

Concern regarding items in the index budget has been paralleled by efforts to make certain of the accuracy of price records used to calculate the budget cost. Close and continued scrutiny of retail price returns, which the Dominion Bureau of Statistics receives from its 2,000 price correspondents, has produced the belief that price reporting has been honest and that price returns are accurate. However, to remove all doubt on this point, several cost-of-living representatives have been assigned to important distributing centres across the Dominion. It is their duty to check price returns used in compiling the cost-of-living index, and to watch particularly for evidence of quality deterioration in goods for which prices are reported. It has been the Bureau's practice for many years to consider deterioration in quality as equivalent to a rise in price.

There is a tendency to think only of foods when considering the cost of living. The index shows a war-time rise of 33.6 p.c. in food prices to December, 1943, although this percentage would be higher if it were not for prices of bread and milk, which are still close to pre-war levels. As bread and milk have served as a damper on rising food costs, so have rents and miscellaneous items retarded the advance in total living costs. The miscellaneous group, despite its name, is very important, since it includes costs of health maintenance, transportation, personal care, recreation and life insurance. Due to rent control, the war-time rise in rents has amounted to only 7.8 p.c., while the miscellaneous index has risen 7.2 p.c. Considered together these two groups are more important than foods. If they had advanced by the same amount as foods, that is by 33.6 p.c., the December, 1943, cost-of-living index would be 29.4 p.c. above the pre-war level instead of 18.4 p.c.

**Cost of Living in 1942 and 1943.**—The effect of price control was clearly apparent in cost-of-living movements during 1942. The cost-of-living index advanced only 3.0 points during the year as compared with 7.8 points in 1941. The 1942 rise was due almost entirely to higher food prices. Subsidies at the retail price level on milk, butter, tea, coffee, and oranges were mainly responsible for a decline of 1.7 points in the index between December, 1942, and January, 1943, but this decrease was followed by a rise from February to September, 1943, which advanced the index 2.5 points. There was little change in the final quarter, with the December index showing a net rise of 0.5 points and a war-time increase of 18.4 p.c.

### 3.—Index Numbers of Living Costs in Canada, 1929-43, and by Months, January, 1942, to April, 1944

(1935-39=100)

| Year | Food Index | Fuel Index | Rent Index | Clothing Index | Home Furnishings and Services Index | Miscellaneous Index | Total Index |
|------|------------|------------|------------|----------------|-------------------------------------|---------------------|-------------|
| 1929 | 134.7      | 112.6      | 119.7      | 134.8          |                                     | 105.0               | 121.7       |
| 1930 | 131.5      | 111.8      | 122.7      | 130.6          |                                     | 105.4               | 120.8       |
| 1931 | 103.1      | 110.0      | 119.4      | 114.3          |                                     | 103.3               | 109.1       |
| 1932 | 85.7       | 106.8      | 109.7      | 100.6          |                                     | 100.4               | 99.0        |
| 1933 | 84.9       | 102.5      | 98.6       | 93.3           |                                     | 98.2                | 94.4        |
| 1934 | 92.7       | 102.1      | 93.1       | 97.1           |                                     | 97.8                | 95.6        |
| 1935 | 94.6       | 100.9      | 94.0       | 97.6           | 95.4                                | 98.7                | 96.2        |
| 1936 | 97.8       | 101.5      | 96.1       | 99.3           | 97.2                                | 99.1                | 98.1        |
| 1937 | 103.2      | 98.9       | 99.7       | 101.4          | 101.5                               | 100.1               | 101.2       |
| 1938 | 103.8      | 97.7       | 103.1      | 100.9          | 102.4                               | 101.2               | 102.2       |
| 1939 | 100.6      | 101.2      | 103.8      | 100.7          | 101.4                               | 101.4               | 101.5       |
| 1940 | 105.6      | 107.1      | 106.3      | 109.2          | 107.2                               | 102.3               | 105.6       |
| 1941 | 116.1      | 110.3      | 109.4      | 116.1          | 113.8                               | 105.1               | 111.7       |