

SECTION VII.—WHOLESALE PRICES.

1. **General.**—The results of an investigation into wholesale prices in Melbourne from 1861 to 1920 were given in some detail in previous Reports. In this Section results are now included for the year 1921.

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 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 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 information 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 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 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 (= 100), 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	6½	Raisins	Sultanas	doz. 1 lb.	1,400
Rod and Bar	Stafford	"	3½	Herrings	1-lb. fresh	doz. tins	50
Angle and T	"	"	3½	Salmon	1 lb. tall	"	50
Plate	"	"	3		Alaska	"	
Hoop	"	"	5	Sardines	Halves	doz. halves	100
Galvanized	26 gauge	"	5	Coffee	Plantation	lb.	200
Tinned Plates	I.C. Coke	cwt.	60	Cocoa	McKenzie's	"	100
Fencing Wire	No. 8	ton	6	Sugar	No. 1A	ton	22
Zinc Sheet	"	"	1	Macaroni	"	lb.	200
Lead, Sheet	"	"	½	Sago	"	cwt.	7
" Pipes	"	"	½	Rice	"	ton	2
Copper Sheet	"	lb.	2,000	Salt,	Australian	"	7
Quicksilver	"	"	12		Rock	"	1
Coal	Newcastle on Wharf	ton	600	Salt	Coleman's	doz. 1 lb.	6
		Total	2,702½	Mustard			
GROUP II.				Starch	Coleman's	lb.	100
					White	"	
Branbaga		doz.	110	Blue	Keen's	"	50
Cornsacks		each	250	Matches	Austrian	gross	90
Woolpacks		"	200		Safety	"	
Leather—				Candles	Rangoon	lb.	1,600
Waxed Kip		lb.	600	Tobacco	Two Seasins	"	1,300
Waxed Split		"	600	Tea	Pocket Pcs.	"	3,000
Light Crop		"	600	Kerosene		gallon	1,700
Cotton	Raw	"	24,000			Total	11,385
Wool	Greasy	"	12,200	GROUP VI.			
Twine	Reaper and Binder	"	150				
Tallow	Mutton Prime	ton	1½	Beef	Average quality.	100 lbs.	300
		Total	38,711½	Mutton	"	lb.	33,000
GROUP III.				Veal	"	"	2,000
				Lamb	"	"	5,400
Wheat		bushel	500	Pork	"	"	3,700
Flour		ton	48			Total	44,690
Bran		"	14	GROUP VII.			
Pollard		"	14				
Oats	Milling	bushel	1,200	Timber:—	Flooring		
Oatmeal	Colonial	ton	1½		6 x 14	100 ft. lin.	30
Barley	Malting	bushel	150		6 x	"	30
"	Feed	"	100		6 x	"	80
Maize	"	"	1,000		6 x	"	30
Hay	Best M'ng'r	ton	135		Weather-boards	"	200
Chaff	Prinie	"	135		Oregon	1000 ft. sup	20
Straw	Victorian	"	25		Shelving	"	10
Peas		bushel	55	Cement	Portland	cask	30
Potatoes		ton	40	White Lead		ton	
Malt	Victorian	bushel	140	Slates	Welsh	1,000	
Onions		ton	3		20 x 10	"	
		Total	3,560½			Total	381½
GROUP IV.				GROUP VIII.			
Ham		lb.	800	Cream of Tartar	In Kegs	lb.	400
Bacon		"	3,200	Carbonate of Soda		ton	
Cheese		"	1,500		Refined	"	2½
Butter	Best Fresh	"	9,500	Saltpetre	"	"	7
Lard	Bulk	"	200	Sulphur	"	cwt.	7
Eggs	Ordinary	doz.	1,800	Caustic Soda		ton	1
Honey		lb.	600	Alum	Lump	lb.	570
Beeswax		"	40	Cyanide			
Condensed Milk	Bacchus Marsh	doz. lb.	160	Potassium			
		Total	17,800			Total	978½

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

Melbourne Wholesale Prices, Index-Numbers, 1861 to 1921, 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	1,533	1,008	1,063	..	1,070	2,030	1,538
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	1,345	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	1,123	995	1,088
1914 ..	1,099	1,082	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
1916 ..	1,695	1,423	1,308	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	1,688
1918 ..	2,416	2,360	1,444	1,454	1,422	2,335	2,686	3,225	1,934
1919 ..	2,125	2,363	1,935	1,651	1,516	2,348	2,651	2,598	2,055
1920 ..	2,298	2,624	2,439	2,209	1,918	3,279	3,226	2,825	2,480
1921 ..	2,173	1,362	1,767	2,000	1,976	2,158	2,733	2,303	1,903

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 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 1903 in 1921. In other words, prices were lower in 1911 than in either 1871 or 1921, and the purchasing-power in 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 1921 shews a decrease of 23.3 per cent. compared with that for 1920. With the exception of Group V. (Groceries), which shows an increase of 3.0 per cent., all groups shew decreases ranging from 5.4 per cent. in the case of Group I. (Metals and Coal), to 48.11 per cent. in the case of Group II. (Jute, Leather, etc.).

