

*PRELIMINARY VERSION PLEASE DO NOT QUOTE OR CITE
WITHOUT THE AUTHORS' PERMISSION*

Irène di Jorio¹

Kim Oosterlinck²

Véronique Pouillard³

<p>Advertising, Propaganda and War Finance France and the US during WWI</p>

The costs related to wars have led to the development and emergence of various theories on optimal war finance. More precisely, economists have been trying to figure out which proportion of the war effort should be financed by money creation, by bond emission or by taxation. Before and during World War I, a broad consensus had been reached among economists regarding money printing. This was viewed as the most hurtful since it would create inflation and should therefore be minimized. However, no consensus had been reached regarding the other tools and as stated by Kang and Rockoff (2006), "the choice between taxes and borrowing was far from obvious".

Countries at war have adopted contrasted positions regarding war finance. However, debt issues were almost always one of the favourite tools to finance the war

¹ Université libre de Bruxelles

² Université libre de Bruxelles

³ Harvard Business School and Université libre de Bruxelles

expenditures. For instance, for all the cases shown in Table 1, bonds never represented less than 31% of overall war finance.

Table 1: Comparison of war finance

	U.S. World War I March 1917- May 1919	U. S. World War II	France World War I	Vichy France 1940-1944
Share Financed by Taxes	21	48	4	30
Share Financed by Debt	70	31	83	36
Share Financed by Money	9	21	13	34

Table from Occhino, Oosterlinck, White (2008), Original sources: Friedman and Schwartz (1963), Fisk (1922), Ferguson (1998), Goldin (1980), INSEE (1966), Patat and Lutfalla (1990), Toutain (1997).

Sovereign bond issues and the impact of war news on bond prices have been analyzed for many wars. Indeed a vast literature has been dedicated to bonds issued to finance the Civil War. For confederate bonds only a large and recent literature may be highlighted (Lerner, 1954; Davis and Pecquet, 1990, Brown and Burdekin, 2000, Oosterlinck and Weidenmier, 2007). More recently, bond prices have been used to determine major breakpoints during World War II (Frey and Kucher, 2000, 2001; Brown and Burdekin, 2002; Oosterlinck, 2003, Waldenström and Frey, 2004 and 2008).

Despite this vast literature, the policies set to promote these bonds have largely been overlooked by economic historians. Kang and Rockoff (2006) may be viewed as an exception since their work aims at determining whether patriotic motives stimulated bond sales and if so, the relative impact of these motives. Their study concludes that patriotic motives only played a minor role.

This paper analyzes the communication methods used to promote/advertise sovereign bond issues in wartime. In this respect, the present research lies at the crossroads of

financial theory, economic history and communication theory. Communication, and therefore advertising related to sovereign bonds were pursuing a double objective: to guarantee a large diffusion of bonds among a broad public, and also to integrate the overall propaganda effort of the issuing country.

This research project aims at answering three questions: (1) To which extent did advertising techniques help to float these bonds? (2) To which extent was the communication surrounding bond issues integrated in the overall propaganda of the issuing country? (3) To which extent did the investment made in communication pay off regarding state finances? To answer these questions, the analysis will eventually rely on several warring countries but also on the same countries during different wars. Indeed, the French situation shows a sharp contrast between WWI and WWII. Whereas in the first case bonds were issued to wage the war, in the second case, they were issued to cover the occupation costs imposed by the German occupant. Needless to say, the arguments stressed in both cases differ extremely.

This paper is introductory to a research whose purpose is to compare the propaganda and advertising techniques of sovereign bonds during both World Wars in France and in the US. In this paper we will examine the French case during WWI.

Advertising, Propaganda and War Finance France during WWI

This section first provides a quick overview of the French war finance and more precisely presents the various bonds issued during the war. It then analyzes the marketing tools set into place during the war to float these bonds. As will be shown, the French government had an innovative approach in terms of product and of distribution channels but was mostly creative in terms of communication.

A. French finances during WWI

The French government had in a sense taken preventive financial measures should the war break out. In 1911, it had passed a secret convention with the Banque de France. Should a general mobilization occur, then the Banque de France would make advances to the state for an amount of 3 billion FF. These advances would on turn be backed by 3 months Treasury Bills yielding a 1% interest and to be reimbursed after the war. The Banque de France had meanwhile printed notes for the equivalent of 1.5 billions FF in order to cover the first war expenditures and increased its gold reserves.

The war outbreak would nonetheless take the French capitalists and government by surprise⁴. The resources of the French public had been heavily tapped during the first semester of 1914. As a matter of fact, both future Allies (Serbia) and future enemies (Turkey) had managed to float bonds on the French market (Lachapelle, 1916; Bregand, 1919). Despite these previous issues the French government decided to launch a 900 million FF loan on July 7 1914. Issued largely below par (91%) this bond offered a 3.5% coupon which was subject to the tax on securities (Du Parquet, 2004). In retrospect, it would have been hard to find a worse timing. According to Raffalovitch (1920), the issue had in fact come 6 months too

⁴ This unpreparedness would later be used as “a proof” that France did not want to go to war (Lachapelle, 1916, p. 241).

late. This bond did not meet much enthusiasm. Many subscriptions had been made, but most of the time only the requested part which had to be paid up front had been paid for. Speculators were waiting for a price increase to unload their bonds. Once a future conflict seemed unavoidable, bond prices nosedived. France thus had to finance its war expenditures while the market already considered it had had too much of its bonds! Worse even, many speculators who had bought the bonds in the hope to resell them quickly were finding themselves heavily exposed since they now had to fund the whole value of the bonds.

To avoid a complete collapse of the French economy, the government quickly passed a series of measures. In view of the numerous requests to withdraw funds, banks were facing acute liquidity problems. After many debates, a law limiting the authorized withdrawals was passed on August 1, 1914 (Lachapelle, 1916, p. 121). Another law rendered the notes of the Banque de France inconvertible. The stock exchange did not fare much better than the banks. Clients were asking their brokers to liquidate their position. The forward market was in this respect especially exposed. There again the state intervened by imposing a moratorium on the forward market. A market which would eventually only reopen in January 1920 (Du Parquet, 2004).

Still embarrassed by the failure of pre-war long term issue, the French government had to devise new solutions to get funded. Many buyers had only paid an advance on the bonds and the state needed cash quickly. To convince bondholders to anticipate their payment a declining scale was set into place: the earlier the bond was paid for, the higher the discount. Furthermore, in what should in normal times be viewed as a really unexpected move, the government passed a law allowing holders of the 3.5% bond to exchange it for Treasury Bills to be issued at a price of 91% of par. In a sense, the state was providing insurance to bondholders: should the price fall well below par, they would then still be able to exchange them for a new issue whose interest rate would better reflect the prevailing financial conditions. The state had in a sense just offered a free put to the bondholders. This measure would prove extremely successful and by March 1915 only a small fraction of the bonds had not been fully paid for (Du Parquet, 2004).

In view of the blocked situation on the financial market, the government was forced, at first, to rely on short term bonds. On September 15, 1914 the government created a new short term bond the so-called “bon de la défense nationale”. These bills had a maturity of 3, 6 or 12 months, paid a coupon of 5% and were issued with face values of 100, 500 and 1000 FF⁵. The government hoped at first to raise 940 millions thanks to these bills. The sales were however unexpectedly successful and by the end of November 1914 this amount had already been obtained. As a consequence, the upper limit of the issue was raised to 1 400 million FF (Bregand, 1919, pp. 15-16). These bills would eventually be issued on a continuous basis. By June 30, 1915, an amount close to 6 billions FF had been floated, by August 31 of the same year it had already jumped to close to 7 billions FF and by 1918 it stood above 15.8 billions. Part of this success would be due to the policy of the Banque de France, which agreed to discount these bills.

By February 1915 the market had recovered and the French state undertook to consolidate part of the previously issued bonds. A new financial product, the “Obligations de la défense nationale” was created to this end. Tax exempt, these bonds had a 10 year maturity, were paying a yearly 5% coupon (in two instalments) and were issued at 96.50% of par (Bregand, 1919, pp. 21-22). Since holders of the Bons de la défense nationale and holders of the 3.5% 1914 bond were allowed to exchange their lower yielding bonds for the new issue, conversion occurred on a large scale leading to a *de facto* consolidation of the bonds.

Even though the Obligations de la défense nationale had brought some time to the state, the expenses from the war soon forced the state to envision issuing loans with an even longer maturity. Eventually, four of these war loans would be issued: the first one in November-December 1915, the second one in October 1916, the third one in October 1917 and the last one in October 1918. These bonds all shared common features: they were perpetuities, they could be subscribed with cash, 3.5% bonds from 1914, bons de la défense nationale and obligations de la défense nationale, they were

⁵ The common interest paid on the different maturities would later on be heavily criticized by Louis-Lucien Klotz, the finance minister at the end of the war (Klotz, 1924, p. 62).

furthermore not subject to some taxes. Some minor differences should however been mentioned: the first war loan was the only one which could also be subscribed by exchanging 3% rentes, the last one, named Emprunt de la libération, could also be partially subscribed by exchanging coupons from defaulted Russian bonds (see Landon-Lane, Oosterlinck, 2006). Appendix 1 provides the different characteristics of these bonds.

