

CHAPTER VIII.—WHOLESALE PRICES.

1. **General.**—The results of an investigation into wholesale prices in Melbourne from 1861 to 1922 were given in some detail in previous Reports. In this Section results are included for the year 1923.

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 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 utilized 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 on reliable data, were secured.

It was at first intended to obtain records on the lines indicated for a uniform list of commodities for the capital city in 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 information published in some of these cities, this idea has for the present been abandoned.

2. **Basis.**—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, 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 80 commodities, but since that year the number has been increased to 92.* 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 measurements 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.

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

Melbourne Wholesale Prices—Index-Numbers, 1861 to 1923, Computed with Year 1911 as Base (= 1,00).

YEAR.	I. Metals and Coal.	II. Jute, Leather, &c.	III. Agricultural Pro- duce, &c.	IV. Dairy Produce.	V. Grocer- ies.	VI. Meat.	VII. Building Materials.	VIII. Chem- icals.	All Com- modities together.
1861 ..	1,438	1,581	1,583	1,008	1,063	..	1,070	2,030	1,538
1871 ..	1,006	1,257	1,286	864	1,586	..	1,044	1,400	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	838	780	1,194	945
1901 ..	1,061	774	928	1,029	1,048	1,315	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	1,064	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	1,630	1,133	2,435	1,275	1,528	1,604
1916 ..	1,095	1,423	1,208	1,485	1,322	2,515	1,401	1,760	1,504
1917 ..	2,129	2,008	1,157	1,423	1,343	2,403	1,894	2,171	1,662
1918 ..	2,410	2,360	1,444	1,454	1,422	2,885	2,686	3,225	1,934
1919 ..	2,125	2,363	1,985	1,651	1,516	2,348	2,851	2,898	2,055
1920 ..	2,298	2,624	2,439	2,209	1,918	3,279	3,225	2,825	2,480
1921 ..	2,173	1,362	1,767	2,000	1,976	2,158	2,733	2,303	1,903
1922 ..	1,942	1,681	1,628	1,648	1,869	1,787	2,005	1,995	1,758
1923 ..	1,826	2,148	1,778	1,837	1,746	2,570	2,025	1,933	1,944

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 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 £1,000 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 the cost of the relative quantities of the various commodities was 1,229 in 1871, and 974 in 1901, as compared with 1,000 in 1911 and 1,944 in 1923. In other words, prices were lower in 1911 than in either 1871 or 1923, 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 1923 shows an increase of 10.6 per cent. compared with that for 1922. In Groups I., V., and VIII., decreases of 6.0, 6.6, and 1.6 per cent. respectively were recorded. All other groups showed increases ranging from 1.0 per cent. in the case of Group VII. (Building Materials, to 44.3 per cent. in Group VI. (Meat).

The index-numbers for the full period from 1871 to 1911 (and for 1861 and 1866) are given in Report No. 1, page 48.

4. **Quarterly Variations in Price Levels.**—The following table gives the index-numbers for the four quarters of 1923 and the first quarter of 1924:—

Melbourne Wholesale Prices—Quarterly Index-Numbers for 1923 and First Quarter, 1924
(Base 1911 = 1,000).

Group.	No. of Com-modities.	Index Numbers.				
		Jan. to March, 1923.	April to June, 1923.	July to Sept., 1923.	Oct. to Dec., 1923.	Jan. to March, 1924.
I. Metals and Coal	14	1,841	1,820	1,822	1,820	1,830
II. Textiles, Leather, etc.	10	2,129	2,071	1,980	2,412	2,588
III. Agricultural Produce	16	1,713	1,802	1,768	1,828	1,660
IV. Dairy Produce	9	1,703	2,048	1,846	1,752	1,725
V. Groceries	21	1,758	1,764	1,753	1,710	1,715
VI. Meat	5	1,919	2,541	3,485	2,371	2,383
VII. Building Materials	10	2,092	2,037	1,978	1,991	1,955
VIII. Chemicals	7	1,983	1,920	1,954	1,894	1,818
All Groups*	92	1,851	1,956	2,003	1,966	1,946

* Weighted average.

5. **Variations since Outbreak of War.**—The variations in the index-numbers of the separate commodity groups for the years 1915 to 1923, and for each month from January, 1923, to April, 1924, are shown in the following table, taking July, 1914, the last month before the outbreak of war, as base (=1,000) for each group:—

Melbourne Wholesale Prices, Index-Numbers, July 1914, Years 1915 to 1923, and Monthly, January, 1923, to April, 1924. (Base July, 1914 = 1,000).

