

« La mobilisation financière en France et à l'étranger pendant la Grande guerre : le front financier, un troisième front ? »

Bercy, 25 et 26 septembre 2014

The War savings campaign in Great Britain : the birth of a modern saving policy.

Michael Moss¹

When war was declared in August 1914 the United Kingdom had not been engaged in a major European conflict for a century with the possible exception of the Crimean war (1853-6). The Treasury, led by the youthful John Bradbury, was confident that the United Kingdom had sufficient resources to prosecute a short campaign which could be financed largely through the sale of bonds to financial institutions, but by the spring of 1915 officials were concerned about the macro-economic effect of what seemed destined to be a longer conflict. At the heart of the Treasury's anxiety was the increase in the money supply caused by the massive injection of cash into the economy to pay for war materials, which in turn translated into a big rise in domestic incomes as more and more of the population was sucked into the workforce. Inflationary pressure was exacerbated by a reduction of the quantity of goods on the market, low interest rates and the volume of short term borrowing by the government from the Bank of England in effect quantitative easing at a time when peacetime logic would have called for a tightening of monetary policy. The Treasury was uncertain about how best to address the situation, but believed there was little option but to let inflation rip and stifle demand:

It means the well-to-do must reconcile themselves to lead the simple life and the workman to going short of food and clothing, this probably means that the dependants of those who are fighting for their country must undergo a certain amount of privation. But if it were properly explained to the working man I am not sure that he would not understand and submit to the necessary sacrifices provided that the propertied classes are tackled at the same time.²

The only drawback was that the government lacked experience of mass promotion and had no effective propaganda organisation with the exception of the cross party Parliamentary Recruiting Committee (PRC), which had been set up in response to the call to arms by the newly appointed War Secretary Lord Kitchener.³ The PRC was led by the three party leaders, the Prime Minister, Herbert Asquith, the former Conservative Prime Minister, Arthur Bonar Law and the Labour Member of Parliament Arthur Henderson. It rapidly put in place a regional and local committee structure by drawing on local party organisation. Bradbury considered there were two options higher direct taxation that ran the risk of making the war unpopular or selling long dated bonds to the population at large and institutional investors, which would reduce purchasing power in the short term, but like any saving represented deferred expenditure for the future. Reflecting after the war he thought that income tax should have been broadened and raised much more steeply immediately to choke off

¹ Michael Moss is professor of archival science at Northumbria University, holds an honorary chair at the University of Glasgow and is a member of the historical committee of the European Savings Bank Group. He would like to thank of Hannah Riley of the Bodleian Library, Oxford, who has supervised the repair of the collection described in footnote 12, the staff of the Bank of England Archives and the British Postal Museum and Archive, Anthony Brown for drawing his attention to Lord Rhondda's association with the temperance movement, Professor Derek Oddy, and Professor Sir Hew Strachan. His email address is Michael.Moss@northumbria.ac.uk

² The National Archives (TNA) T208/12B, 'The War and Finance', 17 March 1915, JB, p. 3

³ M. I. Sanders and Philip M Taylor, *British Propaganda During The First World War, 1914 -18*, Macmillan, London, 1982, pp. 16-7.

inflation, despite the political risk.⁴ At the outbreak of war only 1.13 million people paid income tax of 6 per cent. Another possibility was to follow Germany's example and introduce rationing of essential supplies – the so called 'bread tickets'. Whatever policies were adopted the Treasury believed inflation was inevitable, but was determined to use income tax to protect the most vulnerable. Although far from the front the sensitive handling of fiscal policy was essential in sustaining morale at home particularly as the casualty lists lengthened.⁵

By June Harley Withers, who had just joined the Treasury as Director of Financial Enquiries from the newspaper *The Morning Post*, was alarmed by the rapid growth of quantitative easing. The note circulation had increased by £4 million and the Bank had created over £38 million in emergency credits. Inflationary pressure had been eased by the Bank of England borrowing huge sums that 'it did not want', but this was likely to cease shortly. Of equal concern was a sharp fall in deposits with the savings banks. Withers thought that high wages combined with inflation to encourage spending rather than saving, which could only be reversed by increased taxation, 'or by an authoritative pronouncement made in such a way that will reach it [the public] and be understood'.⁶ The year before he had published a pamphlet *Poverty and Waste* in which he advocated the need for saving in peacetime both to reduce inflationary pressure on 'articles of necessity' to the least well off and to release capital for productive investment.⁷ This was a new argument in the rhetoric of thrift which usually concentrated on the need to save for the personal vicissitudes of life, rather than any macro-economic objective.⁸ At the same time Bradbury had concluded that it was no longer safe to finance public expenditure out of short-dated bills and it was imperative to issue a new loan, which on Keynes's advice should be 'tax free to everyone.'⁹ Dudley Ward, Withers' assistant who had joined the Treasury from Cambridge, suggested borrowing a leaf from the temperance campaign's book and inviting the public to sign a pledge to devote a percentage of their income each week, an idea that was to be revived later by the food economy campaign.¹⁰