As the war went on more energetic measures had to be devised to insure that funds would keep supporting the French war effort. New issues on the Paris bourse became subject to the approval of the State (Raffalovitch, 1920, p. 30). To cover war expenditures, taxes were raised on a regular basis. The United Kingdom was certainly the most active in this respect. France, which territory was partly occupied, was less successful with its tax increases. France tried not only to rely on its national resources to raise funds. During the summer of 1915, France and Great-Britain managed to float an issue in the United States. Besides the three traditional means of finance, borrowing, taxation and money printing, France also relied upon advances made by Allied countries. At the end of the war, France owed a staggering amount of 30 billions FF to its Allies. The settlement of these inter-allied debts would lead to heated debates after the war. This topic will not be covered here since it goes beyond the scope of this paper (see for example Klotz, 1924 and Artaud, 1978). Eventually, bonds would represent the lions' share (83%) of France's war finance.

B. Sovereign bonds and marketing

In a modern marketing framework, considerations of segmentation, targeting and positioning can not be ignored. Once these elements are defined, the marketing mix (in a broad or restricted sense) is then adapted in order to induce an appropriate response from the targeted group. These notions, even though not defined in the beginning of the 20th century, were nonetheless partly integrated in the marketing approach devised to place the sovereign bonds. We are therefore using the contemporary marketing mix approach as a frame of understanding to the advertising strategies of war bonds.

To define precisely which targets the French government was aiming at is challenging. Several elements seem however to stand out. First, the government wished to reach as broad a public as possible. In 1915, the French finance minister was already assessing that the “best policy would be to do things on a large scale”, (Klotz, 1924, p. 61). This view hardly changed along the war. As stated in a note regarding the advertisement of these bonds: “every citizen as humble as he might be has the means to contribute to the loan”, even housewives could participate (Commissariat, 1918, p. 30). Even though the French public represented the main group on which to focus, operations were also held abroad in order to convince foreigners to back France. In a sense, state bonds were viewed as having a potential as a mass market product. Nowadays mass marketed products are subject to slightly different advertising depending on the country where they are sold. Adaptation of messages has become a requirement within the multinational ad agencies after WWII. During WWI, the French government followed a similar policy in adapting its communication policies to specific sub-groups.

What can be identified as the elements of marketing mix in the selling of sovereign bonds did also fundamentally change in view of the new challenges to be met by the French state. Before the outbreak of the war, no one would have believed in the massive amounts that would eventually be raised thanks to these bonds. Adaptations of the marketing mix were numerous. Changes were operated in the very nature of the product in order to better answer to the demand. New distribution channels were inaugurated and a massive communication effort was undertaken. This section retraces all these changes.

1. Product and Price

In a traditional marketing framework, prices and products constitute two very different parts of the marketing mix. Financial products represent somehow an exception. Indeed, the financial product is by essence a sort of price and most of the product’s features are therefore closely linked to pricing. Therefore, only a limited number of the product’s features may be adapted to meet specific demands. Whereas for traditional products colours or design may be changed, bondholders mainly look at

financial features: interest rate, price to be paid, size of the denomination, guarantees and maturity. All these elements would be considered when designing the bonds.

In order to finance its huge expenditures the French state created a new short term financial instrument in September 1914: the Bons de la Défense Nationale. Issued in denomination from 100, 500 and 1000 francs, they were yielding a 5% interest rate. Whereas Treasury Bills were usually subscribed by financial institutions, these bonds were mainly aimed at the public (Lachapelle, 1916, p. 253). The change in target was, as testified by a discourse from Alexandre Ribot, the then finance minister, dictated by the dire straits in which the banks were finding themselves at the time. In order to tap as large a public as possible, reflexions were undertaken regarding the bonds' minimal face value. Eventually, bonds with as low a face value as 5 FF were issued in 1915. Officially, they were meant to allow even the poorest people to provide their contribution to the war effort. The number of people eventually subscribing to these bonds clearly shows that the French state managed to reach a huge part of the population. Indeed, for the two first war loans close to 3.2 million people subscribed to the bonds.

Changes were not only made in terms of denomination. Some sort of discount package was designed during the war. Indeed, one of the most unexpected measures lied in what was called at the time "reverse consolidations" (Raffalovitch, 1920, p. 30). In normal times the state could rely on conversions: when the current interest rate was lower than the one paid on previously issued bonds, the state could decide to convert these bonds, i. e. call them back and exchange them for lower yielding securities. Even though this measure was unpopular it was viewed as a common practice at the time. In this case, since the state could take advantage of the fact that it benefited from better terms to borrow to redeem old debts. During the war the French (but also the British) government turned this approach upside-down. At the war outbreak, the credit of the belligerent nations quickly deteriorated and as a consequence requested yields on these bonds shot up. A traditional approach would have been to borrow at the new (and expensive) interest rate while leaving the older bonds untouched. Both France and Great-Britain relied instead on a much more expensive approach: by allowing bondholders to subscribe to new bonds by exchanging their old ones, both states were in fact giving a free lunch to these

bondholders. Raffalovitch (1920, p. 30) attributes this measure to a desperate need of capital. In France, a rational explanation may be found in the failure of the 3.5% 1914 bond but this explanation can hardly account for the British attitude.

As the war went on, the government realized that it would have to come back to the market on a regular basis. One of its main aims was to consolidate its floating debt. In order to do so, the market had to be prepared to absorb large amounts of long term loans. The state had thus to monitor the price of its bonds on the stock exchange. If bonds were issued too frequently, their price would fall sharply and this would in turn imply higher interest rates for future borrowing. In order to stabilize the price of state bonds, a law passed in 1917 created a fund to “facilitate the negotiation of state bonds” (Bourbeau, 1921, p. 230). Its main function was to buy back state bonds on the market should their price fall too much. A monthly amount of 60 million FF was affected to this end. Payment to this funds were however to stop once a capital of 360 million FF was reached. As stated by Bourbeau (1921, p. 231), this approach had an obvious merit: facilitating future bond issues, and one major drawback: it was in fact retiring long term debt by cash issues.

In view of the advantages linked to this “reverse consolidation”, it is little wonder that more than 56.5% of the amounts raised by the second war loan were paid by exchanging older bonds. For the Banque de France, out of close to 2 600 million FF, close to 1 472 had come from exchanged bonds: the Bons de la défense nationale representing close to 22%, the Obligations de la défense nationale a bit more than 24.5%, the 3% Rente a bit more than 9.5%, the remainder consisting of various other state bonds⁶. Du Parquet (2004) provides very close figures for the subsequent bonds issued.

For the last long term loan floated during the war, the state authorized payment with coupons from Russian bonds in default. These were accepted for a maximum of 50% of their value. In a previous case, the repudiation of the bonds issued by Maximilian in Mexico, France had agreed to partially bail out its citizens holding

⁶ CAEF, B006 1783.

these bonds. At the time however, the country was not at war. By agreeing to take these coupons, France was in a sense continuing the policy of financial advances to Russia it had pursued before the Russian revolution. Even though this action may seem generous one should bear in mind that many French officials had promoted these bonds and literally pushed them into the hands of small investors (a number of them having been bribed to do so). After the war, many debates raged in the parliament asking for a much more important commitment from France but to no avail.

Another innovation is worth noticing. Before the war, all new loans had to be approved and their capital was fixed by law. During the war, the French state started to launch bond issues with no predefined capital. This practice started at least with the first major consolidation loan discussed in the parliament in 1915. In terms of practice, bonds which were prior to the war often proposed at a price close to par, were during the war sold at a heavy discount (Raffalovitch, 1920, p. 88).

2. Place (distribution)

WWI led to a series of innovation regarding the distribution of state bonds. As in peacetime, banks played a major role. However other channels of distribution were quickly inaugurated. As soon as October 1914, new channels were set into place to maximize the probabilities that people would subscribe. All public accountants were likely to receive subscriptions⁷. Post officers were requested to accept the demands from potential bondholders. In order to manage this new activity, detailed booklets were distributed to all institutions concerned⁸. These booklets were meant to provide guidance for whatever problem could arise.

⁷ “Tous les comptables directs, des comptables des régies et des receveurs de poste, Bregand, 1919, p. 15)

⁸ Some of these still exist and were even extremely detailed, the booklet for the postmen comprising some 22 pages in its November 1915 edition (see CAEF, B006 1783).

