

7. A list of the groups of commodities and services to be covered by the proposed index is shown in Appendix A. A summarized statement indicating the main groups of commodities and services covered is as follows:—

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| <p>1. Food—<br/>         Meat and fish.<br/>         Fruits, vegetables, and eggs.<br/>         Other Foods—<br/>           Dairy-produce.<br/>           Cereals.<br/>           Other groceries.<br/>           Meals away from home.<br/>           Drinks and sweets.</p> <p>2. Housing—<br/>         Rented houses.<br/>         Flats.<br/>         Owner-occupied houses.</p> <p>3. Fuel and Lighting—<br/>         Coal.<br/>         Electricity.<br/>         Gas.<br/>         Firewood, coke, &amp;c.</p> <p>4. Clothing and Footwear—<br/>         (a) Clothing—<br/>           Men's.<br/>           Women's.<br/>           Boys'.<br/>           Girls'.<br/>           Babies'.</p> | <p>4. Clothing and Footwear—<i>continued</i><br/>         (b) Footwear—<br/>           Men's.<br/>           Women's.<br/>           Boys'.<br/>           Girls'.<br/>           Babies'.</p> <p>5. Miscellaneous—<br/>         (a) Household Durable Goods—<br/>           Furniture and floor coverings.<br/>           Household drapery.<br/>           Hardware, crockery, &amp;c.<br/>           Household appliances.<br/>           Perambulator, baby's cot.</p> <p>  (b) Other Commodities—<br/>           Cleaning supplies.<br/>           Personal requisites.<br/>           Educational and cultural.<br/>           Medicines and baby foods.<br/>           Tobacco and cigarettes.</p> <p>  (c) Services—<br/>           Transport.<br/>           Postage and telegrams.<br/>           Entertainments.<br/>           Union dues.<br/>           Health services.<br/>           Personal services.</p> |
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8. As will be apparent from the above summarized list, the Committee has endeavoured to make the index fully representative of normal living-expenses in the average New Zealand home. Reference to the detailed list of groups of commodities and services covered (Appendix A) and the list of goods and services priced (Appendix B) will show that, under the various main headings, conventional necessities such as ice-cream, sweets, and cosmetics have not been overlooked; while the household amenities of modern living are represented by such items as radios, vacuum cleaners, washing-machines, &c. Entertainments, personal services, and health services outside social security have all been taken into account.

9. Certain groups of personal expenditure cannot be adequately represented in a consumers' price index, either because consumption varies so much as between different families that no standard system of weighting can be devised, or—more usually—because pricing is impossible. For example, in many index numbers fruits and vegetables, though important in the diet, are only poorly represented. As will be shown later, it is proposed to represent this group adequately in the new index, despite the technical difficulties involved; but we have excluded the following groups, where expenditure varies widely and "pricing" is difficult:—

- (a) Contributions to charity, gifts, and Church subscriptions. It is obviously impossible to "price" these items, since expenditure will vary widely as between different families and in differing circumstances.
- (b) Holiday expenditure is only partly represented in the index by such items as fares (rail, bus, and taxi), meals away from home, and entertainments.
- (c) Domestic help is excluded as being a relatively small item in the average urban home, though, in particular circumstances, this item may be important. It is partly represented by certain items—*e.g.*, laundering.
- (d) Private telephone. This item was excluded as being a relatively small item in average urban household living-costs.