

In 1918 stocks rose during the early months, were depressed in March, April and May under the influence of the terrible German drive, and subsequently rose fairly steadily to the end of October, discounting successful peace. The increase of railway rates in 1918 explains one substantial sharp movement in the railway curve.

The decline of bond prices from a high of 90 in December, 1916, to a low of 80 in September, 1917, is significant of the growing scarcity of capital and the rise in long time interest rates. This factor is strongly evidenced in the prices of all securities, especially the rails and preferred stocks of all kinds. In the case of the bond list, however, it constitutes virtually the whole explanation of their course from the beginning of 1917.