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THE phrase "Standard of Living" sometimes may not mean very much in making comparisons because standards are so varied as between countries, sections of a country, individuals, and periods of time. The object of this article is to come as close to a non-technical appraisal as is possible, to indicate the way in which standards are improving, and to scan the future.

In primitive times it was sufficient for human beings to get enough to eat, even of the most coarse food, and skins of animals to provide shelter. This condition has improved, century by century, until in addition to subsistence there are required comfort and ease, happiness and spiritual well-being.

Disregarding the inconveniences and hardships of pioneer times, when families living in isolation produced their own food, clothing, and other needs, there are unthinking people who urge today that we should return to the "happy times", but even if a large number desired it, history does not run backwards. Muscular toil has been replaced by the energy from coal, oil and electric power; we have become accustomed to automobiles, radios, refrigerators and bathtubs, placing us far ahead in living standards of the spinning wheel, hand churn, and ox-team farming. People now count as necessities for their way of life an amount, quality and variety of goods that would have amazed the nobles of a few score years ago. The great bulk of things consumed by today's people are not made in the home, and efforts are concentrated on earning money with which to buy the goods they need. Even farmers are no longer occupied in making a living but in raising crops which they sell for cash with which to buy a living.

Problems have arisen with the advances. Supposing that the advent of the machine as a substitute for hand work makes it possible for one man to produce the necessities for four men, then there are only three courses which may be followed: all four men may con-

tinue producing, but working only a quarter as many hours; the displaced three may turn to new work, producing more and better goods; or the three may do nothing. All of these have been tried since the steam engine ushered in the new system. The first may mean higher prices and lower incomes; the third, even if it were practicable, would be demoralizing for those with nothing to do. Out of the second there comes progress and a higher standard of living for all four.

On the whole, the past is clear and the future bright. Imagine an historical museum in which the exhibits of man's progress in making tools, house furnishings, means of transportation, books, and all else that enters into maintaining life and extending its comforts, divided into rooms each containing the exhibits of a century. Every succeeding room would be larger, because of the increase in variety of goods devised and made as men progressed; corresponding articles in various rooms would show improvement century by century, or early items would be replaced by entirely different articles which served their purpose better. The advancement in the past was based upon the fact that as engines exercised more energy, and men less, the men marched on to new occupations and new discoveries. There is no reason why this progress should not continue, and it must be remembered that every advance in the standard of living of even the most humble family helps the broad economic situation.

Even the humblest improvement, however, cannot be achieved by such simple devices as those inaugurated by the dictatorships, like ordering employers to pay higher wages without increasing prices, or by forcibly withdrawing money, bonds and goods from one section and handing them to another. Wages of agricultural workers, for instance, cannot be raised arbitrarily 25 per cent without starting a train of events which might actually increase strain in a much

wider field, and depress the general standard of living instead of raising it. Those who attempt to plan and manage improvements must know how changes will affect all the economy.

In describing and measuring standards of living, family income is more significant than individual income, because a standard of living is a family matter, including as it does the kind of things customarily enjoyed by families in that class. Some will be looked upon as necessities, others as comforts, and still others as luxuries. The standard will rise as there is improvement in the quality of necessities, or increase in the quantity of comforts and luxuries which add to the contentment of the family. Normally, the standard of living best for a family is one which encourages healthy growth of its members in physical, mental and moral qualities, and leads to a higher type of life. An ideal standard would include features designed to enlarge the aesthetic and spiritual sides of man's nature. It will be seen that there is more to a standard of living than the mere actual level of consumption of food, clothing and other articles necessary to life. It includes a variety of influences — individual tastes, conventional ideas prevalent at the time as to the amount and kind of expenditure expected of the members of each class, and also, in its more ideal aspects, an increase of intelligence, energy and self-respect, leading to greater care in expenditures so as to obtain the most worthwhile returns in happiness. There is no such thing as a true average good standard of living, because, even though we do not draw rigid lines between classes in the community, it must be admitted that people live in groups, every group being made up of fellow-workers, or of persons interested in the same hobbies, or of those who earn and spend with similar ends in view. So far as a family is concerned about constructing a standard of living, it must reach a compromise between individual tastes and the expectation of its group, and it will normally lean to the side that gives its members most satisfaction. Family requirements are built up gradually, and are modified gradually. The original standard was handed down from parents, and as the family develops it supplements and remodels, sometimes subtracts from, its living standard as the result of education and experience and social influences. Insofar as the family succeeds in realizing its attempted standard of living, it is happy, but when it tries to reach a standard beyond its capabilities, life for members of the family becomes increasingly unstable.

