

## SECTION VII.—IMPORT AND EXPORT PRICE INDEX-NUMBERS.

1. **General.**—The list of commodities included in the investigation into import and export prices for the year 1915-1916, as well as the mass units, units of measurement, and sources of information, are the same as those in the previous investigations for the years 1901 to 1913, particulars of which are given on pages 66 to 68 of Report No. 1 on "Prices, Price Indexes and Cost of Living in Australia," and in Report No. 5, pp. 41 to 43. These index-numbers are computed annually, the data being obtained from the returns of imports and exports.

2. **Index-Numbers.**—Owing to the change in the system of collecting the statistics of imports and exports in the Commonwealth, by which the figures are made up to the end of the financial year at 30th June instead of at 31st December, as heretofore, the index-numbers in the last line of the following table represent the import and export values for the twelve months ending 30th June, 1916. The index-number for import and export prices in the Commonwealth for 1915-16 was 1298 compared with 1141 for 1914-15. This gives an increase of 13.7 per cent., compared with an increase during the same period of 24.9 per cent. in wholesale prices, and of 15.5 per cent. in the purchasing-power-of-money index-number. The index-numbers for previous years for the various groups and for all groups together are shown in the following table :—

Commonwealth Import and Export Values. Index-Numbers for each Group, and all Groups combined.

| Particulars.           | I.<br>Metals<br>and<br>Coal. | II.<br>Textiles. | III.<br>Agricultural<br>Produce. | IV.<br>Meat,<br>Dairy<br>Produce<br>etc. | V.<br>Groceries,<br>etc. | VI.<br>Miscellaneous. | All<br>Groups.* |
|------------------------|------------------------------|------------------|----------------------------------|--|--------------------------|-----------------------|-----------------|
| No. of<br>Commodities. | 5                            | 4                | 7                                | 7  | 7                        | 14                    | 44              |
| 1901 .. ..             | 1,046                        | 730              | 884                              | 978                                      | 994                      | 970                   | 911             |
| 1902 .. ..             | 1,015                        | 828              | 1,011                            | 1,010                                    | 969                      | 934                   | 959             |
| 1903 .. ..             | 931                          | 885              | 863                              | 993                                      | 956                      | 842                   | 918             |
| 1904 .. ..             | 888                          | 935              | 707                              | 915                                      | 908                      | 877                   | 870             |
| 1905 .. ..             | 867                          | 915              | 950                              | 888                                      | 902                      | 899                   | 907             |
| 1906 .. ..             | 962                          | 947              | 951                              | 888                                      | 889                      | 906                   | 921             |
| 1907 .. ..             | 1,017                        | 987              | 823                              | 929                                      | 1,005                    | 937                   | 935             |
| 1908 .. ..             | 981                          | 882              | 1,148                            | 1,004                                    | 1,002                    | 902                   | 993             |
| 1909 .. ..             | 958                          | 879              | 1,081                            | 914                                      | 937                      | 970                   | 952             |
| 1910 .. ..             | 980                          | 1,013            | 1,033                            | 940                                      | 970                      | 1,017                 | 989             |
| 1911 .. ..             | 1,000                        | 1,000            | 1,000                            | 1,000                                    | 1,000                    | 1,000                 | 1,000           |
| 1912 .. ..             | 1,061                        | 980              | 1,238                            | 1,033                                    | 1,030                    | 1,044                 | 1,067           |
| 1913 .. ..             | 1,086                        | 934              | 1,126                            | 1,043                                    | 1,018                    | 1,110                 | 1,045           |
| 1914-15†               | 1,001                        | 966              | 1,239                            | 1,253                                    | 1,154                    | 1,087                 | 1,141           |
| 1915-16 ..             | 1,138                        | 1,019            | 1,522                            | 1,475                                    | 1,308                    | 1,072                 | 1,298           |

\* Weighted Average.

† From 1st Jan., 1914 to 30th June, 1915.

