

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 1938-65. 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 1956-65, 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 indexes of non-residential building materials and residential building materials are given for 1956-65 in Tables 3 and 4, respectively. Indexes at a finer level of detail 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* (Catalogue No. 62-002).

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1.—General Wholesale Index Annual Averages, 1938-65

(1935-39=100)

Year	Average	Year	Average	Year	Average	Year	Average
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
1943	127.9	1950	211.2	1957	227.4	1964	245.4
1944	130.6	1951	240.2	1958	227.8	1965	250.4