FOUNDATION, and that manufacturers of corn products make use of the information developed and supplied by this Foundation. Furthermore, a large number of research fellowships are supported by the Corn Industries Research Foundation and a substantial expenditure is involved in addition to the amount spent by the Corn Products Refining Company.

On the basis of the experience of others then, it becomes obvious that \$1,000,000 per annum spent on sugar advertising and publicity alone would be essential to do an adequate job.

In addition to the cost of advertising and publicity there would be important outlays for research, fellowships and the maintenance of a permanent office and staff. At this time, to arrive at reasonably accurate figures as to the cost of these latter divisions of the endeavor would be difficult if not impracticable. These situations require extensive study, for in some of these activities the FOUNDATION would be blazing a new trail. Then, too, from the standpoint of fellowships, the problem should be one for the study of the Executive Committee, which, in turn, would make its suggestions and recommendations to the Directorate for action. Consequently, at this writing, these matters cannot be decided in a definitive way. However, considering all of the factors mentioned, research, fellowships and advertising, it must be obvious that a total *minimum* expenditure of \$1,000,000 per annum is essential.

Furthermore, since the current problem in sugar is one of great gravity, and since it will be increasingly so for the duration and postwar period, it is suggested that at this time the industry should decide upon carrying out this program over a minimum period of five years. Although the writer realizes that it would be ideal to be able to suggest how this expenditure should be apportioned to research, fellowships and advertising, it must be recognized that at this early stage it is inadvisable to do so. The apportionment of the sum appropriated should be the result of serious study by the Directors, Executive Committee and Managing Director. The evidence at hand definitely confirms the statement above, however, that at least \$1,000,000 per annum for a minimum of five years should be planned.

Assessments:

Everyone whose business is that of growing, producing and processing sugar for sale in the United States must recognize the pressing need for action. Here is a common ground for all cane and beet sugar interests. Sugar producers, processors, growers and refiners have, in the past, been separated by the wall of competitive marketing and by wide differences of opinion on many issues, depending upon their location, their particular phases of the business, and their political philosophies. This will undoubtedly continue to be the case until the end of time. But in the problem now facing sugar everyone in the sugar business has a common interest—an interest in which great good can be done for those primarily interested and for the public as well.

The assessments to defray the expenses of the FOUNDATION should logically be based upon the distribution record of direct consumption sugar in the United States. Rather than choose any one year, when special circumstances and factors may have distorted some part of the domestic sugar picture, it would seem fair to take the annual average of distribution of the years 1934 to 1940 inclusive. The quota program set up under federal legislation started with the calendar year 1934. The elimination of the year 1941 is necessary because that was an abnormal year as far as distribution is concerned, and its inclusion would lead to distortion of the picture. The record for that period is as follows:

Average Annual Deliveries 1934—1940=6,677,594 Short Tons, Raw Value

	Short tons, Raw Value	Equivalent in Bags of 100 lb. Refined
Cane Sugar Refiners, Deliveries for Continental Consumption..	4,440,901	83,000,440
Beet Sugar Processors.....	1,496,388	27,967,492
Importers of Off-shore (direct-consumption) Sugar.....	622,639	11,637,123
Continental Cane Mills (direct-consumption).....	117,666	2,199,177
	6,677,594	124,804,232

It will be noted from the above table that the distribution of the United States for the period under review has been translated from short tons, raw value, to the equivalent of 100-pound bags of refined sugar. This is done because it would seem proper and convenient to base assessments accordingly.

In arriving at a proper division of any assessment, it would appear fair and equitable that each 100-pound bag of refined sugar bear the same burden in the total assessment. For example, from the ground to the finished

product the beet industry would pay 1¢ per bag. In the same way, in the matter of cane sugar, it would seem proper that the raw cane sugar producer, wherever located, pay 1/2¢ per bag (refined sugar basis) and the refiner 1/2¢ per 100 lb. bag of refined sugar. In that way on every bag of refined sugar, whether marketed by a beet processor or a cane refiner, the assessment would be exactly the same and the distribution of that assessment would be divided equally between the raw sugar producer and those who refined it.

