to the jurisdiction of the Committee on Rules and Administration.

After those matters are disposed of, it is anticipated that the next order of business will be Calendar No. 1111, S. 2642, a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Action on that bill will be followed by Calendar No. 1123, H.R. 11380, the so-called foreign aid bill.

It is anticipated and hoped that there will be reported to the floor of the Senate during this week appropriation bills covering the District of Columbia, the legislative branch of the Government, and perhaps the independent offices appropriation bill.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. Does the Senator anticipate that on Tuesday there will be before the Senate for consideration the bill relating to trading in Irish potato futures, both of the rules resolutions, and the antipoverty bill?

Mr. MANSFIELD. Yes.

Mr. DIRKSEN. But not the foreign aid bill on Tuesday?

Mr. MANSFIELD. I do not believe the Senate could get through with all those matters tomorrow. The best we could do would be to lay down the so-called antipoverty bill tomorrow night because, under an agreement reached some 2 weeks ago, the minority has until midnight of the 21st to file its report. Therefore, the first time we could get the foreign aid bill before us would be when the Senate convened on Wednesday. My guess would be that very likely the foreign aid bill would not come up until Friday or perhaps Saturday.

Mr. DIRKSEN. But it will follow?

Mr. MANSFIELD. Yes; unless an appropriation bill came in between, that might not take too long.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. The probabilities are that the foreign aid bill will not be reached until Friday.

Mr. MANSFIELD. That is the way it looks now, if the Senator will allow for flexibility. It might be Thursday, but I do not think so.

Mr. MORSE. The probabilities are that it might not be reached until Monday, but Friday or Saturday would be my guess.

Mr. MANSFIELD. We shall see.

Mr. DIRKSEN. Perhaps the majority leader would like to give us his present plan with respect to the bill to implement the coffee agreement, and whether or not he sees that in the picture for this week, or is it further along?

Mr. MANSFIELD. I wish I could give a definitive answer to the distinguished minority leader, but, to put it mildly, the situation is in a state of flux.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I know the Senator will do everything he can, but I think it is important to consider the coffee agreement as soon as possible. As Senators know, we are in conference this week with our friends from Latin America in connection with the OAS matter. I am sure that the coffee agreement is going to be on the lips of many of them. Speaking only for myself, and no one else, it would greatly strengthen the persuasiveness of the American delegation at that conference if we could at least give some assurance that it will come up, and be voted either up or down, because to them this is a matter of economic life.

Mr. DIRKSEN. It is, however, beset with difficulties that are real and practical.

Mr. MORSE. That is true, but we may as well face them and have them behind us, rather than leave our friends from Latin America suspended in the air.

Mr. MANSFIELD. Mr. President, if the Senator will yield, one of the reasons for the delay is that the leadership wishes to discuss this matter with the distinguished Senator from Florida [Mr. SMATHERS], who will be in charge of the bill.

Mr. DIRKSEN. Prior to the time the Senate recessed for the convention in California, it runs in my mind that we discussed the possibility of taking up the beef import measure.

Mr. MANSFIELD. Yes; that will be brought up at the appropriate moment.

Mr. DIRKSEN. Some time later?

Mr. MANSFIELD. Yes.

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## THE RIOTS IN HARLEM

Mr. KEATING. Mr. President, I feel, as a Senator from New York, that while it is not a Federal problem, I should have a word to say about violence in the streets of New York. Such violence is no way in which to solve whatever grievances exist either in Harlem or any other community.

I am certain that every responsible official and civic leader is deeply shocked by these events. Such extremist actions do not promote freedom or justice; rather, they serve to inflame passions and incite racial hatred. Only hate mongers, racists, and demagoges can benefit from such demonstrations of lawlessness and anarchy.

Legal remedies exist against any alleged police brutality, both under Federal and State laws. If such legal remedies are inadequate, they should be strengthened. Nothing will be solved by extremist appeals to lawlessness and violence. Every possible step must be taken to restore order and to bring reason and moderation to this situation.

I have been asked whether I felt there should be Federal intervention. My answer to that query is "Not at this time." The police force of the city of New York should be able to handle the situation. I am sure that the officials of the city of New York feel as deeply concerned about this situation as do I. But I cannot condemn in strong enough terms the use of violence or lawlessness to bring about any ends in this free country.

