

WHOLESALE-PRICE INDEX NUMBERS IN VARIOUS COUNTRIES ON BASE.
(Average prices in the year 1914 = 1000.)

Year.	New Zealand (Official).	United Kingdom (Statist).	United States (Bradstreet).	Denmark.	Canada (Official).	South Africa (Official).	Australia (Official)
1914	1000	1000	1000	1000	1000	1000	1000
1924	1584	1640	1451	1700	1515	1328	1641
1925	1546	1600	1567	1440	1564	1317	1605
1926	1475	1480	1451	1070	1525	1272	1594
1927	1403	1440	1442	1060	1490	1280	1581
1928	1417	1412	1485	1140	1469	1242	1560
1929	1413	1353	1411	1120	1456	1197	1569
1930—							
January ..	1413	1254	1293	1070	1458	1105	1496
February ..	1407	1233	1260	1040	1433	..	1457
March ..	1404	1212	1255	1010	1401	..	1433
April ..	1402	1194	1229	1010	1398	1073	1446
May ..	1400	1162	1210	990	1371	..	1465
June ..	1391	1127	1185	970	1341	..	1442
July ..	1383	1111	1173	960	1308	1032	1431
August ..	1399	1085	1171	960	1282	..	1410
September ..	1383	1068	1156	940	1258	..	1333
October ..	1364	1064	1129	920	1241	1022	1287
November ..	1350	1042	1104	..	1219	..	1218

In drawing inferences from the table of wholesale prices in different countries shown above it should be borne in mind that the figures do not indicate the relative levels of prices in the countries shown, but the relative movement in prices in the different countries. A high index number for any one country may not necessarily mean high relative prices at the present time, since it may be caused by a relatively low level of prices in the base year, which is in this case the year 1914. Comparison of the movement in prices in the countries shown is, however, illustrated by the table.

From the above table, it is evident that the trend of wholesale prices has recently been definitely downward. It is difficult to say how far monetary influences have contributed to the fall or to what extent increased competition on the world's markets has been responsible. It is quite evident, however, that some of the important, primary products at least are being sold at a level considerably below costs of production. The "group" wholesale, price index numbers for the United Kingdom compiled by the *Statist* were at the following levels in November, 1930 as compared with 1914 :—

	Per Cent.		Per Cent.
Vegetable food	— 3·6	Minerals	+ 7·0
Animal food	+ 27·4	Textiles	— 13·3
Tea, sugar, coffee	— 11·0	Sundry materials	+ 5·3
Total food	+ 8·9	Total materials	+ 1·0
		Grand total	+ 4·2

The "Animal foods" group includes butter, cheese, and meats, which commodities form a very large proportion of New Zealand exports to the United Kingdom. Prices in this group, although only 27·4 per cent. above the 1914 wholesale-price level in the United Kingdom, compare favourably with the other groups in respect of movement since that year. Textiles show a decrease of 13·3 per cent. since 1914. This group includes cotton and other textile materials besides wool, the decrease in wool being even greater than that in the "textiles" group as a whole.

The monetary influences affecting prices indicate a continuation of prices on a comparatively low level, estimates of future gold-production being considerably below the world's requirements. The monetary factor has been further complicated by the action of the United States and France in accumulating huge gold reserves which are prevented from exercising a monetary function.

Our exports are, however, confined to a comparatively few commodities, and it is quite possible that conditions of supply of these commodities may have a greater influence on the future prices of the narrow selection of commodities which we forward to the world's markets than monetary considerations, which affect all commodities impartially. An instance at the present time of peculiar conditions in the market for a single commodity affecting New Zealand very adversely occurs in the case of wool, which receded in price far below the general level of prices. It is possible that influences affecting supply may place New Zealand in the future in an especially favourable or unfavourable position; and the development of new export industries, such as the pig industry (which was strongly recommended by the Unemployment Committee), would make for safety and stabilization of returns, since we would have a wider range of products to spread out losses which special conditions may cause in any one product.

Inferences drawn from Analysis of Recent Price-movements.

The foregoing analysis of recent price-movements has been somewhat detailed, but, since the collapse in prices has been the main cause of the present distressing unemployment situation,