

THE NEW NATIONAL BONDS

Everybody is Looking for a Sure Thing. The Surest Security for Investment of Canadian Money is the New War Loan to be Offered by the Minister of Finance to the Canadian People

MOST of us are looking for a good thing. It's human nature. But there's a difference in good things. Some people define a sure thing as the business or the arrangement whereby somebody's money comes their way without regard for value received or real obligations incurred. We were once building up a prosperity—so-called—based on that principle of getting the other fellow's money, no matter how, but get it, so long as the law had no way of interfering. It was a game at which anybody could play and a great many played it. When national wildcats became too common, and values slumped and business went dead we naturally ran to cover. If we had money that could be pried loose we sold out if possible to some trusting sucker and shoved the money into the bank; or we took it out of the business that still needed it and put it in the bank. Anyhow we ran to cover with the money. And if things got too panicky, as they did in 1907, thousands of people stampeded into a run on the bank and transferred it to the family vault or the tin box in the cupboard or the long red stocking. They wanted that money where they could get their hands on it.

And that's a natural impulse. We all like security. A hundred dollars under the mattress may be worth a thousand in somebody else's business.

But suppose the mattress is lifted. Suppose that your door can be opened and your home invaded and your belongings ransacked without fear of any policeman coming along to jug the burglar?

In that case the security under the mattress or behind the chimney is no better than in the bank or the business. Because national law is out of business.

Only one thing can put that law out of business and take away our security; that is defeat of our arms and the success of Germany. We don't mean that a victory of Germany such as she would get now would give the Germans possession of this country. But it would surely mean the swift and calamitous depreciation of all our financial securities, the disappearance of our balance of trade and the obliteration of our national credit as it now stands.

And it's because defeat for us would mean precisely this that the Canadian Government in a few weeks will be asking the people of Canada to buy victory bonds as an absolutely sure and safe investment.

This new war loan, to be floated sometime next month, is the first attempt ever made by any department of government to organize the country and the people as a unit in a popular campaign for purely national purposes. One thing has been kept clearly in mind; the need for making the people the senior partner in the business of War Finance. A war loan is an altogether different method of raising war money from a war tax. We have become accustomed to war taxes. We know why they are levied. What

By INVESTICUS

differences of opinion there may be as to how they strike and whom they hit the hardest we swallow for the sake of the general good. We were taxed as a compulsory measure long before we dreamed of conscripting the balance of an army. It was understood that for certain necessary expenses we must submit to extra taxation. What was done with the money was no particular concern. We knew it was spent for extraordinary purposes of government at a time when ordinary revenues were reduced and expenditures mounted on the war alone to a million dollars a day.

But the purpose of the war loans is altogether different from that of war taxes. The bonds people are asked to buy have nothing to do with any form of compulsory service. The biggest voluntary financial movement we have ever undertaken comes at a time when we have begun to make our man-service compulsory. Whatever varieties of opinion we may have on compulsory service, we consent to abandon them for the sake of national unity and the law.

There can be no differences of opinion about the war bonds. They are everybody's bonds. They are the Finance Minister's method of getting the purse of the people behind the credit of the country. Our exports over-balancing our imports is the regular way of estimating national credit abroad. We have now a favourable balance of trade amounting to about \$475,000,000 in a year. We get that amount of money into the country more than we send out.

There is no magic about this balance. It's a matter of business just as much as a factory. The State has no mysterious means of restoring prosperity in times of war. These exports have mounted up because of two things: the increase in price of what we have to sell in natural products; and the sudden increase by hundreds of millions of dollars in a year of the things we have to export. Who pays the increased price of our natural products? The consumers abroad—both people and governments. Who pays for the almost two millions of dollars a day spent on Canadian munitions? The gold and the credit of Great Britain. But neither is inexhaustible. The credit of Great Britain depends on the credit of every country under the British flag; more especially on the credit of the most important, which is Canada. Our credit is measured by the wealth of the country, the loyalty of the people and the unity of the nation.

Leaving out natural resources of our own we have the wealth which comes in actual cash payment on the nail from the coffers and the credit of England to pay for our export of munitions. The ability of England to buy munitions here depends on England's ability to keep up her own credit as the seat of Empire. That depends—and here is the duty element in these war bonds of victory—

upon our willingness to lend back the money we have made from England to the Government of Canada for the purpose of maintaining the credit of England. The money we get belongs to us along with the prosperity it brings. We can, if we feel that way, hang on to it or keep it in the ordinary channels of investment. If we keep it there we look for no security. In cases of great doubt we take our money out of stocks or mortgages or real estate or common bonds of industrials and place it in the bank. We regard the bank as the ultimate safe thing.

But what secures the bank? The credit of the nation. The war bond bought from the government is an investment in the nation. Every bond bought is another nail in the ship of democracy and the coffin of absolutism. Every man that buys a bond becomes an investor in national liberty. Let liberty go; let the war end in a draw instead of a decision—and the credit of Canada is impaired, and the value of an investment in Canada is lowered. The victory bonds are the way to show that we have more faith in Canada as a nation than we have in any Canadian bank whose ability to guarantee the value of our investments depends absolutely upon the extent to which the people at large subscribe to the loan.

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