

The A B C
of the
**Victory
Loan**
1918

VICTORY LOAN
DISTRICT "A"
Headquarters, 16 King St. E.
Phone M. 1077

Issued by Dominion Publicity Committee
Victory Loan, 1918.



Accn: Pamph
16811 1918

no. 117.1

The **A B C** of the **Victory Loan 1918**

Q. What is the Victory Loan of 1918?

A. Just like the Victory Loan of 1917—a loan of money by the people of Canada to their Country.

Q. Why does Canada again need money?

A. To help finance and win the war. This money buys food, clothing and ammunition for our soldiers—it goes to our farmers, our merchants and industries—without it our commerce would be paralyzed.

Q. Please explain more fully.

A. Well, Great Britain buys our wheat and other grains and foodstuffs, our lumber, our ammunition, and a thousand other things. And just now Great Britain finds it inconvenient to pay us in cash. So Canada gives her these war needs on credit, that is, agrees to temporarily advance the cost of these large purchases in Canada. And to raise the money Canada issues and offers to you Victory Bonds. The farmers, the merchants, the manufacturers, the workers are thereby paid in cash and the wheels of commerce keep revolving. These wheels would quickly stop if our Canadian people failed to buy Victory Bonds.

Q. In other words you mean that we would have depression throughout the Country?

A. Absolutely. If the loan failed, factories would close, wages cease and the farmers would be unable to sell the bulk of their produce.

Q. Do Great Britain, France and the United States raise money the same way Canada does?

A. Yes. The peoples of all three Countries have bought billions and billions worth of bonds to finance their obligations and defeat the Huns.

Q. Is this demanding much of our people?

A. No, indeed. Quite the contrary! Canada generously offers you the safest investment in the world and pays you $5\frac{1}{2}\%$ interest, to shorten the war, to hasten victory and meanwhile make every Canadian more prosperous.

Q. Do the Canadian people know this and buy Victory Bonds?

A. Yes. Over 800,000 people bought the First Victory Bonds offered in November, 1917. The success of the loan was so great that the facilities for printing so many bonds were inadequate. That is why there was a delay in delivering the bonds to the buyers. It is hoped this year to have the bonds ready for delivery almost immediately after the subscription period is over.

What is a Victory Bond?

Q. When I lend my money to Canada, what do I get in return?

A. A nicely engraved document on distinctive paper. It is called a Bond. It is Canada's promise to pay you your money back at a certain date and to pay you interest, and if you desire it, both principal and interest will be paid in gold.

Q. When will the money be paid back?

A. If you buy a 5-year bond it will be paid on November 1st, 1923—if you buy a 15-year bond it will be paid November 1st, 1933.

Q. But supposing I bought a bond and then found that I needed money before those dates?

A. You could either sell the bond or borrow money on it.

Q. How could I sell?

A. Any bank, trust company, reliable bond dealer or broker will be glad to sell your bond for you at any time. Be careful, however, through whom you sell.

Q. Why the need for care?

A. Well, after the first Victory Loan, some unscrupulous persons posing as brokers or financial agents persuaded people to sell bonds for less than they were worth. If you are not acquainted with a reliable broker or bond dealer ask the advice of your banker.

Q. Can the bonds be readily sold at any time?

A. Yes, over \$50,000,000 worth of the first Victory Loan have been sold on the market and at times the demand for the bonds has been greater than the supply.

Q. Supposing I didn't want to part with my bond, but simply wanted to make a loan on it?

A. Very easily done, for there is no better security anywhere than a Victory Bond. Ask your bank if you desire to borrow money on it.

Q. When do I get my interest?

A. On May 1st and November 1st of each year—during the life of the bond.

Q. How do I collect it?

A. If you buy a "bearer" bond there are coupons attached to it. For instance, one coupon on a \$100.00 bond will read: "On the first day of May, 1919, the Dominion of Canada will pay bearer \$2.75 at any chartered bank in Canada."

Q. Then, I cut that particular coupon off and cash it at any bank?

A. Exactly.

Q. And there are two coupons for each year of \$2.75 each, so that I get \$5.50 a year on each \$100.00 bond?

A. Correct.

Q. Supposing I buy a "Registered" Bond, what happens?

A. The "registered" bond has your name on it but has no coupons attached. Instead, each six months, as the interest falls due, the Treasury Department at Ottawa will mail you a cheque in payment of the interest. And don't forget to notify the Treasury Department when you make a change in your address.

