

these services since the beginning of the new base period, 1935-39, are shown in the following table. Apart from increases in 1939 (due to taxation) in gas and electricity rates, changes in these indexes since 1935 have not been large. There have been gradual increases, however, in hospital-room rates and domestic telephone rates.

11.—Index Numbers of Domestic Service Rates, 1936-41

(1935-39=100)

Item	1936	1937	1938	1939	1940	1941
Domestic rates of fuel gas.....	99.5	100.0	99.9	101.9	106.7	104.1
Domestic electric-light rates.....	101.6 ¹	96.9 ¹	96.5 ¹	103.3 ¹	103.4 ¹	102.9
Domestic telephone rates.....	99.2	100.3	100.6	100.6	101.9	103.3
Street-car fares.....	99.6	100.1	100.1	100.1	100.1	100.1
Hospital-room rates.....	98.7	100.2	101.0	102.7	102.7	104.3

¹ Revised since the publication of the 1941 Year Book.

Section 3.—Index Numbers of Security Prices

Security prices long have 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 First World War and the present war.

The behaviour of Canadian common-stock prices since 1914 has been quite different from that of commodity prices. During the First World War 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. During the present war, common-stock prices have moved predominantly downward, while commodities have recorded pronounced increases.

Investors Index Numbers of Common Stocks, 1941.—Common-stock price indexes recorded irregular declines of moderate proportions during 1941. The general movement was downward in the first half of the year and a slight third-quarter rally was followed by further declines in the last three months. The investors index of common-stock prices for December, 1941, was 67.2 as compared with 70.3 for December, 1940. Corresponding group indexes for the industrial section were 63.9 and 65.9, and for utilities 68.7 and 76.4, respectively. Losses for building-material and power and traction stocks were among the sharpest recorded.