The government responded immediately to the Treasury's concerns. The Parliament War Savings Committee (PWSC) was hurriedly formed by simply replicating the PRC with the same committee structure. As in the PRC, Asquith, Bonar Law and Henderson served as Presidents, but with John Gulland, MP, and Lord Edmund Taylor, MP, as joint chairmen. One of the first actions of the committee was the publication of a booklet *Why We Must Save and How*¹¹. It echoed much of Withers' argument of the previous year, but replaced productive investment with investment in the war effort:

Saving is a national duty now, because if we spend our money we cannot lend it to the Government which wants it for the costliest war that ever was waged; and because if we

⁴ TNA NSC 7/2, Finance of the War - Pessimism misplaced, p. 7. Historians have tended to agree with this analysis, Capie, F. and Wood, G. (1994), "Money in the Economy", in Floud, R. and McCloskey, D. (eds.), *The Economic History of Britain since 1700*, volume 3:1939-1992, Cambridge: Cambridge University Press, pp. 233-4.

⁵ TNA T208/12B, 'The War and Finance', 17 March 1915, JB

⁶ Op cit., 'The Financial Position in May', 8 June 1915.

⁷ Hartley Withers, *Poverty and Waste*, Smith Elder & Co., London, 1914, pp. 8, 11.

⁸ Keynes is often credited with developing the concept of deferred expenditure to counter inflation in the 'Financial Prospects of this Financial Year' 9 September 1915 (TNA Cab 37/34/12), but the idea predates this memorandum.

⁹ BEA AC30/345 War Loan, JB 7 June 1915, T170/71 memo 2a, p. 2

¹⁰ TNA T170/71 memorandum May 1915.

¹¹ War Savings Committee, London, 1915.

spend our money we make people work for us, and if they work for us they cannot work for the war, and for making goods to send to and sell in foreign countries.

The role of women as 'chief of the domestic spending department' was emphasised, along with a call for economy in drinking tea, exhortation against eating between meals and unnecessary travel, and a call to collect wild fruits. Food security and saving was to play an important role as buying war bonds in the unfolding war savings campaign. Nothing like this had ever been tried before. The Trustee Savings Banks (TSBs), with origins in the early nineteenth century, were fragmented fiercely independent paternalistic organisations and in any event did not provide nationwide coverage.¹² The Post Office Savings Bank (POSB), which had been set up by Gladstone when he was Chancellor of the Exchequer in 1861, provided a mechanism for the secure collection of savings throughout the United Kingdom, but had never campaigned aggressively to promote savings. Both the TSBs and the POSB had the attraction for PWSC in that the majority of deposits were already invested in the national debt. The only commercial undertaking with nationwide coverage, which collected savings from small investors, was the Prudential Assurance Company that provided life cover.¹³ Although private individuals did hold investments in the funds (consols), these were mostly high net worth investors. Government stock had never been sold in small denominations, let alone mass marketed. The war savings campaign was to transform the concept of thrift from a personal virtue into a national duty, supported for the first time by modern mass marketing and advertising. In effect the saving and thrift movements were to be nationalised.

A meeting between employers and labour organisations to promote war savings was convened on 25 June 1915 by Reginald McKenna, who had succeeded Lloyd George as Chancellor of the Exchequer.¹⁴ McKenna hired Sir Hedley Le Bas of the Caxton Advertising Agency, who had worked for the PRC. He advised: 'We must give the investor something for nothing to make him hand his money to the country. In other words why not make patriotism profitable?'¹⁵ At the outbreak of war there was very little propaganda capacity across government with the exception of the Foreign Office.¹⁶ Plain simple publicity leaflets were rushed out advertising a new war loan in £1 denominations yielding 4½ per cent and free of income tax, which was one per cent higher than the first war loan issued a year earlier. Given the very few people who paid income tax the tax free element would only appeal to richer investors. War savings deposits, as they were called, could be purchased through the POSBs and other outlets for as little as 15 shillings and nine pence and were redeemable at par in five years if held to maturity.¹⁷ No restriction was placed on the income of those wishing to buy certificates, but no one was allowed to buy more than £500 worth.¹⁸ Holders of earlier war loan yielding 2/12 and 3 1/2 percent could convert them into the new stock.¹⁹ Promotional literature was to be distributed through employers organisations, trade unions and the PRC's regional and local committees. From the outset the emphasis of the campaign looked back to the old twin virtues of thrifty living and saving, not now for a 'rainy day' but to support the war effort. There were

¹² Moss, M., and Russell, I., *TSB An Invaluable Treasure*, Weidenfeld and Nicolson, 1994.

