SO-CALLED WAR STOCKS

If an ammunition company were jogging along with, say, only the Mexican revolution and some duck shooting to give impetus, the stock of the company would likely be asleep. If a steel company were turning out construction materials, while the building permits were declining at a rapid rate, few people would want to buy the company's stock unless the prospects for some time to come, looked good. Now that ammunition and steel companies, and others engaged in making war supplies are working overtime on contracts due directly to the Great War, stock prices of such companies are rising in an amazing manner. At the beginning of the war, stocks of many of these concerns were inactive and commanded only nominal prices, in a large number of instances the quotation being under par. Since that time many issues which were selling at from around par to $120 a share, are now quoted at from $300 to $500 a share.

There are great dangers to the investor who puts his money in such a group of stocks, hoping to get rich quickly thereby. It is quite true that a large volume of war orders are being filled by companies in Canada and the United States. The demand on plant capacity, however, is quite as abnormal as it was in Canada in 1912, the peak year of a lengthy and active period of Canadian development.

The values of industrial stocks should not be judged only by prosperity due to abnormal and temporary conditions. The stability of the industry and of the demand to which the company caters are very important factors. As a sound investment in the best sense of the term, the so-called war stocks are to be eschewed. As a first-class gamble, with excellent prospects of the small speculator coming out with empty pockets, the so-called war stocks offer splendid facilities.

The Manitoba parliament buildings scandal is but another page of the lengthy history of graft and corruption in Canada.

EXIT BRYAN

A New York betting commissioner announces that he is willing to bet $500 to $100 that William Jennings Bryan will never again be elected to any public office in the United States by the vote of the people. The betting commissioner's money is probably quite safe, even should any have been sufficiently rash as to accept his terms. The general opinion on this continent seems to be that Mr. Bryan has taken the final plunge although apparently imagining himself on the way up to dizzy heights of political fame. His most recent act marks him as a political opportunist of the first degree. He is a wiggler for public office. There is little doubt that Mr. Bryan will seek the presidency of the United States, if there appears the slightest opportunity of success. He had his eye on the job last time but when he saw the chance was hopeless, the Bryan weight was thrown into the Wilson scale. Just before nomination in 1911, the writer asked Mr. Bryan whether the rumor that he would run a fourth time for the presidency was correct. His reply was: "You can say 'No', but," he added, "say also, that Mr. Bryan would not give a bond or guarantee to that effect." And that seems to fit the case to-day.

REGULATING NEW ISSUES

The British treasury's recent refusal to allow the city of Prince Rupert, B.C., to make a new issue in London was a gentle reminder that the treasury regulations are still in evidence. In the Prince Rupert case the treasury board reconsidered the matter and allowed the city to renew its notes for one year. The way is being paved, apparently, for the issue of another large war loan in Great Britain, and the treasury will probably scrutinize still more keenly for a while, new applications for capital. Permission is being granted to issue in London, $25,000,000 New South Wales government 4½s at 99½, redeemable from 1920 to 1927. This loan, as in the case of the city of Prince Rupert, will repay maturing treasury bills and therefore does not represent new capital.

Canada has placed only two loans in Great Britain since the outbreak of war. These were $25,000,000 4½ per cent. five or ten-year bonds at 99½ and $12,500,000 5½ per cent. five-year notes at 99. Permission was granted by the British treasury to make these issues. The former loan was oversubscribed. Of the latter, 44 per cent. was left with the underwriters.

BELATED MORATORIUM ACTS

Talk of a moratorium in Alberta is bad at a time when we have good grounds for believing that the national position is rapidly improving. Mr. C. G. K. Nourse, the Calgary manager of the Canadian Bank of Commerce, correctly describes the proposed move in saying that it would be fatal for the province to declare a moratorium now. "There is no necessity for it," he says. "There is every indication that the province is going to have the best crop in its history. The outlook is most promising. The worst is over and I am looking for a speedy recovery of good times. A moratorium would damage our credit and do the greatest harm to business generally." That is right, and the sooner the loose and unofficial suggestions regarding such a measure cease, the better it will be for the welfare of the province.

New York papers make a stir of a report that German agents have approached Charles M. Schwab several times unsuccessfully to secure control of the Bethlehem Steel Company. What would they do if they did get control?

OF THE JITNEY

The jitney, as the free lance of transportation, will usually have a measure of success. An odd car here and there may always take up its gasoline tank and scurry for new streets to conquer, when old ones fail to yield a profit. But the jitney is being "organized" and in due course will come some troubles. There are jitney labor unions with their riding delegates. There are jitney associations, and competing associations. We will have jitney companies, with authorized bond and stock issues; investment offerings to the public, with a bonus of common; dickering for franchises; disappointing earnings; jitney amalgamations; roseate merger prospectuses; dividends passed; reconstruction of companies. These are some of the milestones of the jitney road which lead to the sign-post "Exit."