

Both the amount of wage and the adjustment scale operate only until the Court otherwise determines, and representatives of employers and employees have the right to approach the Court for variation of the wage or for variation of the adjustment scale. Only the "needs" portion of the total basic wage is adjustable.

## § 12. International Comparisons : Retail Price Index-Numbers.

The tables giving index-numbers of retail prices for (i) cost of living, including articles other than food, and (ii) foodstuffs only, appearing in previous issues of this Report have been discontinued for the duration of the war, owing partly to the need for economy, and partly to the information for many countries being no longer available. The figures, which were taken chiefly from the League of Nations *Monthly Bulletin of Statistics*, and the International Labour Office *Year Book of Labour Statistics*, are of course still obtainable in part from the publications mentioned.

## CHAPTER II.—WHOLESALE PRICES AND PRICE INDEXES.

### § 1. Melbourne Wholesale Price Index.

1. **General.**—The data on which this chapter is based relate almost entirely to wholesale prices in Melbourne. An index of Sydney wholesale prices is compiled by the Government Statistician of New South Wales, and published in the *Year Book* and the *Monthly Summary of Business Statistics* of that State.

The index of Melbourne wholesale prices was first computed in 1912, and has been continued on the same lines since that year. The items included in the (old) Melbourne wholesale price index comprise chiefly basic materials which in the form of raw material, food, or as a source of power, enter into production for home consumption. The purpose of the index, therefore, is to measure the changes in the prices of these particular materials rather than the changes in prices generally. As Australia does not, to any extent, manufacture from imported raw materials commodities for export, the local consumption appears to give the most appropriate weighting. Any lack of uniformity in the variations of the index-numbers for these wholesale prices and for retail prices would indicate broadly changes in the relation of manufacturing and distributing charges to the cost of basic materials.

The scope of this wholesale price index can best be understood by an examination of the list of commodities included which is given on page 38. This list is, to a large extent, comparable with that used in the compilation of the *Economist* and *Statist* index-numbers for Great Britain, but differs largely from that used for the wholesale price index-numbers of the United States (Bureau of Labour) or Canada (Department of Labour).

2. **The Grouping of the Commodities.**—The commodities are divided into eight groups, as set out on page 38. The descriptions of the groups are given in the following tables with the proportional cost of each group for the year 1943. These proportions cannot be used with any degree of accuracy to combine "group" index-numbers owing to the possible wide differences in the proportions compared with those for the *base period*. See first paragraph, page 15.

## Groups of Commodities.

Group.	Description.	Percentage of Aggregate Cost (1943).
I.	"Metals and Coal" .. .. .	15
II.	"Wool, Cotton", also jute, leather, &c. ..	16
III.	"Agricultural Produce" .. .. .	26
IV.	"Dairy Produce" .. .. .	8
V.	"Groceries" .. .. .	14
VI.	"Meat" .. .. .	11
VII.	"Building materials" (mostly timber) ..	9
VIII.	"Chemicals" (excluding fertilizers) ..	1
		100

It will be noticed that the group "Chemicals" is practically negligible.

The index relates chiefly to basic materials, but a certain proportion of Australian manufacturing costs enters into all groups. The amount is small in Meat (VI.), Agricultural Produce (III.), and Wool, Cotton (II.), and greater in others, but the difference is not sufficient to justify any inference as to different changes of the price-level for manufactured goods and farm products. The number and weight of manufactured commodities included are too small to warrant deductions of this nature from any possible grouping.

Many of the commodities included are affected by the tariff. Wool, Cotton (II.), Agricultural Produce (III.), and Meat (VI.), are little affected, and Dairy Produce (IV.) not greatly, but in the other groups the tariff is a dominating influence.

