

producing unit for self and family. The modern farmer needs his tractor, diesel fuel or gasoline, plows, spare parts, harrows, fertilizers,

pesticides, harvest equipment, grain drying equipment, grain elevators, transportation to distant markets, wholesalers, retailers, advertisers,

and all the fuel and human energy along that entire chain before a box of Crispy Toasties can appear on the American breakfast table." *Michigan Natural Resources*

Table II
Projected Gross Income and Return Above Total Cost Per Acre
For Several Combinations of Price and Yield

SOYBEANS				
	Gross	Available for Rent (At \$4.50 a Bushel)	Gross	Available for Rent (At \$5.50 a Bushel)
At 25 Bushels an Acre	\$112	\$ 11	\$137	\$ 36
At 35 Bushels an Acre	157	56	192	91
At 45 Bushels an Acre	202	101	247	146
Cost of Production of \$101 Per Acre (Table I) (Labour, Capital and Overheads)				
CORN				
	Gross	Available for Rent (At \$2.00 a Bushel)	Gross	Available for Rent (At \$2.50 a Bushel)
At 80 Bushels an Acre	\$160	\$ 13	\$200	\$ 53
At 100 Bushels an Acre	200	53	250	103
At 120 Bushels an Acre	240	93	300	153
At 140 Bushels an Acre	280	133	350	203
Cost of Production of \$147 Per Acre (Table I) (Labour, Capital and Overheads)				

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AGRICULTURE AND PRICES

Speech by Mr. Douglas Jay (Labour) in the Debate on the Address, H of C 14 March.

WHAT is the good of paying large subsidies — and doing so, no doubt, with the best intentions — and putting all sorts of pressure on the trade, and indulging in tough price control on food prices, when at the same time heavy import taxes are being imposed on virtually every major foodstuff and when a Government agency — namely, the Intervention Board — is hoarding beef, denaturing wheat and engaging in all sorts of other activities so as to keep up prices?

Nothing, I believe, contributed so much to the defeat of the previous Government as the spectacle of a British Government, in order to appease the authorities in

France, indulging in restrictive and protectionist devices to make food dearer in Britain. That spectacle explains a good deal of the industrial unrest from which we have been suffering in the past eighteen months.

First, the common agricultural policy involves a floor price below which food prices cannot fall, but there is no ceiling price at which the intervention authorities have to sell and above which they cannot rise. Therefore, the system is that Common Market food prices cannot fall when world prices fall, but they can and do rise when world prices rise.

Secondly, it is striking to notice that in 1973 the three countries which joined the EEC — Denmark, Ireland and the United Kingdom — had retail food price increases,

in the year, of 12 per cent, 16.2 per cent, and 20 per cent respectively — while the three former EFTA countries, which had the wisdom not to join — Norway, Sweden and Switzerland — had increases in food prices respectively of 5.9 per cent, 6.6 per cent and 6 per cent. If the rise in world prices represents the whole cause of the rise in prices here, why has the rise in food prices been three times as great in the three countries which joined the EEC last year as it has been in the three countries which did not?

Thirdly, in the United Kingdom nearly half the rise in food prices last year was due to the 20 per cent fall in the value of sterling, and that in turn was largely caused by the calamitous trade deficit of £1,100 million in one year which we suffered with the famous "great home market" of the Six, which was supposedly going to save us.