Some persons are discontented, because they think along the lines of what the world "owes" them, and not about what they are worth to the world. People are given to imitation, and in their struggle to imitate a higher scale of living many get into difficulty in working and spending. Those who are governed, not by rational judgment of what will give the most true satisfaction, but by desire to do as they see some others doing, will feel cheated of life, though they are not poor. They do not realize that happiness depends as much upon the use of what buying power they have as upon its amount. On the other hand, in their attempt to climb from class to class, reaching for more buying power, men's ambitions have stimulated them to greater efforts of mind and energy, with the

result of improved living conditions and still wider fields in which to operate. To level families off at a fixed standard of living, to compel them to consume food and clothing and to live in houses at the dictate of authority, might result for a brief period in improvement in the physical well-being of some, but it could not be called a rise in the standard of living, because it would deny them the dignity of striving for their own advancement, and deprive them of many things which make life worth living.

There has always been some dispute as to what are necessities of life, and what are luxuries. The first necessities, of course, are food, clothing and shelter, but even in these there can be no sharp line drawn, since people's opinions as to quality and variety vary so greatly. To wear clothes that are expensive because they are made for adornment; to eat expensive food because it is rare; and to live in a house chosen for its showiness or exclusive location; these may be luxuries. One authority has defined luxury as the satisfying of a desire at an expense so great that the spender will be compelled later on to forego the satisfaction of a more important want.

Most people think of the standard of living as being based solely upon income, but there is need to differentiate between money income, which is the amount received in wages, salary or from other sources, and real income, which is the sum of the things a family can buy with its money. This is conditioned by fluctuations in prices and in the supply of goods available.

It is interesting to look back over the course of wage income and prices. The wage index in certain main groups of industries rose from 38.1 in 1901 to 107 in 1920, then fell to 85.1 in 1933, and by 1944 it had risen to a new high record in these 44 years, 137.5. In Canada the index of wages in the construction industry rose from 35 to 129 between 1901 and 1944. Other typical wage rate index figures are:

	Water Transportation	Steam Railways	Coal Mining	Metal Mining	General Average
1901	43.9	33.7	47.4	61.2	38.1
1944	140.7	124.4	146.0	125.2	137.5

No figures are available for manufacturing industries at the turn of the century, but in 1911 the index stood at 45.0, and in 1944 it was 141.1. At the same time as these significant increases were being made in wage rates, the hours of work were being reduced from around 72 to 40. The long-term normal trend of prices and wages has been upward. Unfortunately, the cost of living index cannot be given for 1900, but there is a significant-enough comparison between 1913 and 1945. Whereas in this period the general average wage rate index has increased 99.4 points, the cost of living index, covering the basic needs of a family, has risen only 40.0 points.

Both income and hours of work are qualified by the prices of things which enter into living, as is well known by the housewife who is compelled in her shopping to obtain the household goods she needs at the lowest price. Hers is not only the problem of

buying food and other necessities, but of adjusting the individual expenditures of family members within the total money available. She needs to consider individualities of choice, and today she finds the choices in a state of flux, resulting in a crazy-quilt of buying which is not at all economical. A survey made in 1938 showed that family expenditures of the average urban wage earner were distributed in the following percentages; food 31; housing 19; clothing 12; fuel and light 6; life insurance 5; furnishings 9; health 4; transportation 6; recreation 6, and personal care 2. It is obvious that if the prices of the basic commodities and services are high, there will be less money left in the hands of the people to create a demand for other goods, and this will have an adverse effect upon raising the standards of living. When prices of indispensable goods can be reduced, then demand for auxiliary commodities will diversify production and spur the economy to the point where employment increases.

