

PODCAST ATM STORIES - EPISODE N°2

THE GREAT WAR: WHEN THE BANK CONTRIBUTED TO FRANCE'S VICTORY

ARCHIVES & HISTORY DEPARTMENT

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BNP PARIBAS

The bank
for a changing
world

ATM Stories – Always Telling More by BNP Paribas – the podcast that goes behind the scenes to bring you some little-known stories about the bank. Those moments that have shaped the character and culture of a 200-year-old group, to be enjoyed anywhere and at any time!

This episode takes us deep into the First World War archives, where we learn about the role played by French banks in financing the war effort.

Are you familiar with the iconic Alsace Lorraine poster, carefully preserved in a drawing cabinet in the BNP Paribas archives?

Thousands of copies were distributed across France and displayed in branch windows to encourage the population to subscribe to national bonds.

Those bonds then enabled banks to finance the war effort and the country's reconstruction.

Let's take a look back at this exceptional situation which mobilised unprecedented financial resources and went on to have a permanent impact on banks' relationship with the public.

Before the start of the First World War, banking institutions were generally known for their discretion. In response to the necessary war effort, however, they adopted a far bolder style of communication, appealing to the generosity of French and foreign citizens.

From 1914, massive resources were needed to finance the war in France. In coordination with the Finance Ministry, banks developed a "national bonds" scheme.

The purpose of the scheme was to encourage the French population to invest their money in government annuities.

From 1915 to 1918, four successive waves of calls for contributions were launched to support the country, raising nearly 65 billion francs.

The first three waves were called "national defence loans" and were designed to contribute to the war effort. The last wave, in 1918, were called "liberation bonds" and their purpose was to finance the country's reconstruction.

These "perpetual" bonds were not repayable, but provided investors with an annuity at a rate of around 5%.

A press release issued by the Banque de Paris et des Pays-Bas on 24 November 1915 explained the terms as follows:

"We have the honour of informing you that the French government invites all its nationals, both in France and abroad, to subscribe to the major loan for which subscription opens on the 25 November and will end by a Ministerial decision no later than 15 December.

The Loan, for an undetermined amount, is perpetual.

It is free of tax and non-convertible for 15 years, i.e. until 1 January 1931.

It bears interest at 5%.

Annuity instalments will be paid on 16 February, 16 May, 16 August and 16 November.

The securities will be in bearer, registered or mixed form, at subscribers' discretion."

This method of financing the economy was particularly innovative. It was also possible to subscribe to the French loan in a number of other countries, including Switzerland and Russia for example.

And for the campaign to succeed, it obviously needed a good promotional campaign! Famous artists were therefore commissioned to produce a series of propaganda posters for public distribution.

These artists notably included Abel Faivre, Poulbot and Auguste Leroux.

As his contribution to the campaign, Leroux came up with a poster for the Comptoir National d'Escompte de Paris, a forerunner of BNP Paribas, which is remembered to this day as one of the most emblematic in the history of the campaign.

It depicts two young girls dressed in the traditional costumes of the lost provinces of Alsace and Lorraine.

A swallow in the bottom left of the poster appears as a symbol of hope for a better tomorrow, underlining the poster's slogan:

"To hasten victory and see us again soon, subscribe!"

Further information is provided by upper-case text in red:

"Subscribe free of charge at the head office, 14 Rue Bergère, Paris, or any local branches or offices."

Everything is designed to appeal to the emotions of all French compatriots.

And to be even more resonant, in 1918 the poster was enlarged on a 6m x 4m canvas affixed to the curved facade of the first and second floors of the branch at 2 Avenue de l'Opéra in Paris.

This initiative was applauded by the newspaper "Le Monde Illustré" of 2 November that year, which ran the headline:

"The Comptoir d'Escompte at the corner of the Place de l'Opéra proclaims to everyone, through its posters, their patriotic duty at this time."

Banks continued to extol the virtues of national bonds through other communication tools, such as pamphlets, playing cards, calendars and even gold stars handed out at school.

The following extract from the introduction to a pamphlet about the bonds distributed in France in 1920 once again shows us the scale of this patriotic campaign:

"When France issues a bond, all of its children should strive to subscribe as much as they can."

This message highlighted the country's full commitment – the commitment of the French population, standing behind their troops to support victory as well as national reconstruction.

And large crowds swarmed to the counters to fulfil their civic duty!

In that very unusual context, everyone realised the important role played by banks in our society.

The bank was, still is and will always be a major actor of change. Demonstrating that it is indeed... the bank for a changing world!

Another fascinating story from ATM Stories – Always Telling More. We will be back again very soon with more interesting stories from the history of BNP Paribas.