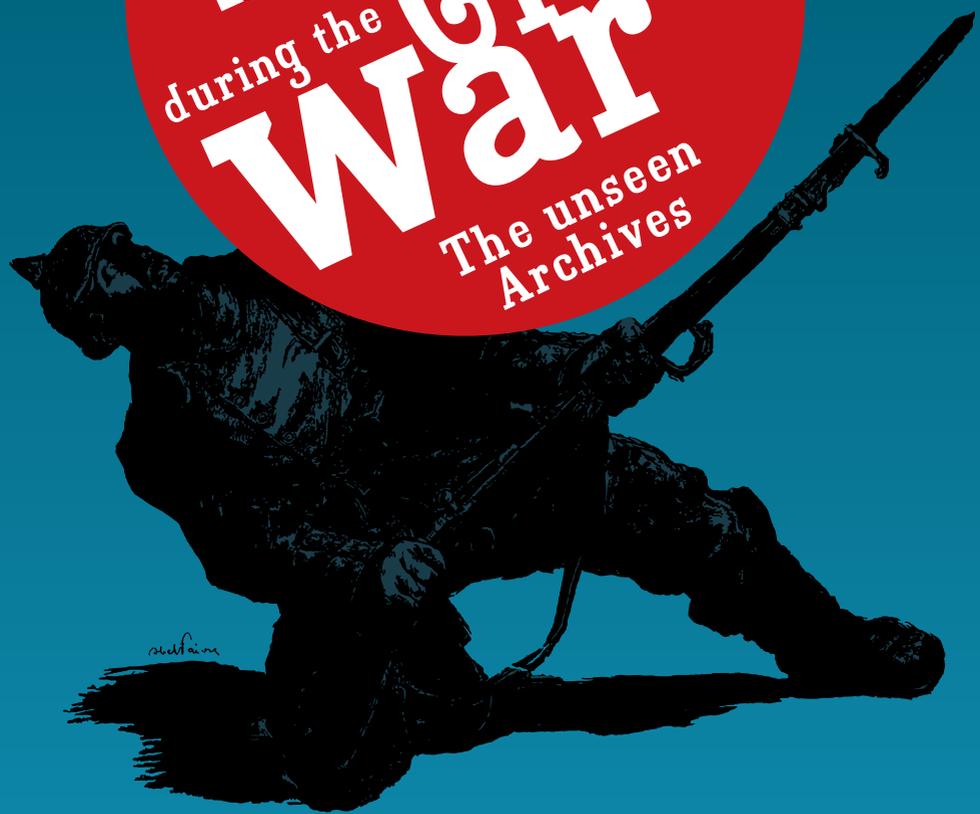


POUR LA FRANCE  
VERSEZ VOTRE OR

French  
**banks**  
during the  
**Great**  
**War**  
The unseen  
Archives



*sublime*

L'Or Combat Pour La Victoire

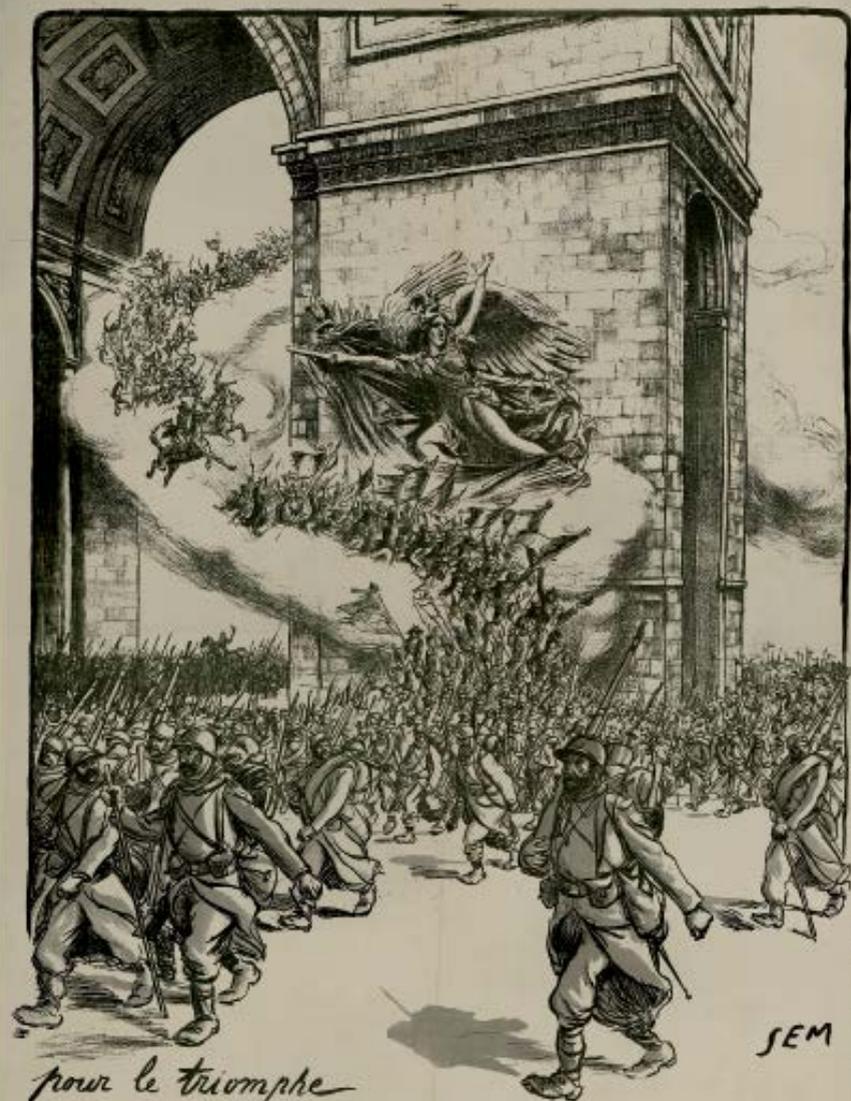




# French banks during the Great War

The unseen  
Archives

French banks during WWI conjure up, in the collective memory, images of the expressive lithograph posters promoting the great National Defence Loans. Although banks in France, under the guidance of the government, provided tremendous support in terms of financing the war and reconstruction efforts, their role and day-to-day history during the war went beyond those contributions. The massive mobilisation of bank employees of all levels resulted in the heavy loss of life on the front lines. In material terms, banking institutions had to contend with the destruction or requisition of agencies and the disruption of their branch networks. All the while, banks continued to provide the support required by the front lines from the home front, particularly in terms of mutual assistance. In social terms, the advent of a large female workforce and of wage-related issues sparked by the onset of inflation brought about irreversible changes. More generally, the war and its aftermath had a lasting impact on the structure of France's financial system – particularly the banking sector, as key players, activities and business regions vanished or emerged. The present exhibition illustrates these trends as well as little-known aspects of the daily lives of France's banking institutions. It is based on the historical archives preserved by five banking groups and by the French Ministries of the Economy and Finance: “unseen” archives that are perhaps familiar to researchers but seldom viewed by the general public.