To enable families to keep track of the trends in prices and to budget their incomes, most countries have set up cost of living indexes. Canada's index is a measure of the month-to-month change in the cost of living of the average wage earner's household. It attempts to record a fixed standard of living, and does not take account of higher expenses due to better living or wider spending. It is a point lost sight of by many who criticize the index that if it included higher expenses due to better living the result would not be a cost of living index, but the index of a higher *standard* of living. If it were attempted to include different things from month to month, and different quantities of the same thing, according to the vagaries of a family, the index would be useless as a guide, and as a record it would not differ greatly from that of the national income, because it would reflect the total purchases made by everyone. The index prepared by the Dominion Bureau of Statistics measures changes in the cost of a family budget which includes the same amounts of the same commodities and services, so that true comparisons may be made between periods far apart. If a family does not eat the commodities chosen as typical articles of diet, and does consume higher-priced articles, then the change in that family's expenses of living will not agree with the cost of living index.

Criticism is sometimes based upon the argument that the Bureau does not include every item in the family budget, but for reasons previously stated with regard to the peculiarities of families, this would not be possible. Instead, the Bureau explains that it obtains price reports on typical commodities, and "weights" them sufficiently highly to cover all items that should be in the group. For example, prices used in calculating the food index are collected from about 1600 stores, including independent and chain grocers and butchers. The quotations for each of the 46 budget food articles are averaged, and then multiplied by the budget quantity for each item to find the cost for that item. These individual cost figures are added together to find the total cost of the food budget; this figure is then expressed as a percentage of the corresponding reference period cost to provide the index. Income taxes are not included, because they vary so greatly, depending upon income, family size, and

other personal circumstances. An average would mean nothing, and every taxpayer would require an index of his own.

With all this in mind, it is worth looking at the cost of living index of typical years (1935/39=100):

Date	Total Index	Food	Rent	Fuel & Light	Clothing	Home Furnishings & Services	Miscellaneous
Oct. 1945	119.7	133.3	112.3	106.7	122.4	119.4	109.6
Sep. 1939	100.8	99.4	103.8	98.9	99.6	100.8	101.3
Sep. 1920	150.5	188.1	100.2	119.9	213.1		110.3

Food is the primary and most essential need. The International Labour Office reports that in practice the percentage of expenditure for food can be used as a rough index of the worker's level of living. It appears that, with increasing income in each area studied, smaller percentages are spent for food. Hence, the smaller the proportion spent for food, the higher the standard, or conversely, the higher the proportion spent for food, the lower the standard of living. There are some families which spend 60 per cent of their income on food, whereas the average expenditure of the Canadian family is about 31 per cent of the budget.

The second major item in the family's cost of living is shelter. Every family can lay down three main criteria; protection, size, and rent. In addition, every individual family will have other tests, such as nearness to a working place and to a shopping district, good neighbors, healthful surroundings, and so on. Experts declare that the greatest expenditure that can be made safely for shelter is 20 per cent of the monthly income, and the index shows an average proportion of 19.1 of living expenses devoted to housing.

Clothing ranks high in the list of necessities, and there is even more divergence of consumer opinion as to what is fit in this category than in food or housing. In addition to the necessary virtues of providing protection against the weather, and conforming with standards of decent covering common to the community, clothing is expected to provide aesthetic satisfaction, and no field of human activity is so mobile in reflecting the changing social, political and industrial times as is the world of fashion. Human nature has changed less than styles, and women will always be susceptible to fashion appeal based on aesthetic line and use of colour. At the same time, women trying to make the best use of income to get the most satisfaction out of life learn that efforts to be too style-conscious do not pay. In endeavouring to provide a guide, the Canadian index includes 31 clothing items that are of fairly standard make and have no pronounced seasonal price changes. These represent, in proper proportion, the important materials used in making clothing—cotton, wool, rayon, rubber and leather. Changes in quality are reported, and the Bureau of Statistics attempts to take a reduction in quality into account just as if it were an increase in price.

