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(EDITOR: Please consider this Madison Op-Ed for the Commentary page or for broadcast as a guest editorial. Reprint permission is granted.)

IS THE PROPOSED SUGAR TAX A GOOD THING?

by Philip Blumel

Good intentions are not a substitute for results. Florida voters concerned about what is best for the Everglades and our state's economy need to become fully informed before deciding how to vote on the penny-a-pound sugar tax in November.

This proposed new tax would cost jobs, expand government, and encourage replacement of sugar with environmentally riskier crops. Worse, it ignores both the root causes of and current programs that deal with pollution in the Everglades.

SUGAR NOT THE SOLE CULPRIT

Sugar farmers are singled out by this tax but are only one source of the problem—and not the primary one. The true villain is government, the very institution to be entrusted with the new tax windfall. Beginning as early as 1906, the state of Florida began draining and diking the Everglades. This government intervention became more intense after 1947

when the Army Corps of Engineers chopped, channeled, drained, and created water impoundment areas and canals over thousands of acres south of Lake Okeechobee. Then the government encouraged the use of this new farmland through various indirect subsidy programs.

Sugar growers are indeed responsible for a portion of the phosphorous runoff that is plaguing the area. But the proposed tax ignores the fact that phosphorous runoff is also due to water from Lake Okeechobee, which in turn comes from numerous activities (such as dairy farming) from as far north as Orlando. Runoff also is caused by the vegetables grown alongside the sugar in South Florida.

Beyond agriculture, drainage water from the South Florida suburbs west of Dania and West Palm Beach is a culprit. In fact, according to the Environmental Protection Agency, the green algae infestation and dying

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sawgrass in the Florida Bay are due primarily to ground water contaminated by underground sewage disposal.

So, we must consider: Do we really want our state's constitution to include language specifically targeting one industry to deal with a problem created by several and to some degree, by the state itself?

THE SUGAR TAX WOULD BE BAD FOR THE ECONOMY

The tax would destroy jobs by taking an estimated \$37 million annually out of the productive economy (a total of \$925 million over 25 years). How many jobs? No one knows. But there is no doubt that the new tax would drive some marginal farmers out of business and force large farmers to pare their payrolls. This shrinkage of the industry would have a ripple effect throughout the state economy, injuring the livelihoods of those who rely on the farmers as customers.

ALTERNATIVES TO SUGAR EVEN WORSE

If sugar is less profitable, some farmers will simply grow less sugar and more of something else. But sugar cane requires few pesticides and fertilizers compared to other crops. Growing vegetables—or paving over the Everglades for new highways and suburbs—would be even worse.

TAX DUPLICATES CURRENT EFFORTS

The proposed tax also ignores the fact that both the federal and state government recently approved costly new programs for protecting the Everglades. The 1995 farm bill authorizes \$200 million in land purchases—an amount to be raised to \$300 million if the Interior Department sells non-environmental assets.

In 1994, Florida passed the Everglades Forever Act, a \$685 million program to buy more land and help monitor and clean up the Everglades. Sugar cane

growers are to pay between \$233 and \$322 million of this amount, depending on their ability to meet targets for the reduction of phosphorous runoff.

And phosphorous reduction targets *are* being met and even exceeded. The South Florida Water Management District (SWFMD) has set a goal of a 25 percent annual reduction in total phosphorous load in water discharged from the Everglades agricultural area.

According to a June, 1996 SFWMD report, the actual phosphorous load reduction for the current year (May 1, 1995, through April 30, 1996) was 68 percent—43 percent above the mandated level.

TAX WOULD HURT CONSUMERS

This new tax would not affect existing federal programs that indirectly subsidize the sugar industry through loans and import quotas. Therefore it would represent an increase in government intervention in that market—much to the detriment of consumers. And, since there is no specific spending plan included in the proposal, the bureaucrats could spend the money any way they like.

The popularity of the sugar tax idea is testimony to the level of concern Floridians have for the Everglades. But concern by itself is not enough. Floridians must take fair and reasonable actions that genuinely benefit the Everglades and our state. This proposed new tax will not.

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