¹³ Dennett, L, *A Sense of Security: 150 Years of Prudential*, Granta Editions. Cambridge, 1998.

¹⁴ Bodleian Library, Oxford, Papers and posters relating to war saving, 1914-20, shelf mark 232971, War Saving letter circular letter from Asquith, Bonar Law and Henderson, 6 July 1915. This contains the most definitive, but by no means complete, collection of war savings literature. In October 1917 Dr W P Ellis approached the Oxford War Savings Committee for copies of all promotional literature. The request was passed to the Controller, (Sir) Theodore Chambers, who immediately sent 'specimen copies of all our war savings propaganda' and pledged to send any future publications, Controller to Ellis, 18 October 1917. One of the reasons behind this exchange was the use of libraries from the outset to promote the campaign, W PA Derrick to Libraries, 15 July 1915.

¹⁵ Cited in Strachan, H (2007), *Financing the First World War*, Oxford. P. 148.

¹⁶ Sanders and Taylor (1982)

¹⁷ Op cit., leaflet no. 2.

¹⁸ BPMA POST 75/103 War Savings Certificates, summary of instructions.

¹⁹ BEA AC30/345, from of request for conversion, 1915.

new ideas of deferred spending, reflecting the government's commitment to introduce social welfare provision in the 1911 budget that reduced the imperative to save:

. . . we could do with some more furniture but surely it is not right to spend the money now. We shall have all that when the War is over, I hope, and shall enjoy it the more for feeling we have done our bit.²⁰

The campaign was careful to emphasise equity, everyone according to their means was to contribute:

The rich man must give up his motor-car and his cigars; but the poor man, too, must be sparing in his tea, coffee, sugar and tobacco. Of late years luxury and self-indulgence have permeated every class of the nation.²¹

Asquith, Bonar Law and Henderson clearly spelled out the policy in an open letter to employers to promote the scheme:

. . . It is equally important that there should be no feeling that pressure of any sort was being used to make the working classes contribute to the Loan, or to contribute through any particular agency.²²

This statement echoed long standing concerns about the lack of marginal income to save amongst the less well off and left wing concerns about 'enforced saving', both of which were constantly referred to throughout the conflict.

The Leicester stockbroker (Sir) Arthur Wheeler, who became the doyen of the market for war bonds, penned an open letter encouraging 'every loyal British subject . . . [to] invest to his utmost in this most attractive loan'²³. Despite this patriotic rhetoric and the attractive return, the campaign was not a success. When bonds began to trade at a discount to the offer price, the POSB withdrew them. It was launched at the wrong time of year, as the Liberal G. Wallace Carter explained in a detailed and critical memorandum to McKenna.²⁴ With experience of managing pre-war Liberal campaigns in the 1906 General election and to sell the Liberal government's policies of national insurance, free trade and land reform, Carter was critical of the lack of preparation of those sent out to speak and their often complete want of understanding of basic economics. Many MPs failed to grasp the essential message that everyone needed to make sacrifices to sustain the war effort - a 'Parliamentary representative tried to argue that in buying petrol, wines, spirits, and cigars, he was doing more good to the country by paying duty on these things than he would by going without'. Carter, like Withers, was adamant that everyone had to cut spending to the 'lowest possible point, and that this drab kind of heroism is now the only kind of heroism which the country lacks'.²⁵ This was the message that he was convinced must be at the heart of any future campaign. He also recommended that the campaign had to be much better organised, with local committees staffed by those with some knowledge of economics and effective publicity and promotional literature.

²⁰ Bodleian Library, War Saving, '£1 for 15/6 – How We use Our Savings, by a Working Man's Wife'.

²¹ *War and National Finance* p. 145.

²² Bodleian Library, War Saving, 5 July 1915

²³ Bodleian Library, War Saving, letter from Arthur Wheeler July 1915.

²⁴ TNA NSC7/1, Memorandum regarding War Savings from G Wallace Carter.

²⁵ *Ibid*, p. 3.

