

SECTION VI.—WHOLESALE PRICES.

1. **General.**—The results of an investigation into wholesale prices in Melbourne from 1861 to 1918 were given in some detail in Reports Nos. 1, 2, 5, 6, 7, 8 and 9. In this Section results are now included for the year 1919.

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 shown 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	64	Raisins	Suttanas	lb.	1,400
Rod and Bar	Stafford	"	3½	Herrings	1-lb. fresh	doz. ½ lb. tins	60
Angle and T	"	"	3½	Salmon	1 lb. tall Alaska	"	60
Plats	"	"	3	Sardines	Halves	doz. halves	100
Hoop	"	"	½	Coffee	Plantation	lb.	200
Galvanized	26 gauge	"	5	Cocoa	Taylor's	"	100
Tinned Plates	I.C. Coke	cwt.	60	Sugar	No. 1A	ton	23
Fencing Wire	No. 8	ton	6	Macaroni		lb.	200
Zinc, Sheet		"	1	Sago		cwt.	7
Lead, Sheet		"	½	Rice	Patna	ton	2
" Pipes		"	½	Salt	Austrahan fine	"	7
Copper Sheet		lb.	2,000	Salt	Rock	"	1
Quicksilver		"	12	Mustard	Coleman's	doz. ½ lb. tins	6
Coal	Newcastle on Wharf	ton	600	Starch	Coleman's White	lb.	100
		Total	2,702½	Blue Matches	Keen's Aust'n. Safety	gross	50
				Candles	Gouda	lb.	1,600
GROUP II.				Tobacco	Two Seas in Po'ket Pca.	"	1,300
Branbaga		doz.	110	Tea		"	5,000
Cornsacks		"	250	Kerosene		gallon	1,700
Woolpacks		each	200			Total	11,385
Leather, Waxed				GROUP VI.			
Kip		lb.	600	Beef	Average quality.	100 lbs.	300
Waxed Split		"	600	Mutton	"	lb.	33,000
Medium Crop		"	600	Veal	"	"	2,000
Cotton	Raw	"	24,000	Lamb	"	"	5,600
Wool	Greasy	"	12,300	Fork	"	"	3,700
Twine	Reaper and Binder	"	150			Total	44,600
Tallow	Mutton Prime	ton	1½				
		Total	38,711½	GROUP VII.			
GROUP III.				Timber:—	Flooring		
Wheat		bushel	500	"	6 x 1½	100 ft. ln.	30
Flour		ton	48	"	6 x 1	"	30
Bran		"	14	"	6 x ¾	"	30
Pollard		"	14	"	6 x ½	"	30
Oats	Feed	bushel	1,200	Weatherboards		"	200
Oatmeal	Colonial	ton	1½	Oregon Shelving		1000 ft. sup	20
Barley	Malting	bushel	150	Portland		"	10
"	Feed	"	100	Cement		cask	30
Maize		"	1,000	White Lead		ton	½
Hay	Best M'ng'r	ton	135	Slates	Welsh	1,000	½
Chaff	Good osten	"	135		20 x 10		½
Straw	Victorian	"	25			Total	381½
Peas		bushel	55				
Potatoes		ton	40				
Malt	Victorian	bushel	140				
Onions		ton	3				
		Total	3,560½	GROUP VIII.			
GROUP IV.				Cream of Tartar	In Kegs	lb.	400
Ham		lb.	800	Carbonate of Soda	Refined	ton	½
Bacon		"	3,200	Sulphur		"	½
Cheese		"	1,500	Caustic Soda		cwt.	7
Butter	Best Fresh	"	9,500	Alum	Lump	ton	½
Lard	Bulk.	"	200	Cyanide		lb.	570
Eggs	Ordinary	doz.	1,600	Potassium			
Honey		lb.	600			Total	978½
Beeswax	Bacchus	doz. lb.	40				
Condensed Milk	Marsh	"	160				
		Total	17,800				

3. **Index Numbers.**—Index-numbers have been computed for each group of commodities, as well as for all groups together. These index-numbers are shewn in the following table :—

Melbourne Wholesale Prices, Index-Numbers, 1861 to 1919, Computed to Year 1911 as Base (= 1000).

