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EVENING PAPERS .. FRIDAY, 1ST DECEMBER, 1939.
MORNING PAPERS .. SATURDAY, 2ND DECEMBER, 1939.

MONTHLY INDEX OF EXPORT PRICES - OCTOBER, 1939.

The monthly export price index-numbers for October, 1939 together with comparative figures for earlier periods, have been issued by the Commonwealth Statistician (Dr. Roland Wilson). Included in this release are the index-numbers for September, 1939, which were delayed owing to the absence of reliable details regarding the prices of a number of commodities purchased by the British Government.

2. Each series of index-numbers takes account of 20 items, which constitute about 85% of the total value of exports of merchandise and silver and gold production. All export parities are calculated from actual price quotations from the most reliable and representative sources available.

THE SIMPLE AGGREGATIVE INDEX-FIXED WEIGHTS.

3. The "multipliers" used for this series for the period 1928-1936 were the average annual exports (or production, in the case of gold) during the five years 1928-29 to 1932-33. Since July, 1936, these multipliers have been recalculated on the basis of average annual exports (production, in the case of gold) during the three years 1933-34 to 1935-36. A summary of the movements in this index is given in the following table -

BASE - SIMPLE AVERAGE OF 1928 = 1000.

Period	In terms of Australian Currency	In terms of British Currency
1928 average for year	1000	1000
1929 " " "	847	842
1930 " " "	640	605
1931 " " "	564	437
1932 " " "	566	452
1933 " " "	616	492
1934 " " "	653	521
1935 " " "	656	524
1936 " " "	805	643
1937 " " "	923	737
1938 " " "	699	559
1937 - August ..	952	760
September ..	901	719
October ..	880	703
November ..	802	640
December ..	796	636
1938 - January ..	755	603
February ..	736	588
March ..	730	583
April ..	722	576
May ..	725	579
June ..	697	556
July ..	710	567
August ..	686	548
September ..	661	528
October ..	668	533
November ..	656	524
December ..	647	517
1939 - January ..	653	521
February ..	651	520
March ..	635	507
April ..	630	503
May ..	630	503
June ..	648	517
July ..	657	525
August ..	653	521
September ..	737	588
October ..	768	613

4. The yearly averages show increases since 1932 which were fairly steady up to 1935 but very marked during 1936 and 1937, until, in April of the latter year, the pre-depression level in terms of Australian currency had been reached. Since that month, however, the index-number fell almost continuously to 630 in May, 1939. It increased slightly during the next two months and then rose sharply in September and October with the sale to the British Government of a number of commodities at prices in excess of ruling rates.

5. The principal price increases affecting the index-number for September were :

Wool, 17%; Butter, 10%; and Sugar, 9%.

For October the price increases were :

Wool, 5%; Wheat, 11%; Butter, 2%; and Spelter, 7%.

6. It should be remembered that Australian Products are not marketed regularly throughout the year. Wool and wheat are obvious examples of commodities which are marketed in relatively large quantities only at certain periods of the year. In consequence the "fixed-weight" index by itself, though it indicates satisfactorily the trend of the market, does not give an adequate indication of the significance of the price movements as they actually affected current sales. This is shown much more clearly by the "changing-weights" index given in the table below.

THE MONTH-TO-MONTH INDEX - CHANGING WEIGHTS.

7. These index-numbers are designed merely for comparisons of current prices with those of the corresponding months, or periods of months of the preceding year. The simple month-to-month index-numbers are obtained by applying the "ideal formula" to prices and quantities exported in corresponding pairs of months. The index-numbers for periods of two or more months are obtained by combining the monthly aggregates in the manner described in the statement of method issued on 29th May, 1937. The full trade year corresponds to the financial year ending June. A summary of the movements in this index is given in the following table -

BASE - WEIGHTED AVERAGE PRICE LEVEL IN CORRESPONDING MONTHS
OF PRECEDING YEAR = 1000.

Month	Month stated compared with same month of preceding year	Period of trade year ending in month stated compared with same period of preceding year
1937-38 - March	732	919
April	732	897
May	755	884
June	760	875
1938-39 - July	757	757
August	771	762
September	759	762
October	791	771
November	874	799
December	835	806
January	864	813
February	871	821
March	853	825
April	843	827
May	860	830
June	903	834
1939-40 - July	936	936
August	967	950
September	1126	1012
October	1134	1049

8. The table shows that the export price index-number for the twelve months of 1938-39 as a whole was 16.6 per cent. below the level of 1937-38. For the month of September, 1939, the average price level of goods exported was 12.6 per cent. above that for September, 1938. Similarly, for October 1939 the average price level was 13.4 per cent. above that of the previous October.

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