

8.—Index Numbers of Retail Prices in Canada and other Countries 1954 and 1955

(BASE: 1953=100. SOURCE: *United Nations Monthly Bulletin of Statistics, May 1956.*)

Country	1954	1955	Country	1954	1955
Belgium.....	101	101	Iran.....	118	122
Brazil.....	118	139	Israel.....	112	119
Canada.....	101	101	Korea, South.....	135	229
Chile.....	172	302	Netherlands.....	104	106
Denmark.....	101	107	New Zealand.....	105	107
Dominican Republic.....	98	98	Norway.....	105	106
Egypt.....	96	96	Sweden.....	101	104
France (Paris).....	100	101	Switzerland.....	101	102
Germany (Western).....	100	102	Turkey.....	110	118
Greece.....	115	122	United Kingdom.....	102	106
India.....	95	90	United States.....	100	100

Section 3.—Index Numbers of Security Prices

Price indexes for common stocks are calculated on the 1935-39 base and published weekly and monthly for a sample of issues, broadly classified under the headings: industrial, public utilities and banks. Within these categories the sample is further classified by industries for which sub-group indexes are available. Monthly indexes of preferred stocks are also calculated and published.

For purposes of index calculation, Thursday closing prices are used for the issues of companies listed on either or both the Montreal and Toronto stock exchanges. Weights are applied to each issue on the basis of the number of shares currently outstanding. The list of stocks included in the various security series are revised annually so that issues which have become important in stock market activity may be included and those of declining interest removed. Provision is also made for stock splits, mergers and the exercise of 'rights'. The indexes are designed to reflect weekly and monthly changes of interest to the investor, rather than day-to-day changes of more speculative interest. For that reason the historical record of indexes dating back to January 1914 on a monthly basis* is of significance in any analysis of the degree of fluctuation in stock prices through time.

Investors Index.—Common stock prices recorded a generally upward trend during 1954 and 1955. The investors index stood at 247.6 in December 1955, 61.2 p.c. above the December 1953 figure of 153.6 and 25.3 p.c. above the 25 year peak of 197.8 established in September 1929. During 1955 prices moved up 19.7 p.c. led by strength in industrial mines, machinery and equipment, food and allied products, pulp and paper and milling issues. While all groups shared in the 1955 advance, participation of two—textiles and clothing, and oils—was negligible.

* Available on request from Prices Section, Labour and Prices Division, Dominion Bureau of Statistics.