DEVAZQUEZ IMP. PARIS

SEM

*pour le triomphe*  
*souscrivez à l'emprunt national*  
LES SOUSCRIPTIONS SONT REÇUES A PARIS ET EN PROVINCE  
A LA  
BANQUE NATIONALE DE CRÉDIT

# Financing the war

“Deposit your gold for France”

Artiste Sem

**“For victory, subscribe to the national loan”, 4th National Defence Loan, Banque Nationale de Crédit, 1918.**

With the Allied victory all but assured, Georges Goursat (1863-1934), known as Sem, a French caricaturist and poster artist, illustrated this poster with a drawing of the Arc de Triomphe in Paris. A procession of ghost armies from past wars marches with the Poilus (WWI soldiers), urged on by François Rude's sculpture La Marseillaise..

BNP Paribas, Historical Archives, poster collection.

In monetary and financial terms, the French government was prepared for war. However, it had underestimated the conflict's duration and was faced with extraordinary financing needs. In addition to advances from Banque de France (the French central bank), the government resorted to taxation and above all to loans which covered 75% of its needs; unlike, for example, the U.K. Accordingly, French banks set out to mobilise their networks in order to harness the savings of the French people. Various types of loans were created. Issued as perpetual bonds starting in 1915, the four National Defence loans were the most famous, promoted on posters featuring powerful patriotic allegories. These posters covered the façades of bank branches during the war. The issuance of a cost-free loan for the general public and the extended opening hours of the branches demonstrate the urgent need to mobilise savings. From the very beginning of the war, banks also issued National Defence notes and bonds (short and medium-term repayable loans). Banks encouraged customers to deposit their gold in exchange for bank notes or debt securities, which helped replenish France's gold reserves. Banks also facilitated the extension of credit by foreign banks to the French State by securing the loans. In addition, with the economy suffering as a result of war operations and the mobilisation, banks redirected their assistance towards funding companies related to National Defence, agricultural production and the provision of supplies.



**Branch of the Comptoir National d'Escompte de Paris (CNEP) in Oloron (Pyrénées-Atlantiques), loan subscription day, postcard, 1918.**

People crowd in front of the CNEP Oloron branch to subscribe to the 4th National Defence Loan, issued in October 1918. The branch displays on its facade the famous Alsace-Lorraine poster commissioned by the bank from Auguste Leroux (1871-1954), which gives an indication of when the photo was taken. To ensure the operation's success, no bank fees were charged, as stated on the large banner hanging from the building's balcony.

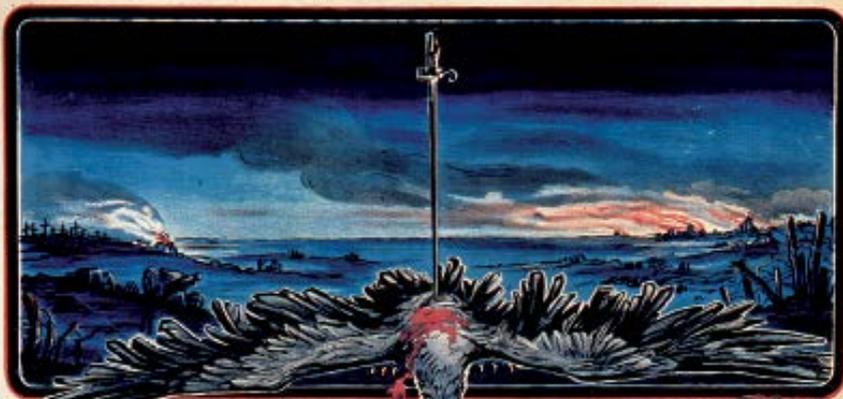


**Artist, Bruno Chavannaz  
"To return the whole of France sweet land to us", 4th National Defence Loan, Société Générale, 1918.**

This poster, which encourages the citizens of France to subscribe to the 4th National Defence Loan, depicts a peasant woman labouring in the fields, with in the background the promise of an imminent renewal: the decisive victory of the Allied troops expelling the enemy from France's borders in one final push.

**Artiste, Camille Aurisse  
"Putting an end to it once and for all!", 4th National Defence Loan, Banque Alleaume, 1918.**

With a sword piercing the German Imperial Eagle, this poster from a now defunct Parisian bank dramatically illustrates the spirit of the 1918 Liberation Loan.



Pour en finir — une bonne fois!  
**SOUSCRIVEZ A L'EMPRUNT**  
**DE LA LIBÉRATION**  
 ≡ RENTE 4% à 70,80 ≡

**NOUS RECEVONS EN PAIEMENT**  
 ≡ TOUS LES COUPONS ≡  
 FRANÇAIS ET ÉTRANGERS  
 Jusqu'au 1<sup>er</sup> Mars 1919  
 TOUS BONS DE LA DÉFENSE NATIONALE  
 TITRES PRÊTÉS à L'ÉTAT  
 Coupons Russes de l'année 1918  
**SANS AUCUN FRAIS**

Pour faciliter les souscripteurs nous achetons ferme  
 TOUS TITRES NON COTÉS OU DE NÉGOCIATION DIFFICILE

≡ Nous avançons sur ≡  
 TITRES NOMINATIFS ET AU PORTEUR

**BANQUE ALLEAUME**

FONDÉE EN 1872

20<sup>bis</sup> & 22, Boulevard Voltaire  
 PARIS

20<sup>bis</sup> & 22, Boulevard Voltaire  
 PARIS

La Lithographie d'Art, Paris



W&A N° 13.200



**National Defence Loan  
Certificate issued by the  
Caisse d'Epargne de Troyes,  
illustrated by Bernard  
Naudin, 1915**

Historical Archives of the Caisse d'Epargne  
Lorraine Champagne-Ardenne. Collection of the  
Caisse d'Epargne de Troyes.

► Georges Redon

**"So that your children may no  
longer know the horrors of war",  
3rd National Defence Loan,  
Société Générale, 1917.**

A widow embraces her child under the portrait of  
the child's father, a fallen soldier; The doll evokes  
Alsace-Lorraine, to be reclaimed.

Société Générale, Historical Archives  
Department.



Pour que vos enfants ne connaissent plus  
les horreurs de la guerre,  
**S O U S C R I V E Z**  
**À L'EMPRUNT NATIONAL**  
**SOCIÉTÉ GÉNÉRALE**

PIRA. N° 9165.

REVAMBREZ. IMP. PARIS.

# CAISSE RÉGIONALE

DE

## CRÉDIT AGRICOLE MUTUEL DE LA GIRONDE

(Généralité et avoués de l'Etat)

Siège Social à BORDEAUX - 27, Rue Foyot-des-Lots, 27.

### Circulaire aux Présidents et Secrétaires des Caisses locales affiliées

## SUR L'OR

*Cher Collègue,*

Après tout ce qui a été écrit il est presque inutile de rappeler nos populations :

1° Que l'Or est utile à l'Etat, que sa seule présence dans les Caves de la Banque de France diminue par le jeu du change le prix de toutes fournitures de l'étranger.

2° Que pour ceux qui le possèdent il ne représente aucune valeur en plus de celle des billets de la Banque.

3° Que ceux qui le déposent reçoivent un titre d'honneur tandis que ceux qui ne déposeront pas en temps opportun ne pourront plus ensuite l'utiliser de longtemps pour toutes sortes de raisons.

Nous faisons appel à votre bon sens pour que vous nous aidiez jusqu'au bout dans les centres les plus reculés de la Gironde et sa sous-région sur la Banque.

Présentation des billets et par suite de convertir tous ces billets EN UN CERTIFICAT DE DÉPÔT INDIVIDUEL délivré par la Banque.

Méfiez la présente circulaire, faites une propagande de tout les moyens. Remettez votre mandat d'administration et faites vos membres à tous les instants.