## U.S. CONSUMER PAYS THE PRICE OF COFFEE AGREEMENT

Mr. HRUSKA. Mr. President, H.R. 8864 is entitled "An act to carry out the obligations of the United States under the International Coffee Agreement, 1962, signed at New York on September 28, 1962, and for other purposes." That is a long title.

Its real purpose can be stated more briefly, and in shorter words. Its real purpose is to push the price of coffee up, and to hold it up. That is the sum and substance of this legislation.

The basic principle of the International Coffee Agreement can be described in simple terms. Essentially, it is an arrangement to control the price of coffee throughout the world, by limiting the quantities that will be permitted to be sold. Under this arrangement the countries that produce the coffee and ship it abroad accept quotas on their exports; that is, limits on the quantity of coffee that each may ship and sell to other countries—but of course by doing so, these exporting countries receive higher prices and thus, more money for less coffee.

It is the well-known old principle of pushing up the price by restricting the supply on the market.

If such a thing were done domestically, we would call it a monopoly or trust or restraint of trade and vigorously prosecute those involved under the antitrust law. In this case, governments have lent the sanction of law and thus the color of respectability to it.

Now, what is involved? Who will pay the cost of this scheme? The consuming countries, of course. And although there are other countries which import coffee, the United States is the most seriously affected by far. Actually, this country each year consumes more than half of all the coffee exported throughout the world. We import over 3 billion pounds of coffee a year. We drink 450 million cups a day. That is equal to 2½ cups per day for every man, woman, and child in the United States.

How much will this agreement cost us? Mr. President, each penny-a-pound increase in the price of green coffee costs this country about $30 to $35 million a year.

Defenders of the treaty argue, of course, that it is designed to protect consumers as well as producers. Unfortunately, the terms of the agreement with coffee producing nations and the testimony at the hearing do not support that argument. Article 27, paragraph (1), of the agreement states, in part:

> The members * * * agree on the desirability of operating the agreement in a manner such that the real income derived from the export of coffee could be progressively increased so as to make it consonant with their needs for foreign exchange to support their programs for social and economic progress.

Then, in paragraph (2) of article 27, the agreement states:

> The members agree on the necessity of assuring that the general level of coffee prices

does not decline below the general level of such prices in 1962.

In other words, the agreement sets a floor, but not a ceiling on coffee prices. There is a bland statement of platitudes in article 1 of the agreement, which refers to "equitable prices," but nowhere in the treaty is there any definition of that term, and there are no provisions to carry out that objective.

In May of last year, Secretary of State Rusk wrote:

The objective of the new International Coffee Agreement is to stop the long-term decline in revenues from coffee exports by stabilizing prices at a level no lower than the general level of coffee prices in 1962.

The Presidential message urging House enactment of this implementing legislation, H.R. 8864, stated:

The purpose of the agreement, which I fully endorse, is to check the disastrous decline in coffee prices that began in 1955, by holding a floor under these prices at the general level prevailing in 1962, and to bring stability to coffee markets by preventing major fluctuations in price.

The report on the agreement itself by the Committee on Foreign Relations said:

The main purpose of the agreement is to prevent a further decline in the world price of coffee which has dropped more than 50 percent since 1954, the year of the all-time highest price.

In the phrasing of all these platitudinous assurances, it will be noted that the emphasis is on stopping the decline, preventing the price from going any lower, and in stabilizing the price. Little or nothing is openly admitted about the desire to boost the price.

Yet the fact is that we have already learned from experience how this mechanism can be used as a new kind of rocket propulsion fuel, to send the price of coffee into orbit.

On May 21, 1963, the Senate gave its advice and consent to the treaty. Our instrument of ratification of the treaty was deposited in December of 1963. Immediately, the price of coffee started to climb. Making comparison on the basis of the wholesale price of Santos 4's, the most commonly quoted type of Brazilian coffee, for the full year 1963, the average price was 34.11 cents per pound. The price of coffee had advanced just slightly during the last months of 1963 and averaged 37.45 cents per pound in December.