State saving banks could also be used to buy bonds. Instructions were given so that illiterates could subscribe too. The success was such in some branches that letters were sent to the Finance Minister asking for some delay to regularise subscriptions⁹. For the year 1915, saving banks redirected approximately 124 millions FF to state bonds¹⁰. This success was certainly partly due to restrictions surrounding withdrawals from State saving banks which were capped at 50 FF per fortnight but for buying bonds. Potential buyers could however only use their saving accounts for maximum 50% of the face value of the bond.

Foreign countries were certainly not forgotten. The parliamentary commission¹¹ meant to analyze the issue of the first main consolidation loan stressed in its report, in November 1915, the need to consider as many intermediaries as possible and especially abroad. Representatives of the French state (ambassadors, consuls) were meant to analyze how a French issue would be received in their host country. Branches of French banks located abroad as well as banks from friendly countries were to be contacted. Results were of course a function of the size of the country, of the conditions of the local economy and of the efforts made to promote the bonds (see below). Noteworthy both large and small countries could be solicited sometimes with unexpected results.

For instance in December 1915, the French consul in Tientsin was proud to announce that 558 700FF had been subscribed in the concession¹² (especially since the German concession with three time more people had only managed to raise double

⁹ Letter from the Caisse Nationale d'Épargne et de Prévoyance de Paris to the Finance Minister dated Dec 9, 1915 (CAEF, B006 1783).

¹⁰ Letter from the Post Minister to the Finance Minister dated Jan 10, 1916 (CAEF, B006 1783).

¹¹ Péret Raoul, Rapport fait au nom de la Commission du budget chargée d'examiner le projet de loi autorisant l'émission d'un emprunt en rentes 5% (11 November 1915) (CAEF, B006 1783).

¹² Letter from H. Bourgeois, consul de France à Tientsin to the Président du conseil et ministre des affaires étrangères A. Briand, Dec. 15, 1915. (CAEF, B006 1783).

that amount). In Egypt, the amounts raised were close to 9 million FF¹³. By contrast, some time before, the French consul in Sidney had had to regret that economic conditions prevailing in Australia did not allow launching the bond there¹⁴. In the Australian case, the competition from local issues certainly explains the lack of enthusiasm for French bonds. In Sweden, the French could only note that a large part of the population was considering a German victory as certain and would therefore not buy French bonds. Discussions with captains of the industry such as Wallenberg only reinforced this feeling¹⁵. Foreign subscriptions would continue for the subsequent war loans, there again with mixed results¹⁶. Requests from the head of the French colonies were also considered even though sometimes turned down for practical reasons. Discussions between some colonies and the administration of the Ministry of finance were frequent. One of the major points of contentions was related to the currency in which potential buyers would be allowed to subscribe. Many pleaded to allow subscription in the local currency but to no avail. Despite such restrictions some governors used all available tools to promote the bonds and make sure that their citizens would buy bonds (see below).

The use of these news channels was soon considered a major success. According to Alexandre Ribot, the French finance minister, they had made the “bons de la défense nationale” known even in the remotest villages¹⁷. In fact, it is hard to quantitatively assess their success. According to an internal memo, it seems that foreign subscription to the 5% bond issued in November-December 1915 amounted to

¹³ Letter from M. Defrance, ministre plénipotentiaire de France au Caire to the Président du conseil et ministre des affaires étrangères A. Briand, Dec. 30, 1915 (CAEF, B006 1783).

¹⁴ Letter from Chayet, consul général de France à Sidney to the Président du conseil et ministre des affaires étrangères intérimaire Viviani Oct. 22, 1915. (CAEF, B006 1783).

¹⁵ Letter from Thiebaut, ministre de la république française to the Président du conseil et ministre des affaires étrangères intérimaire Viviani Oct. 15, 1915

¹⁶ See for instance, CAEF, B006 1784 for the Second War Loan,

¹⁷ “jusque dans les plus humbles localités”, Letter from the Finance Minister to the President dated Feb 13, 1915 (CAEF, B006 1783).

600 million FF and colonies subscription to 11 million FF¹⁸. These figures should however be taken with caution since they do not take into account foreign subscriptions received by the Banque de France which amounted to more than 27 millions. All in all however, these amounts can hardly be viewed as impressive when compared with the 14 353 millions raised with this bond¹⁹. They nonetheless represent close to 5% of all subscriptions.

No comprehensive statistics regarding the post office were kept by the Ministry of Finance. For the Seine Department (including Paris) the amount subscribed amounted to 146 millions FF. In view of this figure, and if one considers that post offices were mainly meant to collect subscription in rural areas, post offices certainly represented a very useful channel.

Traditional banks nonetheless kept their central role. As a matter of fact these banks were competing to get the largest possible share of subscriptions and promotion for state bonds often mentioned the name of a bank (see below). In 1914, and if one does not take into account the Banque de France, three banks were dominating the French scene in terms of deposits: the Société Générale, the Crédit Lyonnais and the Comptoir National d'Escompte (Lachapelle, 1916, pp. 174-175). Quite logically, they would come first in terms of bonds subscription. Despite their dominant position, however, many smaller financial institutions managed to distribute the bonds very efficiently as shown in table 1 which provides the amount for the main financial institutions.

¹⁸ Bregand (1919) p. 29, colonies had subscribed for 230 millions rentes which provides a slightly higher capital figure: 11.44 millions.

¹⁹ CAEF, B006 1783.

Table 1: Amount subscribed for the second and third war loan and for the liberation loan, repartition per financial institution in million FF

Bank	Second War Loan	Third War Loan	Liberation Loan
Banque de France	3 380 (3 948) ²⁰	3 465	NA
Crédit Lyonnais	1 314 (1 318)	1 100	3 360
Société Générale	820	755	2 500
Comptoir d'escompte	750	580	2 000
Cie Agents de Change	480	NA	1 153
Bque Nationale de Crédit	202	592	800
Crédit Commercial et Industriel	200		
Banque Suisse et Française	135	NA	NA
Crédit du Nord	117	120	NA
Crédit mobilier	100	NA	128
Société marseillaise	100	96	300
Banques de province	NA	343	1 325
Crédit industriel	NA	206	900
Crédit commercial de France	134	138	570

Source: Bregand (1919) p. 34 and Bourbeau (1921).

3. Promotion

As stated by Raffalovitch (1920, p. 30) all propaganda tools were used to attract new subscriptions. Never before had the French state invested so heavily in bonds' promotion. Promotion of the bonds experienced a dramatic change when compared with the peace time period. It seems furthermore that as the war went on increasingly sophisticated techniques were set into place and that a real and deep reflexion on propaganda and promotion took place. In 1918, this led to the publication of a specific theoretical publication: a 47 pages booklet entitled "Emprunt de la liberation 1918. Notes pour la propagande" (Commissariat à l'emprunt national, 1918). This is remarkable considering that wider theoretical writings about propaganda and advertising were by then in their first generation.

²⁰ Bourbeau (1921) provides slightly different figures

This section focuses on three main features of the communication mix: the media used the stated message and the issuer of the message.

a) Media

Posters

Posters were probably the most noticed of all Medias used during the war. From the XIXth century onwards, it is significant to note that posters were the second advertising media (after the press) in the French-speaking European countries²¹. With a tongue in cheek statement, Bregand (1919, p. 47) describes how the German eagle was to be found on all the walls from Paris: on one poster it was strangled by a French soldier, on another one withdrawing in front of the French rooster, on yet another one trying to steel the French flag under the menace of a French soldier... (see Appendix 2)

The exact impact of these posters his hard to assess but several anecdotes show us how important it was. In 1916, the success of Abel Faivre's "On les aura" poster (see Appendix 2) is such that an inspector of the Finance minister suggested selling them as artworks to raise funds²². Abel Faivre would soon become one of the main artists' active for the French propaganda. In 1918, his poster depicting a defeated German emperor would win a contest organized to determine the best allegory (Bregand, 1919, p. 47, see Appendix 2). The success of this poster would be such that complaints would soon reach the head of the Paris Police: several of these posters had indeed been subject of acts of vandalism. A quick investigation, led to the discovery of the culprits: French soldiers who could not resist cutting off the Keizer's head while saying "Guillaume kaput".

²¹ Marc Martin, *Trois siècles de publicité en France*, Paris, Odile Jacob, 1991.

²² CAEF, B0061784

It is hard to determine with exactitude the number of different posters printed during the war. Even for a single poster, there is, to our knowledge, no statistics regarding the distribution. Constructing a comprehensive corpus remains challenging since many posters were created on the banks' request (not only major banks but also smaller institutions ordered posters, see Appendix 3).

