Questions and Answers About Victory Bonds

(Tear out this advertisement. Put it in your pocket or purse. Read it at your leisure.)

HIGHWAY

seaports of South-I also believe of the great scenic North American

ter Delegate Dimthe Haines Road his words were Representative ngell of Oregon, a House Committee which has juris-

Road," Congressold newspaper in-Seattle, "will be nt arterial route, Inside Passage for n to Haines and direct connection aska Highway, givthrough route to And the road ranks grandeur with the River Highway and ian roads to Banf? clumbia ice-fields." sentative Angell is an ty on majestic roads, for

est spectacular portion of lebrated Columbia River hat featuring Multand Crown Point, is the boundaries of his own regon Congressional Haines Military Road up Chilkat Inlet from the d then hugs the shore of

ikat River. Snow-capped gins rim both sides of the the peaks, huge glaciers out of the alpine setting s. Here and re gaunt pebbled mord out by glaciers of which ate granite mounfor infinite generations o more. The rich green ce and jackpines sets rock and the white

ay to the Canadian a distance of 42 miles, traverses one of magnificent alpine s section of the road ly pioneered by the d Commission. The its subordinate civintened and improved ad. At the border Camp, where nearly Mounted Police "checked eekers as they the Klondike. of the Mounties stationed the Alaskaline at Pleasvas a tall young coned George R. Pearkes, en. George R. Pearkes. dian Army, commana's Pacific Comof the few British cers wearing the cov-Cross, for valor beyond the call of

easant Camp, for 45 Haines Military Road soil of British This is the most of the journey. pulse beats faster ascends the ill trees of the seaway to stunted spruce warriors which own against drifting snow. of wild flowers refrowning cliffs and scene grows wilder. ammit of the Three stands watch like a a clear day, the look back down lkat watershed all

e miles from Haines, crosses over into the rritory. This means es through three sepgraphic entities—42 aska, 43 miles in Bribia, and 80 miles in The Yukon, too, is the junction of the and the Alaska

est of Alaskan roads hich may play a vital in the transportasential military supthe post-war develthe north—has a rich ckground. The Chilee Guardsmen Passes! the famous old Jack 1. What speaker of e villain's ringing e Arctic melodrama: Jack Dalton!"

you have loaned money to Canada to help win the war. They are your country's promise to return your money to you - and, in addition, to pay you interest on that

Q: What are Victory Bonds?

money every half year until you get it back. This promise - a promise which has always been fulfilled - is backed by all the wealth and resources of Canada. When you buy Victory Bonds, you are not giving your money to Canada. You are lending it to your country at a time of national emergency.

A: Victory Bonds are the best buy any

Canadian can make. They show that

- Q: When will Victory Bonds be paid
- A: The money you lend to Canada will be paid back to you by your country when the Bonds reach their maturity date. This date is shown on each Bond.
- Q: Can Victory Bonds be turned into cash before maturity?
- A: Yes. They can be sold at any time or, if the need for cash is only temporary, they can always be used as security for a bank loan.
- Q: Can Victory Bonds be sold easily?
- A: Yes. You can sell your Bonds at any time; without difficulty and without

Just take your Bonds to any bank, any investment dealer, stockbroker, or trust company. The current sales value of the Bonds, including interest up to the day of sale, will be paid to you while you wait.

There is always a ready market for Victory Bonds.

- Q: Are Victory Bonds good security for a bank loan?
- A: Yes. They are the best security for a loan you can own.

Victory Bonds are acceptable by all banks as security for a loan. When you use your Bonds as security for a bank loan, the interest income on the Bonds still belongs to you. This income will pay a large part of the interest charges on the loan.

- Q: In what denominations are Victory Bonds available?
- A: Longer term 3% Bonds the kind most people buy - are available in denominations of \$50, \$100, \$500, \$1,000 and larger amounts.
- Q: How is the interest paid on Victory Bonds?
- A: Interest is paid every half-year. The dates when interest is due are shown on each Bond.

A sheet of interest coupons is attached to each Bond. One of these coupons. falls due each half-year. The date of maturity of each coupon is shown on its face. On each interest date, you cut off the coupon which falls due at that time, and take it to a bank. Any branch of any chartered bank in Canada will give you cash for Victory Bond interest coupons. There is no charge to you for this service.

- Q: Is Advertising and Publicity needed to sell Victory Bonds?
- A: Yes. Our experience in this war, as well as our experience in the First World War, has proved the need for advertising and publicity during Victory. Loan campaigns.

Some people would buy Bonds if there were no advertising at all. But, to make each Loan a success, it is essential to sell the largest possible amount of Bonds to the largest possible number of people. Some people are reached best through newspapers, others through radio, others through speeches, and so on.

- Q: How much does it cost to run a Victory Loan Campaign?
- A: Costs of all kinds amount to less than 1 cent for each \$1 of Bonds sold.

