

11.—Index Numbers of Domestic Service Rates

(1935-39=100)

Item	1935	1936	1937	1938	1939	1940
Domestic rates of fuel gas.....	100·6	99·5	100·0	99·9	101·9	106·7
Domestic electric-light rates.....	102·4	101·4	96·5	96·0	103·6	109·9
Domestic telephone rates.....	99·2	99·2	100·3	100·6	100·6	101·9
Street-car fares.....	100·1	99·6	100·1	100·1	100·1	100·1
Hospital-room rates.....	97·4	98·7	100·2	101·0	102·7	102·7

Subsection 3.—The Nutrition and Family Living Expenditures Investigation*

An interdepartmental committee was organized in 1937 to examine into the possibilities of meeting the need for information in respect to nutrition and family living expenditures, especially in urban centres. On this committee were representatives from the Bureau of Statistics, the Department of Pensions and National Health, the Department of Labour, the Department of Agriculture and the National Research Council. Following recommendations by this committee, Parliament made a vote to the Bureau of Statistics for the purpose of proceeding with a survey in 1938. Particulars of the methodology employed and a summary of the results of the survey are given at pp. 819-821 of the 1940 Year Book. The detailed findings appear in a report entitled "Family Income and Expenditure in Canada 1937-1938".

Section 3.—Index Numbers of Security Prices

Security prices have long been utilized in statistical measurements related to economic phenomena. They are generally sensitive to changing business conditions, although this valuable characteristic is sometimes overshadowed by the fact that their movements may be influenced greatly by speculative interest very remotely associated with underlying economic conditions. Thus in 1928 and 1929, common-stock prices advanced far beyond levels indicated by business profits and prospects. Security price trends have also been at variance with other business indexes during the War of 1914-18 and the present war.

The behaviour of Canadian common-stock prices since 1914 has been quite different from that of commodity prices. During the War of 1914-18 there was no advance in security markets paralleling the pronounced inflation in commodity values. Between 1926 and 1929, however, when commodity prices were declining gradually, common stocks more than doubled in price. Both sets of prices recorded sharp declines between 1929 and 1933, and both showed recovery until 1937. In the latter part of 1939 and in 1940, commodity prices advanced while security prices declined.

Investors Index Numbers of Common Stocks.—Movements in security prices, with the exception of long-term bonds, closely reflected Allied war fortunes of the year 1940. During the first six months industrial and utility common stocks showed substantial declines, more especially during May and June. Towards the end of June an average of industrial and utility stocks was 32·3 p.c. lower than the 1939 closing level, and approximated averages in the early months of 1933. Industrial stocks showed much the greatest drop between January and June, an

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