Facts You Need to Know About Victory Bonds.

What is the difference between a Victory Bond and a dollar bill? There is no difference, so far as the security back of each is concerned. The dollar bill is a promise, made by the Dominion Government, to pay on demand, the equivalent of 100 cents in gold or silver, to whoever may hold its note (a dollar bill). This promise is backed by all the resources of Canada. A Victory Bond is an agreement made between the Dominion Government and the purchaser, whereby the Government promises to pay the face value of the bond, at the close of five or fifteen years, as the case may be, with interest at 5½ per cent. per annum, payable every six months. There is a difference, however, in the fact that a dollar bill can be transferred to another party as readily and as easily as a twenty-five cent piece, whereas a Victory Bond cannot be carried about so readily and, therefore, cannot be negotiated so easily; they are, moreover, not intended to be put into such general circulation and are not so readily exchanged for cash or merchandise. To suit the convenience of purchasers and to meet the desires of the public, these bonds are put out in different forms and, unlike the dollar bill, Victory Bonds are not payable on demand by the Government, but mature, or, in other words, become payable in five or fifteen years as the purchaser may desire. Thus we speak of five-year bonds, and fifteen-year bonds, meaning that the Minister of Finance for Canada will, on November 1, 1923, pay to every one who holds a $100 five-year Victory Bond of 1918, the sum of $100 in gold. In the meantime the holder of this bond will have received interest every six months, on May 1 and November 1, at the rate of 5½ per cent. per year. Similarly, the Minister of Finance will pay in Gold (or by cheque for which gold can be secured at any branch of any chartered bank in Canada) the sum of $100 on November 1, 1933, for each $100 fifteen-year 1918 Victory Bond which any person may hold at that date, with interest every six months at 5½ per cent. per year from November 1, 1918, until that date.

Now, some people may want to buy bonds as a safe investment, never intending to sell them, or get rid of them in exchange for any article, or real estate, or stock in a business concern. Others may want to sell or turn over these bonds at any time, in which case it would be awkward if there were any formalities to go through. To meet such varied conditions the Government issues bonds of three kinds. These are called "Coupon Bearer Bonds," "Coupon Bonds Registered as to Principal," and "Fully Registered Bonds." Either five or fifteen-year bonds may be secured in any one of the above forms. Coupon Bearer Bonds are the most easily sold or negotiable. Whoever has them, owns them, so far as the Dominion Government is concerned, and they are transferred to another party in case of sale by merely handing them over. A five-year Coupon Bearer Bond will have 10 coupons attached to it, one of which (and each one is numbered and properly dated) is presented at any bank on May 1 and November 1 of each year, and entitles the bearer to receive the amount of interest stamped on it. Thus, if Jones has a $100 Coupon Bearer Bond and on May 1, 1919, happens to owe Smith $2.75, he may give Smith number one coupon from this bond in payment, because Smith can take it to any bank in Canada and get $2.75 for it. The disadvantage of this form of Victory Bond is that if you are careless and it is lost or stolen, you cannot prove your ownership, except by absolute identification of that particular bond, in court. It would be just like recovering a dollar bill you had lost. "Coupon Bonds Registered as to Principal" are bonds which are registered in the office of the Minister of Finance at Ottawa in the name of the purchaser, as to principal only. They carry coupons similar to those attached to Coupon Bearer Bonds, which are not registered like the bond itself, but may be presented at any bank on May 1 and November 1, by any person who gets hold of it, and the interest will be paid to that person. The name of the purchaser is written on the back of this form of bond and the date it was registered. If Jones had such a bond and wanted to borrow money on it, he would have to have his ownership verified from Ottawa before a banker could lend him anything on it, unless he went to his own banker who would know him to be the person whose name appeared on the bond. If Jones wanted to sell the bond he could not do so without first giving his banker or broker his power of attorney, after which the bond would have to be sent to Ottawa and signed by an official in the office of the Minister of Finance. All these steps are necessary in order to protect the owner of a registered bond. If a thief got it he would have to get some one known to a banker to swear that his signature was that of the person whose name appeared on the bond. Moreover, as a usual thing, after a bond is once sold it becomes a Bearer Bond, or like the first form described, unless it is transferred to the second purchaser's name on the records at Ottawa. A "Fully Registered Bond" is just like the last, except that instead of presenting a coupon at the bank and receiving the interest in this manner, holders of Fully Registered Bonds receive a cheque from the Minister of Finance for the interest due them. These bonds are said to be registered as to both principal and interest. Holders of this form of bond must be careful, however, to keep the office of the Minister of Finance informed as to any change of address, so that the interest will be forwarded to the right place. One more thing about these bonds. None are issued for less than $50; all forms are issued for either $50, $100, $500 or $1,000, and only the "Fully Registered Bonds" are issued for purchases larger than $1,000. Thus a man might buy a single Fully Registered Bond for $10,000, but if he preferred "Coupon Bearer" bonds or "Bonds Registered to Principal" he would have to take ten $1,000 Bonds. In addition to safeguarding holders of registered bonds, the Government has made arrangements with all banks to store or keep all bonds for a period of one year if the purchaser desires. This is particularly valuable in the case of "Coupon Bearer" Bonds.