But after the U.S. ratification of the treaty was made formal, in January the price averaged 44.83 cents, a gain of a full 20 percent in a single month. Then in February and March it went up some more, reaching a high of about 51 cents at one time in March. It has now receded slightly, but not very much.

Altogether, the increase has amounted to about 50 percent—17 cents a pound above the 1963 level to the peak reached so far. And we have no proof that we have seen the maximum yet.

Supposedly, there were built-in safeguards to protect the consuming countries from this kind of price gouging. Supposedly our representation in the International Coffee Council, which has its headquarters in London, would permit us to stop prices from skyrocketing. The majority report of the Finance Committee states:

The interests of the United States are protected by the fact that it will hold a minimum of 400 votes out of the total of 1,000 consumer votes in the International Coffee Council, the governing body of the agreement, and will also be a member of the executive board. Since practically all important decisions, such as adoption of the budget, establishment of the quotas, or the production control program, require a two-thirds vote of the consumers and producers voting separately, the United States holds sufficient votes to prevent actions which might be considered adverse to our policy interests, to our business community, or to the American consumer.

Despite these assurances, we have found that our voting strength will not protect us. Last fall, there began to be received the first firm indications of serious damage to the Brazilian coffee crop. It became clear that the price would increase unless prompt action was taken to increase available supplies of coffee on the market by increasing the quotas.

The International Coffee Council considered the matter. The other consuming countries voted unanimously with the United States for at least a moderate increase in quotas, to relieve the upward speculative pressure on the coffee market.

But the agreement provides that no changes in quotas can be made unless the consuming countries, and the producing countries, voting separately, each approve the change by a two-thirds vote. Of course, the producing countries were not displeased at the price rise. A vote for increased quotas would have checked the price increase; for the producing countries, that would have been a vote against self-interest. At the time there was great pressure on them to approve increased quotas, because the United States had not yet formally adhered to the Organization, and there was doubt that this country would go along. Coffee-producing interests were afraid that the United States might, after all, reject this legislation, or withdraw from the Organization. In that case the whole proposal would collapse, since the United States accounts for more than half of all coffee imports.

On that ground, a number of the coffee-producing countries were persuaded to vote against self-interest, and go along with the proposed increase in quotas. Even so, the increase was defeated, since it received less than a two-thirds vote of the producing countries.

Surely nothing could reveal more clearly our lack of power in such an international conclave. We had been delivered into the hands of our antagonists—insofar as fixing the price of coffee is concerned, that is. They had the votes, they had the control, and we had to accept their decision. That first test of the agreement showed clearly that the coffee-producing countries of Africa, Latin America, and Asia can and will dominate the market.

It is true that about 3 months later, in February of this year, after the price had already climbed about 10 or 15 cents, the Council was willing to vote an increase in quotas. Even then, we must remember, that action was taken in part to ward off the danger that the United States might after all not adopt this implementing legislation. This bill was then still before the Senate and had not yet been acted upon, and prices were increasing at an unparalleled rate. There was nervousness among coffee-producing countries that the American housewife would see through the whole scheme, rise in revolt, and induce this body to block our participation and thus bring the whole project to a grinding halt. On that basis the producing countries, perhaps reluctantly, voted quota increases.

It may be that that will be the last quota increase they will vote voluntarily. Once we have approved this legislation, our last major defense will have been given away.

What does this particular bill do? It does two major things. It provides that we may require certificates as to country of origin for all coffee imported here. Second, it provides that we may limit, reduce, or stop altogether any imports of coffee from countries which have not adhered to the International Coffee Agreement.

The purpose of these two powers is to enable us to help to enforce its control over the world coffee market by the International Coffee Organization. They have no other purpose. When quotas had been set, we would help to enforce the quotas—whether we agreed with them or not—by rejecting coffee imports from any country that might secede from the International Coffee Organization, or from any individual producer in a member country who might try to ship us coffee without securing an export license or certificate from his own government. In effect, the United States would become an enforcing arm of a world coffee cartel, devoted to raising the price of coffee and keeping it high. And since we are by far the largest importing country, we would be the chief enforcing arm of the cartel. That is what this bill provides.