Méfiez le public ne garde jamais votre état de banque que l'OR DÉPOSÉ À LA BANQUE EST IMMÉDIATEMENT DÉPOSÉ SUR L'ÉTRANGER. La seule au monde inférieure. PLUS IL Y EN A PLUS IL VA À LA BANQUE et MOINS IL EN RESTE. Il faut que l'étranger sache que nous en avons beaucoup plus qu'il ne nous en demande pas.

L'or de la Banque, au lieu de diminuer depuis le commencement de la guerre, est resté au 1<sup>er</sup> Janvier dernier stationné de 641 MILLIONS et depuis dans notre les mouvements volontaires l'ont à nos seuls centres augmenté de plus de 500 MILLIONS.

LE MÉRITE DES DÉPOSANTS NE DOIVENT PAS À PERdre BEAUCOUP D'OR MAIS À VOSSEZ INTÉRESSERMENT TOUT CE QU'ILS ONT, LE PUIS QU'ILS ONT.

**LE CONSEIL D'ADMINISTRATION.**

Le Président de la Caisse Régionale de

est

MR. **BOUQUET**

Circular published by the Caisse Régionale de Crédit Agricole Mutuel de Gironde to encourage gold deposits, undated.

Banks and credit institutions served as relays for the French government to encourage the French population to deposit its gold. This poster from the Caisse Régionale de Crédit Agricole de Gironde targets the credit union's members.

Crédit Agricole S.A., Historical Archives  
Department, Crédit Agricole Collection



"Aho! Good people...  
Deposit your gold; we  
willingly give our blood".  
Printer Crété, Paris,  
undated..."

HSBC France, Historical Archives Department,  
Crédit Commercial de France Collection. © All  
rights reserved.



# Adapting to war

## Wartime banking services

### Crédit Lyonnais Securities Services Facility, 1910.

Although women's employment rose sharply during the war, female employees were already working in banking institutions, particularly in certain departments, as in this one: the Crédit Lyonnais Securities Services Facility.

Crédit Agricole S.A., Historical Archives Department, Crédit Lyonnais Collection.

On 1 August 1914, President Poincaré signed the general mobilisation order. The French authorities took various measures in the name of National Defence, some of them unpopular, which impacted the entire banking sector. In Paris and throughout France, banks faced a deluge of withdrawal requests. To curb hoarding and to cover the expenses intrinsic to a state of war, the French government ordered a moratorium, that is, the suspension of debt repayments, which included cash deposits and personal bank accounts. Thus began a wartime economy increasingly aimed at promoting business recovery through less restrictive legislation. The state of war caused a sharp downturn in business. In the face of the advancing German troops, banks primarily sought to protect their employees and secure their assets, all the more because the enemy was threatening communications and had begun carrying out confiscations and requisitions on the front lines in order to meet its needs. The breadth of the physical destruction in the North and East of France bears testimony to the resolve of the warring parties and to the might of modern war weaponry. Employees in the banking profession were not spared by events. In addition to an increased workload tied to the mobilisation of approximately two-thirds of the male workforce, banking personnel also bore the brunt of a rising cost of living, stagnant wages and the lack of supplies. In the occupied areas, people suffered the horrors of a military occupation and were continuously exposed to artillery fire. Like other businesses, banks relied heavily on women workers to ensure business continuity. In May 1917, as the war settled into a bloody stalemate, bank employees rallied together when a series of strikes erupted in the industrial, financial and insurance sectors, providing them with the opportunity to unite and make their claims heard.



**Line of depositors queuing up outside the Caisse d'Epargne de Paris, end of July 1914.**

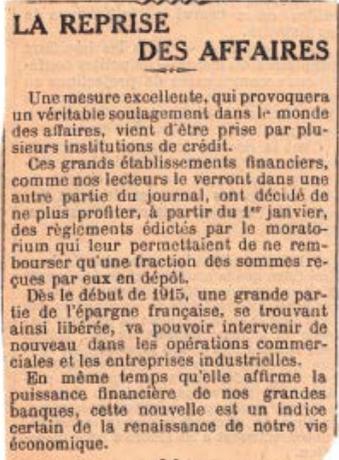
A safeguard clause limiting withdrawals from savings account to 50 francs per depositor over a 15-day period was instituted to protect the Caisses d'Epargne (savings banks) from massive withdrawals. At the end of July 1914, the announcement of the clause's probable application caused a wave of panic among customers, who rushed to withdraw their money.

Photograph Collection of the Fédération Nationale des Caisses d'Epargne.

**"Business To Business", news clipping from the Figaro newspaper on the moratorium, December 2014."**

In response to the exceptional circumstances generated by the conflict, the French government ordered a moratorium in order to alleviate the burden of debtors impacted by events. By the end of 1914, banking institutions decided to stop using the moratorium in order to avoid hampering economic activity.

Crédit Agricole S.A., Historical Archives Department, Crédit Lyonnais Collection.



## LA REPRISE DES AFFAIRES

Une mesure excellente, qui provoquera un véritable soulagement dans le monde des affaires, vient d'être prise par plusieurs institutions de crédit.

Ces grands établissements financiers, comme nos lecteurs le verront dans une autre partie du journal, ont décidé de ne plus profiter, à partir du 1<sup>er</sup> janvier, des règlements édictés par le moratorium qui leur permettaient de ne rembourser qu'une fraction des sommes reçues par eux en dépôt.

Dès le début de 1915, une grande partie de l'épargne française, se trouvant ainsi libérée, va pouvoir intervenir de nouveau dans les opérations commerciales et les entreprises industrielles.

En même temps qu'elle affirme la puissance financière de nos grandes banques, cette nouvelle est un indice certain de la renaissance de notre vie économique.



**Necessity banknotes issued by the Chambers of Commerce of the towns of La Rochelle and Rouen and by the Caisse d'Épargne de Maubeuge, 1914-1918.**

To address the currency shortage, the French government authorized, as early as 1914, the issuing of "necessity" money by public or private institutions. Necessity banknotes were principally issued by the Chambers of Commerce, certain municipalities as well as savings banks by way of derogation from Banque de France's exclusive right to issue. These banknotes were gradually exchanged for the corresponding coins during the post-war period and were withdrawn from circulation in 1926.

HSBC France, Historical Archives Department, Collection of the Crédit Commercial de France. Historical Archives of the Caisse d'Épargne Nord France Europe, Collection of the Caisse d'Épargne de Maubeuge.



**GUERRE 1914-1918. — BOMBARDMENT DE DUNKERQUE.**  
 Comptoir d'Escompte et Photographique Cayez,  
 18, rue de l'Église. — Bombardement par avions dans  
 la nuit du 25 au 26 juillet 1918.  
 Deux bombes de gros calibre.

Troisième Série n° 38. ©Ichoi Cayez. Vue Paris n° 38.

