

SECTION V.—WHOLESALE PRICES.

1. **General.**—The results of an investigation into wholesale prices in Melbourne from 1871 to 1912 were given in some detail in Reports Nos. 1 and 2. In this Section results are now included for the years 1914 and 1915.

The data upon which the investigation is based were obtained mainly from reports of Melbourne market prices, published in the ordinary press, and in special trade reviews. In any case of doubt as to the reliability of the figures, the records thus obtained were verified by reference to well-known and important business firms, dealing in the articles in question. Every care was taken to ensure that the prices quoted for each article refer to a uniform quality, and, in cases where more than one source of information was utilised for obtaining prices of single commodities, special precautions were taken to ensure substantial continuity of quality or grade. In most cases, monthly prices were obtained (but where daily or weekly quotations were available, these were adopted), and arithmetic averages for the several years were computed. In regard, however, to a few commodities, such as coal, tea, cotton and wool, since monthly prices were not available for back years, yearly averages, based in each case upon expert opinion, were secured.

It was at first intended to obtain records, on the lines indicated, for a uniform list of commodities for the capital town of each State. Owing, however, to the large amount of work involved, and to the difficulty experienced in obtaining regularly the prices of anything like a uniform representative list of commodities from the papers and journals published in some of these towns, this idea has for the present been abandoned.

2. **Commodities Included and Methods Adopted.**—Retail prices have the advantage that a comparatively small list of commodities suffices to represent a large proportion of the average expenditure. They are, however, subject to the difficulty that their variations depend largely upon local conditions, and it is, therefore, ordinarily necessary to collect the data over a wide area. Wholesale prices, on the other hand, are fixed usually at one or two centres, but a much larger list of commodities must be covered.

The index-numbers up to the year 1911 are based on the prices of eighty commodities, but since that year the number has been increased to ninety-two.* The methods followed for the computation of the wholesale price index-numbers are the same as those adopted in regard to retail prices. The commodities included, the units of measurement for which the prices are taken, and the mass-units, indicating the relative extent to which each commodity, in the units of measurement specified, is used or consumed, are shewn in the following statement.

* In the computation of the index-numbers for years prior to 1911, the aggregate expenditure on 80 commodities in 1911 is taken as base (=1000), while for later years the aggregate expenditure on 92 commodities in 1911 is taken.

Melbourne Wholesale Prices, Commodities included, Units of Measurement, and "Mass-Units."

Commodity.	Brand.	Unit.	Mass Unit.	Commodity.	Brand.	Unit.	Mass Unit.
GROUP I.				GROUP V.			
Iron—				Currants		lb.	1,400
Pig	M'x'd Nos.	ton	6½	Raisins	Sultanas	doz. 1 lb.	1,400
Rod and Bar	Stafford	"	3½	Herrings	1-lb. fresh	doz. tins	50
Angle and T	"	"	2½	Salmon	1 lb. tall	"	50
Plate	"	"	3		Alasker	"	
Hoop	"	"	½	Sardines	Halves	doz. halves	100
Galvanized	26 gauge	"	5	Coffee	Plantation	lb.	200
Tinned Plates	I.C. Coke	cwt.	60	Cocoa	Taylor's	"	100
Fencing Wire	No. 8	ton	6	Sugar	No. 1A	ton	22
Zinc, Sheet	"	"	1	Macaroni	"	ton	200
Lead, Sheet	"	"	½	Sago	"	ton	
" Pipes	"	"	½	Rice	Patna	"	2
Copper Sheet	"	lb.	2,000	Salt	Liverpool	"	7
Quicksilver	"	"	12		Rock	"	
Coal	Newcastle on Wharf	ton	600	Salt	Mustard	doz. 1 lb. tins	1
		Total	2,702½	Mustard	Coleman's	doz. 1 lb. tins	6
GROUP II.				Starch	Coleman's	White	100
Branbags		doz.	110	Blue	Keen's	"	50
Cornbags		"	250	Matches	Wooden	gross	90
Woolpacks		each	200	Candles	Safety	lb.	1,600
Leather, Waxed				Tobacco	Gonda	"	1,300
Kip		lb.	600	Tea	Two Seas in	"	3,000
Waxed Split		"	600	Kerosene	Po'ket Tes.	gallon	1,700
Medium Crop		"	600			Total	11,378½
Cotton	Raw	"	24,000	GROUP VI.			
Wool	Greasy	"	12,200	Reef	Average quality.	100 lbs.	300
Twine	Reaper and Binder	"	150	Mutton	"	lb.	33,000
Tallow	Mutton Prime	ton	1½	Veal	"	"	2,000
		Total	38,711½	Lamb	"	lb.	5,600
				Pork	"	lb.	3,700
GROUP III.						Total	44,890
Wheat		bushel	500	GROUP VII.			
Flour		ton	48	Timber:—	Flooring		
Bran		"	14		6 x 1½	100 ft. lin.	30
Pollard		"	14		6 x 1½	"	30
Oats	Feed	bushel	1,200		6 x 1½	"	30
Oatmeal	Colonial	ton	1½		6 x 1½	"	30
Barley	Mating	bushel	150		6 x 1½	"	200
"	Feed	"	100		Weather-boards		
Maize	Best M'ng'r	ton	1,000		Oregon	1000 ft. sup.	20
Hay	Good oaten	"	135		Shelving		10
Chaff	Victorian	"	135	Cement	Portland	cask	30
Straw	"	"	25	White Lead		ton	½
Peas		bushel	55	Slates	Welsh	1,000	½
Potatoes		ton	40		20 x 10		
Malt	Victorian	bushel	140			Total	381½
Onions		ton	3				
		Total	3,560½	GROUP VIII.			
GROUP IV.				Cream of Tartar	In Kegs	lb. ton	400
Ham		lb.	800	Carbonate of Soda	Refined	"	½
Bacon		"	3,200	Saltpetre	"	"	½
Cheese	Best Fresh	"	1,500	Sulphur	"	cwt.	7
Butter	In Bladders	"	9,500	Caustic Soda	Lump	lb.	½
Lard	Ordinary	doz.	200	Alum			
Eggs		lb.	1,800	Cyanide	Potassium		
Honey		doz. lb.	600			Total	978½
Beeswax	Bacchus	doz. lb.	40				
Condensed Milk	Marsh	"	160				
		Total	17,300				