By October 1915 the Treasury was alarmed by financial situation. The estimated deficit for the current financial year was £600 million and there was a looming balance of payments crisis as exports slumped. For consumers the greatest concern was inflation, which was running at a frightening 2 per cent a month, with a 35 per cent rise in food prices since the outbreak of war. Some comfort could be taken from the fact that inflation was much worse in Austria and Germany, but there was an urgent need for action to reduce consumption and the money supply through increased taxation and saving.²⁶ Rather than launch into another campaign, McKenna appointed a committee on 'war loans for the small investor', chaired by the Liberal MP Edwin S Montagu, the financial secretary of the Treasury, and including the Governor of the Bank of England and John Bradbury.²⁷ The committee's remit began with - ' a) The reduction in consumption which would tend to check the rise in prices' and b) 'The raising of a certain amount of money for the prosecution of the war'. The needs of the small investor were described as:

- a) A simple method of investing savings,
- b) A guarantee that the capital value of the investment will not depreciate,
- c) The ability to withdraw savings at short notice,
- d) The knowledge that a high rate of interest is paid on the money of the small investor as on that of the large.²⁸

Dr Marion Phillips, the sister of four prominent businessmen who gave evidence, considered that 'the amount of money which could be saved by the working classes was very inconsiderable from the national point of view, but very desirable in the interests of individual savers. The savings would be inconsiderable, not only regarded as a means of prosecuting the war, but also regarded as a method of checking consumption'.²⁹ She added that many families were using their increased disposable income to reduce debt, rather than for consumption. More encouraging was the evidence from Sir Thomas Jaffrey, the actuary of the Aberdeen Savings Bank, who was delighted to announce that during the year the bank had taken the largest volume of deposits in its hundred year history.³⁰

The report went over much of the same ground as before and was careful to address the question, which had haunted the savings movement in the nineteenth century, of whether, even in a period of full employment, the poorest families had sufficient marginal income to save. A key recommendation was the replacement of the PWSC by national committees for England and Wales, Scotland and Ireland to co-ordinate local voluntary county organisations, handle propaganda and design suitable products for the small investor. A key recommendation was the formation of voluntary savings associations in as many places as possible and in every part of the country.³¹ Even before the Montagu committee finally reported as a result of interim recommendations the limit on the amount that could be invested in savings banks had been removed. As well as selling bonds in small denominations, POSBs were to be used as vehicles for small investors to accumulate regular savings to buy either £1 war savings bonds, rebranded as certificates, or Post Office Exchequer Bonds in multiples of £5 up to

²⁶ TNA NSC7/1, National Finance, October 1915.

²⁷ TNA NSC 7/1, Report of the Committee on War Loans for the Small Investor', cmd. 8179, 1916.

²⁸ Ibid.

²⁹ TNA T 170/97 minute of 4 January 1916.

³⁰ Ibid., brief of Sir Thomas Jaffrey, 10 January 1916.

³¹ A copy of the report can be found in TNA NSC 7/1, cmd. 8179, 1916.

£100, yielding 5 and 6 per cent respectively.³² Rather than using deposit accounts savings could be accumulated by buying what were called war savings coupons or stamps, in denominations of two shillings and sixpence and five shillings.³³ No less than 15 million coupons were printed in December 1916. This had the added advantage for the state of a relatively low rate of interest 2½ per cent as opposed to 4½ per cent payable on certificates.³⁴ The TSBs, particularly those in Scotland where the movement was strong, were infuriated that they had been overlooked in these arrangements.³⁵

Following these recommendations the National Organising Committee on War Savings (later renamed the National War Savings Committee - NWSC) was established to replace the PWSC and chaired by the stockbroker and director of the Bank of England Robert Molesworth Kindersley. It included a woman Maud Pembers Reeves, who was joined shortly by Beatrice Chamberlain, the educationalist and sister of the Liberal politician Austen Chamberlain. A separate Scottish committee, chaired by Sir Charles Bine Renshaw - a former Unionist Member of Parliament and businessman, was inter-denominational and packed with clergymen, no doubt to allay concerns about the country's close ties with Ireland. It also included a woman, Miss Haldane, who was joined by Mrs E K Hannay and from December the journalist, war correspondent and linguist Jean E H Findlay (later Lady Dunedin) as secretary.³⁶ Because of the political sensitivities no Irish committee was established and only early in 1917 did the Scottish Committee extend its activities to include the North of Ireland.³⁷

The reinvigorated campaign was launched on 1 March at a meeting in London's Guildhall, attended by the Prime Minister and his wife, the Archbishop of York, the Chancellor of the Exchequer and Mrs McKenna, the minister of war Earl Kitchener, many MPs and, perhaps most importantly, those who were supposed to run the county committees, notably Lord Lieutenants and their wives. The logo of the new campaign was the swastika, the symbol of well being. As Carter had suggested a mass of new publicity literature was published, explaining the details of the various products and the aim of the campaign. The booklet *A Matter of Interest* combined information about the cost of the war, the various means of saving, the contribution that women could make and the need for investment in reconstruction when the war was over. *How to Save and Why* exhorted those left at home to follow the example of those who had volunteered to fight by making sacrifices and saving money to lend to the government. It explained starkly that the war cost £180 million a year to prosecute, but the government only raised £400 million in taxation and the rest had to be found from borrowing.³⁸ The playwrights Sir James Barrie and Sir Arthur Pinero were recruited to write sketches to publicise the campaign.³⁹ After an uncertain start in the spring, the campaign gathered momentum and from July onwards was collecting over £1 million a month.⁴⁰ A war savings week was organised to coincide with the opening of the Battle of the Somme in July. In McKenna's words: 'Are we at home content to

³² Wormell, J., *Management of the National Debt of the United Kingdom 1900-1932*, Routledge, 2002, p. 194, and National War Savings Committee, First Annual Report, 1917, cmd. 8156, p. 7.