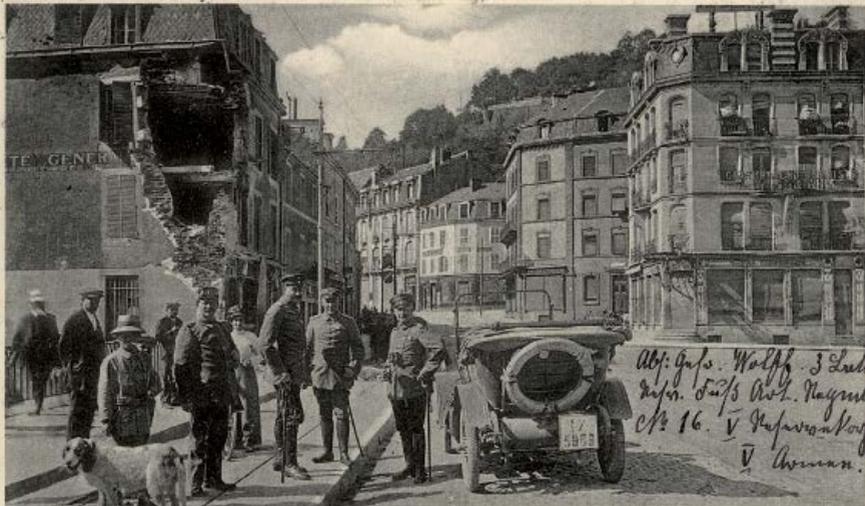


Abb: Gals. Wolff. 3 Luedds.  
 Supr. Supts. Div. Hauptst.  
 Nr 16. V. Hauptmann-Kriegs.  
 V. Hermann.

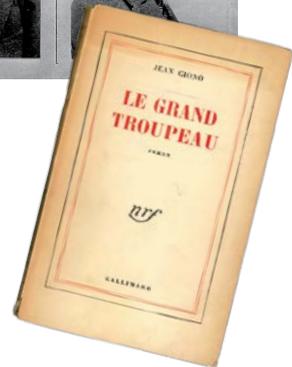
Weltkrieg 1914 - LONGWY-BAS Das an der Kornbrücke gelegene Geschäftsgebäude der „Société Générale“  
 durch eine Granate zerstört - Destruction par un obus des bureaux de la Société Générale

50-



Nom : *Giono*  
 Prénoms : *Jean Fernand*  
 Domicile : *Grand Rue 76 14*  
*Manosque*  
 Entré le *18 Octobre 1911*

Place d'une photographie de face <sup>nov 1911</sup> Place d'une photographie de profil



◀ **Comptoir National d'Escompte de Paris Dunkirk branch destroyed by an aerial bombing, 1918.**

BNP Paribas, Historical Archives, Postcard Collection

◀ **Société Générale Longwy offices destroyed by a mortar, 1914.**

German officers posing in front of the destroyed branch in Longwy-Bas, in the Meurthe-et-Moselle region.

Société Générale, Historical Archives Department.

**Louis Tardy, director of a military hospital in Bordeaux, 1914-1916.**

Director of the Crédit Agricole Regional Bank in Ile-de-France (1901-1904), then inspector of Crédit Agricole's Regional Banks for the French Ministry of Agriculture (1904-1914), Louis Tardy also directed a military hospital in Bordeaux from 1914 to 1916, after which he returned to work for the Ministry of Agriculture. In 1921, he was appointed director of the new Office National du Crédit Agricole.

Crédit Agricole S.A., Historical Archives Department, Crédit Agricole Collection.

**Jean Giono's personnel file at the CNEP, 1912.**

**Jean Giono, Le Grand Troupeau, Paris, Gallimard, 1931.**

French writer Jean Giono (1895-1970) worked at the Comptoir National d'Escompte de Paris from 1911 to 1928, mainly in the town of Manosque. He was deeply affected by his experience as a soldier during the Great War, which inspired him to pen the novel *Le Grand Troupeau* (To the Slaughterhouse) and influenced his later decision to become a pacifist.

BNP Paribas, Historical Archives.



# Helping each other out

## Social assistance during the conflict

### **Donations from the Caisse d'Épargne de Vendôme to war charities, 1914-1918.**

Legally authorised as of 1914 to provide financial assistance to the victims of “public disasters”, savings banks during WWI subsidised numerous solidarity funds established locally to assist soldiers, their families and, more generally, people made vulnerable by the conflict.

Historical Archives of the Caisse d'Épargne Loire-Centre, Collection of the Caisse d'Épargne de Vendôme.

Immediately after the declaration of war, the president of France called upon the “Sacred Union” of the French people. Financial institutions rallied in support of the State, relaying the government’s message of unity and patriotic enthusiasm to their customers and employees. From the first days of combat, banks endeavoured to maintain a constant connection between the front lines and the home front. Letters exchanged with mobilised employees permitted the exchange of news and the sending of wages, clothing and food, while the soldiers’ loved ones received family and cost-of-living allowances. The regular publication of war bulletins and information letters reinforced the sense of belonging to the bank. Throughout the conflict, banking institutions also contributed to the œuvres de guerre (war charities). Such contributions took various forms: financial support to relief committees assisting soldiers, war victims and refugees in the occupied regions; preparation of care packages for the soldiers; construction of military hospitals; and establishment of money transfer facilities for prisoners and foreign workers. When peace returned, the human toll was heavy. Some 1.4 million Frenchmen perished on the battlefields, died in the trenches, were decimated by disease or expired as a result of their injuries. One out of every five employees mobilised never returned from the front. The Act of 26 April 1924 provided for the redeployment of disabled veterans, pensioners and war widows through the creation of reserved posts in the administration and in companies.





### Haussmann Memorial.

War Memorial for both world wars, located at no. 29 Boulevard Haussmann in Paris, at the head office of Société Générale. Inaugurated on November 11, 1948.

Société Générale, Historical Archives.  
Department. © Jean-Marie Gras

### ◀ Convalescing soldiers and medical personnel at Auxiliary Hospital 124, Crédit Commercial de France, 1917.

To make up for the shortage of public health establishments, auxiliary hospitals were set up in schools, hotels, dispensaries and convents. As early as 1914, Crédit Commercial de France made available its premises on Rue La Fayette in Paris and covered the operational costs of the hospital, run by the Union des Femmes de France, an aid society of the French Red Cross.

HSBC France, Historical Archives Department,  
Collection of the Crédit Commercial de France.



« L'From France to its Defenders”, medal engraved by Hippolyte Lefebvre (1863-1935), [1914].

Engraved in honour of the war veterans, the obverse of the medal depicts La République wearing an Adrian helmet adorned with a laurel branch. On the reverse, a cross with the legend “Patrie, Humanité” (Homeland, Humanity) gleams above a battlefield.

Historical Archives of the Caisse d'Épargne Rhône-Alpes, Collection of the Caisse d'Épargne de Lyon.

