FORUM

N.U.S.

Monday Oct. 6
at 12 noon
S.U.B. Theatre

TO SPEAK

- **Brian Mason** - executive vice-president U of A Students' Union

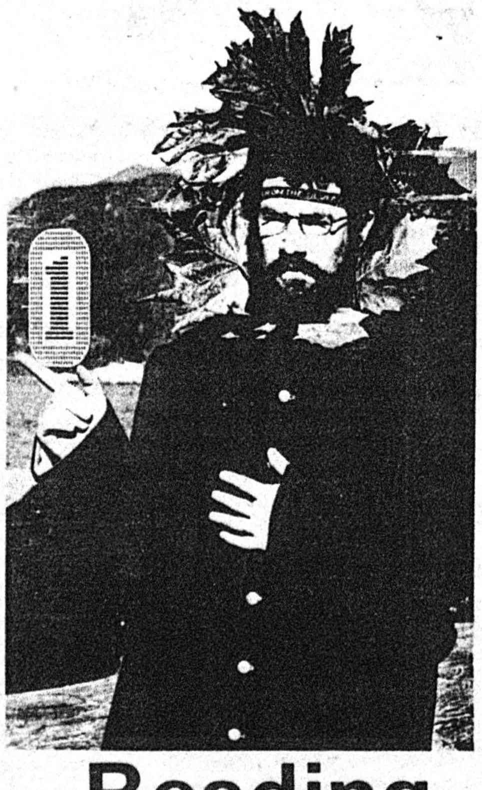
- **Pierre Oulette** - N.U.S. President

with questions from the floor

N.U.S. REFERENDUM
Thurs. Oct. 9

Students' Union Special Events

Lionel Kearns,
Poet



Reading
12 noon Monday, Oct. 6
Humanities Lecture Theatre 1

Coffee Time?

The seventies will definitely be looked upon as an important turning point in the relationship between the so-called developed and the underdeveloped worlds. No longer willing to see their resources exploited at low prices just to perpetuate the profits of corporations, producers of primary commodities are linking together in order to obtain more revenue and more stable income. Coffee is just one of these commodities.

It is second in value only to petroleum among primary commodities traded internationally. In value it accounts for over 13% of all primary commodity exports and represents 1.2% of total international trade.

International trade in coffee worth \$2.3 billion (1968) is generated by 42 coffee-growing countries. All of the are underdeveloped and many rely on coffee sales as their major source of foreign currency earnings. Across the world 20 million people are employed in nurturing the coffee crop and many more are dependent on it.

Coffee is the lifeblood in foreign exchange earnings for many countries. Colombia, for example, relies on coffee for nearly 68% of all its exports and five of the other leading Latin American producers obtain more than 30% of their overseas earnings from coffee sales. In Africa, half of Angola's export trade is accounted for by coffee, while in Uganda the percentage is around 44% and in the Ivory Coast over 30%.

That the countries of Africa and Latin America are so dependent on the export of one commodity for their foreign exchange is a direct result of imperialism.

Much of the most fertile land in the underdeveloped world has been taken to be used for the growing of export crops such as coffee, sugar, tea, tobacco and bananas. Throughout the centuries great areas of land have been made infertile by careless growing of these crops. Huge plantations owned by a small local landowning class or directly in partnership with foreign food firms have "locked-in" the fertile lands for the growing of cash crops for the developed world.

The most abhorent aspect of the plantation economy is that it restricts severely the amount of arable land available for the growing of food for the millions of peasants, the very ones who, working on the plantations, face continuous hunger, malnutrition and often starvation.

International Coffee Agreement

From 1962 to 1972, trade in coffee was controlled by the International Coffee Agreement (ICA). Its purpose was to prevent massive over-production. To this end it fixed export quotas for each of the producing countries. These were reviewed and amended annually by producing and consuming countries together. In principle their effect was to stabilize the prices of all grades of coffee.

This agreement was unfair to the producing nations, as the consuming nations had just as much or more to say about the price of coffee and the amounts to be sold every year. As a delegate from the Ivory Coast put it in 1970, "No one seem to put limits on what we have to pay for manufactured goods from industrialized countries."

The U.S. led the way for the consuming nations in the development of this agreement and did everything they could to increase the quotas from the producing nations and thereby reduce the price per bag that the corporations had to pay. But what the consumers had to pay was something else. The highest the market would bear was and still is the principle here.

In 1972, the ICA broke down primarily because the producing nations felt it was no longer in their interest to maintain such an agreement. The fact that OPEC was started that year gave impetus to forming an independent producers group.

In Sept. of 1973, Brazil, Colombia and the Ivory Coast, the three biggest producers of coffee (56% of world production) set up a multinational coffee marketing corporation called Cafe Mundial. The purpose of the corporation was to compete with other buyers (i.e., the developed nations) of coffee, purchasing coffee when prices are cheap and then selling coffee when prices are up.

Led by Brazil, Cafe Mundial policies to sustain coffee prices took action. They consolidated cooperation among the 42 coffee producing countries of the world in an effort to decrease exports and encourage the coffee producing countries to increase imports of coffee.

This agreement only lasted for shortly over a year because many of the producing nations were unhappy with Brazil's dominance of the organization and the small quotas allocated to them.

In January of this year coffee producing countries of Latin America met in Mexico City and launched an organization whose first task was to withhold 30% of the crop, about 18 million bags, in an effort to raise the price. Backed by an \$80 million pledge from Venezuela, the organization was hailed as the most progressive and important step that had ever been taken by coffee producing nations.

Now the coffee producing and exporting nations are attempting to form an organization similar to the Organization of Petroleum Exporting Countries (OPEC).

Just last month in London, the old 62 member of the ICA met in an attempt to hammer out some sort of agreement and the Brazil delegate described the agreement reached as the "atomic bomb of the coffee trade." Just what the exact details of this agreement are have not yet been spelled out.

The United States, promoting the interests of the giant coffee corporations (the U.S. buys 40% of

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