

POSITION OF THE STATE.

COST OF LIVING.

VI.

In considering the position of the State the domestic side of the question should not be overlooked. After all the best measure of a country's prosperity is the general comfort of its people. Housewives will tell you that there has been a great change in the economy of the home during the past 12 months.

Those who supported the Federal cause never anticipated that in addition to the increased cost of living entailed by the prospective tariff enormously higher prices would also have to be paid in the early stages of the union for all articles of domestic produce. When she had to pay extravagant prices for eggs, butter, meat, and bread, consequent on the drought, the housewife had a dim idea that this was part of the price that had to be paid for federation. Recently, however, a change has taken place, and prices of most locally produced articles are once more down to normal levels. The following is a list of the wholesale prices of some of the leading articles of domestic produce as they rule to-day and 12 months ago, which gives a clear idea of how sharp the fall has been:—

	September.	
	1903.	1904.
Flour, per ton	£12 6 3 ..	£9 0 0
Bran, per bushel	0 0 8½ ..	0 0 6½
Pollard, per bushel	0 0 10½ ..	0 0 7
Potatoes, per ton	2 19 8 ..	2 15 0
Onions, per ton	3 1 3 ..	4 5 0
Chaff, per ton	5 5 6 ..	3 10 0
Butter, per lb.	0 0 11 ..	0 0 9½
Cheese, per lb.	0 0 7½ ..	0 0 4½
Eggs, per doz.	0 0 10 ..	0 0 9
Fowls, each	0 4 8 ..	0 3 6
Ducks, each	0 4 9 ..	0 4 0
Honey, per lb.	0 0 3¼ ..	0 0 2½
Milk, per gal.	0 1 0 ..	0 0 10
Sheep, good merino wethers	0 18 6 ..	0 18 0
Beef, per 100lb.	1 7 9 ..	1 0 0

Wholesale prices have been given, as they are, after all, the basis of retail rates, and they are more convenient for compilation. It will be seen that of all the lines quoted only one is higher to-day than last year, viz., onions, and these are not very much higher. The remainder of the articles are materially lower.

It is interesting to endeavour to arrive at some rough idea of domestic expenditure. Of course this varies indefinitely in amount, and also to a lesser extent in distribution. The first item among domestic appropriations is rent. Now, low rents, are frequently regarded as beneficial to a community. This is, however, sophistic reasoning. Human nature is accountable for many weaknesses, one of which is that the average man will live in just as good a house as he can afford, and if his income increases so does his house rent in corresponding ratio. There is always competition among tenants for desirable places. The result is that the more incomes are on the rise the greater the demand for houses, and the fewer the number the smaller the demand, and the weaker the market. High rents consequently presuppose good incomes, and vice versa. There are one or two other factors that come into play in this connection. One is if there has been overbuilding, or the reverse, and the other is the movement of population from one quarter to another, either through hitherto inaccessible places being made accessible or for any other reason. Still these qualifying factors in no wise invalidate the general rule of high rents bespeaking prosperous conditions.

Of that portion which goes to buy dutiable articles by far the greater portion is absorbed in the purchase of millinery, clothing, boots and shoes, and kindred articles, a comparatively small portion being represented by imported groceries, ironmongery, and articles of this description.

A large proportion of domestic expenditure is absorbed in the purchase of articles locally produced and unaffected by the tariff. Some of the leading lines may be enumerated, viz., meat, which is perhaps the most important, bread, milk, butter, cheese, eggs, fruit, vegetables, and general groceries of local manufacture, such as jams, etc. Now, as has already been shown, the cost of these articles has come down very materially during the last twelve months, the drought, and the consequent reduced supplies, having been followed by good seasons and abundance. Meat

alone is still high, though not so high as 12 months ago. Bread is lower than during the height of the drought, but higher than it was a month or so back, in consequence of the advance in the price of the raw material—wheat. Now the public is apt to take an erroneous view in connection with advances in the cost of bread and other local products. It may seem a bold statement to make, but it is none the less true, that the State would be much better off were the price of bread double what it is to-day. What would that involve? It would mean that flour would be twice as high as at present, that wheat would be some 6s instead of a little over 3s per bushel. This, however, could not be unless the price of wheat at Mark Lane had doubled. In other words, our exportable surplus of wheat, which is about half as large again as that required for home requirements, would bring in just twice as much as is actually the case on the basis of current values. Were this so, we could well afford to pay a higher price for local needs. When we have a surplus of any article, especially if that surplus be a large one, high and not low prices are the most beneficial to the community as a whole. Complaints as to the increased cost of bread are not therefore wholly justified. Possibly an advance of 1d per lb in the cost of butter would not be received with universal approval, yet it would mean that every pound of butter that we ship away would be worth 1d more, and that is a consideration when it is remembered that already this year there have been shipped away over 12 millions of pounds of this article from the port of Sydney. It is a matter of first consideration in a State like New South Wales that the producer should be considered. As producers we occupy a far more important position than as consumers. In fact, the well-being of our consumers is almost completely involved in the well-being of our producers. Therefore.

when considering the prices of articles of domestic consumption, it is well not to forget that times of complaint among consumers on the score of the high cost of living are oftentimes periods of rejoicing among producers. Just at the present time graziers are getting highly payable returns for their stock at the Flemington saleyards, and there being but little doing in the way of export of either frozen or canned meats, local consumers alone are paying the piper. A transference is thus going on from the pocket of the consumer of meat to the pocket of the grazier selling stock, but the State as an entity is neither richer nor poorer in consequence. It is only when there is a scarcity of local produce, as was the case during the continuance of the recent drought, when frozen supplies had to be drawn on, that the payment of high prices by consumers is really a source of impoverishment to the State.

Leaving considerations of this kind it may be said that to-day finds producers with ample supplies to sell at fairly remunerative rates, while consumers are not being unduly taxed as far, at all events, as the cost of local products is concerned. A considerable improvement has thus taken place during the last 12 months.