3. **Variations in Price Levels of Commodity Groups.**—Of the six groups into which the 44 commodities are classified, the index-numbers for five groups were higher in 1915-16 than in the preceding year. These groups are :—Group I. (Metals and Coal), Group II. (Textiles), Group III. (Agricultural Produce), Group IV. (Meat, Dairy Produce, etc.), and Group V. (Groceries). In the remaining group, viz., Group VI. (Miscellaneous), the index-number decreased in 1915-16. The increases amounted to 13.6, 5.5, 22.8, 17.7, and 11.3 per cent. in Groups I., II., III., IV. and V. respectively, and the decrease to 1.4 per cent. in Group VI.

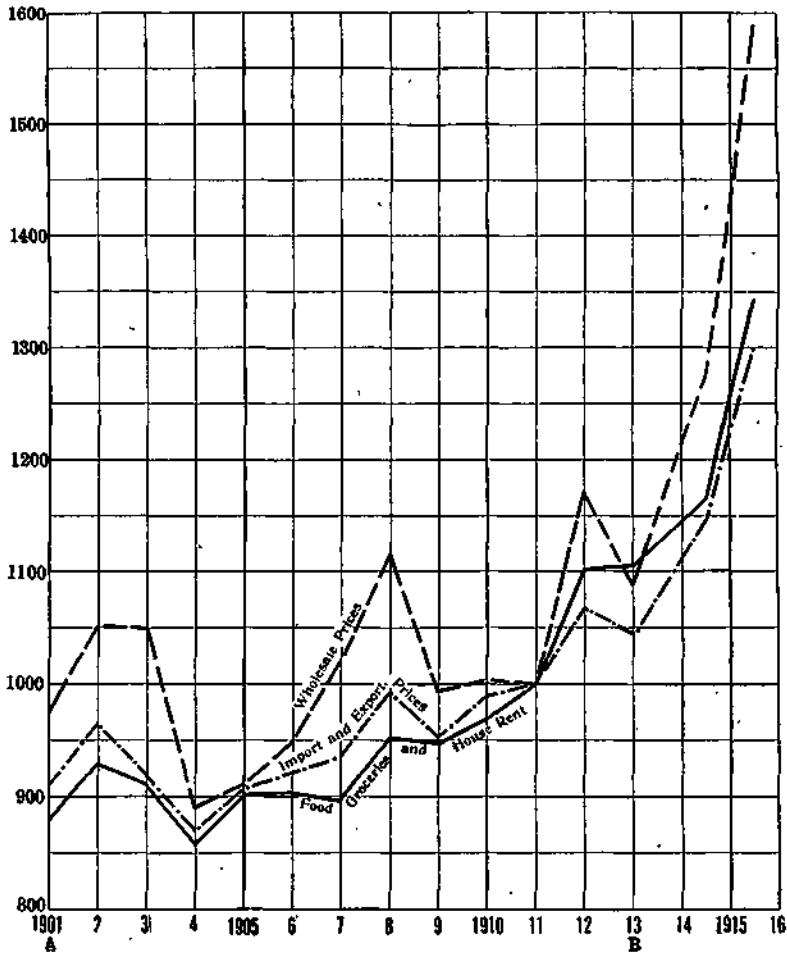
4. **Comparisons between Purchasing-Power of Money, Wholesale and Import and Export Index-Numbers.**—In the following table particulars are given of the purchasing-power-of-money (retail prices and house rent), wholesale and import and export index-numbers from 1901 to 1915-16, inclusive :—