We are told that our attitude toward this bill is a reflection of our sympathies for the poor people of Latin America. Possibly, the American housewife would not mind paying a little more for her coffee if the additional money would really go to help relieve starvation and suffering. But there is persuasive evidence that this money would not go to the poor in Latin America. As the minority views on the bill well state:

The chief beneficiaries of the International Coffee Agreement are government treasuries which levy heavy taxes on exports, coffee speculators, and a few large landowners, and the American housewife will pay the bill.

It is not even a program to help the poor peasant, but rather a form of foreign aid, disguised to deceive the unsuspecting public.

When the agreement itself was before the Senate Foreign Relations Committee for consideration, the Senator from Arkansas [Mr. FULBRIGHT] said very candidly:

It seems to me that to make an argument that this agreement is in the interest of the consumers is something less than frank. It is really in the interests of our national foreign policy, isn't it? * * * It is in the interest of our foreign policy like our foreign aid bill.

If each penny increase in the price of coffee costs the American consumer $30 to $35 million, then the increase of 15 to 17 cents a pound that we have experienced since last fall is costing American consumers well over $500 million annually. It is as if we had levied a sales tax on the American housewife, and had then taken that revenue and handed it over to the coffee-producing countries. The difference is that this kind of foreign aid does not have to be approved in detail by the Foreign Relations and Appropriations Committees of the Senate.

Neither does it necessarily go where it is most needed. It does not go to the poor who need it, nor for capital investment which at least would build up the economies of those countries. Instead it goes to the large landholders, who may use it for conspicuous consumption at home, or who may secrete it in numbered and anonymous accounts in Swiss banks; or it goes to the government of the exporting country which levies its tax on coffee thus exported.

Mr. President, we are told that we are under a moral obligation to pass this implementing legislation, since we have already approved the International Coffee Agreement. It is true that the Senate was persuaded to give a form of advice and consent to that treaty. I refer to it as "a form of advice and consent" because it was clearly stated and we were clearly told at the time that our ratification would not be deposited and that the treaty would not be binding upon us until Congress had had an opportunity to pass upon this implementing legislation. Now we are told that since the Senate approved the treaty, we are committed, we are obligated, and that it would be unthinkable for us to reject this legislation at this late date.

In this matter as in so many others, Congress has been led down the primrose path by promises from the other end of the avenue. I think the story can best be told in the words of the Senator from Illinois [Mr. DOUGLAS] in his individual views on the bill:

We were told by the distinguished chairman of the Foreign Relations Committee last year when we were considering the formal coffee treaty that even if we did approve it, it would not go into effect or be binding upon us until the Congress passed the legislation now before us. I am sure the able and honorable Senator from Arkansas, who made that pledge, did so in complete and utter good faith. Secretary Rusk, also a highly honorable man, made a similar pledge to the minority leader. (See CONGRESSIONAL RECORD, May 21, 1963, p. 8624.) We assumed, therefore, that the ratification of the treaty would not be deposited unless and until the implementing legislation was passed.

The Finance Committee was delayed in considering the implementing legislation in the fall because of hearings on the long delayed tax bill. But in December our committee squared away to consider the measure. I shall never forget the hectic morning when the State Department started off by urging speedy hearings on the coffee agreement and then within an hour urged just as strenuously that action be withheld until after the tax bill was passed. I do not blame anyone for this. Assistant Secretary Dutton manfully took the blame for this, but it was obviously not his fault as he was merely the messenger. Then, at the suggestion of members, the chairman asked a high authority whether if we withheld action as requested, there would be any danger that the treaty would be deposited and hence go into effect even though no implementing legislation had been passed. He reported to us that he had been assured that this would not be done. The committee, therefore, felt it safe to postpone the hearings on coffee and get on with the tax bill. No sooner was this done, however, than individuals on the committee, of whom I was one, were informed that, due to the pressure of time, the State Department would deposit the treaties after all. I was asked if I had an individual objection and replied that I did not regard myself, as one Member of the U.S. Senate, as being sufficiently important to alter the policy of the U.S. Government, but that I thought the Finance Committee had been treated cavalierly to say the least and that promises had been made which had not been fulfilled.

