In 1955 Brazil proposed the creation of an International Coffee Bureau. In 1957, she convoked a conference of the world's coffee-producing countries but inasmuch as Africa sent no delegates, nothing important was accomplished. In January of 1959, at Rio de Janeiro, 14 Latin American countries and Portugal created the International Coffee Organization. The United States, Spanish Africa, French Africa, the Belgian Congo, Kenya, and Tanganyika sent observers to the meeting, but refused to participate in a worldwide agreement on prices or production quotas.

All the same, Brazil and six other Latin American Republics made a special agreement to limit their exports for a period of 3 months. Soon afterward, Brazil dumped 250,000 bags of surplus coffee in the instant coffee market, underpricing African competitors in the process. In September of 1958, 15 Latin American nations signed another agreement to control production. France and Portugal were willing to curtail exports from their African colonies, but the United Kingdom, Belgium, and Ethiopia refused. Thereupon Brazil decided to meet African competition by selling inferior grades at low prices.

To the most recent annual Pan-American Coffee Bureau meeting (June 1959) many African producers sent observers, but they signed no agreement. The political status of the coffee-producing areas of Africa renders cooperative action extremely difficult. Some are independent, like Ethiopia; others are free to make their own decisions, like several Portuguese colonies, while still others must depend on the authorization of their mother countries. A proposal for more cooperation was made in 1957, as many Latin American Republics supported the creation in the U.N. of the Economic Commission for Africa.

This economic conflict between Latin America and Africa results from Africa's dynamic postwar economic development. Despite the fact that several Latin American countries are taking a realistic view of the new competition by shifting from coffee to other crops, most of them feel that the only effective long-range solution is well-coordinated international control.

Latin America is facing competition in the industrial raw material market also. Copper export from the Belgian Congo and Northern Rhodesia affect Chile, Peru, and Mexico in particular. Chile suffers most, as the demand for her copper decreased after the Korean war, and, to make matters worse, the price of African copper is 27 cents per pound, as compared to Chile's 36½ cents.

Bolivian tin exports are also suffering from African and Asian competition, mainly from the Belgian Congo, Nigeria, Indonesia, Malaya, and Thailand. Bolivia's economy has been badly hurt by the decline in the price of tin on the world market. It was estimated that the fall in prices in 1958 cancelled out the aid received from the United States during the year. Furthermore, the Soviet Union dumped a great deal of the mineral on the market, reducing the prices to a still lower level. Several mines have been closed down as a result and more than 5,000 miners laid off.

4. Commercial relations with Japan

After World War II, Japan's main economic concern has been domestic recovery and the development of world trade to support her