3. **Index-Numbers.**—Index-numbers have been computed for each group of commodities, as well as for all groups together. The index-numbers for the several groups, and for all groups together, are shewn in the following table. In regard to Group VI., it should be observed that reliable and uniform records as to prices of meat could not be obtained further back than 1890 (except for the years 1884 and 1885). Index-numbers were accordingly worked out for the full period since 1871 for the seven groups, *excluding* meat, and also for the period since 1890, for the eight groups, *including* meat. The figures shewn in the last column of the subjoined table for years prior to 1890 have, accordingly, been adjusted (on the basis of the results for succeeding years), so as to include meat.

The index-numbers have in each case been computed with the prices in the year 1911 as base; that is to say, they shew the amount which would have had to be expended in each of the years specified in order to purchase what would have cost £1000 in 1911 distributed in purchasing the relative quantities (indicated by the mass-units) of the several commodities included in each group, and in all groups respectively. Thus, in the last column it may be seen that the cost of the relative quantities of the various commodities was 1229 in 1871, and 974 in 1901, as compared with 1000 in 1911, and 1604 in 1915. In other words, prices were lower in 1911 than in either 1871 or 1915, and the purchasing-power of money in 1911 was, accordingly, greater. Again, prices were higher in 1911 than in 1901, and the purchasing-power of money in the former year was therefore less.

Melbourne Wholesale Prices, Index-Numbers, 1861 to 1915, Computed to Year 1911 as Base.

YEAR.	I. Metals and Coal.	II. Jute, Leather, &c.	III. Agricultural Produce, &c.	IV. Dairy Produce	V. Grocer- ies.	VI. Meat.	VII. Building Materials	VIII. Chem- icals.	All com- modities together.
1861	1,438	1,381	1,583	1,008	1,963	..	1,070	2,080	1,533
1871	1,096	1,257	1,236	864	1,586	..	1,044	1,409	1,229
1881	1,178	1,115	1,012	935	1,421	..	1,091	1,587	1,121
1891	895	847	1,024	995	1,032	888	780	1,194	945
1901	1,061	774	928	1,029	1,048	1,346	841	917	974
1902	1,007	756	1,192	1,215	945	1,447	837	881	1,051
1903	923	834	1,209	1,059	926	1,443	875	921	1,049
1904	821	885	754	876	916	1,427	845	875	890
1905	772	850	894	930	942	1,209	801	859	910
1906	882	978	916	972	923	1,110	896	884	948
1907	1,037	1,017	973	1,020	948	1,204	968	961	1,021
1908	1,033	901	1,312	1,108	968	1,335	935	891	1,115
1909	1,014	907	1,000	1,119	978	1,088	911	815	893
1910	1,004	1,052	969	1,100	999	1,068	990	898	1,000
1911	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1912	1,021	901	1,370	1,206	1,052	1,357	1,057	973	1,170
1913	1,016	1,070	1,097	1,054	1,024	1,252	1,128	995	1,088
1914	1,099	1,032	1,207	1,137	1,021	1,507	1,081	1,253	1,149
1915	1,284	1,017	2,162	1,530	1,133	2,435	1,275	1,528	1,604

NOTE.—The figures given in this table are comparable in the vertical columns, but are not directly comparable horizontally. The index-numbers are reversible.

