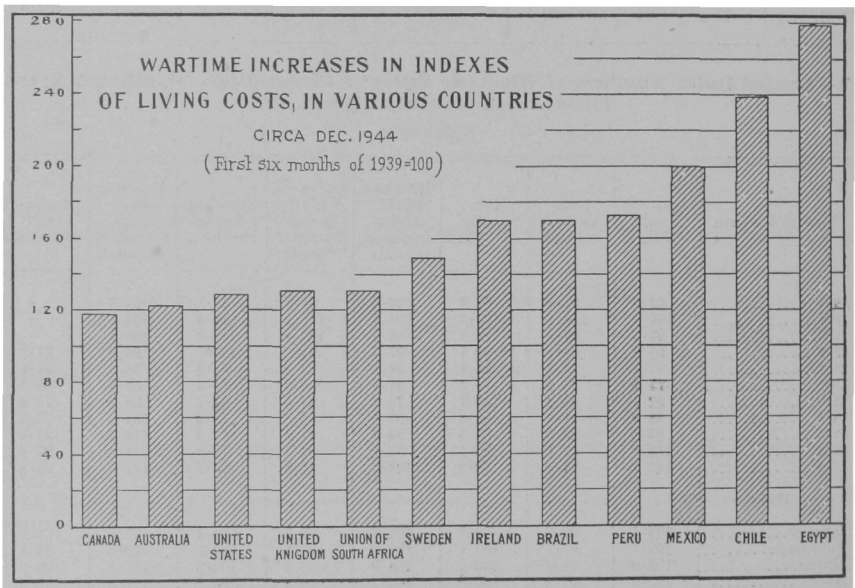


in a fixed budget covering retail prices of commodities, services and shelter costs based upon the expenditure experience of 1,439 urban wage-earner families in the year ended Sept. 30, 1938. The record completed by these families was especially designed to provide budget data necessary for the accurate compilation of a cost-of-living index. It must be kept in mind, however, that this index reflects changes in the cost of the same level of living from month to month and year to year. No account has been taken of shifting planes of living because of changes in economic circumstances, e.g., variations in income or direct taxation, or because of changing ages or variation in numbers of persons in the family. The basis of selecting families for the 1938 expenditure survey has been described in the 1941 Year Book at p. 723. Fuller particulars of the methodology employed and a summary of the results of the Nutrition and Family Living Expenditures Investigation are given at pp. 819-821 in the 1940 Year Book. The detailed findings appear in a report entitled "Family Income and Expenditure in Canada, 1937-38".



The cost-of-living index budget does not represent a minimum standard of living, it is a budget based upon actual living expenditure records of typical wage-earner families.

It is important to remember that the index measures changes in the costs of the same level of living from month to month and year to year. The significance of this is at once apparent after comparing the rise in the index during the three and one-half years ended June, 1944, with the rise in average weekly earnings of industrial workers. In that period the cost-of-living index has risen barely 2 p.c., while the average weekly wage received by workers in eight leading industries has advanced by more than 27 p.c. Greater earnings have been reflected in greater