CONFIDENTIAL: To be treated as strictly confidential until released for publication as follows :-

EVENING PAPERS .. WEDNESDAY, 11TH SEPTEMBER, 1940.
MORNING PAPERS .. THURSDAY, 12TH SEPTEMBER, 1940.

MONTHLY INDEX OF EXPORT PRICES: JULY, 1940.

The monthly export price index-numbers for July, 1940 together with comparative figures for earlier periods, have been issued by the Commonwealth Statistician (Dr. Roland Wilson).

2. Each series of index numbers takes account of 20 items, which constitute about 85 per cent. 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 bases 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
1939 " " "	..	686	548
1938 - 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	..	741	592
October	..	769	614
November	..	771	616
December	..	776	620
1940 - January	..	811	648
February	..	811	648
March	..	813	649
April	..	815	651
May	..	817	652
June	..	817	652
July	..	814	650

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. After that month, however, the index-number fell almost continuously to 830 in May, 1939. It increased slightly during the next two months and rose sharply in September-October with the sale to the British Government of a number of commodities at prices in excess of existing rates. The index increased still further in the next three months, mainly as the result of a rise in the price of wheat. Since January, 1940, it has remained practically unchanged.

5. 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.

6. 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
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	..	1129	1013
October	..	1136	1051
November	..	1171	1085
December	..	1206	1111
January	..	1224	1128
February	..	1248	1145
March	..	1287	1160
April	..	1297	1171
May	..	1285	1182
June	..	1290	1189
1940-41 - July	..	1252	1252

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CANBERRA, A.C.T. 11th September, 1940.