Q: Who will accept orders for Victory

Bonds during the campaign? A: Your order for Victory Bonds will be accepted by the Victory Loan salesman who calls at your home or place of business; by your neighbourhood bank; by any trust or loan company; by your employer; or by your local Victory

Loan headquarters.

- Q: What is the Payroll Savings Plan?
- A: Under this Plan, you place your order for Bonds with your employer.

You pay for the Bonds by regular savings assignments from your wages over the next five or six months. After you have completed the final payment, your employer delivers the Bonds to you.

- Q: What is the Monthly Savings Plan?
- A: This Plan is for people who receive income regularly, who do not find it possible or convenient to use the Payroll Savings Plan.

You can arrange to buy Bonds under this Plan either through a Victory Loan salesman, or on direct application to any bank, trust or loan company.

Under this Plan, the bank, trust or loan company of your choice buys Bonds for your account. You make a down payment equal to 10% of their purchase price. Then you take care of the balance over the next five months by regular monthly payments to the bank, trust or loan company. The amount payable each month is shown both on the Official Prospectus, and on the form acknowledging your order.

Interest begins to accrue on your Bonds. right from the start. Your first interest coupon returns you interest at the rate of 3% on the payments you have made, and takes care of the interest charges on the unpaid balance of the purchase price which you owe up to the time you complete payment for the Bonds.

- Q: What is the Deferred Payment Letter?
- A: The Deferred Payment Letter is for people who have an irregular income or who expect a lump sum of money within a few months.

You can arrange to buy Bonds under this Plan, either through a Victory Loan salesman or on direct application to any bank, trust or loan company. The regular application form and a special Letter must be completed for this type of Bond purchase.

Under this Plan, the bank, trust or loan company of your choice buys Bonds for your account. You make a down payment equal to at least 10% of the purchase price. Then you take care of the balance within six months by one or more payments to the bank, trust or loan company. There is no fixed schedule of payments.

Interest begins to accrue on your Bonds right from the start. Your first interest coupon returns you interest at the rate of 3% on the payments you have made, and takes care of the interest charges on the unpaid balance of the purchase price which you owe up to the time. you complete payment for the Bonds.

- Q: How much money will Canada spend this year?
- A: To win Victory, our spending now is at peak levels. Cash outlays are expected to average \$190 every second, or over \$11,400 every minute - a total of at least \$6,000,000,000 for the whole year ending March 31, 1945. This is 12 times the size of pre-war Budgets, which averaged around \$500,000,000. Cash outlays consist of around \$5,200,-000,000 for war purposes, and about \$800,000,000 for other purposes.
- Q: Why are we giving away war supplies to our Allies?
- A: Canada produces a huge volume of war supplies, raw materials, and foods. Part of these we need in Canada. Part we need for our Armed Forces overscas. And, part is needed by our Allies.

We are engaged in a common enterprise with our Allies. Victory will be delayed, and lives lost needlessly, if any of our partners lacks war supplies. It is in our own interests to maintain and increase the vital flow of arms to the fighting fronts - particularly at this

stage of the war. Britain and others of our Allies have some receipts in Canadian dollars obtained in payment for goods sold to us, and from other sources. These receipts enable them to pay for large quantities of the things they need from Canada. But, they urgently need more supplies than they can pay for in this way. With a recognition of what is at stake, we can not allow any financial problems to interfere with the sensible sharing of our war production with our Allies. They are paying for all the

supplies they can. But things they need, and can't pay for, are being transferred to them free of charge under our scheme of Mutual Aid.

In short, when we make war supplies available to our Allies, we hasten Victory and save lives. Further, the production of these goods gives jobs and incomes to Canadian workers.

- Q: How do we expect to pay for war and other expenses this year?
- A: The Budget provides for the raising of about \$2,600,000,000 from taxes something less than \$200,000,000 from trust accounts and other receipts and, at least \$3,200,000,000 from borrowing.

Each \$1 of outlay will be raised about 46 cents from taxation and other receipts, and 54 cents from the sale of Victory Bonds, War Savings Certificates, and other securities.

- Q: Are this year's borrowings greater than last year's?
- A: Yes. Our borrowing needs last year were about \$2,900,000,000. This year, they will be at least \$3,200,000,000.

The Budget for this year states that this increase in borrowing needs requires larger purchases of Victory Bonds by more individuals than ever before because business firms and corporations cannot buy any more Bonds than they bought last year.

With production still increasing, the total of personal incomes is growing ever larger. And, despite high wartime taxation, the excess of money to spend over the costs of necessary wartime living standards is now greater than ever

Increased personal savings to meet the increase in borrowing needs is both necessary and possible.

- Q: Why does our country borrow our savings?
- A: There are two reasons. First, our country needs our money to pay the costs of the war. And, second, every dollar we save to lend our country cuts down our spending. Every cut in our demand for things means that more men and materials are released to war use. And, by holding down our demand for things closer to the level of available supplies, pressure on the price ceiling is reduced and the cost of living is held down.
- Q: Why not collect all the money needed for war through taxation?
- A: We cannot rely on taxation to pay all the costs of the war.