Postcards, calendars, cartoons, small labels, the press, movies and radio

Postcards were also issued to promote the bonds. They often reproduced a poster and many of them were used for the army's correspondence as testified by mentions related to secrecy on their back (see Appendix 4 and 8). Small labels were printed by the Ministry of Finance, calendars backing the bonds distributed, cartoons were also created, advertisements were placed in the journals and speeches were broadcasted while movies were presenting the bonds.

b) Message

The notes regarding the propaganda related to the Liberation bond describe the arguments on which one could rely to promote bonds. The outline of a typical speech was proposed. The orator should start by stressing that everybody had to subscribe irrespective of people's political or religious views. Then the speaker had to stress how vital the bond was for victory before explaining that the success of the issue would hasten the end of the war. From there, he would present the subscription as a civic duty in defence of Liberty. As the soldiers were giving their blood, capitalists should give their savings. This was even more so since the dangers surrounding the soldiers were inexistent to the capitalists: state bonds were risk free! Even better, state bonds had a very interesting yield, were very liquid, and one could expect high capital gains. These gains were ensured since the state had promised not to convert any of these bonds for 25 years and represented thus a good guarantee for the future. The success of state bonds would also prevent tax increases, inevitable if the state could not get enough funds through other means. Then the speaker was meant to compare the benefits offered by bonds with hoarding. He was then supposed to stress that exchanging the short term "bons de la défense nationale" was the best attitude to

adopt regarding these securities as well as for gold, or for holders of unpaid Russian coupons. The argumentation was to end with a patriotic appeal: from soldiers in their trenches, mutilated soldiers, prisoners, children waiting for their father to return and the thousands dead soldiers who were all asking if the audience had “made its duty”.

The speech was then to end by providing the practical details regarding subscription. Secrecy of subscriptions was reassessed at this occasion. Potential buyers were to act immediately. Once they had bought bonds for themselves, they had however only done half of their duty: they still had to convince others to follow their action by becoming a “worker of the propaganda”. Short examples related to interest rate computing were eventually provided to the speaker.

c) Adapting the message

Even though most of the promotion was meant to have a global outreach, some adaptations were provided to appeal to specific subgroups. Such targeted groups could either be regional or professional. Targeting was certainly a skill mastered by the French propaganda technicians, who urged their members to vary argumentation in function of the mood of the audience, local prejudices or local customs²³.

Adaptations could take various forms. In some cases, the existing material was merely translated. This was for instance the case for some regions in France where bond prospectuses were translated in 1917 into Basque and Breton (see Appendix 5). This recognition of local languages shows that the government was really willing to undertake major political concessions to get its bonds placed. Indeed it had tried for many years to eradicate local languages and printing official material in these languages was probably hard to swallow for part of the French elite, and in any case contradictory to the general centralization of the French government.

²³ « Ainsi suivant l'état d'esprit de l'assistance et les convenances ou même les préjugés locaux, le conférencier variera son argumentation en la rendant aussi vivante que possible ».

In the colonies, some officials wore themselves out for promoting these bonds.

Comment [V1]: I did not know this idiom :-)

For instance, the governor of Indochina launched a complete and integrated marketing campaign²⁴. Noting that most of the local population was suffering from the low price of the rice paddy, the governor made appeals to the Army to buy rice for the soldiers. As a consequence, the price of the paddy increased, bringing more financial resources to the local population to buy bonds. Advertisements for state bonds were made on a massive scale: posters were printed, the governor issued a call to the population (translated in two different languages, one for Cochinchina, the other for Tonkin), technical details were published in three languages and widely disseminated²⁵, in Laos and Cambodia the local authorities took the initiative to translate the documents in Lao, the Cambodian king Sisowath agreed to make a proclamation praising the bonds... According to the governor, contrary to common belief, posters were efficient in towns but mostly in rural areas since more than 40 000 “natives” subscribed representing 77% of the overall subscribers. The press was not forgotten and messages were published in more than 20 outlets, some of them published in Vietnamese. 30 000 brochures were printed to explain the concept of state loans. Indeed, the previous loans had had some success but mainly because many natives believed it to be a new tax. The Governor also created a new stamp mentioning “subscribe to the national loan” in French and in Vietnamese to be put on all official documents. Eventually, local movies promoting the bonds were released in all movie theaters in Cochinchina, Tonkin and Cambodia. According to the Governor, all these efforts more than paid off since a capital of 47.5 million was eventually raised!

In foreign countries, contacts were often made with the local press to make sure that the French bonds would receive some publicity. Examples abound in this respect. The French vice-consul in Alicante mentioned the positive reviews obtained by two local newspapers (Diario de Alicante and the Luchador)²⁶ Others such as the

²⁴ Letter from the French governor in Indochina to the Minister of colonies, Jan. 16, 1918, CAEF, B006 1785.

²⁵ Thousands were displayed in all villages but for Laos which was too remote.

²⁶ Letter from Guibert, vice-consul de France à Alicante to the Président du conseil et ministre des affaires étrangères A. Briand, Oct. 29, 1916. (CAEF, B006 1784)

ambassadors in Madrid or The Hague asked in a more prosaic way to get reimbursement of what they had paid to advertise²⁷. In Egypt, the ambassador decided to publish advertisements in no less than four languages: Arabic, English, French and Greek (see Appendix 6). Despite the sums paid, assessments of the impact of these advertisements almost never occurred. Arguments presented in each country could also be affected by the local socio-economic conditions. As stated by the French ambassador in Brazil, the interest rates proposed for the French bonds seemed ridiculous in comparison to what Brazilian investors could expect at home.

In other cases, the argument put forward would differ from one socio-economic group to the other. In the notes regarding the bonds' propaganda, the Commissariat à l'Emprunt National (1918) suggests that some arguments were common to all: the loan was necessary to win, it would shorten the length of the war, and it was both a civic duty and a good investment. Nonetheless some specific arguments were supposed to be addressed to some specific group. Table 2 provides a short summary of these:

Table 2: Arguments to Use Depending on the Socio-Economic Group.

City dwellers	Success of the issue would diminish inflationary pressure and thus halt price rises
Peasants	More advantageous to invest notes gold and silver than to hoard them The German peace with Romania and the Brest-Litovsk treaty show how badly hurt peasants would be in case of defeat

²⁷ Letter from Geoffrey, French ambassador in Spain to the Président du conseil et ministre des affaires étrangères A. Briand, Nov. 14, 1916. (CAEF, B006 1784). Amount : 3 810 pesetas for eight newspapers and Letter from Allizé, French ministre plénipotentiaire in The Netherlands to the Président du conseil et ministre des affaires étrangères A. Briand, Feb. 9, 1917. (CAEF, B006 1784). Amount : 2 179, 29 guilders for 18 newspapers. In The Hague, advertisement was in practice delegated to the Banque de Paris et des Pays-Bas.

Shopkeepers and landlords	Show the superiority of French Rente as investment Stress the potential capital gains
Workers	A German victory would annihilate all liberties and democratic advances The French industry would be ruined in favour of the German one. As a consequence, the French would become jobless and wages would severely fall

Eventually local banks could also decide to promote state bonds by at the same time stressing their own local nature, such as in the case of the Société Marseillaise de Crédit (see Appendix 7).

d) The “prescriptors”

In order to convince Frenchmen to contribute the war effort, the State relied upon various figures in order to deliver the message. In the notes related to the bonds’ propaganda, this technique is already viewed as very efficient providing the speaker was viewed as trustworthy (Commissariat à l’emprunt national, 1918, p. 3). Elected representatives, public servants, judges, lawyers, professors, churchmen and teachers were all to be convinced of the key role they had to play. Direct contacts were deemed essential as being the most efficient (p. 7). Meeting members of local societies, clubs or syndicates was also considered crucial.

Some of these local figures are to be found regularly and one may identify several figures such as the Church, the Teacher, the Soldier and the State, which would come back in various ways. Each of these categories of people recommending the bonds would rely upon communication tools linked to or reminding of their position. In some cases, recommendations were only made in public. In other cases, recommendations also existed on printed material.

To the best of our knowledge there is no archival evidence allowing retracing the relations established between the church and the French state in terms of war finance. However, secondary sources often mention the intervention of churchmen in

favour of state bonds. Raffalovitch (1920, 88) mentions sermons written and pronounced to this effect.

Soldiers

Soldiers were of course particularly well placed to recommend buying bonds. Both the high ranked and the common soldiers would become ambassadors of the bonds. Direct ceremonies were organized featuring war trophies, but also tanks or submarines in which people could subscribe (Raffalovitch, 1920, 88). Other direct means to link the soldiers with the bonds may be found in speeches made by the French generals. For instance, in November 1915, Joffre was urging Frenchmen to buy bonds²⁸.

The common soldiers had also a role to play. Even though they were frequently featured on posters, they were actually not so often asking the passer-by to buy bonds. One rather rare example may be found in “Brichou’s” poster (see Appendix 8). The soldier on this photograph bears all the attribute of the French soldier: a heavy package and a 100% French sounding name. The message is quite straightforward. Brichou is taking advantage of a leave to buy bonds and suggest the readers follow his example. Another example is provided by another poster made by Carlu and also printed in 1917 (see Appendix 8). In the background a series of older posters are depicted, while a soldier is addressing the passer-by asking him to do his duty wondering what he would be called if he (the soldier) was not doing it. A last example is provided by Tel’s poster. With a sense of emergency, three French soldiers are shouting at the crowd to remind them that the subscription is about to close. The hands of the two first soldiers are meant to point to the text, the hand of the elder one could however also act as a sign to the passer-by.