## Melbourne Wholesale Price Index : Commodities included, Units of Measurement, and "Mass-Units".

Commodity.	Quality.	Unit.	Mass Unit.	Commodity.	Quality.	Unit.	Mass Unit.
GROUP I. (Metals and Coal).				GROUP II. (Wool, Cotton, also Jute, Leather, &c.)			
Iron—				Branbags .. .. .	Doz.	110	
Pig ..	Mixed Nos.	Ton	6½	Cornsacks .. .. .	"	250	
Rod and Bar	Stafford	"	3½	Woolpacks .. .. .	Each	200	
Angle ..	"	"	3½	Leather—			
Plate ..	"	"	3	Chrome Box ..	ft.	1,200	
Hoop ..	"	"	½	Hide .. .. .			
Galvanized ..	26 gauge	"	5	Rough Tanned ..	lb.	600	
Fencing Wire ..	No. 8	Ton	6	—Split .. .. .			
Tinned Plates ..	I.C. Coke	Box	60	Sole Leather—		600	
Zinc, sheet ..	"	Ton	1	Factory .. .. .			
Lead, sheet ..	"	"	½	Sides .. .. .			
" pipes ..	"	"	½	Cotton .. .. .	Raw ..	"	24,000
Copper, sheet ..	"	lb.	2,000	Wool .. .. .	Greasy ..	"	12,200
Quicksilver ..	"	"	12	Twine .. .. .	Reaper ..	"	150
Coal .. .. .	Newcastle, on wharf	Ton	600	and Binder ..	"		
				Tallow .. .. .	Mutton Prime	Ton	1½

Melbourne Wholesale Price Index: Commodities included, Units of Measurement, and "Mass-Units"—*continued.*

Commodity.	Quality.	Unit.	Mass Unit.	Commodity.	Quality.	Unit.	Mass Unit.
<b>GROUP III.</b> (Agricultural Produce).				<b>GROUP V.—<i>continued.</i></b> (Groceries).			
Wheat ..	..	Bus.	500	Starch ..	Coleman's White	lb.	100
Flour ..	..	Ton	48	Blue ..	Keen's	"	50
Bran ..	..	"	14	Matches ..	Australian Safety	Gross	90
Pollard ..	..	"	14	Candies ..	Rangoon	lb.	1,600
Oats ..	Milling ..	Bus.	1,200	Tobacco ..	..	"	1,300
Oatmeal ..	Colonial	Ton	14	Kerosene ..	..	Gall.	1,700
Barley ..	English	Bus.	150				
Maize ..	Cape ..	"	1,000				
Hay ..	Best Mngt.	Ton	135				
Chaff ..	Prime ..	"	135				
Straw ..	Victorian	"	25				
Peas ..	..	Bus.	55				
Potatoes ..	..	Ton	40				
Malt ..	Victorian	Bus.	140				
Onions ..	..	Ton	3				
<b>GROUP IV.</b> (Dairy Produce).				<b>GROUP VI.</b> (Meat).			
Ham ..	..	lb.	800	Beef ..	Average quality	100 lb.	390
Bacon ..	..	"	3,200	Mutton ..	"	lb.	33,000
Cheese ..	..	"	1,500	Lamb ..	"	"	5,600
Butter ..	Best Fresh	"	9,500	Veal ..	"	"	2,000
Lard ..	Bulk ..	"	200	Pork ..	"	"	3,700
Eggs ..	Ordinary	Doz.	1,800				
Honey ..	..	lb.	600				
Beeswax ..	..	"	40				
Condensed Milk	Bacchus Marsh	Doz. lb.	160				
<b>GROUP V.</b> (Groceries).				<b>GROUP VII.</b> (Building Materials).			
Currants ..	..	lb.	1,400	Timber—	Flooring—	rooft lin.	30
Raisins ..	Sultanas	"	1,400		6 x 1 1/2	"	30
Herrings ..	1-lb. fresh	Doz. 1-lb. tins	50		6 x 1 1/2	"	30
Salmon ..	1-lb. tall Alaska	"	50		6 x 1 1/2	"	30
Sardines ..	Halves	Doz. halves	100		6 x 1 1/2	"	30
Tea ..	..	lb.	3,000		Weather-boards	"	200
Coffee ..	Plantation	"	200		Oregon	1,000 ft. sup.	20
Cocoa ..	McKenzie's	"	100		Shelving	"	10
Sugar ..	No. 1A	Ton	22	Cement ..	Portland	Cask	30
Macaroni ..	..	lb.	200	White Lead ..	..	Ton	1/2
Tapioca ..	..	cwt.	7	Slates ..	Welsh 20 x 10	1,000	1/2
Rice ..	..	Ton	2				
Salt ..	Australian fine	"	7				
Salt ..	Rock ..	"	1				
Mustard ..	Coleman's	Doz. 1-lb. tins	6				
				<b>GROUP VIII.</b> (Chemicals).			
				Cream of Tartar	In kegs	lb.	400
				Bi-Carbonate of Soda	..	Ton	1/2
				Sulphur ..	..	"	1-20
				Saltpetre ..	Refined	"	1/2
				Caustic Soda ..	..	cwt.	1/2
				Alum ..	Lump ..	Ton	1/2
				Potassium Cyanide	..	lb.	570

3. Index-Numbers.—Index-numbers for each group of commodities, as well as for all groups combined, are shown in the following table:—

Melbourne Wholesale Price Index-Numbers, 1861 to 1943.

