

Q. And in all fairness you are not prepared to say it is, because nobody knows, or will know until that new survey is made.—A. As a matter of fact, we have made tests of different series of weights, and even with different commodities; and we have found that when we did test it that way that we did get very similar results. There is very little difference. The only reason we have for making a new survey, a new budgetary survey, is that it will establish confidence that the index is all right. People say it is out of date. One result of a new budgetary survey would be to establish confidence.

Q. When did you make your last previous adjustment on the cost-of-living index base prior to 1938?—A. Oh, in '26.

Q. Twelve years ago?—A. Yes. There was a kind of rule or understanding among statisticians that the base should be changed at least every ten years.

Q. Do you not think that applies particularly where you have had such rapid changes as we have had during the last ten years?

MR. MAYHEW: Mr. Chairman, I cannot see that we are particularly concerned about the method used in arriving at these figures, or with the habits of people. The witness has made certain statements in here which are facts; that from 1945 to 1948 there has been an increase of 47·9; and, more recently, there has been a further increase of 14·9. In this increase of forty-seven points from 1945 to 1948 there must be certain items in which the increase has been more than 47 per cent, and it is in that class that we are particularly interested: to find out if that rate of increase has been unreasonable, what has happened to it and where it is. That does not necessarily mean that we will have the complete picture, but he has arrived at certain definite figures and he has stated them to us as facts. It seems to me that we would be getting further if we examine those items to find out where these major increases have been; and whether they have been in meat, fish, flours or bread; to see where it is taking place. In that way I think we would be getting nearer to the point at which we want eventually to arrive. As I see it, that is what we want to do. But if we go into habits, and the methods of compiling this material I do not think that we are going to get any place.

MR. FLEMING: Mr. Chairman, I do not think we want to spend a lot of time arguing the scope of the question right now. I think both the questions Mr. Mayhew has indicated and questions which have been asked this morning are entirely within the scope of our inquiry, and certainly they are sincere; but what I have been trying to do is to lay a foundation this morning for future investigation. There is one other point on which I would like to ask Mr. Marshall to comment—

The CHAIRMAN: A little louder, please.

MR. FLEMING: —that is on the basis of the compilation of his cost-of-living index. One very frequently hears complaints that the index does not take into account the deterioration in the quality we will say since 1939 of many items which enter into the cost-of-living index. In other words, are you taking goods that were called by the same names, priced the same, the same brand name, shall I say; which, by reason of people working under fixed price ceilings, soon deteriorated in quality. Boots and shoes are a good example. The boots and shoes which people were buying for their children in 1939, even when they got them under the same trade name, were not of the same quality in 1945; they just could not be compared for quality; yet the housewife looks at her cost-of-living index and sees that you did not show a rise in the cost of boots and shoes comparable with the rest of the index in relation to the actual quality under the brand or name.

The WITNESS: Well, we certainly do give very good attention to deterioration in quality; and, as a matter of fact, not very long after the war started we established in the field, price representatives who made that one of their particu-