

THE COST OF LIVING.

PRICES OF FOOD SUPPLIES.

MEAT, BREAD, AND BUTTER.

"To put it mildly, the butchers, bakers, and other vendors of household supplies are exploiting the pockets of consumers to an unwarrantable degree in charging exorbitant prices for the commodities they retail."—Extract from a "Householder's" letter in "The Argus."

The bountiful harvest which is being garnered in Victoria this season has led to many inquiries from correspondents recently as to why the retail prices of food supplies have not been reduced to a greater extent than has been the case. The butcher, the baker, and the vendor of dairy produce have all been charged with maintaining relatively high prices in spite of the fact that the goods they retail should be very much cheaper than they were a few months ago. In the case of bread, the outcry for a reduction of the price has already had an effect, for the Master Bakers' Association a day or two ago intimated that the cost of the 4lb. loaf would be reduced to 5jd. For this small mercy the public must apparently be content, for the present at any rate. The butchers positively assert that they cannot give their customers cheaper meat, and the butter sellers say that the market for dairy produce is regulated by London, and no material alteration in prices is to be looked for.

"We have been expecting that prices would be reduced," remarked a leading member of the butchering trade yesterday. "We agree with the public that prices should be reduced, as low prices suit the trade, but in view of the present quotations in the stock market a lowering of prices is impossible." The fact that prices for fat sheep and cattle at Newmarket are much higher now than they were a few months ago is explained by the extraordinary demand which has arisen for sheep and cattle for restocking purposes. Butchers and graziers are competing against each other at the market every week, and, as graziers are willing to pay good prices in order to utilise the large quantities of grass which are now available, the consumer of meat is the sufferer. A butcher doing a large business remarked that he had had to go into the market and buy carcass mutton at 3jd. per lb., when ordinary prices should be at least a penny cheaper. "Meat is usually dearer in winter than in summer," he added, "so with the prices ruling at present what are we to expect in a few months?"

Curiously enough, the ruling price of meat appears to be lower both in Sydney and in Adelaide than in Melbourne, firms here having dealings with the shipping companies having to forgo business which they would have been able to secure had the local market permitted it. One reason advanced is that Victoria has gone in so much for dairy farming that the growing of meat does not receive the attention it formerly did.

The stock and station agents view the situation in much the same way as the butchers. They declare that the demand for stock for restocking purposes is so keen that there is no chance of any immediate substantial fall in rates. On the other hand, the probabilities are that quotations at Newmarket will continue very firm for some considerable time, as it will be years before the flocks and herds are brought up to anything like their former standard.

The retail market prices, compared with those of a year ago, show that for some descriptions of dairy produce lower prices are now ruling. The best butter, for instance, was quoted in January last at from 10d. to 1/2 per lb., and in July last at from 1/ to 1/4, while the quotation this week was 7d. to 1/ per lb. Milk, sold at 4d. to 5d. per quart a few months ago, is now quoted at 3d. to 5d. Bacon and hams are also slightly lower, but cheese remains about the same. Prices for all these products depend upon the London market, and those well informed in the trade state that present market prices are about as low as they will be for some little time at least. A decline in the butter market in London would, of course, cheapen the article considerably here, as exportation would be affected.

A good season does not help Victorians in regard to the price they have to pay for butter. "We are sending away over 500 tons to London and South Africa this week," remarked Mr. Crowe, the Government dairy expert, yesterday, "and the local market is regulated by the price that can be obtained in London or South Africa, less, of course, the cost of transport, &c. There is a belief among many people that butter is shipped and sold abroad for less money than it would bring here. That is absurd, because there are as shrewd people in the butter line as in any other, and they simply sell in the market which returns the most money. Of course, it has been the experience that butter has been sold in London for less than was being paid here, but at the time when it was shipped there was a tremendous surplus here, and the prospects were that it would realise more money in London than if sold here. If it had been kept in the stores and sold here at the same time as it was being sold in

London it would have had to be classed as store butter, and would not have brought the same price as fresh butter. Such conditions would be, to a great extent, quite accidental. No matter how great the production is 9d. or 10d. per lb. wholesale will be obtainable for the best quality butter. If the retailer wants 2d. per lb. for the cost of distribution that is another question. In making comparisons between the prices ruling here for butter and those cabled from London people generally overlook the fact that to the London prices distributing charges have to be added. The consumer does not get the butter at the prices quoted in the cable messages. Elevenpence per lb. in London would be equal to 10d. here."

In regard to the present price of bread, it is interesting to note that two years ago, when flour was quoted at £6/15/ per ton, the retail price of bread was 3½d. to 4½d. per 4lb. loaf, while now, with flour quoted at £7/15/ to £8, it is 4½d. to 5½d. In July last, when the quotation for flour was £11/10/ to £12/5/, the retail market price for bread was 6d. to 7d. per 4lb. loaf. The fixing of a uniform price by the Master Bakers' Association need not apparently be taken as an intimation that bread cannot be obtained at a cheaper rate, as the recent experience of householders who refused to wait for the action of the association testifies. Threats that unless the higher prices were reduced custom would be taken elsewhere led very quickly to reductions being made.
