

PART IV.—PRICES*

Section 1.—Index Numbers of Wholesale Prices

The term "wholesale prices" refers to transactions that occur below the retail level. It has more of a connotation of bulk purchase and sale than of any homogeneous level of distribution. Wholesale price indexes and individual price series have numerous uses. One of the most important is in escalator contracts which contain a price adjustment clause. Other major uses include: study of replacement and construction costs in investment projects; analysis of price movements of both individual items and commodity groups in relation to purchases and sales; industrial planning and market analysis; valuation for tax purposes and inventory analysis; and study of changes in physical volume. They are also used by business firms abroad in connection with sales and purchases in Canada.

General Wholesale Index.—The general wholesale index mainly includes manufacturers' prices but also incorporates those of wholesalers proper, assemblers of primary products, agents and operators of other types of commercial enterprises which trade in commodities of a type, or in quantities characteristic of primary marketing functions. Prices are grouped according to a commodity classification scheme based on chief component material similarities. Indexes classified according to degree of manufacture are also available. In Table 1, the general wholesale index is presented for the period 1936-63. This index is used as a conventional summary figure against which to observe the behaviour of particular price groups such as farm products, raw materials and building materials, for which separate price indexes have been constructed. Table 2 gives, for the years 1954-63, the general wholesale price index and two of its integral classifications—raw and partly manufactured goods, and fully and chiefly manufactured goods; also presented are two related systems—industrial materials and Canadian farm products. Annual price index numbers of non-residential building materials and residential building materials are given for 1954-63 in Tables 3 and 4, respectively. More specific indexes are published regularly in the DBS monthly publication *Prices and Price Indexes* (Catalogue No. 62-002), which also contains current series on retail and security prices. Vol. 23 of that publication is a historical summary reaching back to the year 1867 for some series.

A system of wholesale price indexes called *Industry Selling Price Indexes 1956=100*, refers exclusively to manufacturing industries and includes approximately 100 industry and 175 commodity indexes. DBS Reference Paper No. 62-515 contains tables, explanatory text, charts and weights relating to these indexes; current indexes are published monthly in *Prices and Price Indexes*.

The general wholesale index rose 1.9 p.c. from 240.0 in 1962 to 244.6 in 1963, continuing the annual increases that began in 1954.

* Prepared in the Prices Division, Dominion Bureau of Statistics.

1.—General Wholesale Index Annual Averages, 1936-63

(1935-39=100)

Year	Average	Year	Average	Year	Average	Year	Average
1936.....	96.8	1943.....	127.9	1950.....	211.2	1957.....	227.4
1937.....	107.7	1944.....	130.6	1951.....	240.2	1958.....	227.8
1938.....	102.0	1945.....	132.1	1952.....	226.0	1959.....	230.6
1939.....	99.2	1946.....	138.9	1953.....	220.7	1960.....	230.9
1940.....	108.0	1947.....	163.3	1954.....	217.0	1961.....	233.3
1941.....	116.4	1948.....	193.4	1955.....	218.9	1962.....	240.0
1942.....	123.0	1949.....	198.3	1956.....	225.6	1963.....	244.6