

World Survey Indicates Farmers Being Paid Less For Increased Production

By JAMES E. LONG

ROME (AP)—The world's farmers are getting paid progressively less for producing steadily more, yet the cost of food to consumers has not gone down.

This was reported in an annual survey of the world food situation for 1954, issued today by the United Nations Food and Agriculture Organization.

"During the years 1952 and 1953 farm prices fell by 17 per cent in the United States and 23 per cent in Canada, and were closely followed by wholesale prices. But retail prices fell in the same period by only two per cent in the United States and eight per cent in Canada..." The FAO said.

"The widening gap between the cost of food at the farm gate and the cost of the consumer" was linked by FAO to five other trends:

1. "Heavy surpluses of certain commodities have accumulated in some countries although there has been little improvement in the diet of millions of inadequately fed people..."

2. "The gradual decline of wholesale farm prices and of farm incomes is likely to continue through 1954. The reduced purchasing power of the farm population is already being felt in other sections of the economy..."

3. "Marketing costs represent from 30 up to 50 per cent, and at times nearly 70 per cent, of the food costs to the consumer."

4. "World trade in foodstuffs has become static at almost exactly the 1934-38 pre-war level. The static condition is in sharp contrast to the steady expansion of agricultural production, and indicates that a gradually diminishing proportion of the world's output is entering international trade."

5. "Food production per capita is still four to five times greater in North America and Oceania (the surplus producing sections) than in the Far East, Near East and Africa, the sections of greatest want..."

FAO reported that in 1953-54, for

the second successive year, world food production increased nearly three per cent at a rate faster than the world's gain in population 1 1/2 per cent.

FAO said this increase in 1953-54 was less than in the preceding year, and added:

"Fully half the world's people are still inadequately housed, clothed and nourished."

The summary said one of the most critical problems was that of the surpluses which have piled up: Wheat in the United States, Canada, Australia and the Argentine, sugar in Cuba, and coffee in Central and South America.

"Wheat represents the crux of the problem," the report said.

"Stocks of wheat held by the four major exporting countries—United States, Canada, Australia and Argentina—increased by some 12,000,000 tons (32 per cent) during 1953-54 and now represent about 2 1/2 times their normal level of exports. The carry-over at the end of 1954 is likely to show a further increase..."

"As it is only the retail price that affects the final demand, the rigidity of retail prices despite falling farm and wholesale prices must have reduced the expansion of demand... and contributed to the piling up of surpluses and the tendency to reduce farm prices even further."

FALLING EXPORTS

"Falling agricultural exports account for only part of this increase," FAO said. "For example, in the United States the increase in the value of government-held stocks in the 12 months to March, 1954, was more than five times the fall in the value of agricultural exports..."

BUILDING MEDAL

LONDON (CP)—The ministry of housing is offering a special medal to house-owners who make an exceptional job of modernizing old houses or converting homes into apartments.

Boy Inherits Huge Estate

HAINTON, England (Reuters)—The country store in this small village where nine-year-old James Henesage does his candy buying is all his own now.

In addition he owns a 60-room mansion, the village's 100 houses, and the 8,000 acres of fields over which he daily rides his pony.

James has just inherited one of England's biggest country estates under the \$988,400 will of the second Lord Henesage, who died in January at the age of 87.

Lord Henesage, a bachelor, has been succeeded to the title by his 76-year-old brother, Rev. Thomas Henesage of Vancouver.

But in his will published Tuesday, he left the country estate, his money and the unofficial title "The Squire" to James, the grandson of a cousin.

The new squire heard the news calmly when he returned to the mansion after a gallop.

But down in the village it was big news. Village storekeeper R. L. Parsons looked forward to a steady trade in chewing gum.

James, he said, comes in to buy some every day.

Dominion Textile Company Cancels Dividend Payments

MONTREAL (CP)—Dominion Textile Company Limited Wednesday cancelled dividend payments on common stock and indicated there will be no further dividends until conditions in the textile industry improve.

The board of directors announced the usual dividend of 1 1/4 per cent will be paid for the quarter ending Sept. 30 on the \$100-par value preferred stock.

But in a statement accompanying the preferred dividend announcement, the directors said they "did not consider present circumstances justified imposing further strain on the resources of the company through the declaration of a dividend... which has not been earned."

They said resumption of dividends on the no-par value common shares, of which there are 2,574,374 outstanding, can "only be warranted by an improvement" in company earnings.

Three quarterly dividends of 10 cents a share, compared with 15 cents in 1953, have been declared so far this year.

Brazilian Government Announces Reduction In Coffee Prices

By SAM DAWSON

NEW YORK, (AP)—Housewives who took a dim view of coffee price boosting are looking forward today to their reward—coffee price cuts.

The Brazilian government hiked the export price of coffee in June. It was one hike too much and buying of Brazilian coffee by Americans dropped sharply in the United States.

Now the Brazilian government is reshuffling its complicated foreign exchange set-up and announces that Brazilian coffee farmers will get just as much in Brazilian money for their crop, but Americans will pay less in dollars.

ANOTHER BREAK

The American housewife got another break on the government price support a while back when the government—which props the price of many food items just as Brazil supports the price of coffee—lowered the support price for butter. And with lower prices, the American housewife has increased her buying of butter by about eight per cent.

But on another front she is about to lose a skirmish. The price of bread has headed up by one cent

in several U. S. cities. Bakers blame many things. One is government price support for wheat. The housewife is getting a break at the meat counter, however, although this is due to high production rather than government controls. The U. S. Meat Institute says that retail meat prices now are at the lowest level of the year, and down considerably from the first of the year.