Q. If I should sell my bond, how shall I transfer it to the new owner?

A. If it is a coupon bond, hand it to the dealer, bank or broker who sells it for you.

Q. Is a registered bond delivered the same way?

A. No. You must fill in the form of transfer on the back of the bond. Your dealer, bank or broker will show you how to do it.

Q. Does a married woman subscribe for a bond in her own name or her husband's?

A. Her own—Mrs. Mary Doe, not Mrs. John Doe.

Q. And if a married woman wishes to transfer a bond made out in her maiden name?

A. She should sign: "Mary Roe, now by marriage Mary Doe."

Q. Can I invest any amount in Victory Bonds?

A. The bonds will be issued in denominations of \$50, \$100, \$500 and \$1,000. You can buy as large an amount as your funds will permit.

When Payments are Due

Q. Do I have to pay cash for my bonds?

A. No. If a \$1,000 bond, you pay \$100 on application, \$200 on December 6th, 1918, \$200 on January 6th, 1919, \$200 on February 6th, 1919, and \$311.60 on March 6th, 1919—then the bond is yours, fully-paid.

The last payment of \$311.60 covers 30% balance of principal and \$11.60 representing accrued interest at 5½% from November 1st to due dates of the respective instalments.

Q. What are the payments on a \$100 bond?

A. Just one-tenth of the amount for the \$1,000 bond.

Q. Do I have to put a .02c. stamp on the cheque I make out to the Minister of Finance?

A. You don't if you sign the cheque printed on the official application form.

Q. Can I buy a bond on a different instalment plan, that is to say, in periods extending over a year?

A. Many banks and a great many employers will help you to do this. Consult them about it.

Q. If I desire to pay in full for the bonds at the time I make my subscription, may I do so?

A. Yes. Subscriptions may be paid in full at the time of application at 100 without interest; or on any instalment date thereafter together with accrued interest at the rate of 5½% per annum.

Will Victory Bonds Go Up After the War?

Q. If I pay \$1,000 for a Victory Bond is there any chance of my being able to sell it at a profit?

A. A very good chance. Most financiers believe that Victory Bonds will advance after the war.

Q. Why do they think so?

A. Because the demand for money will not be so great and urgent as it is now and interest rates will likely be lower.

Q. You mean that a free-from-Income-Tax 5½% Bond will be more popular than ever?

A. Exactly, and most likely so popular that people will be willing to pay more than \$1,000 for a \$1,000 bond, and, similarly, more than \$100 for a \$100 bond.

Q. Have Government Bonds always gone up after previous wars?

A. They have. It is not easy to look into the future, but the judgment of our ablest financiers to-day is that Victory Bonds will sell at a premium after the war is

over. In fact, one of the United States bond issues already sells at a premium and it only yields $3\frac{1}{2}$ per cent., while Canada's Victory Bonds yield 2% more, i.e. $5\frac{1}{2}$ %.

Why Victory Bonds are a Blessing

Q. Are Canadians beginning to appreciate Victory Bonds?

A. They are decidedly. Many who never saved a dollar before now own Victory Bonds and have created their first "nest egg." They have learned the pleasure of saving, and, by buying the bonds, not only have they helped to finish the war, but they have helped themselves and their families. The interest has proved a welcome addition to the annual income.

Q. You mean that Victory Bonds have encouraged thrift?

A. Yes. Thousands of persons bought bonds last year and paid for them in bills because they had no bank accounts. Those people now own something better than gold.

Q. Do you mean to say Victory Bonds are better than gold?

A. Yes. If you have gold and hide it in your stocking or deposit it in a chest or safety deposit box, it earns no interest, while Victory Bonds which are as safe as gold, and are payable in gold, earn $5\frac{1}{2}$ per cent.

Q. Is that a good rate of interest?

A. It is. Look at it this way. If the interest on a Victory Bond was compounded, your original \$100 bond, with interest, would amount to \$200 in 14 years. Hide \$100 in gold for 14 years and it is still only the original \$100. And remember \$1,000 in Victory Bonds would in 14 years amount to \$2,000.

Q. How do bonds and dollar bills compare?

A. The same country—Canada—that puts its promise on the dollar bill puts the same promise on the Victory Bond.

Q. Leaving patriotic reasons aside, why should a man buy Victory Bonds yielding $5\frac{1}{2}$ per cent. when he can get 7 per cent. on something else?

A. The something else is not as safe, and, furthermore, Victory Bonds are free from income tax. Remember, the whole of the Dominion of Canada is security for that $5\frac{1}{2}$ per cent. In fact, Canadians are fortunate to get such a high rate. The people of Great Britain, France, Australia and the United States do not get as much.

