

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 year 1913, as well as the mass units, units of measurement, and sources of information, are the same as those in the previous investigation for the years 1901 to 1911, particulars of which are given on pages 66 to 68 of Report No. 1 on "Prices, Price Indexes and Cost of Living in Australia." These index-numbers are computed annually, the data being obtained from the returns of imports and exports.

2. **Index-Numbers.**—The index-number for import and export prices in the Commonwealth for 1913 was 1045, compared with 1067 for 1912. This gives a decrease of 2 per cent., compared with a decrease during the same period of 7 per cent. in wholesale prices, while the cost of living index-number remained practically unchanged. 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	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	980
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

* Weighted Average.

3. **Variations in Price Levels of Commodity Groups.**—Of the six groups into which the 44 commodities are classified, the index-numbers for three groups were higher in 1913 than in the preceding year. These groups are:—Group I. (Metals and Coal), Group IV. (Meat, Dairy Produce, etc.), and Group VI. (Miscellaneous). In the other three groups, viz., Group II. (Textiles), Group III. (Agricultural Produce), and Group V. (Groceries), index-numbers decreased in 1913. The increases amounted to 2.4, 0.5, and 6.3 per cent. in Groups I., IV., and VI. respectively, and the decreases to 4.7, 9.0, and 1.2 per cent. in Groups II., III., and V. respectively.

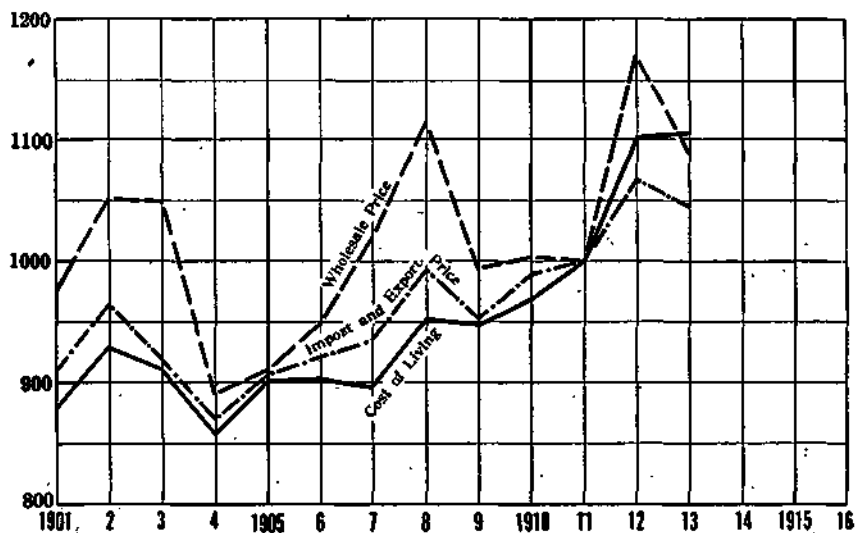
4. **Comparisons between Cost-of-Living, Wholesale and Import and Export Index-Numbers.**—In the following table particulars are given of the cost-of-living (retail prices and house rent), wholesale and import and export index-numbers from 1901 to 1913, inclusive:—

**Cost-of-Living, Wholesale Price and Import and Export Price Index-Numbers,
1901 to 1913.**

YEAR.	INDEX-NUMBERS.		
	Cost of Living (Weighted Average for 6 Capital Towns).	Wholesale Price (Melbourne).	Import and Export Price (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	1,003	989
1911	1,000	1,000	1,000
1912	1,101	1,172	1,067
1913	1,104	1,088	1,045

The above index-numbers are shewn in the graph on page 43. 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 shew the relative increase or decrease in each set of price-indexes.

PRICE INDEX-NUMBERS, GRAPH SHEWING RELATION BETWEEN COST-OF-LIVING, WHOLESALE PRICES AND IMPORT AND EXPORT PRICES IN AUSTRALIA, 1901 to 1913.



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.

The fact that house-rent in the Australian results has continuously increased since 1901 has had the result of increasing the general upward tendency of the cost-of-living index-numbers, while at the same time it has diminished the magnitude in the aggregate results (food, groceries, and house-rent) of the fluctuations which have occurred in the index-numbers for food and groceries only.

In each set of index-numbers the effect of the drought years, 1902, 1908, and 1912 is clearly seen, the increases being greatest in the wholesale-price results. The trend of the cost-of-living and the import and export index-numbers is remarkably close.