Besides depictions and posters, soldiers would also play a role as direct messenger to their friends and family. Postcards promoting state bonds were indeed sent from the front (See Appendix 8). Even though there is no contemporaneous measure of the effectiveness of such actions, one may suspect it worked well since the

²⁸ CAEF, B0061783

messenger had a strong link with the recipient, an element known to play a role notably in word-of-mouth marketing. The idea of the “poilus” sending these postcards from their trenches would then be used in speeches to convince the audience to buy bonds (Commissariat, 1918, p. 28).

Teachers and pupils

Teachers represented another group which received much attention. Several elements made them particularly well suited to promote the bonds. First, they benefited from a high social status in many villages. Second, they were in direct contact with all layers of the population, including the poorest ones. Eventually, their relationship with children was one of dominant/dominated and had therefore a strong moral influence on the pupils, who would certainly feel compelled to bring any message related to the bonds back at home.

Even though teachers were certainly used as spokesperson during all the war, their role became more and more acute. By the end of the war, they had earned such a special position that they were given instructions regarding the future Emprunt de la Libération. For instance, the Inspection Académique des Landes (1918) published a detailed booklet providing guidance to the teachers. They were not only meant to press the point to the students but also to use direct propaganda by talking “from man to man” whenever the teacher felt he could use the benefits from his social status. Their impact on the poorest parts of the population was further stressed. To further guarantee the teachers’ involvement, the Minister of education went as far as giving them a commission of 6 centimes for each franc of rente subscribed.

Practical elements were also provided. Each teacher was to receive a package containing: an appeal to the youth, a colour-poster, images which could be used for “amusing” (sic) grammatical exercises related to the verb subscribe²⁹ and labels of excellence³⁰ related to the emprunt de la libération. Classes would also receive

²⁹ “des images pouvant amorcer des exercices amusants à propos du verbe souscrire

³⁰ « Une série de bons points de l’emprunt de la libération ».

diplomas recognizing they had subscribed for a given amount. Teachers were meant to use some exercises during three weeks before using the ads. The bulletin further provided the teachers with a long list of exercises (see Appendix 9). These concerned both maths and French language and were separated in function of the level of each class. A short summary of the Notes for the propaganda was also provided, should the teacher need to make a public speech related to the bonds. Eventually, teachers were to answer a series of questions: had their school subscribed? If so, for how much? Had they organized conference? Done any active propaganda? Etc...

e) Recognition: Between guilt and pride

Appeals were made to patriotism to subscribe state bonds. Recognition of patriotism was often deemed crucial and as a consequence diplomas of patriotism were given to subscribers as soon as 1915 (See Appendix 10). However, recognition was certainly not the only feeling on which could be played. One may wonder whether some appeals were not made at a time where people would feel especially compelled to pay. For instance during theatre representations the public was asked to buy bonds (Raffalovitch, 1920, p. 88). The contrast between leisure time and war was most probably not fortuitous and meant to raise guilty feeling among the non-buyers.

The recognition of the financial sacrifice was not meant only at an individual level. At most administrative levels, contests were organized to determine the biggest contributor. For example, lists were made ranking “départements” in terms of patriotism. The highest ranked were supposed to obtain trophies as a reward coming from bounty taken from the enemy. These trophies would “be a token of the eternal gratitude of the nation” (Commissariat, 1918, p. 33).

C. Conclusion

This paper analyzes the actions taken in France during WW1 to guarantee the placement of state bonds. The analysis is set in a marketing mix framework. It shows that all levers of actions were used by the French state: the product and the price were adapted to meet demand, new channels of distributions were inaugurated to reach all

layers of the population and communication campaigns were organized on an at the time unseen scale. The French government proved incredibly innovative. Communication was for example already using techniques which would only be theorized much later. Even though the effectiveness of these efforts is hard to assess, the sheer number of bonds floated indicates that they certainly played a key role. Further research will analyze the exact contribution of each of these elements.

REFERENCES

ARCHIVAL SOURCES

APPP: ARCHIVES DE LA PREFECTURE DE POLICE DE PARIS

CAEF : Centre des archives économiques et financières du ministère de l'économie, des finances et de l'emploi.

SECONDARY SOURCES

- ARTAUD D., (1978), *La question des dettes interalliées et la reconstruction de l'Europe (1917-1929)*, Thèse Université Paris 1, Lille, Atelier de reproduction des thèses de Lille III, 2 vol.
- BOURBEAU M., (1921), *La Bourse des valeurs de Paris pendant la guerre (1914-1920)*, Paris, Librairie générale de droit et jurisprudence.
- BROWN, W. O., BURDEKIN, R. C.K. (2000), "Turning Points in the U. S. Civil War: a British perspective", *Journal of Economic History* 60, 216-231.
- BROWN W., BURDEKIN R., (2002), "German debt traded in London during World War II: A British perspective on Hitler", *Economica*, 69, pp. 655-669.
- CREEL G., (1920), *How we Advertised America. The First Telling of the Amazing Story of the Committee on Public Information that Carried the Gospel of Americanism to Every Corner of the Globe*, Arno press, New York, 1972. [1ère édition: Harper & Brothers, 1920]
- COMMISSARIAT A L'EMPRUNT NATIONAL (1918), *Emprunt de la Libération 1918. Notes pour la propagande*, Paris, Imprimerie Nationale.
- DU PARQUET L., (2004), *Le financement français de la première guerre mondiale*, in *Le marché financier français au XXème siècle*, Paris. Publications de la Sorbonne, forthcoming.
- FERGUSON N. (1998), *The Pity of War*, Great Britain: Penguin Press.
- FISK H. E. (1922), *French Public Finance in the Great War and Today*, New York: Bankers Trust Company.

- FREY B., KUCHER M., (2000), "History as reflected in capital markets: The case of World War II", *Journal of Economic History*, 60, 2, pp. 468-496.
- FREY B., KUCHER M., (2001), "Wars and markets: How bond values reflect the Second World War", *Economica*, 68, pp. 317-333.
- FRIEDMAN M., SCHWARTZ A. J., (1963), *A Monetary History of the United States, 1864-1960*, Princeton: Princeton University Press.
- GOLDIN C. D., (1980, "War" in Glann Porter, ed., [Encyclopedia of American Economic History](#) Vol. III, New York: Charles Scribner's Sons, pp. 935-957.
- INSPECTION ACADEMIQUE DES LANDES (1918), Bulletin de l'emprunt de la liberation, Mont de Marsan, 14 p.
- KANG S., ROCKOFF H., (2006), "Capitalizing patriotism: the Liberty Loans of WW1", [NBER Working Paper No. W11919](#), 55p.
- KLOTZ L. L., (1924), *De la guerre à la paix. Souvenirs et documents*. Paris, Payot.
- LACHAPELLE G., (1916), *Nos finances pendant la guerre*, Paris, Armand Colin.
- LANDON-LANE J., OOSTERLINCK K., (2006), "Hope springs eternal. French bondholders and the Soviet repudiation (1915-1919)", *Review of Finance*, 10, 4, pp. 507-535.
- LASSWELL H., (1927), *Propaganda Technique in the World War*, New York.
- OCCHINO F., OOSTERLINCK K., WHITE E., (2008), "How much can a victor force the vanquished to pay?", *Journal of Economic History*, forthcoming.
- ODEGARD P. H., BARTH A., (1941), "Millions for Defense", in: *The Public Opinion Quarterly*, vol. 5, n°3, pp. 399-411.
- OOSTERLINCK K., (2003), "The Bond Market and the Legitimacy of Vichy France", *Explorations in Economic History*, 40, 3, pp. 327-345.
- OOSTERLINCK K., WEIDENMIER M., (2007), "Victory or Repudiation? The Probability of the Southern Confederacy Winning the Civil War". [NBER Working Paper No. W13567](#), 29 p.
- PAILLARD R., (1986), *Affiches 14-18*, Reims, Matot Braine.
- PATAT J.-P., LUTFALLA M., (1990), *A Monetary History of France in the Twentieth Century*, New York: St. Martins Press.

- RAFFALOVITCH A., (1920), *Le marché financier, les dettes publiques et l'inflation pendant la guerre*, Paris, Felix Alcan, 26 ème volume, 1914-1919.
- TOUTAIN J.-C., (1997), "Le produit intérieur brut de la France, 1789-1990," *Economies et Sociétés, Histoire économique quantitative*, Série HBQ, pp. 5-136.
- WALDENSTRÖM D., FREY B., (2004), "Markets work in war: World War II reflected in Zurich and Stockholm bond markets", *Financial History Review*, 11, 1, pp. 51-67.
- WALDENSTRÖM D., FREY B., (2008), "Did Nordic countries recognize the gathering storm of World War II? Evidence from the bond markets", *Explorations in Economic History*, forthcoming.
- WEIDENMIER M., (2002), "Turning points in the U.S. Civil War: Views from the Grayback market", *Southern Economic Journal*, 68, 4, pp. 875-890.

