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History 3703: World War I

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### **Funding a War:**

#### **World War I and the Politics of Bonds and Propaganda**

War changes a country. Even when a war is fought on foreign soil, as it was during World War I, that war changes everything. In light of patriotic ideology, excitement, or even desperation, people volunteer to join the military, and money must be raised to provide those soldiers with food, clothing, weapons, medical treatment, and pay. Ultimately, someone must pay for all of these and other war-related expenses. Interestingly, World War I saw a shift in the way military money was raised and managed, and the outcome revealed a country comfortable with an increased governmental role in economics when the nation is under threat (Lozada). In essence, we have come to expect the government to be more involved in the everyday economic realities of our country when we are faced with war, terrorism, or economic disaster. During World War I, the government used the Liberty Loan Bond program and other similar programs to help fund the war overseas, and these programs were promoted through various propaganda campaigns aimed at everyday citizens and even the soldiers themselves.

Although many may not realize, soldiers were encouraged, along with the general American population, to purchase Liberty Loan Bonds in order to help finance the war effort. These bonds were essentially loans to the American government by the American people, with

the promise of payback plus interest after the end of the war (United States Treasury). World War I ultimately cost the United States about \$20 billion in military costs, roughly \$30 billion in all costs, and these bonds helped to finance the war since taxes alone could not meet the need (Daggett 2). The Liberty Loan Bonds were issued in four different increments: First Liberty Loan (Emergency Issue) (April 24, 1917), Second Liberty Loan (October 1, 1917), Third Liberty Loan (April 5, 1918), and the Fourth Liberty Loan (September 28, 1918). Each set of bonds was issued with a monetary limit to the number of bonds sold: First (\$5 million), Second (\$3 million), Third (\$3 million), and Fourth (\$6 million) for a total of \$17 million in Liberty Loan Bonds (“Liberty Bond History”). The bonds were sold as either “coupon bonds” or “registered bonds,” with the “coupon bonds” actually having interest coupons attached which were later redeemed for interest proceeds, ranging slightly depending upon which set of bonds was purchased, but averaging about 4% in interest income (United States Treasury). A final (fifth) set of bonds was issued after the Armistice to help fund post-war costs (Won Kang and Rockoff).

These bonds were heavily advertised through posters and flyers, with the majority of posters appealing to pathos, or emotion. Although some early posters relied on appeals to self-interest – the savings and money made through interest – most of the later posters focused on the perceived barbarism of the Germans because this approach seemed to work best. In fact, Won Kung and Rockoff mention in their research that one Liberty Loan Bond poster for the fourth issue showed a German soldier stabbing a bayonet into an innocent woman. All of these posters were intended to inspire everyone – from Boy Scouts to soldiers to help fund the expenses of the war through purchasing Liberty Loan Bonds (Won Kung).

The Liberty War Bonds were not the only subject of World War I propaganda – not by a long shot. In fact, only a week after the United States entered the war in April 1917, the

government formed a Committee on Public Information (C.P.I.) intended to inspire public involvement in supporting and funding the war. This committee's materials included a large number of posters – over 700 by the end of the war – created by artists. This poster program cost the United States government only about \$13,000 for all 700 posters since the artists donated their time and materials to what they saw as an important cause. While many posters asked citizens to help fund the war through such programs as the Liberty Loan Bonds, still others focused on other areas of sacrifice which everyday citizens could make: including an entire poster effort aimed at asking Americans not to waste food. Most of these posters included compelling images of hungry children or war-ravaged soldiers, intended to bring the war front to the home front through emotion (Max).

Interestingly, the C.P.I. was also responsible for promoting the various Liberty Loan Bond programs through a volunteer outreach program called The Four Minute Men, in which the designated Four Minute Men were asked to speak outside of motion-picture theaters in order to encourage citizens to support the war effort and purchase Liberty Loan Bonds. The Four Minute Men were named after the “minute men” of the United States Revolutionary War, who were ready to fight at a minute's notice. The reason for the number, “four,” was because that was the length of time it took to change a film reel in a movie theater. These Four Minute Men were asked to appeal quickly – within four minutes – to the wide range of movie theater audiences they would encounter (Mastrangelo). Lisa Mastrangelo explains, “The Four Minute Men [program] . . . was so widespread and so successful that its disappearance in rhetorical history is both surprising and unfortunate. Of particular interest to rhetorical historians are the ways in which the Four Minute Men promoted public rhetorical engagement . . . to spread a government message.” The committee issued a pamphlet to all Four Minute Men, outlining what would be

expected out of their speeches, how to overcome crowd concerns, and how to use emotion to reach the audience. Some of the potential audience concerns addressed in the pamphlet include: “It’s a rich man’s war,” “I believe in peace – not bloodshed,” “England’s war – not America’s war,” and “What did they do with all the money they got last time” (“4 Minute Men”). Each concern was countered with an answer the Four Minute Man could offer the crowd, including the emotion filled answer that money was going to feed, clothe, and pay the soldiers who were sacrificing overseas (“4 Minute Men”).

One soldier, in particular, who was inspired to sacrifice money, in addition to the other sacrifices he was already making, was William Lovell, a soldier stationed in France in 1918. In fact, documents relating to Lovell’s purchase of two Third Issue Liberty Loan Bonds of \$50 each can be seen in the University of Tulsa Special Collections Department. This small document, only about three inches tall and eight inches wide, is a bond allotment request form for Private First Class William V. Lovell on a Quartermaster Corps form. The copy of the request on display at the University of Tulsa is marked as a duplicate to be kept for record by the United States Treasury, and it was certified by Major Benedict and signed by William V. Lovell. This request authorized the United States government to deduct \$10 from his paycheck monthly over the course of ten months to pay for the bonds (“Q.M.C. Form 38”).

The form itself tells us a bit about William V. Lovell, including the fact that he was probably stationed in or near France since this request was processed at the 3<sup>rd</sup> Aviation Institution Center in France on April 29, 1918 (“Q.M.C. Form 38”). The 3<sup>rd</sup> Aviation Institution Center in Issoudun, France was the largest overseas American Air Base during World War I. This base covered fifty square miles and included many airfields and a cemetery. This base was

the primary training location for all American combat airmen, and, in fact, they used the facility to train combat pilots from other countries as well (“U.S.A.S. 3<sup>rd</sup> AIC”).

Ultimately, William V. Lovell, an American soldier in World War I, made the sacrifice to buy two of the Liberty Loan Bonds which all Americans were encouraged to buy. Although we do not know if Lovell was inspired to purchase his bonds in his own self-interest or as yet another sacrifice to his country, we do know he was not the only American to do so. The United States government, desperate to raise money to fund the war overseas, used both pathos and logos through various propaganda campaigns, including the Four Minute Men, to appeal to an American audience for the money and support they needed. In doing so, the federal government began a shift in economic expectation which carries through to today.

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