

## Bonds and Other Ways to Help Finance War

The Dominion of Canada, as part of the British Empire, fought on the Allied side during World Wars I and II. Bonds, certificates, and savings stamps were introduced to help finance war efforts in both conflicts. As well, the government and charitable organizations involved as many on the home front as possible, including children, in raising money.

### WW1 Bonds and Loans



The Canadian government sold bonds to Canadian citizens, private companies, and other organizations to raise money to pay for the high costs of the First World War. The bonds were a loan to the government that could be redeemed with interest after 5, 10, or 20 years.



From 1915 to 1919, the Canadian government conducted five bond campaigns. For each one, the Victory Loan Dominion Publicity Committee produced a poster urging Canadian citizens to buy bonds, and inaugurated the campaigns with ceremonies, parades, and appearances by celebrities. In 1917, to add marketing spin to the bond sales, Canada began calling its debt “Victory Bonds” (or “Victory Loans”). Canadians responded enthusiastically: as just one example of the bonds’ success, \$100 million dollars’ worth of Victory Bonds were quickly purchased after being issued in 1915.

### WW2 Bonds and Savings Certificates



Canada's involvement in the Second World War began when Canada declared war on Nazi Germany on September 10, 1939, one week after the United Kingdom. Approximately half of the Canadian war cost was covered by war bonds known as "Victory Bonds" as in World War I and Savings Certificates.

Bonds were issued with maturities of between 6 and 14 years with interest rates ranging from 1.5% for short-term bonds and 3% for long-term bonds in denominations of \$50 to \$100,000. There were 10 wartime and one postwar Victory Bond drives. In all, Canadians bought \$12.5 billion worth of Victory Bonds – about \$550 per person – with businesses accounting for half of all purchases. The first Victory Bond issue in February 1940 met its goal of \$20 million in less than 48 hours; the second issue in September 1940 reached its goal of \$30 million almost as quickly.





Some of the advertisements might today be considered somewhat politically incorrect, like the play on words in the poster to the left.

Unlike the 'no purchase limit' Victory Bonds, there were limits on the purchase of War Savings Certificates. The savings certificate poster to the right uses Walt Disney's Mickey Mouse to appeal for increased sales, in the hope that kids would ask (or nag) their parents and others to buy.



### War savings stamps

War savings stamps were smaller-denomination options to engage a broader audience with less money to invest.

### WW1 Savings Stamps



The World War I poster to the left, produced in Canada in 1918, promoted Thrift Stamps, a form of wartime savings directed especially at children. The poster, by an unknown artist, shows a squirrel hiding nuts in a tree. The caption reads, "He is piling up his Thrift Stamps – are you?" Children joined in by accumulating Thrift Stamps that they could use to buy bonds. Communities that raised significant amounts of money were rewarded with a Victory Loan Honour Flag.

### WW2 Savings Stamps



During the Second World War, even children were asked to support the war effort. The government encouraged girl and boys to empty their piggy banks. Children used their pocket money or allowance (and in those days, every nickel was hard-earned) to buy War Savings Stamps, which they stuck into special booklets.

A child could buy War Savings Stamps for 25 cents each; after saving \$4 worth of stamps and sending a form to the federal government, the child would receive a War Savings Certificate worth \$5 for post-war redemption.

### Saving, Scrimping, and Scavenging

Children also learned to scrimp and save to raise money for the war effort. Not only did Canada's children bring their hard-earned nickels and dimes to school to buy War Savings Stamps, but also they learned to reduce, reuse and recycle –in fact, a broader range of material was accepted for recycled a lot more than we do today. They collected materials – metal, paper, rubber, fat, grease, and bones were in short supply and could be reused to produce useful products.

### Did you know... ?

- Of the \$5.5 billion raised in Victory Loan appeals, millions were contributed by children.

- Children gathered tons of scrap. Some even donated their own toys for metal salvage drives.
- Boy Scouts and Girl Guides conducted many fund-raising activities. As an example, the 10<sup>th</sup> Toronto Scout Troop collected 510,000 pounds of salvage and used the money they earned to buy a truck, an ambulance for the Royal Canadian Air Force, and Victory Bonds.

**Sources:**

<https://www.csb.gc.ca/history/>

<http://www.archives.gov.on.ca/en/explore/online/posters/bonds.aspx>

<https://wartimecanada.ca/categories/victory-loans-war-savings>