APPENDIX 1:

Characteristics of the bonds and bills issued in France during the war. Sources: Bregand (1919, Bourbeau (1921)

Date of issue	Name	Maturity	Coupon	Announced Yield	Nominal Amounts
September 15, 1914	Bons de la défense nationale	3, 6 or 12 months	5%		Variable
February 10, 1915	Obligations de la défense nationale	10 years No conversion prior to 1920	5%		Variable
November 16, 1915	First War Loan	Perpetuity No conversion prior to 1931	5%	5.73%	15.130 billions FF
October 1916	Second War Loan	Perpetuity No conversion prior to 1931	5%	5.71%	11.360 billions FF
October 1917	Third War Loan	Perpetuity No conversion prior to 1945	4%	5.83%	10.276 billions FF
September 1918	Liberation Loan	Perpetuity No conversion prior to 1943	4%	5.65%	27.853 billion FF

APPENDIX 2



Abel Faivre "On les aura", 1916 source Paillard



Falter 1918 source Paillard

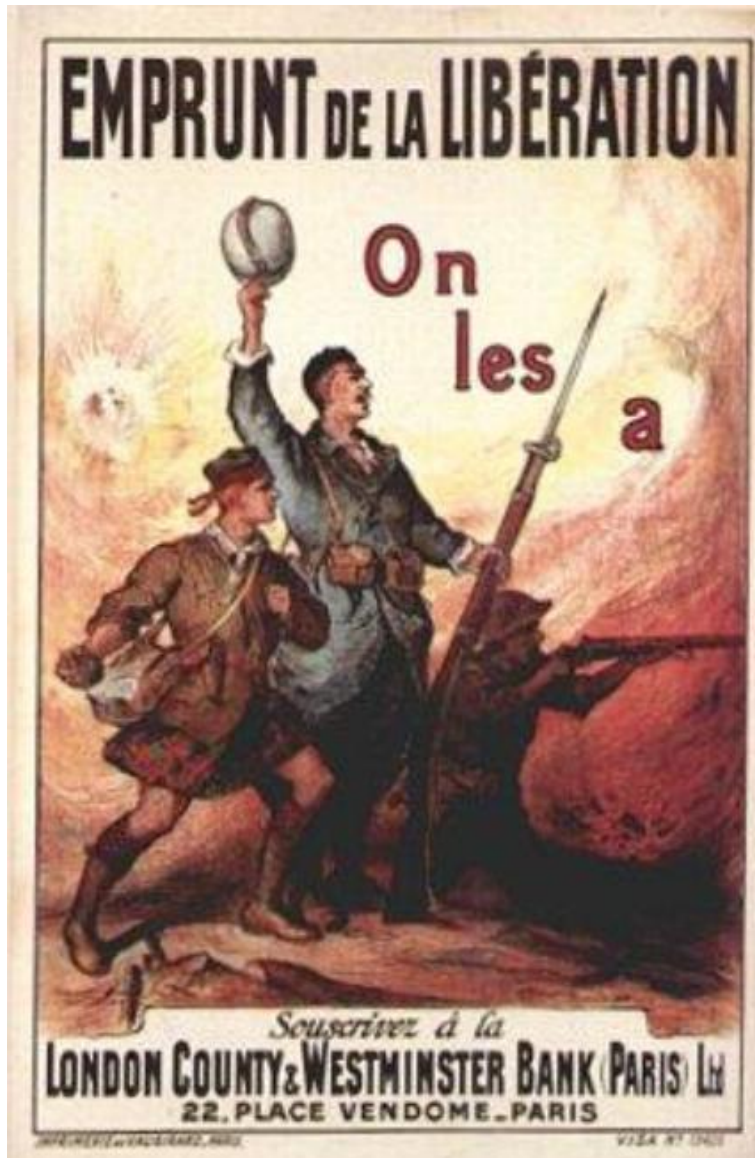


Faivre 1918 source Paillard



Source : Paillard

APPENDIX 3



Example of posters issued by banks, Bouisset, 1918, Source: Paillard

Souscrivez
A L'EMPRUNT DE LA LIBÉRATION!



**LLOYDS BANK (FRANCE) & NATIONAL
PROVINCIAL BANK (FRANCE) Limited**
3, Place de l'Opéra - PARIS

APPENDIX 4: Postcards, calendars, cartoons and labels



Postcard/calendar issued by the Comptoir National d'Escompte



Label issued by the French Finance Minister (Source: APPP, DB 340)



Advertisement in the « Conseiller municipal » (Source: APPP, DB 340)



Cartoon, publisher unknown, (Source: APPP, DB 340)

EMPRUNT 5 0/0
DE LA DÉFENSE NATIONALE

EROSKITZUE
DEFENSE NATIONALEKO
TITULUAK !

Musde RIBOT Minichtroak erran du :

» Memento huntan diruaren alfer arhikitzea ez da bakarrik sor
» lekuaren trahitzea, bainan bacotchak bere hunaren ez ezagutzea.
» Zer bilaka litazke ziren diruac Frantziak bentzutua izan behar
» balu ? Bentzutuen zorraren pagatzen emplegatuak litazke, bitoriaren
» saritzat baliatzeko orde. »

Zuen Eskualduaren sust engatzeko, Frantziaren laguntzeko, zuen ontasunak, lurrak, diruak segurrago ezatseko, egizue diru pausatze hoberenetarik bat, Frantziaren sinaduraz eta zigiloaz segurtatua.

88 liberarekin, ukanen duzue ehun (100) liberako titulu bat, eta 5 libera intres edo arranda, urtean !
400 liberarekin, ukanen duzue 500 liberako titulu bat, eta 25 liberako intres edo arranda, urtean !
880 liberarekin, ukanen duzue mila (1.000) liberako titulu bat, eta 50 liberako intres edo arranda, urtean !

TITULU HORIEK EROSTEN AHAL DIRA :

Banco Frantziakuan, Esparniako Kesetan, (Caisses d'Epargne), Postetan, Prezeturren Bulegoetan, gasturik gabe.

Berehala, pagatuz titulu bacotcha, hamaborts sos (Fr. 0.75) merke-ago da.

Titulu horiec erosten ahal dira lau hilabetez pagatzeko :

10 Libera berehala ;
26 Libera urtharilaren erditik akabantzaraino ;
26 Libera otsailaren erditik akabantzaraino ;
Eta asken 26 Liberak martchuaren erditik akabantzaraino.

Titulu horien balioa emandaten ahalko da 1870 ko gerlanen ondotikako tituluena goratu zen bezala, 1871 ean, 83 liberetan ziren tituluek balio zuten ehun libera (Fr. 100) hirur urturen buruan, eta ehun eta hogoi (Fr. 120) libera hamar urturen buruan, erran nahi baita berrogoi ~~etaburua~~ libe-raren irabazia hurbil titulu bacotchean.

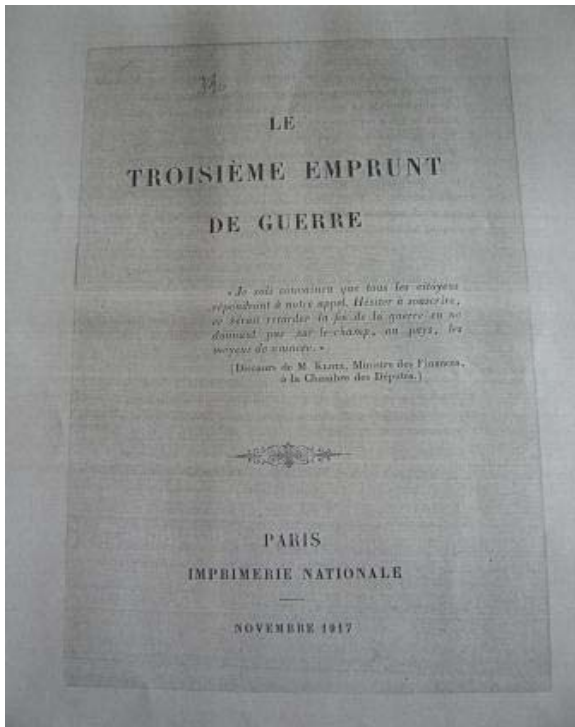
Ez ditake izan diru altchatze hoberik !
Ez gal demborarik ! Abendoaren 15 artean baizik ez da baliatuko ahal abantail horietaz.

ESKULDUNAK, ERNA ZIEZTE !

