

American Consumers Doing Well Despite Increased Cost of Living

THE cost of living, in terms of dollars, may be higher than it has ever been before, but it still costs less in the United States than it does in nearly any other industrialized country.

U.S. News & World Report shows how American consumers are doing in a study made by Business International, a worldwide consulting firm.

Comparisons include a number of items, such as a basket of food, dry cleaning a man's suit, a package of cigarettes, a gallon of gasoline, a medium-class hotel room, car rental, a month's rent, a telephone bill, or an hour's work by a maid.

Overall cost of living was highest in Stockholm, followed by Tokyo, Geneva, Paris, Frankfurt, Amsterdam and Brussels. Then came Wash-

ington, D.C., based at 100 per cent. Lower costs were reported for Rome, Toronto, London, Madrid and Mexico City.

In terms of earning power, Americans might fare better on all counts and in all places. However, it is in comparisons of food costs that we really have an advantage. The standard basket compared contained meats, vegetables and other foods consumed at home. In Washington, the basket cost \$96.50.

Only Canada and Mexico showed lower costs, with \$79.12 for Toronto and \$71.61 for Mexico City, and those countries have much lower income per capita. The same bill of groceries in Tokyo would cost \$188.48, highest reported. Stockholm and Geneva came next.

The U.S. Department of Agriculture reports that a year's supply of food for the average urban American household went up \$105 in the past year, from \$1,727 to \$1,832. The report shows that \$104 of this increase went to meat packers, millers, bakers, bottlers, canners, grocers, truckers and others. Farmers got a mere \$1 of the increase.

This gain by urban segments of the food chain reduced the proportion of the consumer's food dollar received by food producers. For years, the farmer's share was around 40 cents. Then it hovered near 38 cents for a long time. The latest division shows farmers get 37.6 cents.

Processors now get 18.3 cents, wholesalers 7.0 cents, transportation firms 4.9 cents, and retailers 32.2 cents. Before blaming the middlemen, take note that minimum wage laws have boosted cost of labor from the bottom up, and escalating union contracts have raised other categories.

The United States exports twice as much food as it imports, and has an abundance for domestic use, reflecting the superiority of the American agricultural system. Union labor has priced scores of American products out of the American market.

Americans have things a lot better than other nations, but they are not yet as good as they could be, and hopefully will be.