³³ BPMA POST 30/4235A, Morgan to Blackett, 16 November 1916.

³⁴ In the United Kingdom by far the bulk of savings bank deposits were invested with the Commissioners of the National Debt, which guaranteed security.

³⁵ NRS NSC1/1 proposal of the Trustee Savings Banks, July 1916.

³⁶ NRS NSC 1/289 Scottish War Savings Committee, First Annual Report, 1 July 1917. Despite the political uncertainty a war savings committee was eventually formed in Dublin in February 1918, TNA T172/776 'Visit to Ireland', 24 February 1918..

³⁷ *Ibid.*, p.4.

³⁸ Copies can be found in NSC 7/1.

³⁹ TNA NSC7/1 minute of 5 June 1916.

⁴⁰ TNA NSC7/1, Statement of sales of war savings certificates, June to December 1916.

be mere spectators of this wonderful effort? War Savings Week brings the civil population at home a corresponding opportunity which is at once a duty and a privilege'.⁴¹ Since certificates could easily be redeemed at POSBs, the downside was the ever present danger of fraud.⁴²

The Lord Lieutenants proved mostly ineffective in establishing anything resembling a county organisation and it was only when the County Education Committees became involved that an administrative structure began to take shape. By the end of September almost 9,000 local war savings associations had been formed across the United Kingdom and by the end of the year the county organisation was almost complete in the north of England with 854 central and local committees, responsible for coordinating the work of the associations. Much of the county work was undertaken by the wives of members of both Houses of Parliament, who were brought together in October in a women's conference chaired by the Chancellor of the Exchequer.⁴³ The organisers made a point of addressing women directly telling them that 'any of them who 'were employing man power needlessly is proving herself as unpatriotic to her country as a man who refuses to take his share in the War'. In the autumn all women's associations, such as the Women's Labour League and the National Union of Women Workers, and in Scotland the Scottish Women's Workers Association and the Scottish Domestic Servants Association, were invited to participate by forming their own associations and advertisements were placed in women's periodicals.⁴⁴ The NWSC collected detailed statistics, setting the county committees targets for saving depending on the size of the population.⁴⁵

Kindersley was not happy with the organisational structure of the NWSC and invited Guy Ridpath, then director General of munitions supply at the Ministry of Munitions. He concluded that the NWSC had too many committees and lacked clear direction. He proposed a much simpler and slimmed down management structure, giving directors much greater executive power.⁴⁶ As a result Theodore Chambers was appointed Director of External Organisations in mid-November to manage the local committees and associations. He quickly found that East Anglia and the southern counties were much less well represented than the north. This was the part of the United Kingdom where the savings institutions had been historically weak. His priority in the opening months of 1917 was to rectify matters, in which he was helped by the urgent need for food economy.

By the close of 1916, as German U boats began to threaten supplies, the emphasis of the campaign was shifting as much towards saving food as saving money. As early as May 1916 the NWSC had been in touch with the London Meat Traders Association about possible disruption in supplies.⁴⁷ At the same time the President of the Board of trade had asked the Royal Society to conduct an urgent review of food supplies, which was undertaken by a committee chaired by Professor A D Waller of University College London and completed by the end of July.⁴⁸ The report concluded that there was a considerable margin of waste in consumption. In the opening months of 1917 the Ministry of Food asked the NWSC to assist with the policy of food control. The NWSC recognised that this would be much more challenging than the issue of war loan, as: 'It will be more prolonged and it will require

⁴¹ TNA t172/299 McKenna to Kindersley, 11 July 1916.

⁴² BPMA POST30/4345a War Savings Certificates regulations, 1917-19.

⁴³ TNA NSC7/1 McKenna to Kindersley, 3 October 1916.

⁴⁴ TNA NSC 7/1, minute of 30 December 1915, and NRS NSC minute of 22 May 1916.

⁴⁵ TNA NSC7/1, audit, 1916.

⁴⁶ TNA NSC 7/1 Ridpath to Kindersley, 7 September 1916, and report.

⁴⁷ NSC 7/37, letter 24 May 1916.