If the personal circumstances of everybody in Canada were identical, it might be possible to pay all our war costs by taxation. We might then devise a system of taxation which would involve equal sacrifices by all. Each of us would bear his fair share of the real costs of the war - once and for all - when we paid our taxes.

However, the personal circumstances of people in different income levels - and more important, the circumstances of different people in the same income level - vary widely. There is no system of taxation which could give special consideration to all these variations. Accordingly, any attempt to cover all our war costs by taxation would mean unbearable hardships for thousands and thousands of people.

- Q: What is meant by Inflation?
- A: Inflation means runaway prices a persistently rising cost of living. Let's see how it could start and grow if we did not keep things under control.

In wartime, more people are working, farm incomes are high. Money to spend grows larger and larger. But, a large part of production is needed for war. Consumers cannot get all they want. When things are scarce, people will pay more and more for what is available. Prices and the cost of living begin to go up and, before long, workers demand higher pay.

Each increase in pay would step up costs of production. To keep in business, producers and dealers would ask higher prices. Each increase in prices would lead to new demands for higher pay as workers tried to keep up with the cost of living. Rising costs and prices would keep pushing each other up and up.

For most people, wages and salaries would never catch up with living costs. Money would buy less and less. Most of us would suffer, some more than others. Hardship, despair and confusion would sweep over factory, farm and home. Production of war and other goods would slow down.

Inflation would create tremendous problems both for the present and the future. Since the start of the war, we have recognized the dangers of inflation and have taken defirite steps to control prices and the cost-of-living. The willingness of the public to save to buy Victory Bonds has been a vital factor in the success of this program.

- Q: How are we fighting Inflation?
- A: We are fighting inflation in many ways. A ceiling has been set on prices. Costs of production, including wages and salaries, are controlled to prevent higher costs from pushing up the ceiling. Supplies are divided fairly among producers and merchants. Certain necessities of life are being rationed to ensure a fair share to everyone.

Our spending power is being reduced by high wartime taxes and by Victory Loans. The less money we have to spend, then the closer our demand to the volume of things to buy. This keeps down both the pressure on the price ceiling and the need for rationing. Our government has made careful plans to keep the cost of living under control. But, our co-operation is essential to make these plans work.

We must economize and buy wisely; we must make old things do; we must resist the lure of luxuries; we must not ask for higher pay or for higher prices for the things we have for sale; and, we must save the largest possible amount of our incomes to buy Victory

- Q: Why are we asked to save our money?
- A: Our voluntary wartime savings perform a number of vital jehs both during and after the war.

First, every dollar we spend in wartime means that someone is working for us, and that materials are being used up for our wants. When we save that dollar, that someone and those materials can work for quick and complete Victory instead of our private comfort.

Next, every dollar we spend means we compete with our fellow Canadians for the limited supplies of goods. Every dollar we save helps to spread available supplies fairly, and helps to make sure that the goods go to those who need them most.

Third, every dollar we spend increases the total demand for goods and puts upward pressure on prices. Every dollar we save reduces the demand for goods. and helps to keep down the cost of

Individually, everyone needs a reserve of savings to meet emergencies. Personal security and happiness are not possible otherwise. Every dollar we save increases our ability to meet emergencies as well as helping our country in the ways we have just stated.

Wartime savings also have important post-war features. For one reason or another, everyone will be glad to have a reserve of savings when the war is

Completely apart from the value of savings as a reserve against emergencies, there will be many things we will want to buy in the post-war days when our resources can again be concentrated on the production of civilian goods. Not only will we have a lot of postponed wants and needs which will have piled up during the war years, but we will want to buy the new houses, the new cars, the new radios, and all the other things which will have improved in range and quality due to technical advances. Again, we may want to have enough money to start up our own business or to learn a new trade - to educate our children or to travel.

The spending of our wartime savings in these post-war days will have important results. The demand for goods financed by these savings will stimulate production and thus give peacetime employment to Canadians. A high level of employment is good for everybody because it means a strong demand for goods and services of all kinds, and a consequent high level of personal

Get Ready to Buy Victory Bonds

National War Finance Committee

mes, scene of the tary post in Alaska. After the the Imperial Russian Govern- lishment in the north, a fact Gruening as they urged further soldiers, including Generals with the broad green parade lazzling summits are reflected later terminus, is also United States took over its larg- ment, Chilkoot Barracks was the emphasized by Gen. George C. defence of America's principal Richardson and Seward, served grounds, lie in the shadow of the in the sea. Few posts have so

Chilkoot Barracks. est territorial possession follow- first post to be built. As late as Marshal, Gen. H. H. Arnold, rampart in the North Pacific. | their military apprenticeship. | mountains which guard Chilkat | stunning a setting.

This is the oldest American mili- ing the \$7,200,000 purchase from 1938 it was the only army estab- Delegate Dimond and Governor At Chilkoot many illustrious The cream-colored barracks Pass. On clear, bright days the