Mr. President, it is not too late for us to stop and think. This may be our last chance, but we still do have this chance to pull back from this dangerous and harmful agreement before it is too late. It has well been said:

If H.R. 8864 is adopted there can be but one result. Prices will remain high and continue to penalize the domestic consumer. A solid floor has been built, but nothing has been done to set an upward limit.

The time has arrived when we had best begin to look after our American interests, instead of trying to assume the burdens of surplus coffee producers in many nations.

This bill should be defeated.

To this viewpoint, this Senator wholeheartedly subscribes.

This outcome as provided in the bill is not unexpected. It was forecast by those who voted against ratification of the treaty last year. This Senator is among those who did so. At that time, we felt it ill-advised and against the best interests of America, with her adverse gold flow, and against the interests of our citizens and the consuming public. The provisions of the pending bill bear us out in our fears.

The administration advocated and forced a tax cut earlier this year. But the pending bill is the equivalent of an increase in taxes levied by coffee producing countries upon the large and widely spread coffee drinking population of our 50 States. It is a bill which vests in the foreign nation cartel members the power to retain and even increase that tax and to pocket the proceeds for themselves.

This is not a good bill. It is a bad bill. It should be defeated.

## THE CHALLENGE AHEAD IN HIGHER EDUCATION

Mr. HRUSKA. Mr. President, each year the University of Nebraska welcomes back its graduates to the campus in Lincoln for an alumni roundup.

Two of the speakers at this year's reunion on June 13 concerned themselves with the problem fo providing higher education for the years immediately ahead when campuses across the Nation are becoming increasingly crowded.

Dr. Clifford Hardin, chancellor of the university, and Mr. Charles Thone, president of its alumni association, discussed this subject in thoughtful terms, expressing concern about the challenge we face, yet confidence that the challenge will be met.

I ask unanimous consent, Mr. President, to have printed in the RECORD the remarks by Chancellor Hardin and President Thone.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY CLIFFORD M. HARDIN, CHANCELLOR, UNIVERSITY OF NEBRASKA, LINCOLN

As I visit with you today, I want to do so as a Nebraskan who is proud of his State, proud of his neighbors, and grateful for the privilege of speaking to the alumni of this great university on behalf of a large group of colleagues at the university who are "Cornhuskers" by deliberate choice, and who intend to continue to be "Cornhuskers" in the long and interesting years ahead.

We are thrilled to be associated with great Nebraska builders like Sterling McCaw, George Cook, and Peter Kiewit—and we are proud of all of our great and distinguished alumni wherever they may live and work.

If I were to use a text today, I would use a statement sometimes quoted by engineers: "You can move forward and still be bumped or trampled because you did not move fast enough."

The April issue of a little publication called News Front, which bills itself as management's news magazine, contains an article entitled "Knowledge—New U.S. Industry." Here are a few quotations from this article:

"It is not generally realized how far the United States has gone in the transition from a production-oriented system to a science-based, or idea-oriented economy.

"Education now generates at least one-fifth of the U.S. growth rate.

"The 'knowledge industry' accounts for nearly one-third of the entire economy, and is growing twice as fast.

"U.S. business spends $17 billion yearly to educate its personnel, or one-third as much as is spent on the nation's public and private school system.

"More than one-fourth of the Nation is engaged in education (51 million students and 2 million teachers).

"Investment in education has increased the output of the economy and the income of those educated equal to a return on investment of about 10 percent, according to the Chase Manhattan Bank."

And then they refer to a paragraph in Clark Kerr's Godkin lectures when he says: "We are just now perceiving that knowledge may be the most powerful single element in our culture. What the railroads did for the second half of the last century and the automobile for the first half of this century may be done for the second half of this century by the knowledge industry."

News Front also quotes from Prof. Theodore Schultz: "The contribution of education to economic growth between 1929 and 1959 exceeded that of physical capital."

Following this series of citations, the article then editorializes on their meaning as follows: "The knowledge revolution is also changing the economic geography of the Nation. The dominant 'growth' institutions of the future will be, not the factories, but the Nation's intellectual organizations—the research corporations, industrial laboratories, experimental stations, and universities.

"These, in turn, attract industry. This is clearly shown by one of the Nation's