

The CHAIRMAN: Are there any other questions of Mr. Marshall?

You are going to supply us with further exhibits. I wish to thank you very much for your evidence.

Mr. Taylor is the next witness.

Mr. Marshall, Mr. Fleming is asking when we might expect that information?

The WITNESS: We will compile it as rapidly as we can. I think it should not take more than two or three days.

Mr. HARKNESS: And that applies to all this further information for which we have asked, does it?

**K. W. Taylor, Chairman, Wartime Prices and Trade Board, sworn:**

The CHAIRMAN: I believe Mr. Taylor's statement will be available in a moment and we can follow it as he reads it. Perhaps we might wait a moment until that statement arrives.

*By the Chairman:*

Q. What is your title?—A. Chairman, Wartime Prices and Trade Board.

*By Mr. Irvine:*

Q. Is it still functioning?—A. Yes.

The CHAIRMAN: All right, Mr. Taylor.

The WITNESS: Mr. Chairman, in appearing before this committee I think I can be most helpful at this initial stage by attempting four things:—

1. To sketch briefly the course of prices here and abroad. (I have left it to Mr. Marshall, the Dominion Statistician, to give you any details you require);
2. To describe the policy and programme followed in unwinding wartime price and supply controls;
3. To summarize some of the factors that have contributed and are contributing to the upward pressure on prices;
4. To make a few general comments on the functions of the price system and the nature of the price structure.

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The measurement of price changes is not a simple task, but it is a very necessary one. You cannot discuss price levels and price changes without having some fairly simple and accurate measuring device. I am told that in a large American mail order catalogue you will find price quotations for more than 100,000 articles. A typical Canadian mail order catalogue quotes 15 to 20,000 prices. Price indexes are an attempt to reduce this impossible complexity to comprehensible terms. A good price index, one based on a well-balanced selection of commodities, properly weighted and accurately reported and compiled, will give a reasonably accurate indication of the relative changes in price or in groups of prices. It has the virtues and, of course, the defects of any average. But I think it would be agreed by competent experts that a good index number provides a measuring rod for price changes that is accurate to within 2 or 3 per cent. Experience also has demonstrated that once you get a well-balanced selection of commodities in an index, doubling or trebling the number of commodities produces only a very slight improvement in its accuracy. Since Mr. Marshall is a modest man may I add that the price indexes compiled by the Dominion Bureau of Statistics are recognized by statistical experts everywhere as being at least equal in quality and accuracy to almost any in the world.