

55. The number of towns which we recommend should be covered is twenty-one (see Appendix C) spread over the whole country and adequately representing all urban localities. The New Zealand index will represent an average of indices for these towns weighted according to population.

56. The Committee has noted with satisfaction that the Government has approved the appointment of a small price-collection staff. Great care is essential to ensure that the goods and services priced are truly representative of the buying habits of the people. This involves careful specification of the items priced and continuous supervision of the process of price-collection. Important changes in the quality of commodities priced should be taken into account.

57. We recommend that monthly index numbers should be compiled and published for the food and fuel and lighting groups; and quarterly index numbers for all groups combined.

58. The base period of the new index should be the first quarter of 1949.

CHAPTER 12—CONCLUSION

59. The essential purpose served by price indices is to shed light on the interplay of complex economic forces. Index numbers of wholesale prices, import and export prices, producers' prices, &c., all view the subject from different aspects. Most important, however, from the point of view of the general public are the changes which occur in the prices of the goods and services which enter into normal family expenditure. These are the prices which affect virtually every one. Therefore, there is an obvious need for a reliable indicator of changes in prices of this kind, and the Committee has tried to design an index which will meet this need as effectively as is technically possible. We have laid great emphasis on the need for continuing careful supervision of price-collection, since the effectiveness of the new index as a measure of retail-price changes will depend in greater measure on the accuracy with which prices are recorded than on the technical design of the index.

60. The Committee has taken into account the recommendations of the Sixth International Conference of Labour Statisticians, convened by the International Labour Office in August, 1947; and, in making our recommendations, we have had due regard to the expert advice contained in the resolutions of that Conference.

61. We feel confident that the proposed index will afford an accurate indication of changes in prices as they affect consumers in the post-war period. As such, its sphere of usefulness in relation to such problems as the relationship between wages and prices, anti-inflation measures, the impact of price changes in New Zealand and overseas on our economy, and a host of other social and economic problems needs no emphasis.

F. P. WALSH, Chairman.

K. McL. BAXTER, Member.

W. A. FOX, Member.

E. C. FUSSELL, Member.

M. J. MORLARTY, Member.

G. E. WOOD, Member.