The general index-number for the year 1914 shews an increase of 5.6 per cent., compared with that for 1913, and that for 1915, an increase of 39.6 per cent. over the index-number for 1914. With regard to the various group index-numbers, three groups, viz., II. (Jute, Leather, etc.), V. (Groceries), and VII. (Building Materials) shew small decreases of 3.6, 0.3, and 4.2 per cent., respectively in 1914, while the remaining five groups shew increases, for Group I. (Metals, etc.) 5.1 per

cent. Group III. (Agricultural Produce, etc.) 10 per cent.; Group IV. (Dairy Produce) 7.9 per cent., Group VI. (Meat) 20.4 per cent., and Group V. (Chemicals), 25.9 per cent. Comparing the index-numbers of the various groups for the years 1914 and 1915, the only group which shows a decrease is Group II., of 1.5 per cent.; all the other groups show increases, viz.:—Group I., 16.8 per cent.; Group III., 79.1 per cent.; Group IV., 34.6 per cent.; Group V., 11.0 per cent.; Group VI., 61.6 per cent.; Group VII., 17.9 per cent.; and Group VIII., 21.9 per cent.

The index-numbers for the full period since 1871 (and for 1861 and 1866) are given in Report No. 1, page 48. On page 55 hereinafter a graph is given showing the index-numbers since 1901 for all groups taken together.

4. **Seasonal Fluctuations in Wholesale Prices, 1914 and 1915.**—In order to show the seasonal fluctuations in wholesale prices, index-numbers have been computed for each quarter of the years 1914 and 1915. These are shown in the following table, firstly, computed with the year 1911 as base, and secondly, with the average prices for the years 1914 and 1915 as base. Corresponding figures for purchasing-power of money (retail prices and house rents) have been included for comparative purposes.

Melbourne Wholesale Prices—Quarterly Index-Numbers, 1914 and 1915.

Particulars.	Jan. to March.	April to June.	July to Sept.	Oct. to Dec.	Whole Year.
Index-Numbers with 1911 as base (= 1,000) 1914	1,085	1,113	1,185	1,225	1,149
1915	1,387	1,660	1,822	1,544	1,604
Index-Numbers with average for 1914 as base (= 1,000)	944	968	1,031	1,066	1,000
Index-Numbers with average for 1915 as base (= 1,000)	865	1,035	1,136	969	1,000
Food, Groceries, and House Rent Index-Numbers, with average for 1914 as base (= 1,000)	980	1,012	1,009	1,000	1,000
Do. do. with average for 1915 as base (= 1000)	919	976	1,063	1,043	1,000

The first two lines show that while prices in each year increased during the second and third quarters, in the fourth quarter they increased in 1914 and decreased in 1915. This is traceable to the fact that the season was a bad one in the former year, and that the partial failure of the crops caused the prices of agricultural and dairy products to rise, while on the other hand the abundant harvest in 1915 caused a fall in the prices of those commodities.

In the third and fourth lines comparative figures are given for each quarter, taking the averages for the years 1914 and 1915 as base, while in the last two lines similar figures are given for retail prices and house rent. From the first to the third quarter of 1914, both the wholesale price index-number and the purchasing-power of money index-number increased, the former 2.5, and the latter 3.5 per cent. From the third to the fourth quarters, the wholesale price index-number increased, and the purchasing-power of money index-number decreased.

In 1915 both sets of index-numbers increased during the first three quarters, and decreased in the last quarter.

5. **Table of Prices, 1914 and 1915.**—In Appendix V. particulars are given as to the average price of each commodity in the years 1913, 1914, and 1915. Corresponding information for previous years, as far back as 1871, was given in Appendix VI. to Report No. 1, and for 1912 in Report No. 2, Appendix IV.

SECTION VI.—IMPORT AND EXPORT PRICE INDEX-NUMBERS.

1. **General.**—The list of commodities included in the investigation into import and export prices for the years 1914-15, 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 eighteen months ending 30th June, 1915, instead of for the year ending 31st December, 1914. The index-number for import and export prices in the Commonwealth for 1914-15 was 1141, compared with 1045 for 1913. This gives an increase of 9.2 per cent., compared with an increase during the same period of, 17 per cent. in wholesale prices, and of 5.4 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 shewn in the following table:—

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

Particulars.	I. Metals and Coal.	II. Textiles.	III. Agricul- tural Produce.	IV. Meat, Dairy Produce etc.	V. Grocer- ies, etc.	VI. Miscel- laneous.	All Groups.*
No. of Commodities.	5	4	7	7	7	14	44
1901	1,046	730	884	978	994	979	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	839	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	1,038	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

* Weighted Average