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they cannot be a reliable basis for the adjustment of wages; and, moreover, that the methods of compiling and computing the indexes are theoretical and impractical and do not accurately reflect actual conditions into present standard of living of Canadian workmen. Their statements are supported by references to International Conferences, held at Geneva in 1929 and in 1930 under the auspices of the Social Science Research Council composed of seven national associations in the field of the social sciences, in which leading statisticians and economists of six countries, including Canada, participated either in person or through the medium of memoranda. In the course of these conferences, the following resolution was adopted:

"In view of the fact that international comparisons of cost of living, which are the bases of all international real wage comparisons, are defective, because of the lack in various countries of adequate recent comparable budget studies, the Committee recommends that the various countries which have not made family budget enquiries within the last five years be requested to make a new and comprehensive study of the budgets of working class families; to conduct these enquiries as soon as possible (and not later than the end of 1932) and to take account of the studies of these subjects issued by the International Labor Office and recommendations made by the several conferences of Labour Statisticians."

It was further pointed out that based on the review of existing cost of living material in the six countries studied, namely, Great Britain, Canada, France, Italy, Germany and the United States, they arrived at the following conclusions which are found in the report of the conferences:

"The section dealing with the cost of living indices shows the same variety of methods from one country to another. To some degree this is only to be expected since habits of consumption vary greatly and the methods of compilation of statistics will necessarily reflect this. The outstanding fact, however, in these six countries, is that the actual methods of weighting the different items included are not based upon recent and detailed studies of the consumption habits of the working classes but upon estimates which are centered around fragmentary and often out-of-date budget investigations.

In the United Kingdom the results of a 1904 inquiry and in the United States those of a 1918 inquiry are still utilized. In Germany the present weighting is a theoretical modification of 1907 conditions. <u>In Canada there is little exact information of family budgets</u>. In Italy again, the weights are largely theoretical and the continuous indices 1921-31 relate only to individual cities. In France the cost of living index for Paris is the most reliable but

> W.L.M. King Papers, Memoranda and Notes, 1933-1939 (M.G. 26, J 4, volume 204, pages C140880-C141315)

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