Period.	I. Metals and Coal.	II. Textiles Leather, etc.	III. Agri-cultural Produce.	IV. Dairy Pro-duce.	V. Groceries	VI. Meat.	VII. Building Mater-ials.	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 ..	1,166	934	2,024	1,272	1,093	1,502	1,164	1,490	1,406
" 1916 ..	1,539	1,307	1,130	1,235	1,266	1,551	1,381	1,716	1,918
" 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	1,219	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
" 1920 ..	2,091	2,430	2,288	1,840	1,860	2,022	2,944	2,764	2,178
" 1921 ..	1,974	1,250	1,653	1,663	1,916	1,331	2,405	2,246	1,638
" 1922 ..	1,793	1,543	1,523	1,370	1,811	1,102	1,890	1,917	1,541
" 1923 ..	1,668	1,972	1,664	1,527	1,693	1,590	1,818	1,885	1,704
Jan. 1923	1,686	1,902	1,640	1,344	1,606	1,224	1,982	1,875	1,627
Feb. "	1,681	1,978	1,569	1,397	1,704	1,156	1,902	1,942	1,612
March "	1,648	1,985	1,601	1,507	1,710	1,170	1,845	1,925	1,628
April "	1,646	1,930	1,686	1,059	1,723	1,173	1,804	1,805	1,660
May "	1,641	1,829	1,694	1,718	1,705	1,521	1,869	1,867	1,701
June "	1,652	1,946	1,679	1,730	1,705	2,001	1,849	1,856	1,783
July "	1,653	1,870	1,601	1,668	1,698	2,229	1,780	1,923	1,799
August "	1,654	1,686	1,644	1,488	1,700	2,327	1,817	1,902	1,753
Sept. "	1,653	1,889	1,630	1,451	1,697	1,893	1,818	1,892	1,716
Oct. "	1,650	1,976	1,722	1,440	1,671	1,595	1,820	1,847	1,706
Nov. "	1,652	2,234	1,725	1,438	1,664	1,450	1,829	1,847	1,726
Dec. "	1,656	2,433	1,687	1,401	1,647	1,343	1,811	1,817	1,738
Jan. 1924	1,656	2,439	1,622	1,492	1,654	1,450	1,809	1,847	1,739
Feb. "	1,665	2,302	1,548	1,457	1,663	1,507	1,773	1,781	1,715
March "	1,665	2,202	1,490	1,353	1,668	1,442	1,774	1,781	1,665
April "	1,664	2,322	1,479	1,325	1,647	1,450	1,726	1,705	1,659

6. **Seasonal Fluctuations.**—In order to show the seasonal fluctuations in wholesale prices, index-numbers have been computed for each quarter of the year 1923. These are given in the following table, firstly, computed with the year 1911 as base, and secondly, with the average prices for the year 1923 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, 1923.

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)	1,851	1,956	2,003	1,960	1,944
Wholesale Price Index-Numbers with average for 1923 as base (= 1,000)	952	1,000	1,030	1,011	1,000
Retail Price (Food, Groceries, and House Rent) Index- Numbers with average for 1923 as base (= 1,000) ..	937	1,008	1,051	1,004	1,000

In both wholesale and retail prices there was a considerable increase during the year 1923 as compared with the year 1922.

7. **Prices, 1922 and 1923.**—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 1922 and 1923. Corresponding information for previous years as far back as 1871 was given in the Appendixes to previous Reports.

CHAPTER IX.—RATES OF WAGE AND HOURS OF LABOUR.

1. **General.**—The collection of data respecting the nominal rates of wage payable in different callings and in occupations in various industries carried on in each State was first undertaken by this Bureau in the early part of the year 1913. 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, the inquiry was confined to the rates of wage payable to adult workers only, and was further limited generally to those industries in operation within the metropolitan area of each State. In order to make the inquiry comprehensive, however, certain industries were included which obviously are not carried on in the capital cities, e.g., Mining, Shipping, Agricultural, and Pastoral. 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 was ascertained from employers and secretaries of trade unions. For convenience of comparison, weekly rates of wage were adopted, but in many instances the wages were based on daily or hourly rates because in industries and occupations in which employment is casual or intermittent wages often are so fixed and paid. Hence the average weekly earnings in such occupations will probably fall considerably short of the computed weekly rates. The information thus obtained referred to the weekly rate of wage in upwards of 400 industries, and related to 1,569 male occupations or callings. These particulars furnished the necessary data for the computation of average rates of wage in various industrial groups,* and in each State and Australia. The average rate of

* The industrial classification of industries adopted is shown on page 3.