(Base of each Group: Year 1911 = 1,000.)

Year.	I. Metals and Coal.	II. Wool, Cotton, Leather, &c.	III. Agricul- tural Pro- duce, &c.	IV. Dairy Produce.	V. Grocer- ies.	VI. Meat.	VII. Building Materials.	VIII. Chemical- s.	All Group.
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	1,586	..	1,044	1,499	1,229
1881	1,178	1,115	1,012	935	1,421	..	1,001	1,587	1,121
1891	895	847	1,024	995	1,031	838	780	1,194	945
1901	1,061	774	928	1,029	1,048	1,345	841	917	974
1902	1,007	756	1,102	1,215	945	1,447	837	881	1,051
1903	823	834	1,209	1,059	936	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	883	978	916	972	923	1,110	806	864	940
1907	1,037	1,017	973	1,020	948	1,294	968	964	1,021
1908	1,033	901	1,312	1,198	968	1,335	935	891	1,115
1909	1,054	907	1,000	1,119	978	1,088	911	845	998
1910	1,004	1,052	969	1,100	999	1,008	996	898	1,003
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	1,016	1,070	1,007	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	1,284	1,017	2,102	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	1,652
1918	2,416	2,360	1,444	1,454	1,422	2,385	2,686	3,225	1,934
1919	2,175	2,363	1,985	1,651	1,516	2,348	2,851	2,808	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
1922	1,042	1,681	1,628	1,648	1,869	1,787	2,005	1,965	1,758
1923	1,826	2,148	1,778	1,837	1,740	2,570	2,025	1,933	1,944
1924	1,835	2,418	1,647	1,655	1,721	2,223	1,815	1,806	1,885
1925	1,852	1,967	1,797	1,636	1,723	2,212	1,711	1,790	1,844
1926	1,938	1,582	2,001	1,784	1,731	1,931	1,665	1,816	1,832
1927	1,962	1,650	1,826	1,823	1,724	2,111	1,624	1,866	1,817
1928	1,912	1,781	1,726	1,751	1,707	2,015	1,744	1,923	1,792
1929	1,912	1,556	1,792	1,853	1,690	2,246	1,754	1,942	1,809
1930	1,866	1,127	1,484	1,627	1,666	2,025	1,875	1,982	1,596
1931	1,826	1,939	1,121	1,399	1,794	1,508	2,025	2,166	1,420
1932	1,736	1,000	1,230	1,303	1,767	1,348	2,043	2,127	1,411
1933	1,713	1,118	1,175	1,195	1,714	1,487	2,061	2,106	1,409
1934	1,660	1,261	1,288	1,274	1,735	1,540	2,015	2,018	1,471
1935	1,602	1,217	1,344	1,325	1,729	1,508	1,964	1,996	1,489
1936	1,566	1,331	1,480	1,351	1,731	1,684	1,969	1,997	1,543
1937	1,772	1,406	1,604	1,451	1,750	1,678	2,430	2,006	1,650
1938	1,746	1,951	1,789	1,549	1,747	1,871	2,238	2,059	1,662
1939	1,758	1,101	1,820	1,557	1,752	1,710	2,220	2,075	1,685
1940	1,854	1,362	1,568	1,567	1,784	1,882	2,890	2,298	1,713
1941	1,960	1,402	1,721	1,554	1,884	1,776	3,138	2,527	1,796
1942	2,146	1,507	1,900	1,665	1,938	2,312	3,409	2,437	1,977
1943	2,272	1,945	1,964	1,716	1,939	2,366	3,764	2,442	2,117

NOTE.—The figures given in this table are comparable in the vertical columns, but are not directly comparable horizontally.

4. Variations since 1914.—The variations in the index-numbers of the separate commodity groups for the years 1915 to 1943, are shown in the following table, taking July, 1914, as base (= 1,000) for each group:—

**Melbourne Wholesale Price Index-Numbers.**

(Base of each Group : July, 1914 = 1,000.)