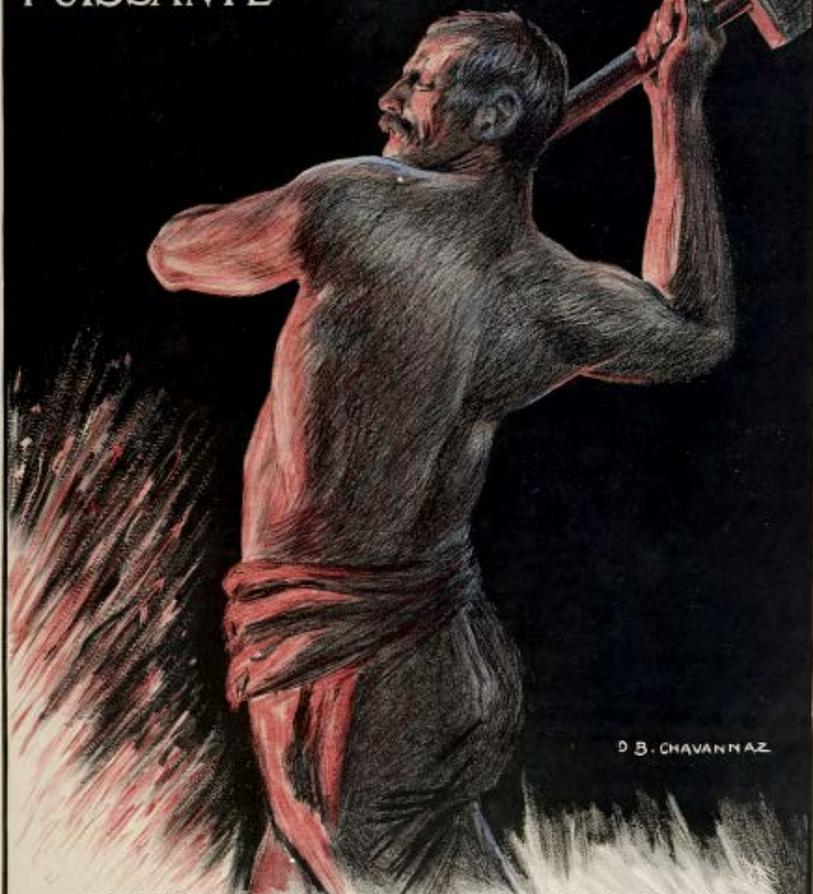


Medal honouring Louis Quinton, who died for France on 21 October 1915

Banque de Paris et des Pays-Bas honoured its employees lost in battle by offering the families of the deceased a custom medal inscribed with the employee's name, the date the employee joined the bank, and the employee's date of death.

BNP Paribas, Historical Archives, Paribas Collection.

POUR FORGER UNE FRANCE  
PUISSANTE



D B. CHAVANNAZ

SOUSCRIVEZ A L'EMPRUNT  
CRÉDIT COMMERCIAL  
= DE FRANCE =

Imp. CRÉTE, 2, Rue des Halles (1902)

# Re-engineering the banking system

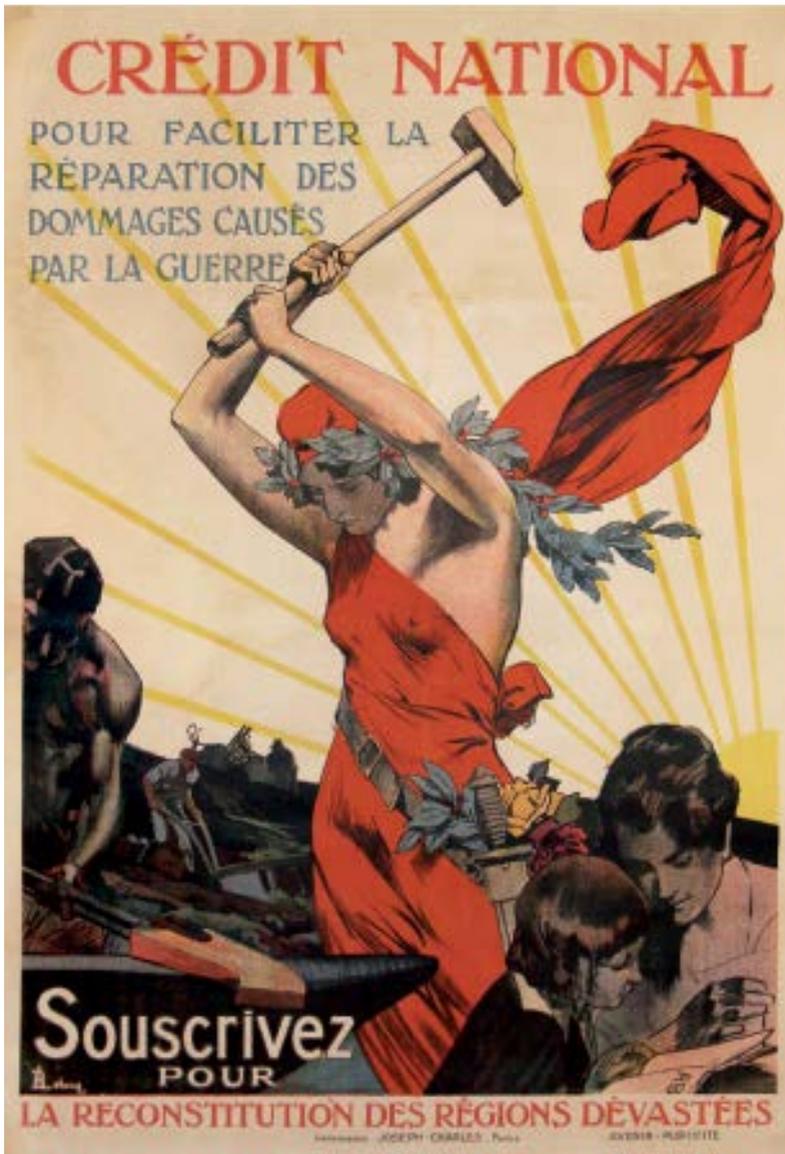
## A shaken banking sector

Artist, Bruno Chavannaz  
"To forge a powerful France.  
Subscribe to the loan",  
Crédit Commercial de  
France, 1920.

In the heart of the forge, a blacksmith strikes the metal with his hammer, symbolising the value of work and industrial renewal.

HSBC France, Historical Archives Department,  
Collection of Crédit Commercial de France.

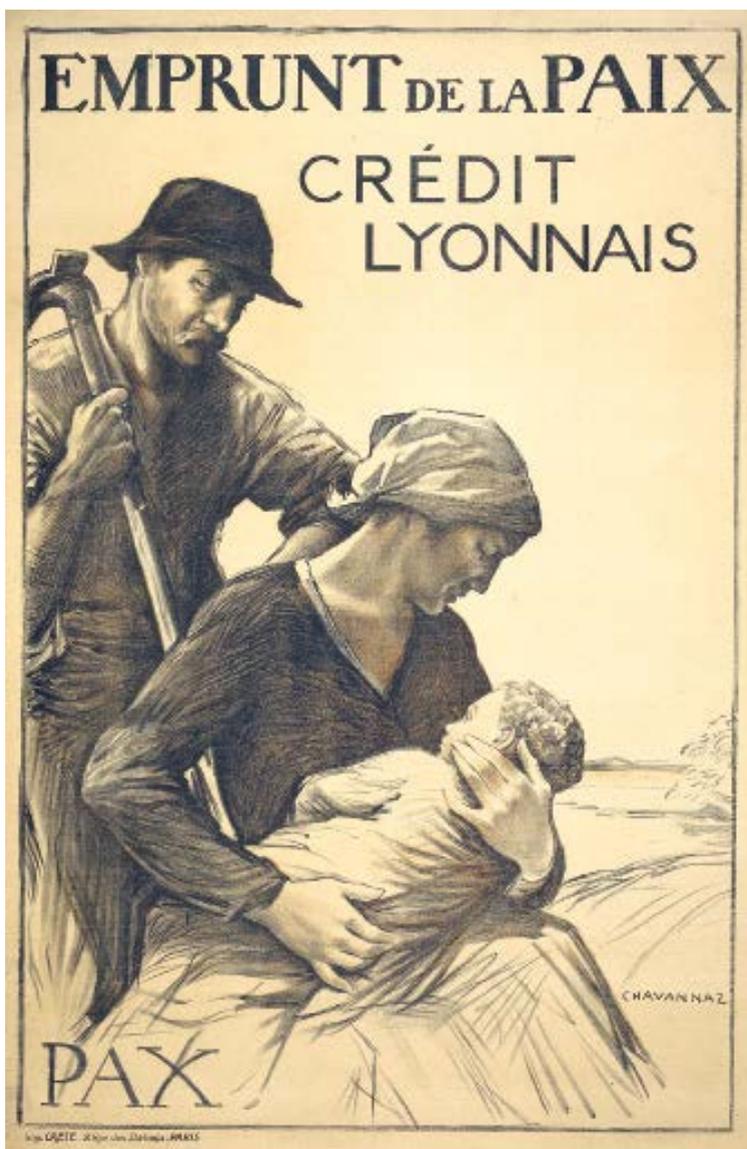
World War One shook up the economic world by ushering back inflation and devaluation, trends that had virtually disappeared during the past century. France emerged from the conflict weakened and heavily in debt, while banks enjoyed a renewed legitimacy in public opinion thanks to their massive contribution to the war effort and their issuance of loans. Subsequently, banks were called upon to help with France's reconstruction. To meet this challenge, banks sought to reinvent themselves by expanding their regional presence and acquiring new customers. The rapid development of mechanical tabulating machines simplified and accelerated the processing of banking operations at an exponential rate. In a world with new borders and modified geopolitical realities, banks redefined their implementation strategies as well as their networks of international alliances. Reconstruction needs and current demands led to the establishment or strengthening, under the guidance of the French government, of new specialised institutions (either public or mutual) with a specific status. The Act of 17 March 1917 provided the Banques Populaires (cooperative banks) with a legal framework confirming their mandate to assist craftsmen and tradesmen. Postal cheques were created in 1918 and, in August 1920, the Caisses de Crédit Agricole (agricultural credit cooperatives) were organised around a new centralisation and coordination body: the Office National du Crédit Agricole. In parallel with the changes taking place in civil society, World War One thus opened a new chapter in banking history.



