

seem to represent an implicit standard. In fact, Hindle, in a recent article, used as poverty lines the minimum annual budgetary requirements for various sizes of families set out under Ontario's *General Welfare Assistance Act*.¹⁸

While Canada has no official poverty lines, both Statistics Canada and the Economic Council of Canada have adopted lines developed in 1965 by Miss J. R. Podoluk of the Consumer Finance Research Section of Statistics Canada. The poverty lines she devised are of the budget-oriented type. Like Orshansky, Podoluk used as her starting point a modified version of Engel's law of consumption. As did Engel and Orshansky, she measured the well-being of families by the discretionary income left after expenditures on "basic necessities." An examination of data derived from the *Family Expenditure Survey* (1959), revealed that, on average, families of different sizes and incomes allocated about half their incomes for buying shelter, food, and clothing. She went on to write:

It has been assumed that where expenditures on these components were well above average, and accounted for 70 per cent or more of family income available, these families might have difficulty in managing to meet all of their needs out of their incomes. . . .¹⁹

Translating this "rule-of-thumb" into dollar terms, she found that in 1961 unattached individuals, with incomes below \$1,500; a family of two with less than \$2,500; and families of 3, 4, 5, or more, with less than \$3,000, \$3,500 or \$4,000, respectively, spent more than 70 per cent of their incomes on basic necessities. Family units with incomes at or below these poverty-line income-levels in 1961 were considered poor. Using this criterion the poverty rate for 1961 was about 25 per cent.

These poverty lines were rounded somewhat and indicated a definite relationship between family size and assumed income needs. For instance, the poverty line for an unattached person (\$1,500) was exactly half that for a family of three (\$3,000). Similar relationships existed between other family sizes and their respective income-need levels. As these poverty lines have been adjusted uniformly in terms of increases in the Consumer Price Index, these relationships still hold, although the figures themselves have changed. That is, the poverty line for an unattached person in 1969 (\$1,894) is still exactly half of that for a family of three (\$3,788).

The poverty lines determined by Podoluk were very close to those of Orshansky. This is not surprising, considering the similarity of their methods. The basic difference was that Podoluk used existing spending patterns rather than food studies and surveys. Many of the criticisms levelled at the poverty line developed by Podoluk have been on the grounds that it is primarily budget-oriented, and thus subject to the pitfalls of such an approach.

Probably the most obvious criticism relates to the choice of 70 per cent or more of income spent on food, clothing, and shelter as the criterion of poverty. The 70-per-cent figure is arbitrary, no more "correct" than a 60- or 80-per-cent criterion. The 70-per-cent criterion resulted in a "reasonable" poverty rate of 25 per cent in 1961. Had 60 per cent of income on necessities