

VILLAGE VIEW

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One would almost suppose, listening to people talk about the declining interest rates on everything from mortgages to money markets, that inflation has been stopped in its tracks.

One would almost suppose, listening to the reports of deepening recession and climbing unemployment figures, that inflation is a thing of the past.

One might suppose it, but one would be mistaken. Inflation is jogging along at around a ten per cent annual rate at the moment; no better than in the early 70's when we were aghast at the toll it was taking on our purchasing power. It's averaged about ten per cent every year between 1967-77. In that decade the value of your dollar was cut in half.

In the year 1979, of course, consumer prices rose from about 200% (of the base of 100% established in 1967) to 230%; in the first three months of 1980 it soared to 240%. That's not exactly a decline.

If credit tightening slowed inflation and if lowered interest rates had a cooling effect, all to the good; but the powers that be, the banks and the fed, have panicked about recession and unemployment, and the dampening is now a thing of the past. As of July first, 1980, credit limits are practically nonexistent, and interest rates are beginning to rise.

We have to go right on eating, running cars, paying off mortgages, heating our houses next winter, and clothing ourselves. There's no getting around it. The real question is, "How do we manage it?"

Food is the immediate problem. Food comes into the house once or twice a week, disappears almost immediately, and must be replaced no matter what the cost.

Comparison shopping, buying sales items, clipping and using coupons can help; if you're not already doing these things, it's time to start. Watching newspapers and the special supplements markets distribute can mean a difference of between 20% and 30% on our week's food bills. Knowing what will probably be on sale, or when seasonal products are likely to be lower in price, can help in planning ahead to buy at seasonal lows. It's one way to combat inflation.

According to the U.S. Office of Consumer Affairs, fruit and nuts will be good buys in July; Florida lime production is expected to hit a record high of 1.9 million bushels. In addition to limes, fresh cherries, raisins and dried prunes should be good buys. In adequate supply will be apricots, peaches, nectarines, plums, fresh oranges and lemons. Honeydews, cantaloupes and watermelon will be more expensive than last year. Because fresh grapefruit supplies are down, expect higher prices. Frozen juices will be plentiful; prices should decline, but shop carefully.

Best fresh vegetable buys are snap beans, broccoli, cabbage, celery, green peppers and potatoes. Cucumbers and spinach will cost more than usual until native produce comes to market. Higher prices will also be reflected in fresh sweet corn, eggplant, lettuce and tomatoes.

Other plentiful vegetables are frozen lima beans, broccoli, carrots, green peas, spinach and potatoes; also canned asparagus, snap beans, green peas and spinach.

Prices for rice and dry beans may drop since supplies are up sharply; production of dry split peas is down, don't look for bargains there.

Pork prices should continue to be reasonable; beef prices will start to rise; and, because of the unprecedented heat wave in the southwest which has killed millions of turkeys and chickens, chicken prices will start up again as supplies are reduced.

Fish prices should attain seasonal lows for the next several months; cumulative landings of cod and haddock in New England are 50% above a year ago. Frozen cod and ocean perch fillets are in good supply.

Eggs are at seasonal lows and plentiful. Milk and dairy products will continue plentiful since milk consumption declines when schools close for summer vacations and production is up over 1979 levels. Even though supplies are up, however, expect retail prices for dairy products to increase because of government support prices established in April.

Consumers can save on dairy products by selecting milk products with butterfat partially or totally removed; government dietary guidelines recommend avoiding fats and cholesterol, and controlling calorie intake. If they're to be believed, we may kill two birds with one stone.

Gasoline, fuel oil, electricity and gas utility prices are on the increase once more with the latest rise in OPEC prices. Double-up on errands, and carpool when you can. Cape Codders don't need to be told people are taking shorter vacations trips this summer; we're being inundated with vacationists who live within easy driving distance. Other years some might have headed west, south, or down-Maine and Nova Scotia way. Cape Cod is nearer.

Some are bringing bicycles to use while they're here. It adds up to the hazards of the highways. Do be extra careful.

Driving cars with properly inflated tires, at 55-mph or less, and avoiding hard braking saves fuel. Air conditioners increase fuel use, as does idling the motor or pumping the accelerator.

On your bargain calendar for July are sales of building materials, lumber, summer clothing, television sets and furniture. Home air conditioners and refrigerators may be on special sale this month, too.

Can you beat inflation? You can't. But you can continue to fight it by buying only what you need (except food you can stockpile while it's selling at seasonal lows). Use credit sparingly if at all, and wait just a little longer for mortgage interest rates to bottom out. They'll probably come down to 10%; some banks may even offer 9% to those making hefty down payments, before climbing again.

Consider buying an older house in need of cosmetic work, if you must buy now; although new house construction is in a lull, right now, it will take off like a homesick angel once the recession turns around. The post-World War II baby-boom is reaching the 30-year-old bracket; with the formation of new families, demand for housing is certain to put tremendous pressures on home prices. The demand will be far greater than the supply.

If you're a seller and are discouraged just now, be patient if you can. You'll be glad in months to come.

Although Detroit will be offering small cars this fall, comparable in design and performance to imports, don't look for lower prices; it's not in the cards. There may be some fine domestic cars available before Christmas as far as operating costs are concerned, however.

After the elections (if not before), it's my guess prices, interest rates, employment, and everything but federal taxes will be up. The one carrot dangling out there is the possibility that federal taxes will come down. Temporarily. Don't expect miracles. A balanced budget and increased military spending mean something's got to give. Rising oil prices, over which we've no control, mean higher costs.

What can we do? Stop driving except when absolutely necessary; stop using plastic products; start putting solar energy to work even if technology isn't yet perfected. At least what you get will be free, once the installation is made. Re-cycle, compost wastes, conserve, save, use things up, make things over, make do. Start acting like Yankees once more.

We might even find we like our new world if we give ourselves a chance to adjust to it.