To illustrate how this base period would be used in determining the assessment, let us assume that there was a one hundred percent response to this program by all of those who participated in the distribution of sugar in the United States during the seven year period. Let us also assume, for simplicity, that the FOUNDATION found it necessary to spend a sum of money of between \$1,000,000 and \$1,500,000 per annum. Then, based upon the record of average distribution for the seven year period of 124,804,232 bags of refined sugar, an assessment of 1¢ per bag of 100 pounds of refined sugar would yield \$1,248,042.

More specifically, if we consider the first item of the above table, the cane sugar refiners would pay 1/2¢ per bag on 83,000,440 bags; on that same quantity the raw sugar producers, wherever situated, would pay 1/2¢ per bag; the beet sugar interests would pay 1¢ per bag on 27,967,492 bags; the off-shore refiners would pay 1/2¢ per bag on all of the sugar refined by them and marketed in the United States and would pay 1/2¢ per bag in addition on that raw sugar which they produced themselves; on those sugars which the off-shore refiner does not produce himself, the raw sugar producer of those sugars would pay 1/2¢ per bag; the item "continental cane mills" covers those Mainland producers who make direct-consumption sugars and in this case their assessment would be 1¢ per bag; in the case of raw sugars or turbinados produced in off-shore or domestic areas, which go directly into consumption, the assessment would be 1¢ per bag.

Inasmuch as it may be that all of the companies in any one area may not be willing to cooperate in this endeavor, it would seem logical to divide the assessments, based upon areas or groups. If the total sum of money to be appropriated is to be \$1,248,042, then it follows that an assessment should be made on each one of the *divisions* in the industry. For example, on the basis of the seven year average the beet industry of the United States would be expected to raise a total of \$279,674. Members of the FOUNDATION in the beet producing areas would be assessed on a per bag basis for that sum of money. In a like manner the members of the FOUNDATION in Puerto Rico, Hawaii, Cuba, Louisiana, Florida, etc., would be obliged, through an assessment, to make up that part of the fund which they should properly pay, based upon the seven-year average.

CONCLUSION

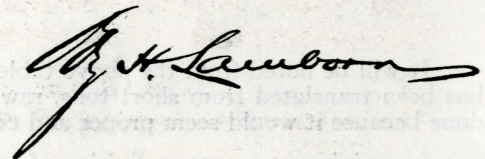
That the utility of sugar in the diet has been, and is being, questioned is evident. The industry has been challenged, and its future is in jeopardy.

A cardinal principle of democratic government is the proposition that in a court of law no man is deemed guilty until he has been adjudged so by a jury of his peers, after he has had every opportunity to defend himself and to present his case fully and completely in open court. Similarly neither the government nor any fair-minded man will, I am sure, question the right of the sugar industry to use every legitimate means to protect itself in presenting its case to the public.

It should be clearly understood by everyone concerned that no act should be contemplated and nothing should be done by the FOUNDATION which will in the slightest degree embarrass the United States Government or any of its permanent or war agencies.

A great amount of research work should be done, through the establishment of fellowships at universities and by industry men in the sugar laboratories, so that every fact supporting sugar's importance in the human diet may be presented fairly but forcefully, and in its proper perspective to the public. This should be done with the type of advertising which will clearly explain the reason why rationing of sugar is necessary, i.e. the lack of transportation facilities; the demands of our armed forces for sugar and its prime importance in the diet of our sailors, soldiers, and marines; the lend-lease requirements of our allies. Simultaneously the public should be taught the importance of the correct usage of their sugar rations, i.e. the necessity for sugar in the diet of growing children and active adults.

Other industries, notably meat packing and automobile manufacturing, are already engaged in that type of advertising in an attempt to prevent or minimize the deterioration of their post-war markets. And this is being done by them although there has been no general questioning of the merits of their products. In other words we must exert every effort to see that the low sugar diet of wartime does not become the habit in the peacetime to come.



New York, October 15th, 1942.