Artist, René Lelong  
"To ease the reparations of war damages. Subscribe to accelerate the revival of the devastated areas", 1920.

Founded in 1919, Crédit National was initially responsible for assisting with the reconstruction of the war-torn areas, before specialising in medium and long-term financing for French businesses.

Historical Archives of the Caisse d'Épargne d'Auvergne et du Limousin, Collection of the Caisses d'Épargne de Limoges. © Vincent Ferlicq



Artist, Bruno Chavannaz  
"Peace Loan", Crédit Lyonnais,  
1920.

Après une surenchère  
d'allégories guerrières  
employées durant le conflit,  
l'illustrateur Chavannaz  
choisit un thème champêtre

pour illustrer l'emprunt de la  
paix lancé en 1920: le casque  
remplacé par un chapeau  
et le fusil par un outil, un  
ancien poilu couvre sa famille  
du regard. Le mot « pax » donne  
le ton de l'affiche.

Crédit Agricole S.A., département des Archives  
historiques, fonds Crédit Lyonnais.

FILIALE Colmar

Deutsches-mann 30. November 1918.

Resumé.

Bilanz.

SOLL.	HABEN.	GENERAL-LOONT.	KAPITALHETZELER		SS1.01	
			Soll.	Haben.	Soll.	Haben.
	Caisse	Casse	11,170.76	11,170.76	11,170.76	12
	Remise Colmar	Remise Colmar				
	Remise Colmar	Kontokorrent	17,111.11	17,111.11	17,111.11	14
	Clancina	Zinsverzuggebühren	10,111.11	10,111.11	10,111.11	12
	Effekten Markt	Verkauf in Markt	17,111.11	17,111.11	17,111.11	14
	sur le change	in Banker Bilanz	12,111.11	12,111.11		
	en recoupe	Verkauf aus Bilanz	17,111.11	17,111.11		
	Opère impayés et dév.	Kontokorrent	11,111.11	11,111.11		
		Kontokorrent				
	Intéressen postérieurs	Umsatzgelder	11,111.11	11,111.11	11,111.11	12
	Chèques et remises de banque	Bank Wechsel	11,111.11	11,111.11		
	Comptes à terme	Comptes à terme	11,111.11	11,111.11	11,111.11	12
	Comptes en garde	Comptes der Wertpapierinhaber	11,111.11	11,111.11		
	Acceptations et cautions	Accept. Bausparien und dgl.	11,111.11	11,111.11		
	Chèques et effets à payer	zu verbuchen in Bilanz				
		Verkauf aus Bilanz				
	Comptes de chèques	Kontokorrent	11,111.11	11,111.11	11,111.11	12
	Comptes courants	Kontokorrent	11,111.11	11,111.11	11,111.11	12
	Effets et comptes en souffrance	Zinsgebühren	11,111.11	11,111.11		
	Intéressés	Bankgelder	11,111.11	11,111.11	11,111.11	12
	Bilanz de l'Alsacienne	Bankgelder der Filialen	11,111.11	11,111.11	11,111.11	12
	Négociations sur place	Wertpapiere	11,111.11	11,111.11	11,111.11	12
	Finis négociées	Wertpapiere	11,111.11	11,111.11	11,111.11	12
	Profits et Pertes	Ertrag und Verlust	11,111.11	11,111.11	11,111.11	12
	Agios	Agios	11,111.11	11,111.11	11,111.11	12
	Capital	Einlagen der ersten Einrichtung				
	Recouvrement des chèques	Ertrag				
	Bilanz d'entrée	Ertrag aus Bilanz				
		Ertrag aus Bilanz				

Der Buchhalter  
*Reale*

Agence de Colmar  
Société Générale Alsacienne de Banque  
Agence de Colmar.  
*Lucien Jonas*

Summary balance sheet of the Colmar branch of the Société Générale Alsacienne de Banque, November 30, 1918.

► Artist, Lucien Jonas "The Last Duty", Banque de la Seine, 1920.

To spare costs, the branch used a pre-printed ledger in German to prepare its 1918 balance sheet, with the French translation printed by hand in front of each line item.

An elderly couple mourning the death of their mobilised son scrutinises the terms of the 1920 National Loan.

Ministères économiques et financiers, service des Archives économiques et financières.

HSBC France, Historical Archives Department, Collection of Crédit Commercial de France. © All rights reserved

# BANQUE DE LA SEINE

Siege Social, 101 & 103, RUE DES PETITS-CHAMPS & 24 PLACE VENDÔME, Paris



*"Le dernier devoir"*

# EMPRUNT DE LA LIBÉRATION 1918



# WORLD WAR ONE AND THE BIRTH OF THE "20TH CENTURY FOR THE FINANCIAL SECTOR"

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Like most European financial institutions, French banks joined the war reluctantly. While bankers, insurers and financiers could not predict the duration and exorbitant cost of the conflict, all knew with certainty that a European war would weaken the financial system and destroy many acquired positions. Nobody, however, could have foreseen the sometimes far-reaching effects of the war on banking operations, the position of banks within the financial system, and their internal organisation.

In a way, bankers shared the assumption set forth by British journalist Norman Angell, presented in his best-selling book *The Great Illusion*, published in 1910. To put it simply, Angell, without precluding the possibility of war, believed that such an alternative would be rejected by rational decision-makers aware that the prosperity of all relied on international bonds of commercial and financial confidence, embodied by the City of London. But the “greatest illusion” of all was perhaps to believe that reason could triumph over nationalistic passion and political ambition.

