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The Political and Economic Factors Affecting the U.S. Sugar Subsidy Program

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Oral Presentation 2.2

**THE POLITICAL AND ECONOMIC FACTORS AFFECTING THE U.S.
SUGAR SUBSIDY PROGRAM**

Anne Peterson and Frank Boyd*, Department of Political Science

Due to a complex combination of price supports, import quotas, and loans for sugar growers, U.S. consumers pay more to satisfy their sweet tooth. This paper explores the U.S. sugar subsidy program in order to determine why an increasing amount of sugar subsidy is allocated to a decreasing number of sugar growers. Economist Douglass North offers a theory on the autonomous effect of political institutions upon the policymaking, an area which Public Choice theory fails to adequately address. OLS regressions and various cross tab analyses test the impact of economic and political variables upon the level of sugar loans allocated to sugar growers from 1965 to 1992. The House and Senate Agriculture committees and the number of democrats in Congress contribute to explaining the variance in sugar loans. The geographical composition of the Senate Agriculture Committee in particular emerges as statistically significant.