This Victory Loan calls for $300,000,000, issued at a price of 100. This simply means that the Government wants all of the $300,000,000. Thus, the purchaser of a $100 bond must pay $100 for it, whereas, if it were issued at a price of 99 a $100 bond would only cost $99. As stated before, the loan is for $300,000,000, but the Government expects to get $500,000,000 and reserves the right to take all subscriptions in excess of $300,000,000. The first interest will be paid on May 1, 1919, and as purchasers are given until March 6, 1919, to make full payment for their bonds, it can easily be seen that if some provision were not made, the Government would be paying interest on a lot of money from November, 1918, to March 6, 1919, that they had never received. They, therefore, stipulate that the "accrued" interest between these dates must be paid by each purchaser when the last payment is made (March 6), unless the full amount of the purchase is paid at an earlier date, in which case the interest would be correspondingly less. Of course, all this accrued interest money comes back to the purchaser when the Government makes its first interest payment on May 1, 1919, on what it has borrowed.

Now, when purchasing a Victory Bond for $100, for instance, it is not necessary to pay the full amount when you agree to take it. To make it easy for everybody to buy bonds, a plan of installments is provided. One must first fill out an application form, stating how much he wishes to invest and what kind of bonds he wants. This application should be filled out by the canvasser or your bank manager if you prefer to buy your bonds from him. After he has filled out this form as you want it you sign it and give him a cheque for 10 per cent. of your total purchase. Thus, to buy $100 bond you must pay $10 on application, but you may pay any amount you like up to the full $100. You should never pay in cash, and canvassers who call at your house are instructed not to take cash unless you insist, in which case they are provided with small envelopes to put it in. Always pay by cheque, and if you use the cheque form attached to the application blank, you do not require to put on a 2 cent stamp. If you use your own cheque, however, a 2 cent stamp will be necessary. The Loan Campaign will last from October 28 to November 16, and between these dates all you need to pay is 10 per cent. of your purchase. On December 6, however, it is necessary to pay another 20 per cent., and the same amount on January 6, 1919, and February 6, 1919. Then there remains 30 per cent. of the principal still unpaid, in addition to the "accrued interest." This must be paid on March 6, 1919, and both together amount to 31.16 per cent. or $31.16 on a $100 bond. You really make up to the Government the interest that is returned to you on May 1, but which the Government would not have received full value for otherwise, since you did not pay the full $100 six months before you get a full six months' interest. If you do pay in full on November 1, you will not need to pay this accrued interest.

When making any payments at all, be sure the cheques are made out to the credit of the Minister of Finance. Do not make them out in favor of the canvasser or your banker. All payments should be made at the same place, and all cheques should be drawn on the same bank, and this should be your own bank, but if you make the first payment in cash or at bank other than the one you usually deal with all future payments must be made at the same bank. An official receipt will be given when the first payment is made, and each time a further payment is made, the banker will acknowledge it on a space provided on the official receipt. When your purchase is fully paid for, you will receive the bond itself from the bank where you make your payments, and must give up the official receipt.

The Bonds will be delivered as soon as they are fully paid for. In the case of registered bonds, however, they must first be registered and this will probably require some time, since registration must be done at Ottawa, or at the office of the Assistant Receiver General at Toronto, Montreal, Charlottetown, Halifax or St. John. Bearer Bonds, however, will be delivered at the time of application, providing they are paid in full. After a few months or a year, some people may want to convert Bearer Bonds into either type of Registered Bond, or Registered Bonds into Bearer Bonds. This can be done for 25 cents at any of the offices named above, or at the office of the Minister of Finance, Ottawa. Application forms can be secured from any local canvasser or from any bank manager.