⁴⁸ NSC7/37, The Food Supply of the United Kingdom, cmd 8421, 1917.

detailed treatment and careful instruction'.⁴⁹ Already some local committees had formed food vigilance committees.⁵⁰ Local war savings committees were asked to pass information about waste, especially in the consumption of bread and flour, and opportunities for savings to the Food Information Committee.

A 'Memorandum of Suggestions for Local Authorities and War Savings Committees' was hastily drawn up emphasising the seriousness of the situation and suggesting a variety of courses of action, including cookery demonstrations and the distribution from house to house of voluntary ration cards. A publicity campaign was put together by NWSC and the Director General of Food Economy, the energetic Kennedy Jones, a Unionist MP, and an ally of the newspaper proprietor Lord Northcliffe.⁵¹ Following the success of the war bonds campaign, a massive number of posters were printed - 'Mr Slice of Bread' - 3 million, 'How to get the most out of Food' - 2.5 million, and 'Wanted, 40,000,000 Food Controllers' - 3 million'. These were to be displayed at railway stations and on buses, trains, and delivery vans of larger companies throughout the country.⁵² Brochures were printed in Flemish, French and Yiddish for refugees, particularly in London. By the beginning of April there was a crisis in bread supply because of the disruption in the shipments of milling wheat from North America. The Food Control Committee ordered NWSC to find ways of cutting consumption by 20 percent. Just like war savings, NWSC was told that the thrust of the campaign was to persuade the population of 'the extreme gravity of the situation' and not to threaten compulsion.⁵³ Sets of 'lantern slides' were distributed for use in public lectures and copies sent to every cinema in the country. Led by its secretary Jean Findlay the Scottish Committee's propaganda was more aggressive, using 'striking posters drawing people's attention to the great economic question'.⁵⁴ One declared simply - 'Victory is in the Kitchen'.⁵⁵

On 7 April the Minister of Food, Lord Devonport, established a joint committee with NWSC, chaired by Sir Henry Rew, to orchestrate a voluntary food rationing campaign.⁵⁶ Members included Mrs Constance Peel and Mrs Maud Pembers Reeves, co-directors of women's services at the Ministry, who worked assiduously in promoting the campaign, arranging cookery demonstrations, and devising new recipes from unfamiliar ingredients.⁵⁷ Much of the publicity was channelled through the newly formed Women's subcommittee of the Metropolitan War Savings Committee, with the Prime Minister's wife Margaret Lloyd George in the chair and Beatrice Chamberlain as her deputy, and on which most women's organisations were represented.⁵⁸ The committee had its origins in the women's conference of the previous October. Miss K Manley, chief inspector of schools in domestic subjects, was seconded by the Board of Education to the NWSC to assist with educational programmes in every school in the country. So urgent was the situation that every local committee was asked to form immediately Food Campaign Committees to be staffed by volunteers, but to be supported by a small number of salaried Food Commissioners appointed by the Ministry of Food with 'disciplinary powers

⁴⁹ TNA NSC 7/37, Food Campaign letter, 10 March 1915.

⁵⁰ NSC7/37 letter 10 March 1917.

⁵¹ National War Savings Campaign, Second. Annual Report, 1918, cmd. 9112, p. 4.

⁵² NSC 7/37, Food Economy Campaign March 10 - August 14 1917, 2-3.

⁵³ NSC 7/37, letter of 10 April 1917.

⁵⁴ NRS NSC 1/289, Scottish War Savings Committee, First Annual Report, 1917, cmd. 8799, p. 4.

⁵⁵ <http://www.advertisingarchives.co.uk/detail/87517926/1/Poster/Scottish-War-Savings-Committee> (June 2014).

⁵⁶ TNA NSC 7/37 memorandum, 7 April 1917

⁵⁷ Oxford DNB.

⁵⁸ National War Savings Committee, Second Annual Report, op. Cit., p. 8.

or powers of entry and search' to investigate those suspected of hoarding food.⁵⁹ In preparation for possible compulsory food rationing, volunteer 'official correspondents' were to compile a register of all retail food outlets in their districts, make estimates of the current population and report on the food supply. Returns were sent weekly to the newly established Food Information Department of the NWSC, which compiled a digest for the Prime Minister and the Ministry of Food and published a weekly newsletter to be distributed to 3,500 officials involved in the campaign. Officials and volunteers were all issued with lapel badges with the slogan - 'Eat less Bread'.⁶⁰ The NWSC was careful to avoid any suggestion of rationing or compulsion as from the outset the savings campaign had been firmly predicated on voluntary saving to support the war effort.

