

SUMMARIES OF FINDINGS.

CHAPTER I.—THE COST OF LIVING IN NEW ZEALAND.

Question 1: Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten than during the previous ten years?

1. The difficulties involved in defining the term "cost of living" are described.
2. Definition of "cost of living" and "standard of living."
3. Enumeration of the goods that constitute necessities.
4. General method of measuring changes in the cost of living.
5. Description of the available information necessary before we can measure the extent of the change in the cost of living, and classification of such information as it exists in New Zealand.
6. The leading principles to be observed in combining and interpreting this information.
7. Description of the method of obtaining index numbers and of their uses, both of wholesale and retail prices.
8. The relative importance of the different commodities in the consumption of the people.
9. Description of the method of making up a representative or standard budget of consumption and estimating its total cost at the prices of different years.
10. A summary of McIlraith's Index Number of Wholesale Prices for New Zealand from 1861 to 1910.
11. Index of wholesale food-prices in New Zealand, 1890–1911. There is a rise of 20 per cent. between the triennial period 1894–96 and the year 1911. The rise has been more marked after 1901 than before. Since 1901 the rise has been 15 per cent. The rise would have been slightly greater but for the remission of certain import duties. Comparing 1894–98 with 1906–10 we find that the following important foodstuffs rose higher than the average level of prices: wheat, barley, beef, mutton, lamb, bacon, butter, and cheese—some of them very much higher. Tea, coffee, flour, and oats rose less than the average. Only sugar, rice, and currants fell.
12. The increase in the cost of living as measured by changes in these important foodstuffs is estimated to be 21 per cent. during the last seventeen years. In arriving at this result the commodities have been weighted according to their relative importance in consumption. If we take the years 1911 and 1912 into account, the rise will exceed 21 per cent. If retail prices are taken into account instead of wholesale and other items in consumption besides food, the cost of living in Auckland from 1904–6 to 1910 increased about 23 per cent. A similar comparison for Christchurch based on retail prices of food only between 1904–5 and 1910–11 shows an increase of 20 per cent. The cost of living as measured by rent and food has increased at a more rapid rate during the last fifteen years in Auckland than in Christchurch.
13. After analysis of the evidence tendered to it, and as far as possible making allowance for the change in the quality of the articles consumed, especially house-room, and for the fact that the "living" whose cost is measured is living at a uniform standard throughout the period, the Commission finds that the cost of living over the whole Dominion between the middle and later nineties and the present day must have increased by at least 16 per cent.; but the decrease in the size of the average family since the beginning of the period and the higher average income of the period must have tended to diminish the proportion which food is of the total expenditure, and therefore to reduce the real rise to a little below that figure. Again, it is to be noticed that the influence of the rise in the standard of comfort has carefully been eliminated in arriving at this estimate.