Shaughnessy's First \$100

Q. Is it true that the fortunes of our great men have been built upon early savings of small amounts?

A. It is. Let us repeat Lord Shaughnessy's own story of how he saved his first hundred dollars. When a young man in Milwaukee, the future C. P. R. President found that he could not save money no matter how hard he tried, so after taking stock of his position he decided upon a plan that would **make** him save.

He went to a friend who was the cashier of the First National Bank and asked if the bank would loan him \$100.00.

"If you let me have the money," said young Shaughnessy, "I will deposit it in your bank in a savings account."

The cashier had to scratch his head over this proposition, as it was the most peculiar one he had ever heard of. He asked for an explanation.

"Well," said the future C.P.R. man, "if I owe the bank a hundred dollars, I have got to pay it back. I want to get into debt so that I can save and pay the money back out of my earnings. Then the \$100.00 I have on deposit will be mine."

The cashier saw the point and advanced the money and the future Lord Shaughnessy paid off the loan as quickly as he could.

Lord Shaughnessy is very proud of that first hundred dollars he saved and he still has it. And he tells this story to inspire us to save.

Q. And is this the way to save in these war times?

A. No. Instead of making a bank loan which costs you money, buy Victory Bonds on the instalment plan and pay for them out of your savings. Turn your present "nest egg" into Victory Bonds also and thereby substantially increase your interest return.

No Politics or Creed in Victory Bonds

Q. I suppose politics and religion do not enter into Victory Bonds?

A. Decidedly not. The Victory Loan is the solid backing of a united patriotic people. The Liberal who buys a Victory Bond is not helping politically the Conservatives or Unionists. Neither is the Conservative helping politically his opponent of normal times. He is

helping his fighting brothers overseas. He is helping Canada, helping the Allies, helping Civilization to defeat the Huns—and helping himself! It is your Country—Canada—that asks you to buy Victory Bonds. When the Victory Loan campaign gets into full swing in November, racial and political strife will be buried in the great harmonious, enthusiastic effort to secure the hundreds of millions of dollars which Canada needs to carry on and finish the war. There will be Victory Loan sermons. One voice only will be heard in the Protestant and Catholic churches.

What is the Security Behind Victory Bonds?

Q. It has frequently been stated that Victory Bonds are the "Best Security in the World." Is that true?

A. It is true for the reason that the bond is backed by the faith and honor of the whole Dominion of Canada and by the taxing power of the whole country. No country in the world is richer in natural resources than Canada.

Q. Has Canada issued bonds before; and, if so, has it ever failed to pay all of its bonds when they became due?

A. Canada has issued bonds before; in fact, the Victory Loan of 1918 is Canada's Fifth War Loan—and has never failed to pay every bond when it became due with all the interest on same.

Q. Are Victory Bonds exempt from taxation?

A. The bonds are exempt both as to principal and interest from all Dominion taxes, including any income tax levied or to be levied by the Parliament of Canada.

Q. Suppose Canada offers bonds in the future which will pay a higher rate of interest than $5\frac{1}{2}\%$?

A. If so, the holder of a Victory Bond will have the right to exchange this bond for one bearing the higher rate of interest and running for equal or longer term.

Q. What is the amount of Canada's Victory Loan of 1918?

A. The Minister of Finance, in the official prospectus, invites subscriptions for \$300,000,000 nominally, and reserves the right to allot the whole or any part subscribed in excess of \$300,000,000. Canada, however, hopes to get not less than \$500,000,000 from her loyal citizens to meet the great demands of her military effort overseas, and to insure continuance of country-wide prosperity at home.

Q. How was this bond issue created?

A. It was authorized under an Act of the Parliament of Canada.

Q. On what and where will the proceeds of this Loan be spent?

A. The proceeds of this loan will be used for war purposes only and will be spent wholly in Canada.

Bonds Will Be Popular

Q. I suppose there are many people in Canada who still do not understand the advantages of Victory Bonds over any other form of saving money?

A. There are, but bonds are daily becoming more popular and they will be still more popular in years to come when they are better understood.

Q. Were there people during the First Loan who were slow to appreciate this form of investment?

A. There were, because they were not familiar with bonds. Of course all our rich men have known about bonds for years, and many of our millionaires have never bought anything else, but the rank and file of the people scarcely knew about them. In Europe the poor and rich alike have invested in Government bonds for centuries, and the people of England, for forty years past, have bought every Canadian bond we wanted to sell them. It was only last year that Canada decided to make what was really our first "popular" loan in this country.

