



AMERICANS *for* TAX REFORM

March 31, 2011

To: All Senators, United States Senate
RE: "Free Sugar Act of 2011"

Dear Senator,

On behalf of Americans for Tax Reform, I am writing today to express this organization's support for the "Free Sugar Act of 2011" sponsored by Senator Richard Lugar (R-IN). This legislation would get the government out of the sugar business by repealing the command-and-control sugar program that has kept prices artificially high through stringent import quotas, tariffs, and price manipulation.

The sugar program was enacted during the Depression as a way to protect sugar producers from competition by restricting the amount of sugar entering the country. The program has worked to the advantage of a few farmers (the largest 1% of growers claimed 42% of the program's benefits) and to the expense of the rest (the General Accounting Office estimated that the program cost sugar consumers a grand total of \$2 billion annually at the point of purchase). Moreover, it has restricted sugar imports at a time when barriers to trade are being lowered around the world and need to be brought down further.

When jobs and the economy continue to be a major focus, this program undermines the recovery effort. According to the U.S. International Trade Administration, for each job "saved" by this program, three jobs are lost in the manufacturing sector as confectioners move their facilities to countries, such as Canada and Mexico, where the price of sugar is one-half to two-thirds the price in the U.S.

The sugar program is one of the United States' oldest and most destructive protectionist policies. Instead of maintaining the status quo by propping up a program designed to force taxpayers to pay more at the grocery store, Congress should pursue policies that allow the free-market to determine the cost of sugar. I thank you for your leadership and look forward to working with you. For more information, feel free to contact Kelsey Zahourek in my office at kzahourek@atr.org.

Onward,

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