

## Section 2.—Retail Prices of Commodities.

Collection of data and calculation of index numbers of retail prices and the cost of living are carried out in co-operation by the Dominion Bureau of Statistics (Department of Trade and Commerce) and the Department of Labour. Resultant series of index numbers are computed from different points of view. The computations of the Labour Department are designed to show changes in the cost of living for workingmen in cities. They are constructed from family budgets, principally a weekly family budget of staple foods, fuel and rent published monthly in the *Labour Gazette* since 1915 and annually since 1911; in addition, figures are included for clothing and sundry items and further data for fuel, light and rent. The Labour Department aims by this method to have a basis for computation that can be readily applied to the data for any given locality or district at any time, or for any class of labour, for instance, coal miners, who usually do not live in cities. Index numbers of retail prices and costs of living issued by the Bureau are constructed from a more general point of view, having for their object the measurement of the general movement of such prices and costs in the Dominion as a whole, and being so calculated as to make comparisons possible with other general index numbers constructed on similar principles, for example, the index of wholesale prices. Calculated as they are on the aggregative principle, *i.e.*, the total consumption of each commodity, the Bureau's index numbers afford an excellent measurement of changes in the average cost of living in the Dominion as distinguished from that of any particular class or section.

In the Bureau's index 1926 is taken as the base year and is represented by 100 to bring it into conformity with other series of index numbers shown in this report. A description of the system of weighting of individual items, sub-groups and groups, and of the method of construction of this index number was given at pp. 812-8 of the 1931 Year Book. The Labour Department uses 1913 as 100 for both cost of living and wages index numbers. As will be seen from Table 7, the general cost of living declined appreciably during 1931, the annual index for that year being 89.6 as compared with 99.2 for 1930. The fall in the food index from 89.1 to 71.2 between January and December (inclusive), 1931, and the drop in the clothing index from 88.3 to 76.4, were the factors chiefly responsible for the decline. Rentals, however, reacted, after reaching a peak in 1930, to fall from 105.5 to 99.3 during the year. Changes in the fuel and sundries indexes were of minor proportions.

7.—Index Numbers of Canadian Retail Prices, 1914-31, Changed to New Base, 1926=100.

Year.	Food Index.	Fuel Index.	Rent Index.	Clothing Index.	Sundries Index.	Total Index.
1914.	68.9	64.5	62.2	63.9	66.2	66.0
1915.	69.5	63.2	60.3	69.6	66.9	67.3
1916.	77.5	64.5	60.9	79.7	70.2	72.5
1917.	100.0	71.7	65.4	93.7	76.8	85.6
1918.	114.6	78.9	69.2	109.5	83.1	97.4
1919.	122.5	85.2	75.6	125.9	95.4	107.2
1920.	141.1	102.6	86.5	153.2	104.0	124.2
1921.	107.9	109.2	94.2	124.7	108.0	109.2
1922.	91.4	104.6	98.1	105.7	106.0	100.0
1923.	82.1	104.6	100.6	104.4	105.3	100.0
1924.	90.7	102.0	101.3	101.9	103.3	98.0
1925.	94.7	100.0	101.3	101.9	101.3	99.3
1926.	100.0	100.0	100.0	100.0	100.0	100.0
1927.	98.1	97.9	98.8	97.5	99.1	98.4
1928.	98.6	96.9	101.2	97.4	98.8	98.9
1929.	101.0	96.4	103.3	96.9	99.0	99.9
1930.	98.6	95.7	105.9	93.9	99.4	99.2
1931.	77.3	94.6	103.0	82.2	97.4	89.6