

SECTION VI.—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, 2, 5, 6, and 7. In this Section results are now included for the year 1917.

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'r'd Nos.	ton	64	Raisins	Sultanas	doz. "	1,400
Rod and Bar	Stafford	"	34	Herrings	1-lb. fresh	doz. 1 lb. tins	50
Angle and T	"	"	34	Salmon	1 lb. tall Alaska	"	50
Plate	"	"	3	Sardines	Halves	doz. halves	100
Hoop	"	"	4	Coffee	Plantation	lb.	200
Galvanized	26 gauge	"	5	Cocoa	Taylor's	ton	100
Tinned Plates	I.C. Coke	cwt.	60	Sugar	No. 1A	ton	22
Fencing Wire	No. 8	ton	6	Macaroni		lb.	200
Zinc Sheet	"	"	1	Sago		cwt.	7
Lead, Sheet	"	"	4	Rice	Paina	ton	2
" Pipes	"	"	4	Salt	Liverpool fine	"	7
Copper Sheet	"	lb.	2,000	Mustard	Rock Coleman's	doz. 1 lb. tins	6
Quicksilver	Newcastle on Wharf	ton	12	Starch	Coleman's White	lb.	100
Coal			600	Blue Matches	Keen's Aust'n. Safety	gross	90
		Total	2,702½	Candles	Gouda	lb.	1,600
GROUP II.				Tobacco	Two Seas in Pocket Pac.	"	1,300
Branbags		doz.	110	Tea		gallon	3,000
Cornsacks		"	250	Kerosene		"	1,700
Woolpacks		each	200			Total	11,385
Leather, Waxed		lb.	600	GROUP VI.			
Kip		"	600	Beef	Average quality.	100 lbs.	390
Waxed Split		"	600	Mutton	"	lb.	33,000
Medlum Crop		"	600	Veal	"	"	2,000
Cotton	Raw	"	24,000	Lamb	"	"	5,600
Wool	Greasy	"	12,200	Pork	"	"	3,700
Twine	Reaper and Binder	"	150			Total	44,690
Tallow	Mutton Prime	ton	14	GROUP VII.			
		"	14	Timber:—	Flooring	100 ft. lin.	30
		Total	38,711½		6 x 14	"	30
GROUP III.					6 x 12	"	30
Wheat		bushel	500		6 x 10	"	30
Flour		ton	48		6 x 8	"	30
Bran		"	14		Weather-boards	1000 ft. sup	20
Follard		"	14		Oregon Shelving	"	10
Oats	Feed	bushel	1,200	Cement	Portland	cask	30
Ontmeal	Colonial	ton	14	White Lead		ton	4
Barley	Maiting	bushel	150	Slates	Welsh 20 x 10	1,000	4
"	Feed	"	100			Total	381½
Maize	"	"	1,000	GROUP VIII.			
Hay	Best M'ng'r	ton	135	Cream of Tartar	In Kegs	lb.	400
Chaff	Good oaten	"	135	Carbonate of Soda		ton	4
Straw	Victorian	"	25	Saltpetre	Refined	"	2½
Peas		bushel	55	Sulphur		"	4
Potatoes		ton	40	Caustic Soda		cwt.	7
Milk	Victorian	bushel	140	Alum	Lump	ton	4
Onions		ton	8	Cyanide		lb.	570
		Total	3,560½	Potassium			
GROUP IV.						Total	978½
Ham		lb.	800				
Bacon		"	3,200				
Cheese		"	1,500				
Butter	Best Fresh	"	9,500				
Lard	In Bladders	"	200				
Eggs	Ordinary	doz.	1,800				
Honey		lb.	600				
Beeswax		"	40				
Condensed Milk	Bacchus Marsh	doz. lb.	160				
		Total	17,800				

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 shown 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 shown 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 show 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 1662 in 1917. In other words, prices were lower in 1911 than in either 1871 or 1917, 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 1917, 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. Chemicals.	ALL Com- modities together.
1861.	1,438	1,381	1,583	1,008	1,063	..	1,070	2,030	1,538
1871	1,096	1,257	1,236	864	1,536	..	1,044	1,409	1,229
1881	1,178	1,115	1,012	935	1,421	..	1,091	1,587	1,191
1891	895	847	1,024	995	1,032	888	780	1,194	945
1901	1,061	774	928	1,029	1,048	1,345	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	980	942	1,209	801	859	910
1906	882	978	916	972	923	1,110	896	864	948
1907	1,037	1,017	973	1,020	948	1,294	968	961	1,021
1908	1,033	901	1,312	1,198	968	1,335	935	891	1,115
1909	1,014	907	1,000	1,119	978	1,088	911	815	993
1910	1,004	1,052	969	1,100	999	1,008	996	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	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	1,234	1,017	2,162	1,530	1,133	2,435	1,275	1,528	1,604
1916	1,695	1,423	1,208	1,485	1,322	2,515	1,491	1,760	1,504
1917	2,129	2,008	1,157	1,423	1,343	2,403	1,884	2,171	1,662

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 1917 shows an increase of 10.5 per cent. compared with that for 1916. With regard to the various group index-numbers, three groups, viz., III. (Agricultural Produce), IV. (Dairy Produce), and VI. (Meat), show decreases of 4.2, 4.2, and 4.6 per cent. respectively, while the remaining five groups show increases; Group

I. (Metals and Coal) 25.6 per cent., II. (Jute, Leather, etc.) 41.1 per cent., V. (Groceries) 1.6 per cent., VII. (Building Materials) 26.4 per cent., and VIII. (Chemicals) 23.4 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 65 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 1917.—In the following table are shewn the index-numbers for the four quarters of 1917 :—

Melbourne Wholesale Prices, Quarterly Index Numbers for 1917, and 1st Qtr., 1918.