FORECAST RECENTLY

Brazil's juggling of coffee export prices was forecast recently when coffee futures broke sharply on the New York coffee and sugar exchange under selling by houses with Brazilian connections.

The following day Brazil announced it would let coffee exporters retain some American dollars when they sold to the United States. Previously they had to turn all dollars over to the Brazilian government and get cruzeiros for them.

Since Brazilians can get more cruzeiros for dollars on the free market than they can from their own government, it means they can sell coffee for less here and still come out ahead at home.

The real story in the coffee

break for the housewife, however, goes back to June 3 when the Brazilian government hiked its export price to 87 cents a pound from 68 cents.

The June price hike set off a wave of price resistance. Brazil's coffee exports to the United States were cut almost in half. Since Brazil depends upon coffee exports to supply it with the American dollars it needs, the situation became acute.

The Brazilian government bowed to the resisting American housewife, juggled its cruzeiros once again and came up with a lower price for coffee here.

SPECIAL CONCESSION

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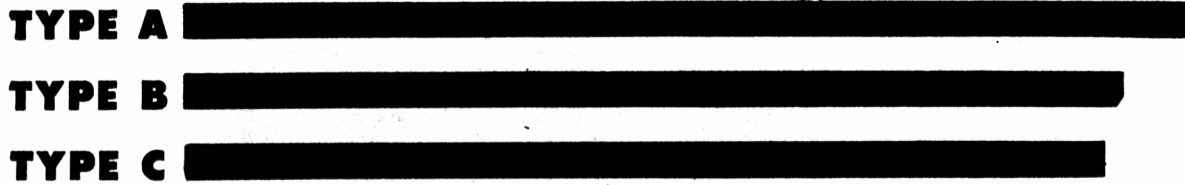
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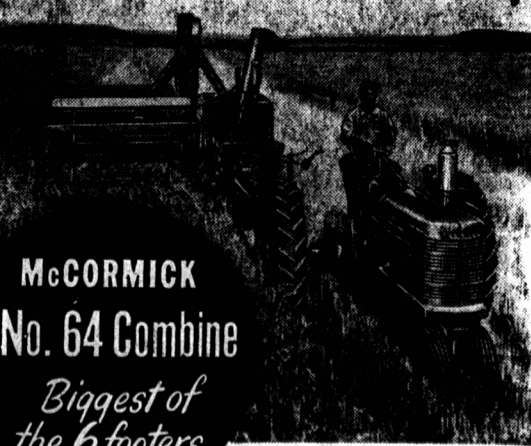
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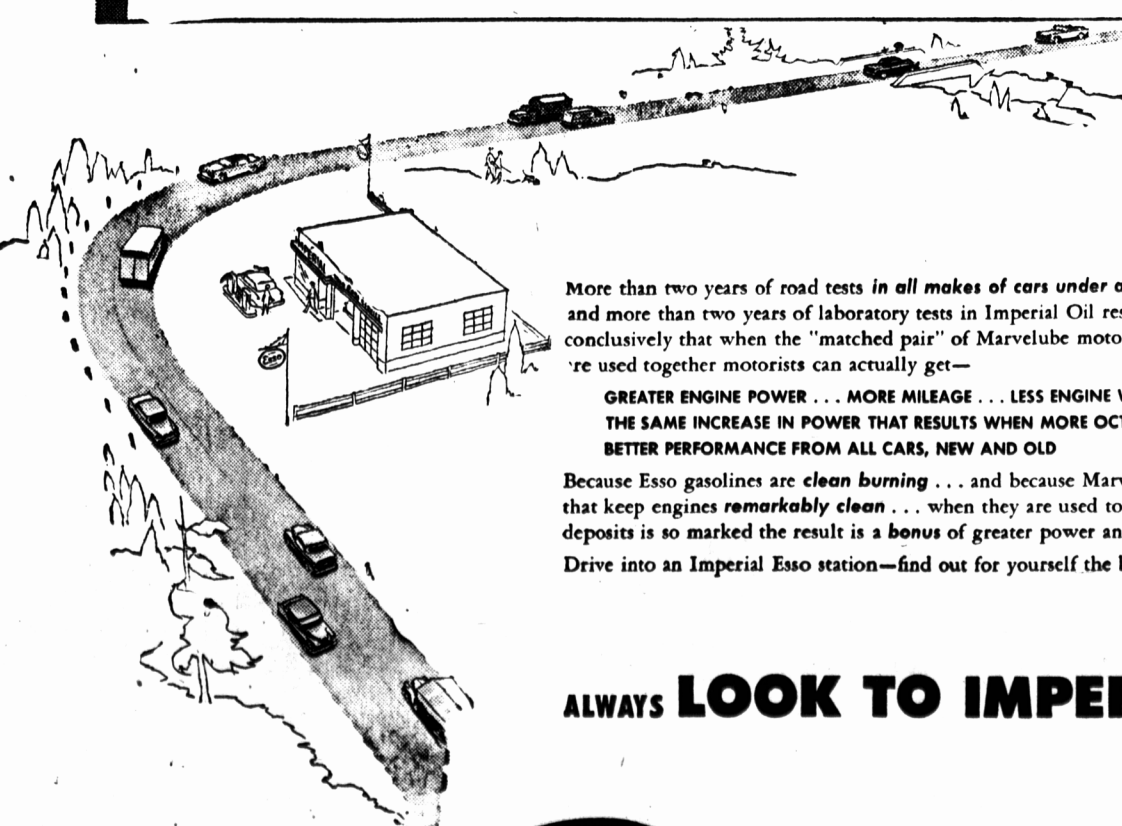


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