

Nixon Freezes Coffee Prices At Factory Level

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Nixon administration announced a brief freeze of coffee prices at the factory level and threatened to bolt an international pact unless coffee supplies are increased.

The government also issued new restrictions on coffee pricing to take effect after the freeze ends Sept. 1.

Donald Rumsfeld, director of the Cost of Living Council, said the moves are being made "to curb a threatened increase" in retail coffee prices stemming from the "recent surge in the world market prices of green coffee." Wholesale coffee prices went up 3% in May and roasted coffee prices "surged 2.8% in June," the council said. Some major roasters last month announced plans to raise prices further, it added.

Mr. Rumsfeld said "the expectation is that the anticipated rise in retail coffee prices will be moderated considerably," if the international move succeeds in reversing the recent upturn in green coffee prices while the tighter rules issued by the price commission take effect on the domestic front. The commission's order said there has been a "rapid surge of approximately 20%" in the world market price of green coffee over the past two months.

Elaborating on the council announcement, C. Jackson Grayson Jr., chairman of the Price Commission, said the new freeze "immediately bars any increase in coffee prices between now and Sept. 1, when new controls take effect." The new controls will "put restrictions on manufacturers' markups and require price reductions in line with any future reductions in the cost of raw coffee," Mr. Grayson said.

Adjustments Required

All manufacturers of roasted, instant and other coffee products are required to adjust their prices in accordance with the new controls by Sept. 1, he said. "This may entail price reductions in cases where markups have been added to increases in the prices of raw coffee beans," Mr. Grayson added.

The new order, filed for publication in the Federal Register, also imposes "more stringent reporting requirements," the commission said. It also requires large coffee processors to seek Price Commission approval for price increases.

The order involves removing coffee from the "volatile pricing" rule under which large companies have been allowed to adjust certain prices up or down as their costs varied, without obtaining prior commission approval. "In the future," the panel said, "these firms must supply the commission with full justification for any proposed increase and await the commission's approval before any increase may be put into effect."

...nles with revenue above ... billion a year that have increased coffee product prices above the freeze period ceiling prices of last August "must file details with justification with the commission by Sept. 1." After that date, the panel said, "coffee prices which are above the freeze period price must be adjusted so that prices reflect only increases in the actual cost of raw coffee beans since Nov. 13, 1971," when the general freeze ended.

The commission order itself states that "no price for coffee or a coffee product may be increased during the period beginning on Aug. 17, 1973, and ending at the close of Aug. 31, 1972." On and after Sept. 1, the order says, "any price charged for coffee or any coffee product by a manufacturer which is over the base price for such coffee or coffee product must reflect no more than the dollar amount of any cost increase after Nov. 13, 1971, attributable to green coffee beans or raw materials derived directly therefrom," and increases in other allowable costs.

U.S. representatives in London, Mr. Rumsfeld said, are seeking multinational agreement in the International Coffee Council "to bring about an immediate increase in the supply of coffee available on world markets, thereby reducing the upward pressure on green coffee prices." As one of the major purposes of the agreement is to stabilize world coffee prices, Mr. Rumsfeld said, "failure to agree upon a course of action that reverses the recent sharp increase in coffee prices will cause the administration to call into question and reexamine the utility and continued operation of the agreement."

In White Plains, General Foods Corp. said it wouldn't have any comment until it had seen the commission's order. The company said, however, that it will abide by it.

In New York, a spokesman for Squibb Corp., whose Beech-Nut Inc. subsidiary makes Beech-Nut, Martinson and Bustelo coffees, also said it wouldn't have any comment until it could examine the order.

Executives at Standard Brands Inc., makers of Chase & Sanborn coffees, and Great Atlantic & Pacific Tea Co. weren't available for comment.

Others Study Action

Other coffee roasters around the country were also studying the commission's action and hadn't any immediate comment.

Wholesale coffee prices have been rising steadily.

The latest round of increases was first announced July 21 by the Maxwell House division of General Foods, which raised its wholesale price for ground coffees by seven cents a pound and for its instant coffee by one cent an ounce. In announcing the July coffee price increase, Maxwell House said the average price of green coffee beans had risen more than eight cents a pound in the prior month and a half.

Coffee prices started rocketing as a result of a frost in Brazil during the first week in July. That frost, however, didn't affect the 1972-73 crop, but damaged flowers on the trees that were to develop into the 1973-74 coffee bean crop.

Puerto Rican Independistas Claim Support

By MERIEMIL RODRIGUEZ

The "liberation forces" of Puerto Rico have received support from Chile, Peru, Ecuador, and Panama in their efforts to bring their cause before the United Nations, according to Juan Mari Bras, secretary general of the Puerto Rican Socialist Party.

Mari Bras and Ruben Berrios, president of the Puerto Rican Independence Party, said here yesterday that the presence of China

in the UN would also help their cause. They said that China had strengthened the forces of "anti-imperialism" at the UN and added that they expected the support of more Latin American countries.

Rally Tomorrow

Mari Bras and Berrios are in New York for a rally of the Puerto Rican independence forces tomorrow at 3 p.m. in front of the United Nations and to bring their cause to the international body.

There is a possibility that the question of Puerto Rico's status will be raised at the UN Committee of 24, which deals with the decolonization of countries and peoples.

Want It on Agenda

Mari Bras said, "The demonstration at the UN is the climax of a decade of work by the independence forces of Puerto Rico. We're sure the committee will include the case of Puerto Rico in their agenda."

The Puerto Rico question was raised before the Committee in 1965 by the Cuban ambassador to the UN. It was discussed in 1968, but the debate was recessed indefinitely.

The United States has opposed any discussion of the issue, calling it interference in domestic affairs.

Officially, Puerto Rico is a commonwealth associated with the United States. In a referendum held in 1967 in Puerto Rico, 89.4% of the voters favored continued affiliation with the U.S. as a state or commonwealth.

Berrios contends that if the same referendum were held today under the supervision of the UN an "overwhelming" majority of Puerto Ricans would choose independence.

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