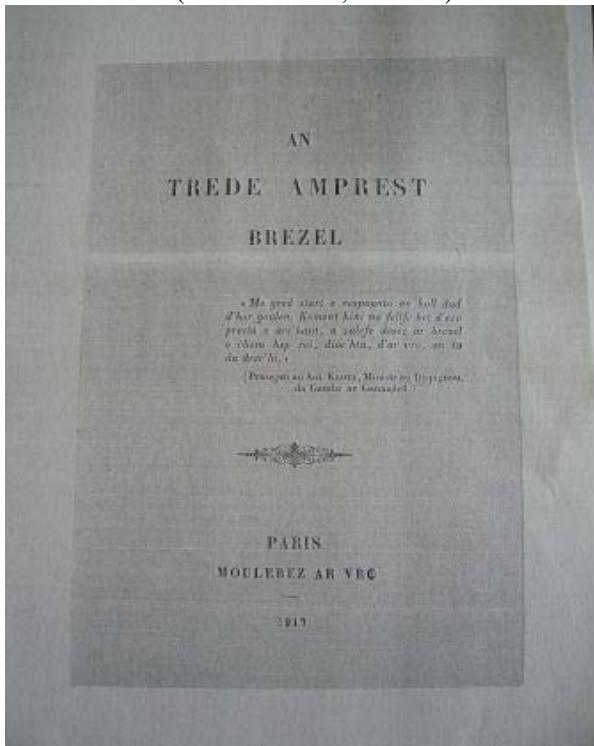
Denek ereman zazue ahal bezambat dihuru, Frantziaren bitoria laster eta eder izan dadin !

Moulton. — Imp. Souletine, rue Victor Hugo.

Poster promoting state bonds in Basque

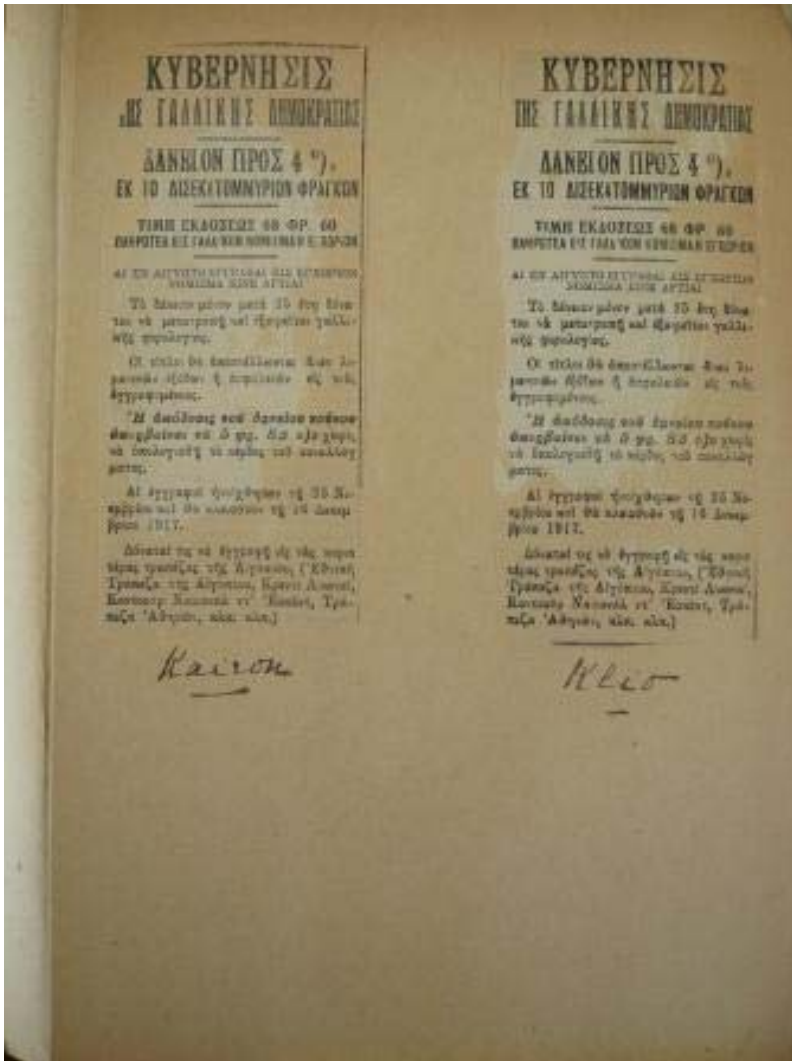


Cover of a booklet promoting the Third War Loan (1917 in French And in Breton (source: APPP, DB 340)

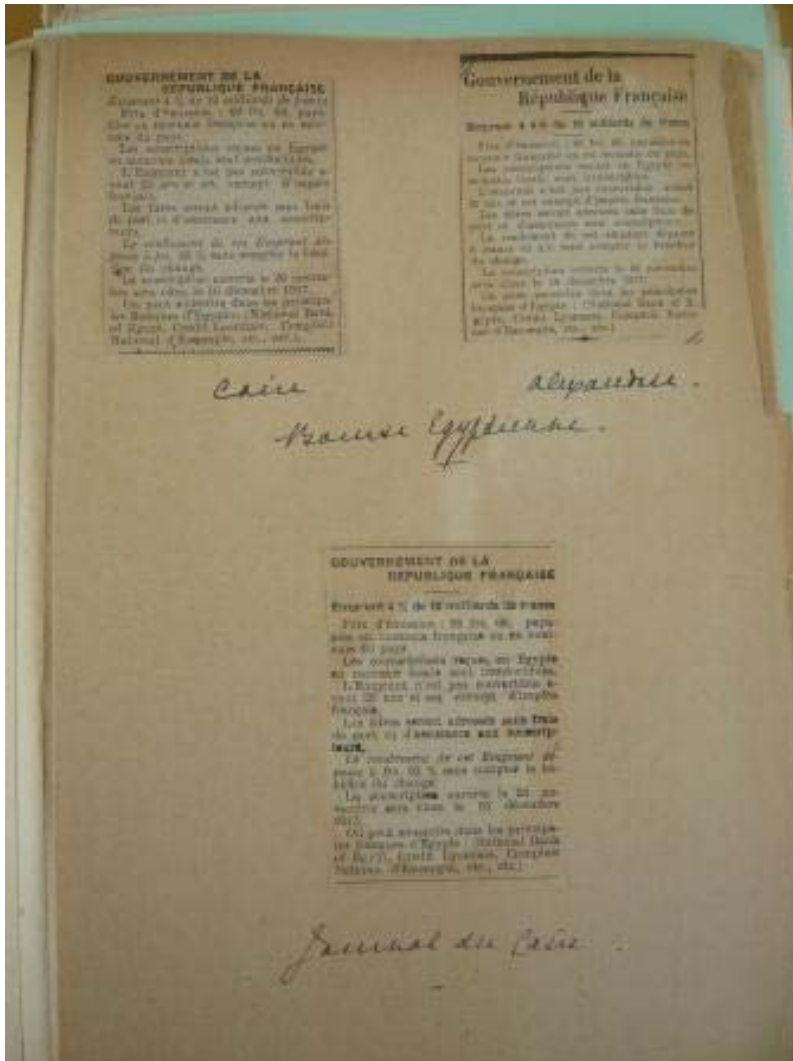


APPENDIX 6: French advertisement in Egypt

In Greek:



In French



In English

GOVERNMENT DE LA
REPUBLIQUE FRANÇAISE
4% Loan of 10 Millions Francs
1000 Franc 50 50 Franc
payable either in French
or Egyptian currency
Subscriptions received in Egypt
in local currency will be allotted
as follows
The Loan is guaranteed by the
income and the surplus of the
of French taxes
The Bonds will be deposited in
subscriptions in Egypt, if desired.
Date of redemption and interest
charges
The yield of this investment is
over 12%, not taking into ac-
count the profit on exchange
Subscriptions will close on
November 25 and shall be closed
on December 31 1917
Subscriptions are received by the
Principal banks in Egypt: National
Bank of Egypt, Credit Lyonnais,
Comptoir National d'Escompte, etc.
Paris etc.

Egyptian Mail

Government of French Republic

FRCS. 10,000,000,000, 4% WAR LOAN.

Price of issue: Franc 68, 80 payable in
French or Egyptian money.

All subscriptions received in Egypt
and in Egyptian Money will be
allotted.

The Loan is not redeemable before
25 years and is free from all
French taxes.

The shares will be sent to the sub-
scriber free of postage and in-
surance.

The interest on this loan is over 5
francs 83 0/100 not including the
benefits in exchange.

Subscription opened on 26 November
and will close on 19th December 1917.

Subscriptions will be accepted in all
the principal banks (The National
Bank of Egypt, Credit Lyonnais,
Comptoir National d'Escompte, etc.