GROUP.	No OF COM-MOD-ITIES.	INDEX NUMBERS.				
		Jan. to March, 1917.	April to June, 1917.	July to Sept., 1917.	Oct. to Dec., 1917.	Jan. to March, 1918.
I. Metals and Coal	14	1,794	1,982	2,295	2,338	2,358
II. Textiles, Leather, etc.	10	1,656	1,866	2,125	2,386	2,639
III. Agricultural Produce	16	1,166	1,112	1,140	1,211	1,286
IV. Dairy Produce	9	1,413	1,476	1,404	1,400	1,400
V. Groceries	21	1,334	1,334	1,347	1,358	1,373
VI. Meat	5	2,293	2,296	2,487	2,538	2,509
VII. Building Materials	10	1,569	1,722	2,033	2,211	2,272
VIII. Chemicals	7	1,774	2,014	2,269	2,623	3,126
ALL GROUPS*	92	1,525	1,587	1,715	1,804	1,877

* Weighted average.

5. Variations in Price Levels since the Outbreak of the War.—The variation in the index-numbers of the separate commodity groups for the years 1915, 1916, and 1917, and for each month from January 1917 to March 1918, 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, 1915, 1916, 1917 and January 1917 to March 1918.

Particulars.	I. Metals and Coal.	II. Textiles, Leather, etc.	III. Agri-cultural Produce.	IV. Dairy Pro-duce.	V. Groceries	VI. Meat.	VII. Building Materials.	VIII. Chemi-cals.	All Groups.
July 1914 ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Year 1915 ..	1,168	954	2,024	1,272	1,038	1,502	1,184	1,490	1,406
" 1916 ..	1,559	1,307	1,130	1,235	1,286	1,551	1,361	1,716	1,318
" 1917 ..	1,919	1,341	1,034	1,181	1,302	1,430	1,722	2,141	1,456
January, 1917	1,604	1,475	1,126	1,157	1,290	1,449	1,397	1,714	1,330
February "	1,627	1,507	1,097	1,182	1,290	1,376	1,420	1,756	1,330
March "	1,659	1,587	1,052	1,180	1,293	1,400	1,501	1,756	1,344
April "	1,725	1,637	1,033	1,216	1,239	1,416	1,525	1,858	1,361
May "	1,773	1,645	1,043	1,227	1,291	1,333	1,551	1,960	1,371
June "	1,904	1,858	1,046	1,247	1,295	1,445	1,643	2,071	1,441
July "	2,006	1,920	1,043	1,204	1,302	1,469	1,775	2,173	1,453
August "	2,138	1,970	1,069	1,176	1,307	1,524	1,899	2,312	1,517
September "	2,135	1,863	1,090	1,133	1,319	1,596	1,904	2,431	1,520
October "	2,113	2,055	1,126	1,136	1,315	1,574	2,005	2,463	1,550
November "	2,118	2,198	1,150	1,149	1,312	1,610	2,014	2,618	1,591
December "	2,120	2,328	1,123	1,160	1,322	1,520	2,035	2,595	1,595
January 1918	2,132	2,432	1,185	1,144	1,331	1,540	2,046	2,695	1,635
February "	2,157	2,365	1,191	1,155	1,336	1,532	2,069	3,180	1,633
March "	2,161	2,463	1,232	1,138	1,324	1,556	2,107	3,275	1,668

6. **Seasonal Fluctuations in Wholesale Prices, 1917.**—In order to show the seasonal fluctuations in wholesale prices, index-numbers have been computed for each quarter of the year 1917. These are shown in the following table, firstly, computed with the year 1911 as base, and secondly, with the average prices for the year 1917 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, 1917.

Particulars.	Jan. to March.	April to June.	July to Sept.	Oct. to Dec.	Whole Year.
Index-Numbers with 1911 as base (= 1,000) ..	1,525	1,587	1,715	1,804	1,662
Index-Numbers with average for 1917 as base (= 1,000)	918	955	1,032	1,085	1,000
Food, Groceries, and House Rent Index-Numbers, with average for 1917 as base (= 1,000) ..	988	993	1,008	1,012	1,000

The first two lines show that in 1917 prices increased steadily during the whole period, and this was also the case with regard to retail prices (see last line).

7.—**Table of Prices, 1916-17.**—In Appendix III. particulars are given as to the average prices of the particular brands of commodities used in preparing the index-numbers in the years 1916 and 1917. 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, and for 1913, 1914, and 1915 in Appendix V. to Report No. 6.