

Rents of houses and flats will be collected twice a year, in February and August, from individuals, firms, and State organizations letting houses in the twenty-one towns covered by the index; while an assessment of changes in costs of owner-occupied houses will be made at yearly intervals, taking into account interest on capital, depreciation, repairs and maintenance, rates, and insurance. Further details of the method of compiling the housing index are given in a technical appendix to this report (Appendix D).

C. FUEL AND LIGHTING

39. This group is represented by the following items: coal, coke, firewood, gas, electric current (lighting, heating, and water-heating), and matches. Kerosene, which has become a relatively insignificant item for heating or lighting, has been omitted from this group, as have candles. The weights allotted to each item represent household consumption—*i.e.*, excluding quantities used in hotels, hospitals, and in industry. Prices are collected for each of the twenty-one towns at monthly intervals.

D. CLOTHING, DRAPERY, AND FOOTWEAR

40. In designing the weighting of this group, aggregate national consumption of all clothing, drapery, and footwear items was estimated from statistics of imports, exports, and local production. The values were marked up to retail prices by using the conventional "mark-up" applying to different sections of the trade to convert import, factory door, or workshop values to retail values. Considerable difficulty was experienced in drawing up a representative list of items for which prices could be collected. Purely fashion goods had to be omitted owing to the impossibility of securing standard price quotations for such items. For example, the problem of arriving at a standard definition of a lady's hat completely defeated the Committee and the experts whom we consulted. In the circumstances, we had to omit this item. A reasonably well balanced selection of items was made covering each of the main groups under this heading (see Appendix B). For the purpose of this group we assumed a family consisting of a man, wife, boy fourteen years, girl eight years, and baby under two years; and on this basis, consulting expert opinion, we designed a reasonably standard list of items under each heading, and also estimated the quantity of each item consumed in a year in order to arrive at a properly balanced system of weighting each item. A suitable representation of infants' wear was included. Prices for this group will be collected from ten major towns (Auckland, Wellington, Christchurch, Dunedin, Hamilton, Napier, New Plymouth, Palmerston North, Nelson, and Invercargill). The collection will be made at quarterly intervals (in February, May, August, and November). The desirability of securing a proper balance between locally produced and imported items in the list of goods priced has been given particular attention in this group.

E. MISCELLANEOUS ITEMS

41. The coverage of this group is very much greater than has been attempted before in a New Zealand prices index. The group has been subdivided into the following sub-groups:—

- (a) Household durable goods.
- (b) Other commodities (including cleaning supplies, personal requisites, educational and cultural requirements, patent medicines, baby-foods, tobacco and cigarettes).
- (c) Services (transport, postage and telegrams, entertainment, personal services, health services outside social security, union dues).