The entry of the United States into the war on 1 April 1917 reduced the pressure on food supplies, even though the loss of shipping to U boats continued to present a serious threat. This gave Devonport and the Ministry of Food time to appoint local food commissioners and to plan the introduction of rationing should it become necessary. Rather than take this step which would be both difficult to administer and the committee knew from interviews with prisoners of war was unpopular in Germany, the joint committee asked King George V to issue a Royal Proclamation to encourage the population 'TO REDUCE THE CONSUMPTION OF BREAD IN THEIR RESPECTIVE FAMILIES BY AT LEAST ONE FOURTH OF THE QUANTITY CONSUMED IN NORMAL TIMES'.⁶¹ Before it's promulgating at the end of May, pledge cards, imitating those used by the alcohol abstinence campaign, were distributed. These included a copy of the proclamation and committed the holders to meeting the injunction to cut household consumption.⁶² Meetings were organised throughout the country to read out the proclamation and sign the pledge - 'It is only by steady, plodding work from day to day, house to house, canvassing, and impressing on everyone the urgency of the situation and how serious the danger is that the Economy Campaign can be won'.⁶³ Nevertheless the Joint Committee pressed ahead with planning compulsory rationing, issuing a minute for the War Cabinet in May.⁶⁴

On 16 June Kindersley wrote to Lord Rhondda, a prominent temperance campaigner who had succeeded Devonport as Minister of Food when Lloyd George became Prime Minister in December, that the work of the NWSC in support of the food campaign was complete and that local committees 'have now nearly reached the limit of effective assistance they can render the Ministry'. He announced that in a months time the NWSC would return to its normal duties and concentrate on the forthcoming war bond campaign.⁶⁵ By then it was reckoned that over a million people had attended the food campaign meetings. This decision did not prevent Mrs Peel and Mrs Pembers Reeves insisting on the publication of their leaflet on encouraging the making of soup from meat stock and of Mrs Pembers Reeves on practical hints for working class households, which included recipes by the Pudding Lady, Florence Petty.⁶⁶ Although Kindersley assured Rhondda that should a further crisis demand it the NWSC would return to the campaign, the Ministry of Food had decided to set up its own parallel

⁵⁹ TNA NSC 7/37, Memorandum sent to Lord Devonport, 10 April 1917.

⁶⁰ TNA NSC7/37, minute and memorandum, 11 May 1917.

⁶¹ TNA NSC7/37 Royal Proclamation, 29 May 1917.

⁶² TNA NSC 7/37, memorandum of 10 May and minute of Joint Food Committee, 11 May 1917.

⁶³ TNA NSC 7/37. Progress of the Food Campaign, 17 May 1917, p. 3.

⁶⁴ TNA NSC 7/37. Machinery for Compulsory Rationing, May 1917.

⁶⁵ TNA NSC 7/37 Kindersley to Rhondda, 18 June 1917.

⁶⁶ TNA NSC 7/37 minute of Joint Committee, 20 June 1917.

organisation.⁶⁷ Meanwhile the local correspondents were to remain at their posts. To mark the end of NWSC's involvement, the Prime Minister wrote formally to Kindersley to thank him and all the local committees, whose efforts 'are undoubtedly largely responsible for averting the immediate necessity of compulsory rationing'.⁶⁸

Despite the injunction that the Food Economy Campaign should not disrupt investment in war bonds and certificates to the small investor, it inevitably did. The NWSC was troubled by widespread rumours that war bonds were insecure, that investing in them was helping prolong the conflict, and that lending money to government contributed to inflation and encouraged inefficiency in the conduct of the war. Joseph Nicholson in his book *War Finance*, published in 1917, roundly criticised the extravagance of the 'all pervading [wartime] bureaucracy':

How much is wasted by multitudinous officials many stages removed from the actual conduct of the war? We are told that in London there is a famine of typewriters. There are not enough machines, and not enough young women trained to work them. Is the war to be won by typewriters, dead or living? War Loan will just create more bureaucracy. Borrowing will increase inflation.⁶⁹

Bonar Law, who succeeded McKenna as Chancellor of the Exchequer when Lloyd George became Prime Minister in December, could not afford to allow such misplaced criticism to damage the savings campaign that was now a critical part of the Treasury's armoury.⁷⁰ No sooner had he been appointed than he began to discuss with the banks the launch of a massive new bond issue that would remain open for the whole year and became known as the Great War Loan. Negotiations were tense and confused, but agreement was reached by the end of December. Although it was aimed at larger investors, bonds could be purchased through the POSBs in £5 units using a simplified registration form rather than the usual coupons.⁷¹ They replaced the Post Office Exchequer Bonds, which had raised £44 million before they were withdrawn at the end of the year.⁷² The POSBs advertised them jointly with £1 war savings certificates, which would remain available for the smaller investors.⁷³ The banks agreed that investors could borrow money against future income and that the interest rate payable on such loans was to be fixed until the war ended and not for just the normal three months.⁷⁴ Not everyone approved of this practice. Sir Malcolm Ramsay of the Treasury commented: 'I see no gain in throwing a fallacious veneer of patriotism over what is really a most unsound practice'.⁷⁵ NWSC agreed that its countrywide organisation could be used to promote the new loan, alongside war savings certificates.⁷⁶