One thing more. Victory Bonds can be sold at any time for all they cost. If you want to sell a bond, take it to your banker and he will get you 100 cents on the dollar. Do not accept anything less, and it is not unlikely that they may be worth more in a few years' time. These bonds are free from any taxes which may be or have been levied by the Canadian Government, and many people may be willing, after a few years, to'pa ymore than $100 for a $100 bond on this account. Do not forget that Victory Bonds are as good as dollar bills, because the same party promises to pay, namely, the Government of Canada.

Automobiles, Farm Machinery and Farm Motors.

1919 Improvements.

Owing to a shortage of material, and certain Government regulations, manufacturers, in a great many instances, have not been able to announce the changes to be incorporated in their 1919 models. It is true that a number of 1919 cars are on the market, but in these instances no radical departures have been taken in the bodies or chasses. The machines which contain the most improvements and refinements should be offered for sale in the very near future. It is interesting to note the attitude of the manufacturers towards the new cars, and to follow the line of their reconstructing genius. We give you herewith some of the changes that have been incorporated in the new models.

The United States controls the styles in motor cars, and at the present time a great effort is being made in the Republic to the south of us to eliminate noise. The National Chamber of Commerce is taking a big part in this movement, and as a result most firms are eliminating the muffler cut-out. The campaign for silence also affects the motors to the extent that most of them will be enclosed next year. Cam shafts are being designed to give gradual seating action of the valve lifters and a tension spring is being placed on many of these lifters to keep the roller on the cam constantly, thus relieving the valve spring of all work except the seating of the valves. In machines having valve-in-head motors with rocker arm and push rod assemblies, a system has been devised for oiling that will in future save owners and drivers a great deal of trouble. Rocker arm brackets are now being designed so that one serves two cylinders. This has a tendency to eliminate vibration. Last winter cars were stalled because the oil pump froze up. There is a new idea developed now which provides the pump with a friction drive gear that prevents breakage due to freezing, and should freezing take place the friction creates heat and starts a flow of oil. Certain models of cars have always been equipped with an oil sight gauge at the dash to give working indications to the driver. It was necessary to provide pipes to the instrument board, and sometimes these became clogged or frozen. Pressure oil dash gauges will become more popular in the future because they eliminate the necessity for oil pipes to the instrument board. Speaking of oil it might be wise to mention that level gauges have not proved very satisfactory when they were operated with floats. The new system consists of a bar or stick which extends into the oil reservoir. By pulling out this stick, wiping it off and then reinserting, you can always get an accurate indication of the amount of oil in the crank case if the motor is not running and the car is on a level piece of road. Machines which have a flexible tube between the exhaust pipe and the carburetor will doubtless have permanent fittings in the 1919 models. The flexible tube will be used, however, to carry off exhaust gas through the mud pan from the bottom of the carburetor. Automobiles with cantilever springs on the rear have given excellent riding qualities, but more comfort will be provided by increasing the length of the spring and offsetting the centre trunion support block. The latter action makes the rear part of the spring shorter than the forward section, with the result that there is less opening between the rear fender and the rear wheel, because the rear end of the car can be dropped an inch or more. Front springs are being lengthened, and large holes are provided in the side aprons attached to the running board in order that access may be had to the spring bolts. Rims will be used next year with a diagonal split and provided with a lock. The features of this rim is that it has all the advantages of a continuous rim, and the diagonal split allows it to be opened without a tire tool. Some machines next year will have the head lamp wires enclosed in the fender irons; and in many cases the ammeter on the dash will be separate from the switch. A pan has been invented which fastens to the top edges of the frame and extends from under the radiator brackets to the front end of the frame and fastens to the spring shackle bolts covering up all rivets as well as preventing mud from splashing on the radiator. There will not be any change in front fenders except that the side wings are being extended to the end of the frame. The rear fenders will have an extended wing filling the gap between the fender proper and the gas tank. A more finished appearance is thus provided, and mud is prevented from splashing up on the rear corners of the body.

All tops on open, touring and roadster models will show slight changes, but each manufacturer seems to have embodied a few. There is a rigid locking bow socket construction that is going to meet with great favor. Most back curtains will contain plate glass windows in heavy frames. Dust hoods will be provided with a strap loop inside of the dust cover which supports the back curtain glass. Many fender types will have heavier crownings giving a better appearance.

These changes may be accepted as indicating the general trend of automobile invention in so far as it affects 1919 models either produced or about to enter production.

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