Period.	I. Metals and Coaf.	II. Wool, Cotton, Leather, &c.	III. Agri-cultural Produce, &c.	IV. Dairy Pro-duce.	V. Gro-ceries.	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 ..	1,166	934	2,024	1,272	1,098	1,502	1,154	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	1,310	1,378	1,469	2,448	3,085	1,695
" 1919 ..	1,939	2,169	1,858	1,373	1,469	1,448	2,602	2,827	1,801
" 1920 ..	2,091	2,430	1,860	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	2,495	2,246	1,668
" 1922 ..	1,761	1,543	1,523	1,370	1,811	1,102	1,830	1,917	1,541
" 1923 ..	1,658	1,972	1,664	1,527	1,693	1,590	1,848	1,885	1,704
" 1924 ..	1,667	2,220	1,541	1,376	1,668	1,371	1,636	1,761	1,653
" 1925 ..	1,682	1,806	1,360	1,670	1,860	1,364	1,562	1,746	1,617
" 1926 ..	1,760	1,453	1,873	1,483	1,677	1,191	1,519	1,771	1,606
" 1927 ..	1,782	1,515	1,516	1,516	1,671	1,302	1,482	1,820	1,593
" 1928 ..	1,737	1,635	1,661	1,456	1,654	1,242	1,590	1,876	1,571
" 1929 ..	1,737	1,428	1,677	1,540	1,638	1,385	1,601	1,895	1,581
" 1930 ..	1,695	1,035	1,389	1,353	1,614	1,249	1,713	1,933	1,399
" 1931 ..	1,659	954	1,049	1,163	1,738	930	1,849	2,112	1,253
" 1932 ..	1,577	918	1,152	1,083	1,711	831	1,865	2,074	1,237
" 1933 ..	1,556	1,026	1,100	994	1,661	917	1,882	2,054	1,235
" 1934 ..	1,508	1,158	1,205	1,059	1,682	950	1,839	1,963	1,290
" 1935 ..	1,456	1,116	1,258	1,100	1,677	931	1,792	1,946	1,258
" 1936 ..	1,422	1,222	1,385	1,123	1,678	1,038	1,708	1,948	1,353
" 1937 ..	1,609	1,201	1,502	1,206	1,696	1,035	2,219	1,957	1,422
" 1938 ..	1,586	965	1,674	1,287	1,693	1,154	2,043	2,008	1,457
" 1939 ..	1,597	1,011	1,704	1,295	1,698	1,054	2,026	2,024	1,460
" 1940 ..	1,684	1,240	1,467	1,403	1,728	1,167	3,638	2,212	1,501
" 1941 ..	1,780	1,287	1,611	1,292	1,825	1,124	2,864	2,465	1,574
" 1942 ..	1,949	1,384	1,778	1,384	1,878	1,426	3,111	2,377	1,733
" 1943 ..	2,064	1,786	1,539	1,427	1,879	1,459	3,436	2,382	1,856

**§ 2.—Basic Materials and Foodstuffs.**

1. General.—As mentioned above, the Melbourne Wholesale Price Index was first computed in 1912. Neither the component items nor the weighting have been varied. Consequently the index is a measure of changes in wholesale price levels based on usages which have altered substantially since the period on which the weighting was determined. As such it is useful as an indication of long-term trends over the past 83 years which it covers, on the assumption that the relative importance of component items remained constant. But it no longer serves as a measure of price variations from month to month or from year to year of commodities weighted in accordance with present day consumption. Reference to the description of the index in § 1 above will indicate that animal fodders preponderate in the "Agricultural Produce" group, while "Building Materials" include little besides imported timber. In other groups, some principal items have increased in consumption while others have decreased. It was resolved, therefore, at the Conference of Statisticians at Brisbane in 1930 that the time had come to revise and extend the items included in order to bring the index into line with changed conditions. An investigation to that end was commenced, and in the course of the past few years, many new price-series have been collected on a monthly basis back to January, 1928. Some of these have been incorporated in a new index of the prices of basic materials and foodstuffs, preliminary index-numbers of which are

currently published in the *Monthly Review of Business Statistics*. Others are being incorporated in a number of "special-purpose" indexes, which it is hoped to publish in the future. Their construction has been delayed in order to make use, for weighting purposes, of the larger amount of information which is now becoming available as the result of the collection of more extensive statistics of factory production. The price quotations have in the main been obtained directly from manufacturers and merchants, and, with a few important exceptions, from Melbourne sources. Apart from home-produced building materials, coal and one or two minor commodities, however, the price movements may be taken as representative of fluctuations in wholesale prices of basic materials in most Australian markets. The weighting system adopted is based on average annual consumption during the years 1928-29 to 1934-35 inclusive. In the meantime, however, the original index has been continued on existing lines, as set out in § 1 of this chapter.

