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Coffee Shortage Is Overstated

The Great Coffee Shortage, according to the statistical evidence, isn't nearly as dire as the coffee producers claim. On the contrary, the statistics indicate that the shortage has been contrived to justify a boost in coffee prices.

The State Department, meanwhile, has been quietly circumventing congressional efforts to reduce the huge profits of the foreign coffee producers. The department looks upon the extra profits as a form of foreign aid, insiders explain.

Brazil is the biggest recipient of the coffee windfall but draws no foreign aid from the United States. The State Department, therefore, would like Brazilians to collect more for their coffee in order to keep the country stable.

For the record, a spokesman denied that the State Department favors higher coffee prices. "The coffee producers will suffer later," he predicted, "for the high prices."

A pound of coffee, which cost about \$1.30 at the store 18 months ago, now sells for around \$3. Enraged consumers are howling. Coffee boycotts are being organized. But the coffee magnates claim, with a shrugging of shoulders, that a 1975 Brazilian frost caused the prices to skyrocket.

Yet Brazil has made a remarkable recovery. Despite the frost damage, the Brazilians managed to export a million more bags of coffee in 1976 than in 1975. World coffee exports in 1976 reached 58 million bags, the second highest figure of all time.

Congressional investigators suspect, therefore, that the coffee cartel is merely imitating the oil cartel and is putting the squeeze on the coffee con-

sumers. Rep. Fred Richmond (D-N.Y.) told us that coffee-drinking Americans will pay the coffee cartel about \$6 billion a year if prices remain at the present level. That's more than double the national coffee bill for 1975.

Tight market monopolies by a few large coffee retailers, according to congressional studies, are contributing to higher coffee prices. The Big Two—General Foods and Procter and Gamble—control about half of the U.S. coffee market.

The Federal Trade Commission has charged a General Foods subsidiary, Maxwell House, with illegal coffee pricing practices. According to the allegations General Foods cut prices below cost to eliminate competition.

Footnote: Two New York congressmen, Fred Richmond and Ben Rosenthal (D), will hold hearings on coffee pricing beginning Feb. 22. Meanwhile, Richmond plans to push for a 50 per cent decrease in coffee consumption. General Foods had no spokesman available at press time.

Government Burglaries—Startling new evidence has come to light that the government hasn't limited its burglaries to socialists and radicals. No less than the former Navy chief, Adm. Arleigh Burke, is convinced that government gumshoes, probably CIA burglars, broke into his private office and stole some important personal documents in 1963.

There is evidence to support his suspicion that even the nation's most prominent citizens may have been the victims of government tactics which were once believed aimed at only left-wing extremists. For Burke recently discovered that the missing documents

had turned up in a secret file of the Naval Investigative Service.

These documents included a raw transcript of a long interview that the admiral had granted in August, 1963, to a Greek newsman, Elias Demetracopoulos. In the interview, Burke bluntly declared that the armed forces had nothing to do with the Bay of Pigs disaster. He implied that the CIA was solely to blame for the fiasco.

Only Burke, his secretary and Demetracopoulos knew of the interview before it was published in October, 1963. And none of them released the raw transcript, which was edited in Burke's own handwriting.

It was a copy of this raw transcript, complete with Burke's handwritten remarks, that mysteriously turned up in the Navy file. Notations on file indicate that the Navy was so worried about someone getting wind of the heist that all but six copies of the Burke papers were destroyed.

Burke, who received the prestigious Medal of Freedom from President Ford last month, is upset about the apparent 1963 burglary. It occurred after he had left the Navy but was emerging as the most articulate conservative critic of the Kennedy administration's military policies.

After conferring with his lawyer, he said: "Regretfully, the only conclusion we reached is that . . . an unauthorized and illegal entry took place in my private office" in Washington.

Our sources have told us that the Navy originally got the sensitive Burke papers "from another agency." The former admiral told us that, while it is "only a guess," he believes the "other agency" is the CIA.