YEAR.	I. Metals and Coal.	II. Jute, Leather, &c.	III. Agricul- tural Pro- duce, &c.	IV. Dairy Produce.	V. Grocer- ies.	VI. Meat.	VII. Building Materials	VIII. Chemical- s.	All Com- modities together.
1861 ..	1,438	1,381	1,593	1,008	1,963	..	1,070	2,030	1,538
1871 ..	1,086	1,257	1,236	884	1,586	..	1,044	1,409	1,229
1881 ..	1,178	1,116	1,012	935	1,421	..	1,081	1,587	1,131
1891 ..	895	847	1,024	995	1,032	898	780	1,194	945
1901 ..	1,061	774	923	1,029	1,048	1,345	841	917	974
1911 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1912 ..	1,021	991	1,370	1,206	1,052	1,357	1,057	978	1,170
1913 ..	1,046	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 ..	1,224	1,017	2,162	1,530	1,133	2,435	1,275	1,528	1,904
1916 ..	1,695	1,433	1,208	1,485	1,322	2,516	1,491	1,780	1,594
1917 ..	2,129	2,008	1,157	1,423	1,343	2,403	1,884	2,171	1,663
1918 ..	2,416	2,360	1,444	1,454	1,422	2,385	2,086	3,225	1,934
1919 ..	2,125	2,363	1,985	1,651	1,516	2,348	2,951	2,808	2,055

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

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 such 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 2055 in 1919. In other words, prices were lower in 1911 than in either 1871 or 1919, 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.

The general index-number for the year 1919 shews an increase of 6.3 per cent. compared with that for 1918. With regard to the various group index-numbers, three groups shew decreases, I. (Metals and Coal), 12.0 per cent., VI. (Meat), 1.6 per cent., and VIII. (Chemicals), 10.1 per cent.; four groups shew increases, viz., III. (Agricultural Produce), 37.5 per cent., IV. (Dairy Produce), 13.5 per cent., V. (Groceries), 6.6 per cent., and VII. (Building Materials), 6.1 per cent.; while the index-number for Group II. (Jute, Leather, etc.), remained practically unchanged.

The index-numbers for the full period since 1871 (and for 1861 and 1866) are given in Report No. 1, page 48. On page 73 hereinafter a graph is given shewing the index-numbers since 1901 for all groups taken together.

4. Variations in Price Levels of Commodity Groups for each Quarter of 1919.—In the following table are shewn the index-numbers for the four quarters of 1919 and the first quarter of 1920 :—

Melbourne Wholesale Prices, Quarterly Index-Numbers for 1919, and First Quarter, 1920.

GROUP.	No. of Com- modities	INDEX NUMBERS.				
		Jan. to March, 1919.	April to June, 1919.	July to Sept., 1919.	Oct. to Dec., 1919.	Jan. to March, 1920.
I. Metals and Coal	14	2,283	2,142	2,035	2,039	2,150
II. Textiles, Leather, etc.	10	2,046	2,196	2,464	2,746	3,040
III. Agricultural Produce	16	1,753	1,723	1,992	2,473	2,415
IV. Dairy Produce	9	1,561	1,668	1,669	1,706	1,819
V. Groceries	21	1,461	1,476	1,541	1,584	1,639
VI. Meat	5	2,256	2,455	2,420	2,260	2,387
VII. Building Materials	10	2,383	2,755	2,739	3,027	3,164
VIII. Chemicals	7	3,107	2,840	2,794	2,762	2,800
ALL GROUPS*	92	1,934	1,956	2,068	2,262	2,351

* Weighted average.