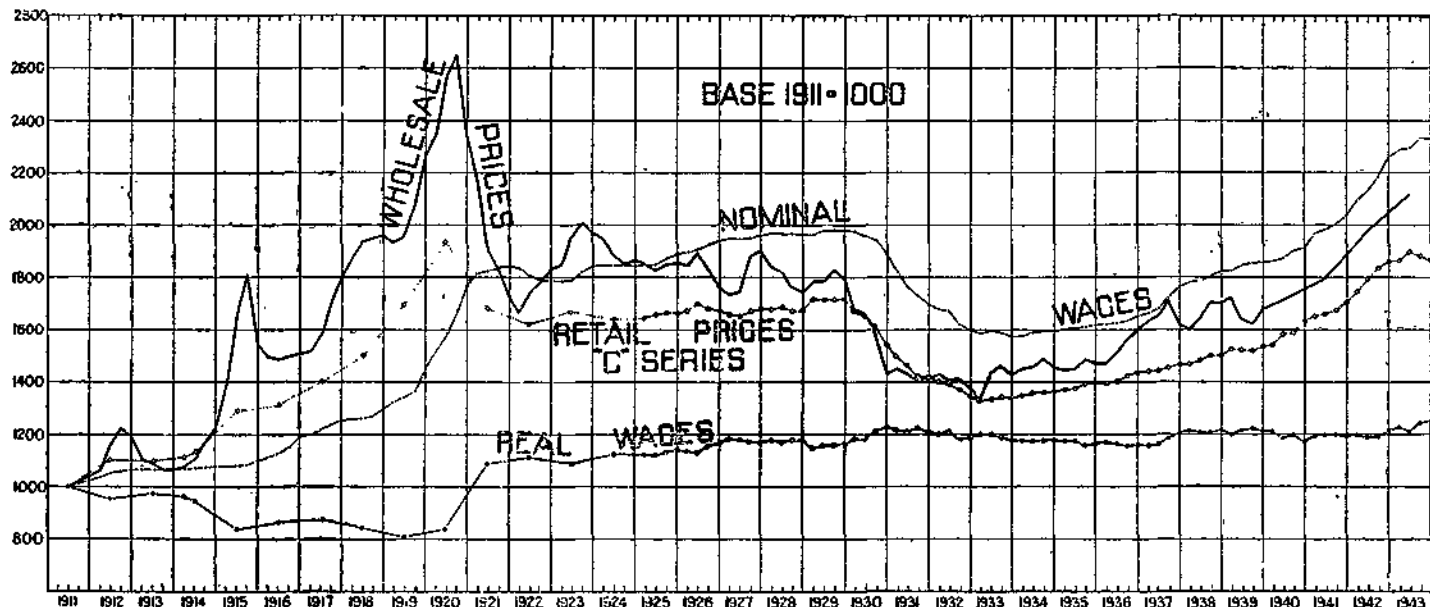
2. **Index-Numbers.**—Index-numbers for each group of commodities and for all groups combined for this new index of wholesale prices of basic materials and foodstuffs are given in the following table:—

**Wholesale Price Index-Numbers—Basic Materials and Foodstuffs, 1928 to December, 1943.**

(Base of each Group : Year 1928 = 1,000.)