## **Powerful banks: an evolving banking sector**

France’s major banks joined the war in the same manner as most of the French population: with resignation as well as determination, and with a justified sense of power. Yet the French banking system, skillfully analysed in 1914 by a German (!) author, had two main flaws.

First, since the crisis of 1882-1889, the major retail banks had initiated (but not completed) the transition from a “mixed bank” model to a “specialist bank” model, based on the expansion of the network of branches and on short-term transactions as well as the issuance and brokerage of shares and bonds.

**Counter of Crédit du Nord  
by the Statue de Lille, Place  
de la Concorde, Paris, 1918.**

Société Générale, Historical Archives  
Department, Crédit du Nord Collection



Artist, Jacques Carlu  
 “Passer-by, do your duty...”,  
 3rd National Defence Loan,  
 1917.

Drawn by Jacques Carlu (1890-1976), architect and older brother of poster artist Jean Carlu, the poster highlights the solidarity required from the home front to support the troops on the front lines. The artist uses a process known as *mise en abyme* by depicting, in the background, the main posters printed by French banks to promote the loan.

BNP Paribas, Historical Archives, poster collection.  
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This changeover took place in the context of vigorous competition between the major retail banks – Crédit Lyonnais, Société Générale, Comptoir d’Escompte de Paris, Crédit Industriel and Commercial – and Banque de France. Between these two poles, a vast world of banking institutions tried to find its way. The more powerful local banks could aspire to follow the retail bank model and become large regional banks, such as Crédit du Nord, while the more vulnerable banks were bought up by one of the larger banks and converted into branches. Finally, a number of bankers sought to maintain their independence and social prestige at any cost, with the biased support of Banque de France. This dynamic system generated many serious imbalances.

Secondly, in July 1914, French public debt was the highest in the world. Yet in that same month, a major national loan was launched to finance the cost of the new law requiring three years of compulsory military service and the various fiscal excesses tied to the military expenditure of the previous years. In effect, France was attempting to get its defence finances in order at the very moment its expenditure was exploding! In this context, the major banks involved in the launch of the national loan of July 1914 were “stuck” in August with vast amounts of

securities that the general public, in the uncertainty of the initial days, was in no hurry to purchase.

This, combined with the strong fears sparked by the outbreak of war, understandably led banks to endorse the implementation of a moratorium (i.e. the suspension of debt repayments), even though the perils of such a measure had been observed during the Franco-Prussian war of 1870-1871.

## **War, the rise of banks and the decline of the financial markets**

French banks were among the world's largest, strongest and above all most liquid ones. The leading institution, Banque de France, served as the general gold reserve (used to make international payments at the time), the supplier of banknotes and a vigorous competitor. This position allowed it to influence the entire banking system, thereby contributing to moving the sector towards short-term and cash funding. Thus, the long-term funding of companies as well as governments used a different circuit: the Paris financial market. Second worldwide in terms of volume and business, right behind the City in London, it ranked first for loans to governments, ie the bonds that made up private wealth in 1914. In simpler terms, bank loans sustained trade and the working capital of companies, while the financial market supplied long-term public and private capital.

This financial market, centred on Paris, was especially dynamic in 1914 due to the mass of loans issued, the volume of capital available (via the structural surplus of the balance of payments) and the level of transactions, which gave the market both its liquidity and depth. Banks, in effect, gave these transactions their "substance", as short-term and inexpensive loans: the famous reports, or deferrals. Thus, the distribution of roles between banks and the markets was tied in two ways. On the one hand, to guarantee their short-term lending activity, banks took out long-term loans from the markets, either for themselves or for their customers. On the other hand, the same financial markets funded their business through sizeable short-term loans provided by the banks...

The Great War of 1914-1918 upset this delicate balance. Stock market transactions were only suspended for a few days at the end of July, but futures trading – the market’s most dynamic activity – did not resume until the early 1920s. In addition, the suspension of the franc’s gold convertibility reduced the attractiveness of the Paris market for foreign governments. Finally, the French government’s massive appeal to the market to fund the war forced out private companies. In this context, the Paris financial market began a protracted decline that would lead it, by the early 1980s, to play only a marginal role in the financing of the French economy. The devastation of war is also measured by the duration of its aftershocks.

### **A major upheaval: the 20th century’s rampant inflation begins in 1914**

One might venture that when financial markets drop, banks benefit since companies and governments will always need to borrow long-term capital from savers anxious to invest their capital. Certainly, as early as August 1914, banks had started to supplant market mechanisms and institutions blocked by the crisis. However, banks did this in the context of a currency issue hastened by war, which in turn caused the period’s final major financial disruption: inflation. Nominal values (or numbers), which characterise banks, grew at a dizzying pace, indifferent to the country’s real wealth or actual losses, whether human or material. This purely nominal growth was, in fact, inflation. This imbalance, which began in 1914, continued until the 1980s (except on rare occasions), undermining France’s currency. The French franc, no longer tied to gold, was only worth 20% of its pre-war value in 1928, less than 1% in 1950, and little more than 0.1 % in 1980. In this context, the doubling or tripling in “size” of banks was not a sign of their enrichment, too hastily decried between the 1920s and 1980s. Rather, it masked the lasting weakening of banks. In the post-war era, however, the French population did not understand this new form of inflation. The significant increase in banking transaction amounts was perceived as the sign of unjustified enrichment, as proof of an unequal sharing of wealth, rather than as the consequence of higher prices. Under these circumstances, it is no wonder that, for decades, banks were condemned for their hidden wealth and secret power.

CRÉDIT COMMERCIAL DE FRANCE  
PERSONNEL

*Cibert*  
~~Cibert~~ Jeanne

Entrée le 22 Août 1917  
Adresse 100, Rue de Metz, Roubaix  
19, Rue de la République, Roubaix  
A guis de  
Motif de départ  
Observations

LIU ET DATE DE NAISSANCE  
N. 2 A. Bacquart, le 20 novembre 1891

ETAT CIVIL  
Nationalité Française

Marié le 20 Août 1915, à M. C.

Enfants

Recommandants



Roubaix 7 Août 1917

Monsieur,

J'ai l'honneur de solliciter de votre bienveillance, un poste d'employée dans un bureau.

Mon mari est mobilisé et devant la difficulté de vivre en ce moment, je me vois forcée de me procurer un emploi.

## Banks confront war: overcoming human and logistic challenges

This widespread financial decline does not, however, tell the full story. In the short-term – during the war – banks had to maintain their business activities, adapt, react and innovate in order to cope with difficult conditions and new risks. The present exhibition covers this chapter in banking history. The departure of men to the front lines, the human losses, the enormous sums of money poured into the war, the destruction and occupation of ten French départements for a period of four years, and finally inflation disrupted the operating conditions of all banks, big and small.

These challenges added up, often in unexpected ways. Accordingly, the combined effect of inflation and the growing success of the government's patriotic call for domestic savings caused an unprecedented increase in the number of securities transactions carried out by banks for their depositors: sorting the bonds (everything was done on paper at the time), removing the coupons from the bonds, and swapping out the securities

### Personnel file of Jeanne Cibert, Crédit Commercial de France, 1918.

Many women were recruited to replace male employees. Jeanne Cibert, left without resources due to her husband's mobilisation to the front, sought employment and was hired as a telephone operator.

HSBC France, Historical Archives Department, Collection of Crédit Commercial de France.



