

COST OF LIVING AND WAGES

According to cabled messages, a report of the Imperial Board of Trade, just issued, shows a large increase in the cost of living and a comparatively small gain in wages. Workers have to pay seven per cent. more now for the necessities of life than they did seven years ago, and there has been no increase of income to offset the advance.

The latest report on wholesale prices in Canada for the year 1912 by Mr. R. H. Coats, of the Department of Labor, shows that conditions are little better in Canada. At any rate, this is the case in the matter of cost of living. The general depression in 1907 did not have the lowering effect on the cost of living that it had on general business. The figures presented by Mr. Coats, who has made a special study of the subject, also show that during the past year the steeply upward trend of the weighted line in his charts may be regarded as reflecting the serious aspect of the rise.

From a cost of living standpoint a better criterion is afforded by retail prices—those paid for small quantities to the ultimate middleman—of articles entering largely into domestic consumption. Since the beginning of 1910, the Department of Labor at Ottawa has secured on the fifteenth of each month from its fifty correspondents a return showing the current retail prices of twenty-eight articles which enter prominently into cost of living, together with a statement in each case as to the prevailing rental for a representative workingman's dwelling of the better class, with and without sanitary conveniences. It is thought that probably 80 per cent. of the expenditures of the ordinary family are represented in these returns, while the localities selected are the most important industrially in the several provinces. The prices on the first of each quarter in the years 1910, 1911 and 1912, reported in this way to the department have been averaged and the results are tabulated below. It will be seen from these statistics that the general trend of retail prices was strongly upward in 1912. The most satisfactory way of estimating the total effect of these changes is to work out a family weekly budget in the terms of the average prices for the several years. Here are typical weekly expenditures on staple foods, fuel, lighting and rentals for a family of five with an income of \$800 per year, for the years 1910, 1911 and 1912:—

Commodity.	Quantity.	Cost,		
		1910.	1911.	1912.
		c.	c.	c.
Beef, sirloin steak	2 lb.	36.8	39.8	41.8
Beef, chuck roast	2 "	25.4	26.6	28.0
Veal, forequarter	1 "	12.2	13.1	14.3
Mutton, roast, hindquarter	1 "	15.8	16.8	17.9
Pork, roasting, fresh	1 "	17.8	17.4	17.5
Pork, salt	2 "	34.4	32.4	33.0
Bacon, best, smoked	1 "	23.5	22.9	23.1
Lard, pure leaf	2 "	39.8	36.0	36.2
Eggs, fresh	1 doz.	30.8	32.1	33.4
Eggs, packed	1 "	28.3	27.2	30.4
Milk	6 qts.	44.4	46.8	49.8
Butter, dairy, tub	2 lb.	52.4	53.4	59.2
Butter, creamery prints	1 "	31.1	32.0	34.8
Cheese, Canadian, old	1 "	17.5	18.6	21.0
Cheese, Canadian, new	1 "	17.0	17.5	19.6
Bread, plain white	15 "	64.1	64.5	61.5
Flour, ordinary family	10 "	32.0	33.0	33.0
Rolled oats	5 "	21.5	21.5	22.0
Rice, good medium	2 "	10.4	10.6	11.4
Beans, handpicked	2 "	10.0	10.6	11.4
Apples, evaporated	1 "	11.8	13.0	13.6
Prunes, medium quality	1 "	11.8	12.1	13.0
Sugar, granulated	4 "	24.0	24.0	26.0
Sugar, yellow	2 "	10.8	10.8	12.0
Tea, black	¼ "	6.2	6.2	7.5
Tea, green	¼ "	7.5	7.5	7.5
Coffee	¼ "	8.7	8.7	9.4

Commodity.	Quantity.	Cost,		
		1910.	1911.	1912.
		c.	c.	c.
Potatoes	2 pks.	28.2	47.1	51.6
Vinegar, white wine	¾ pt.	.7	.7	.8
All foods		\$6.749	\$7.009	\$7.407
Starch, laundry	¼ lb.	3.1	3.1	3.2
Coal, anthracite	1/16 ton.	39.7	41.0	51.1
Coal, bituminous	1/16 "	34.4	35.5	36.7
Wood, hard, best	1/16 cord.	41.2	43.0	42.1
Wood, soft	1/16 "	25.5	30.7	30.1
Coal oil	1 gall.	24.3	23.2	22.7
Fuel and lighting		\$1.651	\$1.734	\$1.827
Rent		3.810	4.120	4.372
Grand total		12.241	12.894	13.638

It will be seen that a weekly budget which would have cost \$12.24 in 1910, cost \$12.89 in 1911, and \$13.63 in 1912. The increase in 1911 over 1910 was 6.1 per cent., and in 1912 over 1911, 5.8 per cent., amounting to 63 cents in 1911 and to 74 cents in 1912.

An interesting side-light is thrown on the price movement of 1912 by noting the number of articles which showed increases or decreases in average price or remained unchanged compared with 1911. Altogether, 287 articles are available in the present report and its predecessor for such a comparison. Of this total, 180 showed increases, 55 showed declines, while 52 were unchanged. In other words, 63 per cent. of the number advanced, 19 per cent. declined, and 18 per cent. remained the same. In a similar list last year, only 45 per cent. advanced, while 30 per cent. declined and 25 per cent. were stationary.

These results are obtained by the Ottawa statisticians with what may be considered a very modest basis of calculation. The weekly cost of living for the average family of five probably looked more formidable than thirteen dollars and sixty-three cents.

The two features of the British report, are that the rise in the cost of living has been world-wide and greatest in Canada. The gain has been greater in foreign countries, with the exception of France, than in Great Britain. The greatest increase has been in Canada, Austria-Hungary, the United States, and Japan. Since 1900 the rise in Austria-Hungary has been 35 per cent.; Belgium, 32 per cent.; Germany, 30 per cent.; Italy, 20 per cent. In the same period the British and French rise has been only 15 per cent. Canada heads the list with a rise of 51 per cent. Australia and New Zealand show comparatively modest rises of 16 per cent. The increase in Canada, in fact, is the largest for any part of the world.

The compilers of the report admit that they have had difficulty in bringing together diverse figures and values from all parts of the empire into a general comparison. Their conclusions, however, if not absolutely reliable, are none the less interesting.

For instance, taking 100 as an index number, we find the following changes in the level of food prices since 1900:—

	1900.	1905.	1912.
United Kingdom	100	103	115
France	100	97	115
Germany	100	114	130
United States	100	113	...
Canada	100	111	151
Australia	100	101	116
New Zealand	100	107	116

As regards changes in the cost of housing and clothing, the information available is too limited and fragmentary to admit of international comparison.