The index-numbers for the full period since 1871 (and for 1861 and 1866) are given in Report No. 1, page 48. On page 82 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 1921.**—In the following table are shewn the index-numbers for the four quarters of 1921 and the first quarter of 1922 :—

Melbourne Wholesale Prices, Quarterly Index-Numbers for 1921, and First Quarter, 1922 (Base 1911 = 1000).

GROUP.	No. of Com- modities	INDEX NUMBERS.				
		Jan. to March, 1921.	April to June, 1921.	July to Sept., 1921.	Oct. to Dec., 1921.	Jan. to March, 1922.
I. Metals and Coal	14	2,316	2,168	2,133	2,076	2,021
II. Textiles, Leather, etc. .. .	10	1,395	1,188	1,344	1,520	1,496
III. Agricultural Produce .. .	16	2,011	1,726	1,697	1,634	1,519
IV. Dairy Produce	9	2,488	2,110	1,906	1,497	1,436
V. Groceries	21	2,032	1,900	1,944	1,939	1,928
VI. Meat	5	2,987	2,258	1,885	1,490	1,490
VII. Building Materials	10	3,237	2,908	2,536	2,192	2,112
VIII. Chemicals	7	2,463	2,317	2,268	2,163	1,998
ALL GROUPS*	92	2,164	1,897	1,822	1,729	1,671

* 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 1921, and for each month from January, 1921 to 1922, 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 1921, and Monthly January, 1921 to May, 1922 (Base July 1914 = 1000).

Particulars.	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. Chem- icals.	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	1,164	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
" 1920 ..	2,091	2,430	2,288	1,840	1,860	2,022	2,941	2,764	2,173
" 1921 ..	1,974	1,250	1,653	1,663	1,916	1,331	2,495	2,246	1,668
January, 1921	2,151	1,452	1,972	2,083	1,967	1,903	2,802	2,444	1,958
February "	2,135	1,324	1,913	2,055	1,967	1,837	3,033	2,422	1,920
March "	2,025	1,066	1,755	2,066	1,976	1,781	3,029	2,340	1,818
April "	2,016	1,144	1,638	1,800	1,963	1,438	2,839	2,314	1,706
May "	1,944	1,076	1,613	1,754	1,945	1,402	2,793	2,243	1,664
June "	1,947	1,052	1,595	1,709	1,880	1,338	2,496	2,226	1,617
July "	1,945	1,107	1,579	1,655	1,881	1,191	2,377	2,198	1,580
August "	1,941	1,160	1,597	1,639	1,899	1,201	2,310	2,238	1,601
Sept. "	1,926	1,432	1,588	1,450	1,871	1,096	2,257	2,109	1,602
Oct. "	1,926	1,467	1,566	1,279	1,885	978	2,101	2,190	1,550
Nov. "	1,898	1,380	1,554	1,234	1,881	868	1,981	2,081	1,511
Dec. "	1,833	1,340	1,468	1,222	1,874	920	1,922	2,048	1,477
Jan. 1922	1,845	1,300	1,402	1,184	1,881	922	1,961	2,003	1,467
Feb. "	1,838	1,361	1,423	1,188	1,865	927	1,940	1,944	1,460
March "	1,823	1,370	1,440	1,209	1,858	907	1,874	1,898	1,463
April "	1,814	1,404	1,444	1,340	1,841	915	1,904	1,922	1,482
May "	1,792	1,495	1,495	1,547	1,839	1,092	1,800	1,899	1,546

6. Seasonal Fluctuations in Wholesale Prices, 1921.—In order to shew the seasonal fluctuations in wholesale prices, index-numbers have been computed for each quarter of the year 1921. These are shewn in the following table, firstly, computed with the year 1911 as base, and

secondly, with the average prices for the year 1921 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, 1921.

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)	2,164	1,897	1,822	1,729	1,903
Wholesale Price Index-Numbers with average for 1921 as base (= 1,000)	1,137	996	957	909	1,000
Retail Price (Food, Groceries, and House Rent) Index-Numbers, with average for 1921 as base (= 1,000)	1,081	1,015	978	927	1,000

It will be seen that both in wholesale and retail prices there was a considerable decrease during the year.

7. **Table of Prices, 1920 and 1921.**—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 1920 and 1921. Corresponding information for previous years, as far back as 1871, was given in the Appendixes to previous Reports.