**Pauline Mondange, Société Générale employee, 1910.**

Pauline Mondange, a young shorthand typist recruited by Société Générale in 1910, proved to be a leading trade-union organiser and anarchist during WWI. She became a spokeswoman for women bank employees in Paris.

Société Générale, Historical Archives Department.

for large loans partly payable in old shares. During and after the war, banks evolved into full-fledged industries employing a large workforce and orchestrating the storage, routing and processing of hundreds of millions of financial documents.

These requirements motivated considerable efforts in terms of organising work tasks and equipment as “information processing” tools: mechanical, then electro-mechanical and finally electronic machines spread through banks during the following decades, in pace with the upsurge in transactions, the increased use of banking services by the population, and inflation.

As a result, banks faced a major logistical challenge while their margins were being squeezed. Furthermore, this tremendous increase in the volume of physical operations occurred at a time when male employees were leaving the banking counters and branches. Consequently, banks became one of the most important employment sectors for women. But unlike the defence industry, where the armistice resulted in the return of the male workforce and a reduction in production, women remained in the banking sector. From less than 10% prior to the war, women made up over 30% of the banking sector’s wage earners in

the 1920s. Paid less and for lower-skilled tasks, women satisfied the new demands that emerged as a result of war, such as the decrease in the real value of single transactions combined with significant increase in quantity: in other words, less margin and more volume. Similarly, many of the so-called women's jobs (cleaning, cafeteria work, "blue-collar" tasks) were not included in the collective agreements negotiated with the banks. During the following decades, however, due to the large and irreplaceable presence of women in banks, the sector became a hub of professional recognition for women, providing them with gradual access to managerial and executive roles. In the meantime, from the 1920s up to the 1970s, women workers proved to be combative, capable of asserting their rights and of imposing social reform.

## An increasingly strategic banking sector

The success of women's wage claims in the banking sector is also an indirect result of the war. Deprived of a financial market, the French economy – both the public and private sector – relied on the smooth functioning of banking networks. As such, the French government was present behind all banking negotiations, supporting discussions relating to institutions weakened by bad business dealings or to the sector's general economy. Thus, a major strike was avoided in 1936 while, in 1947, banks became one of the few industries to sign a collective agreement. More importantly,

### Crédit National bonds, 1919.

Established on 10 October 1919, Crédit National was a financial institution with a special status as a private enterprise that served the State. It was created to help finance the reconstruction efforts. As requested by and overseen by the government, the institution's capital was subscribed by the main French banking institutions and by major French companies. In 1919, true to its mission, Crédit National launched its first bond issue.

Archives of the Fédération Nationale des Caisses d'Épargne.



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REPUBLIQUE FRANÇAISE

MINISTÈRE DE L'AGRICULTURE

CAISSE NATIONALE DE CRÉDIT AGRICOLE

LOI DU 5 AOUT 1920

sur le

CRÉDIT MUTUEL ET LA COOPÉRATION AGRICOLES



PARIS

3, Rue Cassini-Périer, 3

1<sup>er</sup> Janvier 1921

after WWI, the government became a direct player in the banking sector by fast-tracking the creation of partly state-controlled banks.

In addition, the war itself generated an incredible volume of banking transactions, particularly through the settlement of war damages, paid by cheque. Combined with the rising volume of pensions (for war veterans, widows and orphans), also paid by cheque, and especially the opening of postal accounts, authorized by the Act of 1918, WWI clearly marked the beginning of the “democratisation” (or access for all) of banks in France and the use of banking services by every household: a transition completed in the 1980s.

From the standpoint of both the government and the individuals, banks took on a vital role as of WWI. But what about the businesses ? For a long time, banks played a major role in financing the private sector. The war brought about two key changes: the acceleration of technical innovation and the collapse of the financial market. Banks, supported by the government, invented and developed new forms of credit, the so-called medium-term credit, and became the main capital providers for companies. In the immediate post-WWI period, several new bodies also emerged: Crédit National, UCINA (Crédit Lyonnais and Comptoir National d'Escompte), AFCI and BNFCE in 1919, CALIF (Société Générale, CCF, Banque Nationale de Crédit) in 1928, UBRCI and OFINA in 1929, and so forth.

## The transformation of banks

The entire financial system was deeply transformed by the war, with banks starting to take the place of a financial market increasingly focused on providing funding to the government. Initiated in 1914, this major change was to continue, with a few fluctuations, until the 1980s. Only then did the government give impetus to a reverse change, by rehabilitating the financial markets and their role in the financing of companies. In turn, the nature of banks evolved. Just before the outbreak of WWI, a specialisation trend was under way, stimulated by competition, which gradually brought the French system closer to the British one with large and powerful deposit banks characterised by a high liquidity level and a dynamic financial market driven by international investment banks. The war caused international economic relations to break down and foreign assets to be seized (particularly in Soviet Russia), leading to the weakening of large investment banks such as Paribas or BUP, a situation further accentuated by inflation, which reduced the real value

**Brochure of the Caisse Nationale de Crédit Agricole relating to the Act of 5 August 1920 on agricultural mutual credit and cooperation, 1927.**

The Act of 5 August 1920 gave greater independence to what was, at that time, a credit department that reported directly to the Ministry of Agriculture by creating a centralised clearing organisation for the Regional Banks: the Office National du Crédit Agricole. In 1926, this public institution was renamed Caisse Nationale de Crédit Agricole (CNCA).

Crédit Agricole S.A., Historical Archives Department, Crédit Lyonnais Collection

of the banks' main financial resources: their capital.

This situation gradually gave pre-eminence to banks that owned resources more closely indexed to national wealth's nominal growth, ie deposits, which kept pace with inflation. Thus, the large deposit banks and the new mutual banks (Crédit Agricole, Banque Populaire) that developed under government supervision gradually became banks providing a bit of everything: from current accounts to financial advice, and from commercial credit to long-term financing. The expansion of banking services from the 1920s to the 1980s did not only reflect a rise in the number of households with a bank account, but also the growing use of banks by the productive economy.

The reinforced role of banks compared to the financial markets was offset by gradually greater government intervention. Previously a free and independent profession, the banking sector attracted increased government intervention as of 1914. The hierarchical structure of banks made them easier to control, guide and influence than the markets. From the war onwards, the conversation between banks and the government intensified and became more institutionalised, either directly, via the loan issues, or indirectly, through greater control exerted over financial bodies that were neither fully public nor fully private, such as Banque de France, Caisse des Dépôts, Crédit Foncier, and soon, Crédit National. The relatively decentralised notion involving local markets and players was gradually replaced by a more centralised logic revolving around top management and the big Parisian institutions: a more hierarchical logic, under which banks, the French currency and finance became somewhat "governed". Partly rejected in 1919-1920, this fundamental legacy of the war calmly ran its course throughout the 1920s, made a comeback in the 1930s and finally asserted itself in the 1940s, only to be completely called into question in the 1980s.

Hence, in just four years, the twentieth century in terms of finance, was charted, tested, and partly rejected, ie a very brief financial century, in fact, since it only lasted until the 1984 Banking Act (when banking and financial activities were deregulated). Yet it combined two contradictory features: the distinct weakening of the position of market finance and the considerably stronger role of banks.

**This exhibition was created by the working group “Banques 14-18”,** part of the Association of French Archivists, using the archival collections of five banking institutions and of the French Centre for Economic and Financial Archives (CAEF). Produced in the context of the WWI commemorations, the exhibition will be presented in different venues, both public and private, as of January 2015.

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