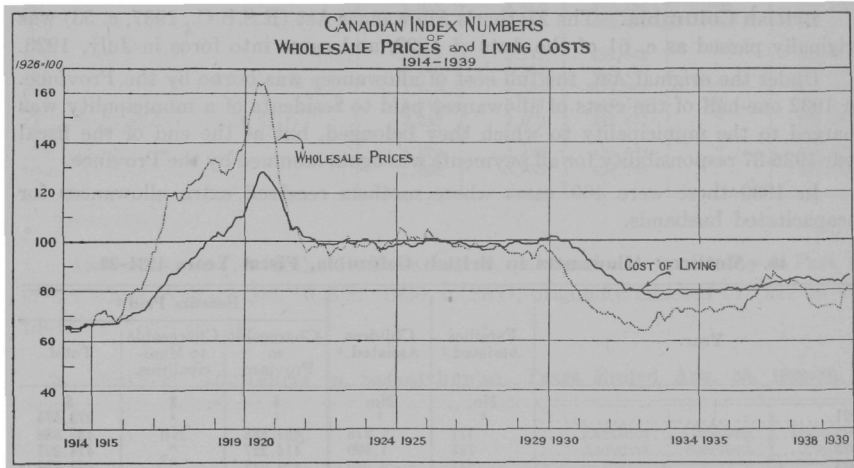


CHAPTER XX.—PRICES.*

CONSPECTUS.

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For purposes of statistical analysis, commodity prices are usually divided into two principal groups, wholesale prices and retail prices. The term 'wholesale' is not used literally, and primary producers', factory, and jobbers' quotations, as well as actual wholesale prices, are often included in this group. Markets in which this type of price is quoted are usually well organized, and frequently very sensitive. They are responsive to changing business and monetary conditions. Wholesale quotations are preferred, therefore, for sensitive index numbers of prices designed to reflect price reactions to economic factors.



Retail prices represent more diffused markets, and are less sensitive. There is ordinarily a lag of several months between this type of quotation and its wholesale counterpart. Retail prices are important from a statistical point of view, however, because they indicate changes in living costs and, along with measurements of income, show fluctuations in the economic well-being of the community.

* Except as otherwise credited, the sections of this chapter have been revised under the direction of Herbert Marshall, B.A., F.S.S., Chief, Internal Trade Branch, Dominion Bureau of Statistics. This Branch compiles and publishes statistics on: Prices (wholesale, retail, securities, bond yields, services, exchange, cost of living), Retail and Wholesale Trade, Foreign Capital Investments in Canada and Canadian Investments Abroad, Balance of International Payments, and other related subjects. For a complete list of the publications of this Branch, see Chapter XXIX, Section I, under "Internal Trade".