

accurately the change in price of the whole carcass, similarly, prices for a few items of rayon, wool, or cotton apparel will measure changes for similar garments of these materials.

To achieve an over-all measure of price changes a double system of weights is used. First, the price of every item in the index is multiplied by the quantity which the budget survey showed was actually consumed by the average urban wage-earner family. For example, the weight for bread is 12.1 pounds weekly, bacon .7 pounds and milk 10.5 quarts. Then to allow for the fact that the basket does not contain all commodities used, the index for each group of representative items is multiplied by a figure which represents the proportion of total expenditure for each group as shown in the survey. For example, the index for the food group is multiplied by 31, clothing by 12, etc. Thus each of the six groups exerts its correct influence on the general index.

Several bulletins have been issued by the bureau which give a fuller account of the methods used. A file of these is available as an exhibit.

The cost-of-living index is derived from 65,000 individual price quotations obtained each month from all over Canada. A field staff of prices representatives is maintained to check prices and also the quality of the merchandise which is priced in representative distributing centres across the dominion.

Cost-of-living trends are shown in percentage figures rather than dollar and cent totals for several reasons.

1. Because people tend to consider dollar figures to represent either (1) a necessary minimum living allowance, or (2) an amount necessary to cover a budget based on estimates of scientific nutrition requirements and other living needs. The index budget is neither of these; it represents purchases actually reported by representative wage-earner families. Moreover, a cost-of-living index showing amounts would have to take account of different standards. A series of different index numbers would be required to represent the various income sectors of the population. The experience of the bureau indicates that if such a series of cost-of-living indexes was available the over-all price trends in each would be closely similar to that shown by our cost-of-living index for urban wage-earner families.

WHOLESALE PRICE INDEX

The bureau's wholesale price index includes approximately 500 commodities. Like the cost-of-living index it is a representative list and has the double system of weighting by each item and by groups. The weights are derived from the quantities marketed in the base year. It is classified into eight main groups and many subgroups.

INDEX OF THE PRICE OF COMMODITIES AND SERVICES USED BY FARMERS

The third index series relates to the prices of commodities and services used by farmers, including equipment and materials, tax and interest rates, farm wage rates and farm family living costs. A full description is available in a bulletin included in the exhibits.

INDEX OF PRICES OF AGRICULTURAL PRODUCTS ON THE FARM

The fourth series is based on prices of agricultural products at the farm. It is designed to measure the monthly percentage change in the over-all level of prices received by farmers at the farm for their products. It differs from the wholesale price index numbers of Canadian farm products in that it measures the relative change in the prices which are actually received by the farmer for his