5. Variations in Price Levels since the Outbreak of the War.—The variations in the index-numbers of the separate commodity groups for the years 1915 to 1919, and for each month from January 1919 to June 1920, are shewn in the following table, taking July 1914, the last month before the outbreak of war, as base (= 1000) for each group :—

Melbourne Wholesale Prices, Index-Numbers, July 1914, Years 1915 to 1919, and January 1919 to June, 1920

Particulars.	I. Metals and Coal.	II. Textiles, Leather, etc.	III. Agricultural Produce.	IV. Dairy Produce.	V. Groceries	VI. Meat.	VII. Building Materials.	VIII. Chemicals.	All Groups.
July 1914 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Year 1915 ..	1,166	934	2,024	1,272	1,098	1,502	1,184	1,490	1,406
" 1916 ..	1,539	1,307	1,130	1,235	1,266	1,551	1,361	1,716	1,318
" 1917 ..	1,919	1,841	1,084	1,181	1,302	1,480	1,722	2,141	1,456
" 1918 ..	2,197	2,324	1,351	1,210	1,378	1,469	2,448	3,085	1,695
" 1919 ..	1,930	2,169	1,858	1,373	1,469	1,448	2,602	2,827	1,801
January 1919	2,178	1,942	1,653	1,263	1,415	1,370	2,652	3,126	1,718
February ..	2,042	1,838	1,661	1,290	1,407	1,316	2,637	3,159	1,678
March ..	2,000	1,850	1,611	1,355	1,415	1,465	2,606	3,080	1,688
April ..	1,950	1,974	1,619	1,361	1,423	1,559	2,476	2,900	1,711
May ..	1,950	2,001	1,618	1,402	1,433	1,483	2,568	2,661	1,715
June ..	1,135	2,139	1,597	1,401	1,438	1,610	2,500	2,729	1,790
July ..	1,858	2,259	1,684	1,413	1,477	1,475	2,431	2,771	1,760
August ..	1,819	2,290	1,903	1,353	1,500	1,452	2,486	2,771	1,815
September ..	1,816	2,250	2,002	1,376	1,494	1,522	2,588	2,638	1,850
October ..	1,864	2,432	2,356	1,412	1,624	1,536	2,711	2,716	1,997
November ..	1,841	2,537	2,375	1,419	1,513	1,324	2,782	2,674	1,987
December ..	1,863	2,591	2,242	1,423	1,564	1,321	2,807	2,662	1,972
January 1920	1,889	2,729	2,265	1,432	1,555	1,460	2,820	2,678	2,026
February ..	1,919	2,832	2,269	1,490	1,608	1,486	2,867	2,717	2,063
March ..	2,051	2,805	2,256	1,615	1,602	1,466	2,977	2,797	2,089
April ..	2,051	2,733	2,339	1,690	1,924	1,600	2,977	2,797	2,178
May ..	2,135	2,648	2,519	1,765	1,965	1,695	3,074	2,972	2,250
June ..	2,135	2,597	2,613	1,870	1,951	2,075	3,074	2,972	2,330

6. **Seasonal Fluctuations in Wholesale Prices, 1919.**—In order to show the seasonal fluctuations in wholesale prices, index-numbers have been computed for each quarter of the year 1919. These are shown in the following table, firstly, computed with the year 1911 as base, and secondly, with the average prices for the year 1919 as base. Corresponding figures for purchasing-power of money (retail prices of food, groceries and of house rent) have been included for comparative purposes.

Melbourne Wholesale and Retail Prices—Quarterly Index-Numbers, 1919.

Particulars.	Jan. to March.	April to June.	July to Sept.	Oct. to Dec.	Whole Year.
Wholesale Price Index-Numbers with 1911 as base (= 1,000)	1,934	1,956	2,068	2,262	2,055
Wholesale Price Index-Numbers with average for 1919 as base (= 1,000)	941	952	1,006	1,101	1,000
Retail Price (Food, Groceries, and House Rent) Index-Numbers, with average for 1919 as base (= 1,000)	970	980	994	1,058	1,000

The first two lines show that in 1919 wholesale prices increased steadily during the whole period. The last line shows that retail prices also rose during each of the quarters, the greatest increase occurring during the last quarter.

7. **Table of Prices, 1918 and 1919.**—In Appendix III. particulars are given as to the average prices of the particular brands of commodities used in computing the index-numbers in the years 1918 and 1919. Corresponding information for previous years, as far back as 1871, was given in Appendix VI. to Report No. 1; for 1912 in Appendix IV. to Report No. 2; for 1913, 1914, and 1915 in Appendix V. to Report No. 6; for 1916 and 1917 in Appendix III. to Report No. 8, and for 1918 in Appendix VI. to Report No. 9.