Q. That 5½ per cent. should catch on like wild fire. Why doesn't it?

A. It will. Supposing a man had a savings account with a friend who was paying him 3 per cent. Now supposing another friend, across the street, equally reliable, offered him 4 per cent. He would take his money across the street, wouldn't he? Now here comes the Dominion of Canada, which is stronger than either friend, or anything else in the world, offering him 5½ per cent. The people of Canada are not stupid. They will know a good thing when they see it and they will buy Victory Bonds to the limit of their ability.

What \$1,000 Victory Bond Will Do

Q. Supposing I buy a \$1,000 Victory Bond, just what will my \$1,000 accomplish?

A. Your \$1,000 will pay the wages of almost 1000 soldiers—practically a whole Canadian battalion—for one day.

THE A B C OF THE VICTORY LOAN 1918

Your \$1,000 will buy 200 pairs of soldiers' boots.

Your \$1,000 will buy 1000 pairs of soldiers' socks.

Your \$1,000 will buy 450 bushels of wheat.

Your \$1,000 will buy 1250 bushels of oats.

Your \$1,000 will buy 4200 pounds of cheese.

Your \$1,000 will buy 40 rifles.

Your \$1,000 will buy 60 revolvers.

Your \$1,000 will buy 28,000 rifle cartridges.

Your \$1,000 will buy 56,000 revolver cartridges.

Your \$1,000 will buy 100 sets of infantry equipment.

Your \$1,000 will buy 40 field telephones.

Your \$1,000 will buy 2,000 pounds of high explosives.

Your \$1,000 will buy 200 gas masks that may save 200 soldiers' lives.

These are but a few of the scores of things the \$1,000 you lend will buy. And remember, \$500 or even \$100 buys in the same proportion.

And remember, again, your \$1,000 is spent in Canada for Canadian goods and products and goes to Canadian farmers, Canadian merchants and Canadian workmen.

How Do I Buy Victory Bonds?

Q. How much do Bonds of the Victory Loan cost?

A. From \$50 to \$100,000, whatever their face value calls for. These bonds are sold at "par"; that is, their face value—100 cents on the dollar.

Q. How can I buy the Bonds of the Victory Loan?

A. By filling out an application blank and handing it to the Victory Loan canvasser when he calls or send it to the Victory Loan Headquarters in your city, town or district.

Q. When can this application for bonds be made?

A. At any time from the 28th of October, 1918, to the close of business on the 16th of November, 1918.

Q. In what form must applications to buy a Victory Bond be made?

A. All applications must be in the form prescribed by the Minister of Finance, obtainable from any Victory Loan canvasser, or from the Victory Loan Headquarters in your community, or from any bank.

What Do I Get ?

Q. When I hand to the Victory Loan canvasser my application and my cheque for 10% of the amount applied for, what do I receive?

A. You will receive by post within a few days, an official Government receipt for this 10% payment.

Q. How long do I hold this receipt?

A. Until you have paid in full for your bond. On the second and subsequent instalment due dates you make the required payment to the bank on which you drew your first instalment cheque and they will enter receipt in the space reserved for this purpose. Remember you can pay in full on any instalment due date if you so desire.

Q. What do I receive when the official receipt records payment in full?

A. You are then entitled to the permanent engraved bonds which will be delivered to you by the bank in exchange for your official receipt.

In a Nutshell

Q. How can I best help to make the Victory Loan of 1918 a success?

A. First, by buying bonds; second, by urging others to buy. When the campaign is on, see that all your friends are wearing Victory buttons. These denote that the wearer has bought Victory Bonds.

Q. I have a few employees—can they help?

A. Yes, decidedly. In the first place persuade them to buy bonds, and secondly make it easy for them to pay for the bonds. You are doing them the greatest service you ever did them if you help them to buy Victory Bonds which they can put aside for a rainy day.

Q. Can my wife help too?

A. Most certainly she can. Every woman is needed. The women of Canada took a wonderful share in the last Victory Loan. Every woman, as well as every man, in Canada, must buy Victory Bonds to the limit. In a word, we must make the 1918 Victory Loan a success. And remember, it cannot be done by investing \$100 if you can invest \$500 or \$1,000.

Canada has never failed either in the trenches or behind the lines. Britain, Canada and our great Allies have the Huns on the run. We've got them going. Help us finish them. Victory Bonds will help to do it.

The A B C
of the
Victory
Loan
1918

VICTORY LOAN
DISTRICT "A"
Headquarters, 16 King St. E.
Phone M. 1077

Issued by Dominion Publicity Committee
Victory Loan, 1918.