Period	Metals and Coal.	Oils, Fats and Waxes.	Textiles.	Chemicals	Rubber and Hides.	Building Materials.	Foodstuffs and Tobacco	Goods principally Imported	Goods principally Home Produced.	All Groups.
1928 .. ..	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1930 .. ..	954	1,082	612	955	548	998	951	1,053	917	951
1931 .. ..	890	1,116	575	979	581	1,012	812	1,119	791	873
1932 .. ..	827	1,059	539	981	530	984	792	1,082	762	843
1933 .. ..	818	882	621	949	564	995	778	1,009	746	812
1934 .. ..	785	816	664	885	601	979	808	989	752	811
1935 .. ..	740	877	620	817	593	971	849	1,025	761	827
1936 .. ..	725	909	761	815	724	984	906	1,045	807	867
1937 .. ..	791	952	872	817	889	1,102	929	1,126	843	914
1938 .. ..	801	949	697	831	664	1,041	960	1,094	852	911
1939 .. ..	814	972	650	835	764	1,047	954	1,111	856	918
1940 .. ..	836	1,230	776	969	934	1,269	998	1,339	901	1,008
1941 .. ..	880	1,342	820	1,061	982	1,368	1,044	1,562	908	1,069
1942 .. ..	968	1,509	934	1,163	1,037	1,540	1,187	1,804	1,007	1,202
1943 .. ..	1,031	1,596	1,098	1,179	1,057	1,809	1,208	1,988	1,026	1,262
1942—										
January ..	923	1,435	837	1,158	1,074	1,391	1,072	1,655	935	1,111
February ..	923	1,442	854	1,158	1,082	1,391	1,094	1,651	951	1,124
March .. ..	925	1,485	859	1,160	1,032	1,391	1,100	1,668	959	1,132
April .. ..	949	1,484	877	1,160	1,031	1,391	1,130	1,687	979	1,153
May .. ..	951	1,484	862	1,161	1,029	1,500	1,205	1,830	1,002	1,207
June .. ..	955	1,484	889	1,161	1,029	1,588	1,258	1,855	1,034	1,235
July .. ..	955	1,499	979	1,161	1,029	1,588	1,243	1,810	1,045	1,233
August .. ..	971	1,550	976	1,161	1,029	1,590	1,249	1,819	1,058	1,245
September ..	974	1,550	992	1,161	1,029	1,590	1,265	1,888	1,049	1,254
October .. ..	1,025	1,555	995	1,161	1,029	1,590	1,225	1,885	1,034	1,243
November ..	1,030	1,557	999	1,174	1,029	1,604	1,215	1,916	1,022	1,241
December ..	1,030	1,588	1,066	1,174	1,027	1,774	1,191	1,972	1,012	1,247
1943—										
January ..	1,030	1,590	1,109	1,174	1,057	1,774	1,148	1,962	989	1,227
February ..	1,030	1,592	1,103	1,177	1,057	1,784	1,170	1,961	1,005	1,239
March .. ..	1,030	1,596	1,109	1,177	1,057	1,784	1,200	1,975	1,023	1,256
April .. ..	1,031	1,596	1,062	1,178	1,057	1,793	1,208	1,980	1,027	1,260
May .. ..	1,031	1,596	1,129	1,178	1,057	1,793	1,200	1,974	1,031	1,262
June .. ..	1,031	1,596	1,130	1,178	1,057	1,826	1,231	1,999	1,041	1,276
July .. ..	1,031	1,597	1,127	1,180	1,057	1,826	1,237	1,999	1,046	1,279
August .. ..	1,031	1,597	1,106	1,180	1,057	1,826	1,224	1,998	1,036	1,271
September ..	1,031	1,597	1,079	1,180	1,057	1,826	1,230	2,003	1,038	1,274
October .. ..	1,031	1,597	1,082	1,180	1,057	1,826	1,220	2,001	1,031	1,269
November ..	1,031	1,597	1,031	1,180	1,057	1,826	1,213	2,005	1,023	1,263
December ..	1,031	1,597	1,077	1,180	1,057	1,828	1,209	1,996	1,025	1,263

WHOLESALE AND RETAIL PRICES, NOMINAL AND EFFECTIVE OR REAL WAGE INDEX-NUMBERS.—AUSTRALIA, 1911 TO 1943.



EXPLANATION.—The index-numbers in the above graph are for the Six Capital Cities as a whole, with the exception of those for Wholesale Prices, which are for Melbourne. They are all calculated to the common base 1911 = 1,000, the scale for which appears on the left of the graph. They are shown *quarterly* from 1912 to 1930, and thereafter the annual average in the case of the Wholesale Prices (Melbourne). The "C" Series Retail Prices (food, groceries, rent of 4 and 5 rooms, clothing and miscellaneous household expenditure) are shown *quarterly* from 1925. For the period 1911-1914 the "C" Series are taken back from the true base (November, 1914 = 1,000) by means of the "A" Series Index (Food and Rent of All Houses). Nominal Wages are shown *quarterly* from 1914, and Real Wages *quarterly* from 1925. Real Wages are computed on the basis of the "C" Series.