

## SMALL INVESTORS AND WAR LOAN

### How Employers Can Help Their Staffs Buy Bonds— Loans on War Bonds

Every responsible citizen of the Dominion should recognize it as his duty to contribute according to his means and ability towards the success of the present war loan. That statement, with which most will agree, is made in an article in the Montreal Journal of Commerce by Mr. H. M. P. Eckardt, a well-known contributor to the columns of *The Monetary Times*. Mr. Eckardt, discussing ways and means to interest the small investor in the war loan, continues:—

The ordinary individual should not allow himself or herself to become possessed of the idea that it is for the finance minister, the banks, the bond houses, or wealthy corporations to see the loan through to a happy termination—that responsibility should be accepted by all alike, and corporations and individuals, rich and poor should feel the necessity or duty of putting forth efforts. The best results, all round, are obtained when these efforts take the form of cutting out unnecessary expenditures so as to have more funds available for purchasing war loan bonds. In case of the rich or well-to-do these curtailments of outgo would most likely be in evidence in regard to trips, etc., undertaken purely for pleasure, purchase of new automobiles, or very expensive items of furniture, jewelry and the like, and in regard to elaborately expensive entertainments or social functions. By self-denial of this kind a well-to-do family might divert an additional \$1,000, \$2,000 or more into war loan bonds—thus benefitting themselves, the Dominion and the great cause of the Entente Allies.

#### As To Small Savings.

In the case of people with smaller means, the savings would be measured perhaps in hundreds of dollars instead of thousands, but if the economies were generally or universally practised the cumulative effect might be even greater than in case of the savings of the wealthy. It would be within the power of employers in many instances to induce their employees to subscribe for suitable amounts of the loan and to meet their payments largely through cutting down useless or unnecessary expenses. A considerable number of the young men in offices have been accustomed to live right up to income. When the salary is raised the recipient may promptly increase his expenditure by a like amount—the extra amount being expended month by month in pleasure-seeking and on luxuries or non-essentials. By faithfully following out this process a man may attain to a fairly large salary without having accumulated any capital and unless change occurs in the habits there is no prospect of saving anything in the future. Surely the war loan ought to appeal to men of this class as an occasion for inaugurating a campaign of economy. If certain circumstances have prevented their joining the colors, or if they have not as yet felt it their duty to join, the least they can do is to deny themselves a few pleasures for the sake of lending money to their country and contributing something to the various patriotic funds.

#### Loans to Employees.

Where the circumstances are such as to permit it, employers can help the war loan along through a judicious system of loans to employees desirous of taking up the bonds. Of course, there is a theory that as the payments on the loan are spread over several months, there should not be any need for a salaried man to borrow—he should regulate his subscription so that his savings during the intervals between instalments would take care of each succeeding payment. There would not be much justification for loans of this nature to employees if the payments for the loan were spread over a period of a year; but in case of the last loan the interval between the announcement of the loan and the date set for the final payment was five months. Now an employee who accurately estimates that he can save \$25 per month could accumulate \$125 in five months; and if he does not borrow he is practically limited to a subscription of \$100; whereas, if he can arrange a suitable credit he could subscribe for \$300—three times as much—and at the end of the year he will own his war bond free of debt. Moreover, the existence of the loan or debt during the whole year operates to force a conscientious man to continue his economies and probably gets him in the habit of saving, which development opens the way to his becoming a capitalist eventually.

## LIFE COMPANIES AND THE LOAN

### They Will Subscribe Still More Heavily This Time— Over \$8,000,000 of Last Loan Taken by Them

Mr. J. F. Weston, managing director of the Imperial Life Assurance Company, Toronto, announced during the course of an address at the insurance agents' banquet at Hamilton recently, that the life insurance companies of Canada were preparing to subscribe a larger amount to the second war loan than they did to the first loan in November last. The amount subscribed last time by the life insurance companies was about \$8,000,000.

The following is a list of the subscriptions of Canadian life insurance companies and of British life insurance companies doing business in Canada, to the first war loan in November last:—

| Companies.                       | Subscriptions. |
|----------------------------------|----------------|
| Sun Life .....                   | \$2,000,000    |
| Canada Life .....                | 1,500,000      |
| Great-West Life .....            | 1,000,000      |
| Confederation Life .....         | 500,000        |
| Manufacturers Life .....         | 500,000        |
| Mutual Life of Canada .....      | 500,000        |
| North American Life .....        | 500,000        |
| Imperial Life .....              | 350,000        |
| London Life .....                | 250,000        |
| Excelsior Life .....             | 150,000        |
| National Life of Canada .....    | 150,000        |
| Dominion Life .....              | 115,000        |
| Northern Life .....              | 105,000        |
| Continental Life .....           | 100,000        |
| Crown Life .....                 | 100,000        |
| Sovereign Life .....             | 60,000         |
| La Sauvegarde .....              | 50,000         |
| Monarch Life .....               | 35,000         |
| Capital Life .....               | 25,000         |
| Ancient Order of Foresters ..... | 20,000         |
| British Columbia Life .....      | 20,000         |
| Royal Guardians .....            | 20,000         |
| Travellers Life of Canada .....  | 15,000         |
| Saskatchewan Life .....          | 5,000          |

The following is a list of subscriptions to the Canadian government war loan of November last by the British life offices doing business in Canada:—

| Companies.                         | Subscriptions. |
|------------------------------------|----------------|
| Standard Life .....                | \$250,000      |
| Commercial Union .....             | 150,000        |
| London and Lancashire Life .....   | 100,000        |
| Royal .....                        | 50,000         |
| North British and Mercantile ..... | 50,000         |
| Gresham Life .....                 | 30,000         |

It will be recalled that legislation was passed early this year whereby life insurance companies and associations carrying on business in Canada under Dominion license will be obliged to invest and keep invested a certain portion of their assets, during this and next year, in the currency bonds or debenture stock of the Dominion. Companies whose domicile is outside of Canada, but which are licensed to transact business in Canada are required to make the deposits which they are required to make in 1916 and 1917 as security for their policyholders in the Dominion in such securities; and Canadian companies for the same two years shall invest in such securities one-half of the increase in their net ledger assets during the years 1915 and 1916, after making provision for increase in foreign reserves and in policy loans.

Provision will be made to meet the case of foreign companies which have already made their deposits for the present year. The aggregate amount of such investments had reached a total of at least 15 million. "Having regard to the rate of interest which the Dominion is now paying upon its securities, there can be no hardship in such legislation, either to the insurance companies or their policyholders, who will obtain an investment of the highest character, yielding a most attractive interest return." The finance minister stated, when suggesting this legislation in the House at Ottawa, that he had less hesitation in proposing it because, unlike other financial companies, life insurance companies and associations have not been subjected to Dominion taxation. Their holdings of the Canadian war loan will be available pro tanto in discharge of their obligations under the act.