Egyptian Gazette

And in Arabic



APPENDIX 7: Banks stressing their local nature while advertising for state bonds



APPENDIX 8: The soldier asking



Brichou, 1917 source Paillard



Carlu 1917 source Paillard



Tel (1917), source Paillard



Postcard for military use promoting state bonds (source: APPP, DB 340)

LE BIEN-ÊTRE DE LA DÉFENSE NATIONALE



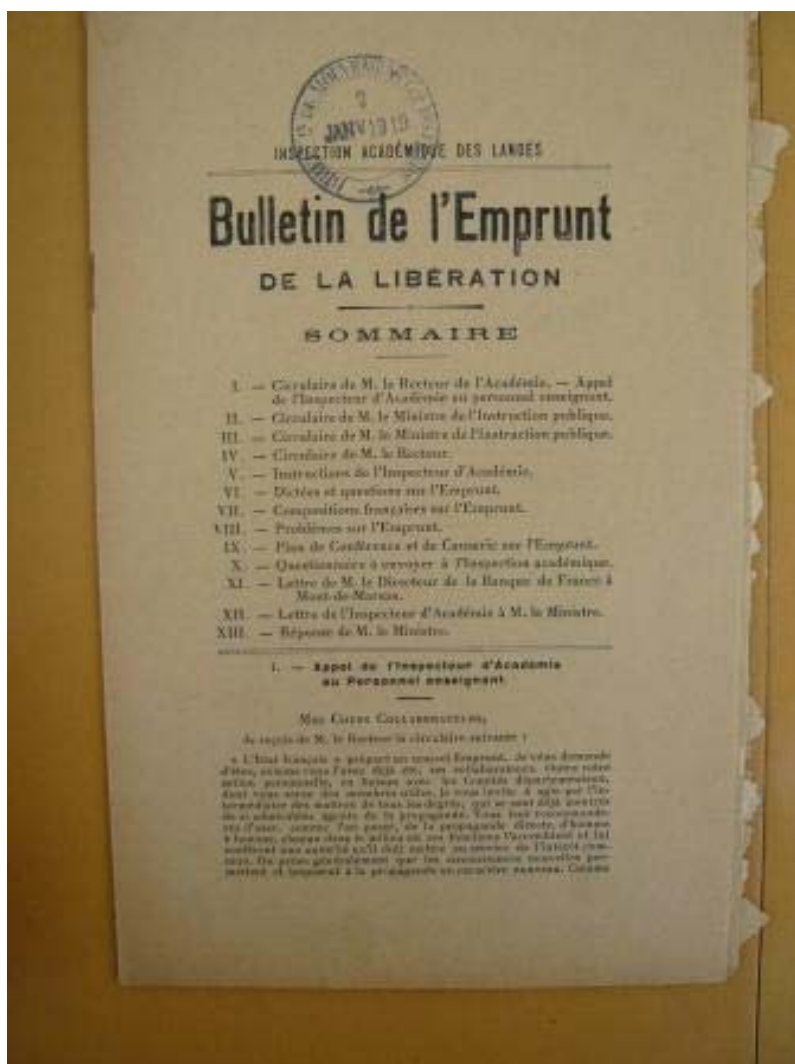
SOUSCRIVEZ-VOUS HÂTEZ-VOUS DE
LA VICTOIRE ET DU RETOUR AU FOYER

Les soldats de la Patrie ont besoin de vêtements chauds et de chaussures solides. Ils ont besoin de nourriture et de soins médicaux. Ils ont besoin de tout ce qui est nécessaire à leur bien-être. C'est pourquoi nous vous prions de souscrire à la Défense Nationale. C'est le moyen le plus sûr de leur venir en aide.



Postcard for military use promoting state bonds (source: APPP, DB 340)

APPENDIX 9: Getting the teacher to promote the bonds



Official document from the “Inspection académique des Landes” describing the promotion teachers should make for the bonds and providing example of math tests using the bonds features. Source: CAEF B006 1786

COURS ÉLÉMENTAIRE

1. — Vos parents souscrivent à l'Emprunt 1918, qui est émis à 4 o/o au cours de 70,50.

Ils versent 885 francs. Quel sera leur rente ou revenu annuel ?

2. — Vos parents souscrivent à l'Emprunt 1918, à 4 o/o au cours de 70,80. Ils veulent avoir une rente ou revenu annuel de 20 francs. Quelle somme devront ils verser ?

COURS MOYEN

3. — A quel taux place-t-on son argent quand on souscrit à l'Emprunt 1918, à 4 o/o au cours de 70,80 ?

4. — Un de vos voisins souscrit à l'Emprunt 1918, à 4 o/o au cours de 70,80 et verse une somme de 1 052 francs.

Après d'un certain temps, il pourra revendre son titre de rente au cours de 89,00. Quel bénéfice retirera-t-il de l'opération ?

5. — Un paysan vend 5 hectolitres de vin à 1 fr. 10 le litre. Quelle somme devra-t-il ajouter au montant de la vente pour se constituer une rente ou revenu annuel de 120 francs ?

6. — Un cultivateur garde dans son armoire 4 525 fr. au lieu de souscrire à l'Emprunt 1918, à 4 o/o au cours de 70,80. Quelle perte aura-t-il subie au bout de cinq ans, si l'on calcule les intérêts simples qu'il aurait touchés et si l'on suppose que le cours de la vente atteint alors 80,00 ?

7. — Un père de famille prévoyant souscrit à l'Emprunt 1918 à 4 o/o au cours de 70,50 au profit de son fils, pour 24 francs de rente.

Quelle somme, calculée en intérêts simples, recevra ce fils au bout de 6 ans et 3 mois, au moment de sa mise en apprentissage ?

Combien vaudra son titre de rente, si la rente s'est élevée à ce moment au cours de 80 francs ?

8. — Un jeune domestique a un livret de Caisse d'Épargne de 600 francs. Il relève son argent pour souscrire à l'Emprunt 1918 à 4 o/o au cours de 70,80.

Quel bénéfice aura-t-il ainsi réalisé par trimestre, sachant que la Caisse d'Épargne donne 2,50 o/o d'intérêt ?

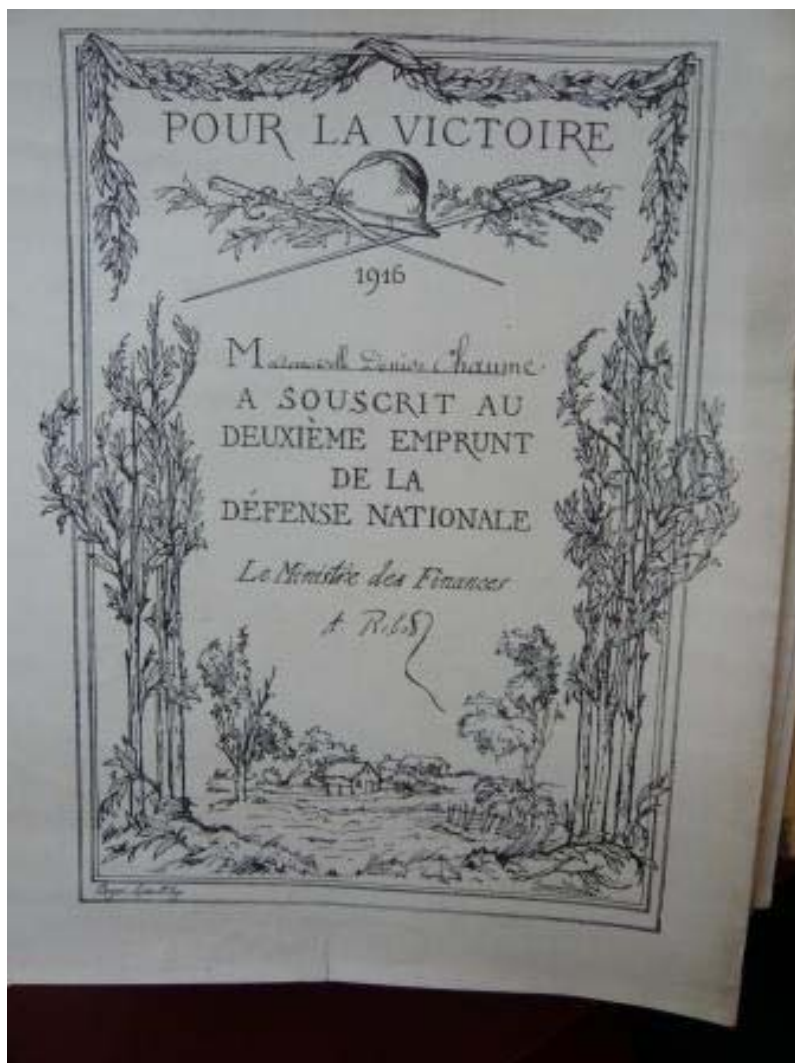
Math exercises using state bonds

Source: CAEF B006 1786

APPENDIX 10: Diplomas and testimonies of subscriptions



Testimony of subscription (1915), (source: APPP, DB 340)



Testimony of subscription (1916), (source: APPP, DB 340)



Abel Faivre, Testimony of subscription (1917), (source: APPP, DB 340)