There are other items which enter into the making of a standard of living, but they do not appear in the cost of living index. Education is in itself a good index of one phase of living standards. The percentage of

the population attending school has risen from 52 in 1901 to 66, and the percentage of persons unable to read or write has decreased from 14 to 3. Social service, too, is important. What the community does for its people in the way of health measures and caring for those who need help has an important influence on the community's standard of living.

Effects of the war on standards of living have been varied. Most persons whose livelihood is derived from salaries have suffered a decline in their real income. To a degree this is also true of wage earners, but on the other hand thousands of wage earners have been receiving incomes which have advanced faster and farther than the cost of living. The tremendous expenditures by the government for war goods went for wages and materials, thus pouring into the hands of consumers an amount which far exceeded the additional demands of income tax and victory bonds. Per capita consumption of foods increased, as did purchases of available clothing, cosmetics, toys, jewelry and paper products. Comparing pre war per capita consumption with that of 1944, the Combined Production and Resources Board found the following percentage increases and decreases:

	United Kingdom	Canada	United States
	inc. dec.	inc. dec.	inc. dec.
Food.....	11	13	8
Alcoholic beverages and tobacco.....	8	24	33
Clothing, and footwear.....	34	22	23
Housing.....	9	..	14
Fuel and electricity.....	2	28	32
Household goods (mainly electrical and metal products).....	82	13	23
Household goods (other).....	51	15	26
Reading matter.....	1	22	24
Amusements.....	10	53	10
Motor vehicles and operation.....	95	52	52
Public transportation.....	13	95	87
Miscellaneous services.....	33	11	19
Total consumption.....	16	16	16

In practically all the basic needs of life, control has been exercised by the government. Every other country has experienced wartime pressures, and has adopted similar control measures to meet them. Everyone recalls the close of the first world war, when prices rose with dramatic suddenness until the cost of living index reached 150, compared with today's 119.7 and 1939's 101.5. The price controls which have kept down the cost of living 30 points below the preceding war's experience will be relaxed gradually, as hitherto scarce goods come into the market to absorb surplus cash.

If Canada is to progress, as she has done in the past half century, opportunity needs to be made for private investment in productive enterprises, and such

investment should be encouraged. New political and fiscal devices are not needed, but education would be beneficial if it made clear to the people that investment of savings in commodity-producing enterprises would provide interest on the investment, more jobs to give workers more cash income with which to buy all kinds of goods, and the opportunity for every family to raise its standard of living. Since 1900 Canadian manufacturers have increased the gross value of their products by 1,712 per cent, provided work for 900,000 more persons, with the payment of 1,651 per cent more in salaries and wages. The quickening of the industrial pace brought about by war should be continued, if strong advances are to be made in living standards.

Fullest success, however, can be attained only through international economic co-operation and peace. The economic policy of aggressor nations, so well revealed in recent years, was designed to provide industrial backing for military forces. Those countries strove first of all for self-containment, and to that end they schooled their people in doing without even moderate comforts and in reducing their consumption of even the necessities of life. Democratic countries on the other hand, judge success by the living standards of their people. The economic system which provides the most to eat and wear, the best housing, and the greatest opportunity for comfort, is the most excellent from the democratic viewpoint. To achieve this, it is necessary, particularly for a country like Canada, with great natural resources, small population, and ample manufacturing facilities, to buy and sell in the widest possible area. Foreign trade is desirable, because it encourages production on a large scale, specialization in lines of goods likely to be stable, lower costs, and increased real income. Closed national economies shut out resources abundant in one country from another country where they are scarce, reducing the standard of living in both. Many nations of goodwill and good sense are trying to remove the political and economic obstacles to freedom of world trade, an objective to which all the people should give energetic support.

There are no insurmountable economic difficulties to be overcome in achieving the desired end of advancing standards of living, but the task means more than passive acquiescence or luke-warm support. John Stuart Mill truly observed: "What constitutes the means of payment for commodities is simply commodities." There needs to be work to back up desire, and we must be willing to import commodities produced by others, in exchange for the commodities we produce and export.