

Q. How long would it take to find out whether the position of 1939, if that is when it was, is valid as of 1948?—A. We should be able to do that in a few days, I should think.

Q. Take the case of some of the implements which were mentioned—I think Mr. McCubbin mentioned that a walking plow was in but there was no tractor plow?—A. No.

Q. Is it your contention that with the implements which you have in you have already a satisfactory measurement as related also to the tractor plow?—A. I think the point is this; you cannot change the base of an index every year. You have to build up a base. We got the information prior to the war. You do not let an index number run forever. You have to change your base every so often.

As a matter of fact, at the present time, we are considering making another budgetary survey in order that we may start our cost of living index off on a new basis.

Q. Does changing the base mean changing the materials from which you work?—A. Yes.

Q. Changing your selection, does it mean that?—A. Yes.

*By Mr. Irvine:*

Q. There may be new machinery, for instance, introduced into agriculture which was not in the previous basis which will alter the relationship?—A. Yes, you cannot change the base every year. You select a list of commodities which are proper for the base year then you have to carry it through for a number of years. We are measuring price change. Then, when the time comes that the consumer pattern has changed, we have to make another investigation and establish a new base.

*By Mr. Maybank:*

Q. While that is a satisfactory picture you have given, perhaps, with reference to the D.B.S. generally, this committee wants to feel sure that the statistics it is using are now valid for the particular problem with which the committee is dealing. It would be highly desirable for us to feel sure that your statement that you can determine the whole trend by getting part of the trend, or the trend in a section, is still correct today?—A. We would be very glad to check up on that.

Q. If we are operating on something which is stale and by reason of being stale is no longer useful then we have not got any measuring tools in front of us at all for this job. We would need to be very sure that such is not the case?—A. We would be very glad to check up. I think, however, the addition of one or two more items in an index of this kind will result in very little difference.

Q. That may be so but it is an absolute necessity for this committee to be sure of the truth of the statement which you have just this moment made.—A. I would be very glad to check up.

Mr. HARKNESS: I think the main point is that in the last ten years a revolution has taken place in farming and in farming methods. During that period farming has become mechanized and horse power is not now used. As a result there is a very great difference in the cost of operation and, therefore, I think a different list of implements would be required to show what farming costs are now.

The WITNESS: We would be very glad to check up.

*By Mr. Fleming:*

Q. I understand Mr. Marshall to say that the bureau is considering revising the basis of the cost of living index.—A. Yes that also is a well-established principle in index number making. You do not let it go on indefinitely.