

September 1, 1937

[Memorandum of Approval of Sugar Bill]

FDR Speech File

MEMORANDUM

The problem before me raised by the enactment of HR 7667--the so-called Sugar Bill--is that the Bill, intended primarily to benefit ^{many} ~~thousands~~ thousands of farmers who produce beets and sugarcane and those who, at the place of production, refine the raw material into sugar, has been seriously impaired in its value by the inclusion of a provision intended to legalize a virtual monopoly in the hands of a small group of seaboard refiners.

I am primarily concerned with the interests of the domestic beet and cane growers and of the cane growers in the islands which are under the American flag and the cane growers of some of our close neighbors, such as Cuba.

So far as all of these growers, domestic and insular, are concerned, the system of quotas provided in the Bill is ^{on the whole equitable} ~~substantially equitable~~. From this, the most important objective of the Bill, I have no reason to disagree.

The sole difficulty relates to a little group of seaboard refiners who, unfortunately, for many years were able to join forces with domestic producers in the maintenance of a continuing and powerful lobby in the National Capitol and elsewhere. This lobby has cost the stockholders of these refining companies millions of dollars and it has been wholly unnecessary so far as protection of the domestic beet and cane producers has been concerned.

It is with great regret, therefore, that I find that the Congress has accorded a status quo continuation of this seaboard refinery monopoly for two and a half years to come. The Bill in this respect gives only one ray of hope--for it provides that this refining monopoly shall terminate on March 1, 1940, whereas the beet and cane producers quota is extended to December 31, 1940.

Since the passage of the Bill, I have been given the following assurances by Senators representing the ^{great} ~~large~~ majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugarcane in all domestic sugar producing areas of the United States and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.
2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.
3. That when the refined sugar quotas for Hawaii, Puerto Rico and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these offshore areas shall not be lower than the minimum standards in refineries on the mainland.
4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the Bill with what amounts to a gentlemen's agreement that the unholy alliance between the cane and beet growers on ^{the} one hand and the seaboard refining monopoly on the other, has been terminated by the growers. That means that hereafter, the refiner's lobby should expect no help from the domestic growers. That is at least a definite step in the right direction.

I hope that the next session of the Congress will consider repealing or shortening the clause which continues the refining monopoly to March 1, 1940; but even if Congress does not then act, the end of the monopoly is definitely in sight and I sincerely trust that nothing will be done by the domestic growers of beets and cane to perpetuate it. The monopoly costs the American housewife millions of dollars every year and I am just as concerned for her as I am for the farmers themselves.

Franklin D. Roosevelt

The White House.

W.H. Dept 1-15-1937