I am in total not opposed to or a proponent of the coffee agreement. If I look at it just from the standpoint, from the economic standpoint, I think I can indicate what the results will be.

Mr. BINGHAM. For the record I would like to say that there are many who say that we should have trade and not aid for the developing countries. If we are going to have trade with the developing countries, you have to encourage trade in those commodities that they can effectively produce, and it is better in my judgment when there is some restraint on the wild fluctuations in price.

Mrs. SULLIVAN. I would like to comment on that, too. During the debate on the coffee agreement—and there was a very hot debate on the floor—those of us who worked on this problem had the feeling, and the assurance, in fact, from our consumers, that consumers were willing to pay a fair price for any product that was wholly imported. But they were not willing to pay the kind of high price that was the result of manipulation of the market, such as happened back in 1953 and 1954 when, through a hoax on the consumer, the Brazilian coffee people tried to frighten the American processors with exaggerated reports about the scarcity of coffee. It was this kind of hoax we are opposed to. We knew that if the supply of coffee was stabilized to a certain degree under an international agreement, the price might be raised to the consumer. But we would be giving these underdeveloped countries a chance to stabilize their economies by stabilizing their most important product. And I think some of them have done it. We recognize that an agreement on supply puts a floor on the price of coffee, and we would want it to be a fair price.

When a market is misused and manipulated, however, we have the obligation to investigate and to try to correct the situation.

This was the reason we went into those two products, coffee and sugar.

We appreciate the willingness of you gentlemen to come here and help us understand more about this subject. It may very well be true, as you have all stated, that margin on a commodity futures contract does not mean exactly the same thing as margin on a stock market transaction. But it means something very similar, in this respect: people can come into your markets and buy and sell contracts worth many, many times the amount of money they put for margin. Their margin can be wiped out in a single day's trading. They can't always get out of the market unless somebody is willing to buy them out. I think the term you use is "locked in." They can be locked in during enough days of trading to be ruined financially. That is their worry, perhaps.

But when people who are jaded by the slow pace of stock market changes see a chance to make a quick killing for a small downpayment, and are recruited into your markets by brokers who tempt them with vast riches at small risk, they contribute not stability but chaos to your markets, and I'm sure this happens periodically.

You have pointed to technical deficiencies in the language of our bill to accomplish what we seek to do. I am sure if we were to correct the language technically, you would still want us to drop any provision of this nature from the bill. We will take your advice under advisement.