The final step in determining the "value" of the average living standard for the base year of 1969 is to divide the total disposable income ($43,159,746,000) by the total number of F.S.E.P.s (38,318,000). The result is $1,126. This figure represents only an approximation of the average per-capita living standard for the base year of 1969. It has meaning only as an adjustment mechanism, to be used in conjunction with the similarly derived average living standard for any other year in order to determine the poverty lines for that year. An example of this adjustment process follows.

Using the appropriate data for 1967, the value of the average living standard in that year was $973. The adjustment "formula" is the ratio of the 1967 average living standard to the 1969 average living standard multiplied by the base year F.S.E.P. of $500. This formula appears as:

$$\frac{\text{Value of average living standard in 1967}}{\text{Value of average living standard in 1969}} \times \text{base year F.S.E.P.}$$

Substituting the appropriate figures into this formula produces:

$$\frac{\$973}{\$1,126} \times \$500 = \$432$$

The income-guarantee levels for families of various size are then determined by multiplying $432 by the number of F.S.E.P.s assigned to any particular family size. The income-guarantee level for a family of two, for instance, would be 5 (the number of F.S.E.P.s for that family size) times $432, or $2,160. Similarly, for a family of four, the income guaranteed level would be $(7 \times \$432=)$ $3,020. It must be emphasized that this $3,020 for a family of four is not the poverty line but 70 per cent of the poverty line. Table A 6 shows both the income-guarantee levels and poverty lines by family size for the year 1967.

The change in these poverty lines through time overcomes one of the most serious criticisms levelled at the Statistics Canada/E.C.C. lines. As pointed out earlier, the Statistics Canada/E.C.C. lines rose by 26.2 per cent between 1961 and 1969. In the same period, however, the average standard of living as reflected by average annual incomes rose by 66.9 per cent for all families (64.1 per cent for all families and unattached individuals). The Senate Committee's poverty lines increased by 66.1 per cent during this period, so that they kept pace with the rise in average income and, unlike Statistics Canada/E.C.C. lines, will not become obsolete.

Table A 7 shows the poverty lines by family size for selected years using the above method. In each case, the income-guarantee level would be 70 per cent of the amount shown. Also, although data for 1970 are not available, an estimate for that year is included.

It is worthy of note that the resulting poverty lines, although not calculated on the basis of relative incomes, represent at least 50 per cent of the average disposable income for each size of family.