**Food, Groceries, and House Rent, Wholesale Price and Import and Export Price Index-Numbers, 1901 to 1915-16.**

| YEAR.         | INDEX-NUMBERS.   |                                    |   |
|---------------|--|------------------------------------|---|
|               | Food, Groceries,<br>and House Rent<br>(Weighted Average for 6 Capital<br>Towns). | Wholesale<br>Price<br>(Melbourne). | Import and<br>Export Price<br>(Commonwealth). |
| 1901 .. .. .  | 880  | 974                                | 911   |
| 1902 .. .. .  | 929  | 1,051                              | 959   |
| 1903 .. .. .  | 910  | 1,049                              | 918   |
| 1904 .. .. .  | 858  | 890                                | 870   |
| 1905 .. .. .  | 901  | 910                                | 907   |
| 1906 .. .. .  | 902  | 948                                | 921   |
| 1907 .. .. .  | 897  | 1,021                              | 935   |
| 1908 .. .. .  | 951  | 1,115                              | 993   |
| 1909 .. .. .  | 948  | 993                                | 952   |
| 1910 .. .. .  | 970  | 1,000                              | 989   |
| 1911 .. .. .  | 1,000  | 1,000                              | 1,000   |
| 1912 .. .. .  | 1,101  | 1,170                              | 1,067   |
| 1913 .. .. .  | 1,104  | 1,088                              | 1,046   |
| 1914-15 .. .. | 1,164  | 1,273                              | 1,141   |
| 1915-16 .. .. | 1,344  | 1,590                              | 1,298   |

The above index-numbers are shown in the graph on page 411. In making comparisons between these three sets of index-numbers, it is to be borne in mind that the figures do not, of course, indicate the relation between the different prices themselves, that is between retail and wholesale prices, etc., for the reason that the weighted average prices are in each case made equal to 1000 on the year 1911. The figures show the relative increase or decrease in each set of price-indexes.

PRICE INDEX-NUMBERS, GRAPH SHEWING RELATION BETWEEN COST OF FOOD, GROCERIES, AND HOUSE RENT, WHOLESALE PRICES AND IMPORT AND EXPORT PRICES IN AUSTRALIA, 1901 to 1916.



It may be seen that for the years 1901 to 1913 (from A to B on the graph), the index-numbers which represent averages for the years specified, have been plotted on the vertical line of the years to which they refer, from B onwards the index-numbers are plotted midway between the two years. It should be observed that the index-number for the period 1914-15 includes the whole of 1914 and the first half of 1915, but that subsequently they refer to the latter half of one year and the first half of the following year, i.e., from 1st July to 30th June.

Broadly speaking, the fluctuations in prices are more violent and more frequent in the case of wholesale than retail prices, a phenomenon which is observed not only in Australia, but in other countries also. Various explanations have been put forward as to the reasons for this. For example, it has been stated to be due to the fact that a variation in the wholesale price of a raw material may be substantial in itself, but yet may not be large enough to necessitate a change in the retail price of the manufactured commodity; that is to say, the cost of the labour element in the retail price of a commodity may be comparatively large, or, again, there may be a disinclination on the part of shopkeepers to vary prices until the urgent necessity therefor arises. It is stated, moreover, that retail dealers in certain branches of trade purchase their stock at contract or standard prices, which do not reflect all the movements in the prices of raw materials.

## SECTION VIII.—CURRENT RATES OF WAGE AND HOURS OF LABOUR.

1. **General.**—The collection of material respecting the current rate of wage payable in different callings and in occupations in various industries carried on in each State of the Commonwealth was first undertaken by this Bureau, in the early part of the year 1913. The inquiry, which was confined to the rate of wage payable to adult workers only,\* was further limited in a degree to those industries in operation within the metropolitan area of the capital town in each State.† The particulars acquired were obtained primarily from awards, determinations, and industrial agreements under Commonwealth and State Acts, and related to the minimum wage prescribed. In cases where no award, determination or agreement was in force, the ruling union or predominant rate of wage being paid was ascertained from employers and secretaries of trade unions. For convenience of comparison, weekly rates of wages were adopted, though in many instances they were actually based on daily or hourly rates, as specified in awards, determinations, or agreements.‡

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\* This limitation was necessary owing to the difficulty of ascertaining reliable particulars of the numbers of apprentices, improvers and other juvenile workers, to whom progressive rates of wage fixed or otherwise, according to increasing age or experience, are payable from year to year.

† In order to make the inquiry a comprehensive one, it was necessary to include certain industries which obviously are not carried on in the capital towns, *e.g.*, Mining, Shipping, Agricultural, and Pastoral.

‡ This precaution was necessary, in view of the fact that it is often in those industries and occupations in which employment is of an exceptionally casual or intermittent nature that wages are fixed and paid at a daily or hourly rate. Hence the average weekly earnings in such occupations will probably fall considerably short of the computed weekly rates.