The Great War loan was launched by Lloyd George and Bonar Law at London's Guildhall on 11 January, encouraging investors to borrow as much as they could afford to buy war loan. The

⁶⁷ For a wider discussion of the food campaign see Oddy, D.J. (2003), ch.4 in *From Plain Fare to Fusion Food: British Diet from the 1890s to the 1990s*, Woodbridge, Boydell Press, 2003, and Barnett, L.M. (1985), *British Food Policy during the First World War*, Boston: Allen & Unwin.

⁶⁸ TNA NSC 7/37 Lloyd George to Kindersley, 8 July, 1917.

⁶⁹ p. 436 .

⁷⁰ Wormell (2002), p. 317.

⁷¹ BPMA POST75/103 National War Bonds, December 1917.

⁷² National War Savings Committee, First Annual Report, op. Cit., p. 7.

⁷³ The loan is discussed in detail in Wormwell, chapter 11 and BPMA POST 75/75.

⁷⁴ Wormwell (2002), pp. 322 and 328-9 which explains the terms of conversion in detail.

⁷⁵ TNA T172/771, memorandum 4 September 1919.

⁷⁶ National War Savings Committee, First Annual Report, p. 10.

campaign was carefully planned. In his speech Bonar Law cautioned: 'so long as there is money in the country, the war will not be stopped, the progress of the war will not be hampered for the want of money'.⁷⁷ The following day the Chancellor addressed all the chairman of the savings associations and others involved in the campaign at Central Hall Westminster. On 18 January Bonar Law launched the campaign in Scotland at a meeting in Glasgow's St Andrews Hall.⁷⁸ Over the next five weeks 1,300 public meetings were addressed by members of the NWSA, ministers and Members of parliament. Over 11 million leaflets and posters were distributed and 14,000 notes for war loan sermons. One poster portrayed the Kaiser fighting his way through a blizzard of bonds, with the caption 'snowing him under'.⁷⁹ Policy holders were told to approach their insurance companies to ask how much they could borrow against their policies to buy bonds.⁸⁰ A holograph letter in the Chancellor's hand addressed to men and women was sent to households all over the country, exhorting them to continue to invest in the new war loan - 'the result will hardly depend less upon the valour of our sons & brothers who are fighting our battles than upon the efforts made to support them by us who remain at home'.⁸¹ The cost of the conflict was escalating and there was as much need to mobilise personal savings as there was to save food. Bonar Law repudiated any suggestion that investment in war bonds was not secure and insisted that far from wasting resources the war effort had increased productivity and efficiency.

Dissatisfied with Le Bas's handling of publicity, Bonar Law at the end of January drafted in Kennedy Jones from the Food Economy Campaign. Bonar Law later reflected 'the change produced by him was wonderful', which was reflected in a leap in sales.⁸² Meanwhile Chambers, the newly appointed Director of External Organisations at the NSWC, devoted his energies in 1917 to building effective national coverage to counter a decline in sales of war savings certificates which bottomed at just over £3.5 million a month in August (see figure 1 on page 21). Throughout the summer twenty-six conferences of the principal officers of the local savings committees to refresh strategy were held. What emerged was 'educate the public of the urgent need for personal economy, to increase the number of local associations and then to use the expanded network to attract more members and persuade them to subscribe regularly'. Each local committee was told to appoint a publicity agent to liaise with the publicity department at headquarters, which Kennedy Jones had recently established.⁸³ With the help of advice from F P Symonds of the Prudential and the company's tabulating machine sales targets were set dependent on the population in an association's catchment area. In the last three months of the year the number of associations rose from 14,000 to 16,911, encouraged by lantern slide shows which included Withers 'The Money Behind the Guns' and Edward Noble 'What is the Navy doing?' Much of the credit was due to the Board of Education who seconded His Majesty's Inspectors of Schools (HMIs) to assist in the formation of associations in schools.

Despite this success Chambers cautioned that the rising cost of living could easily dent sales in the forthcoming autumn campaign. These fears proved groundless as deposits over withdrawals with both POSBs and TSBs rose during the year.⁸⁴ To help bolster sales publicity was overhauled. New posters were distributed and every county committee was instructed to appoint a publicity agent to arrange

⁷⁷ Quoted in Wormell (2002) p. 333.

⁷⁸ NRS NSC 1/289 annual report 1917.

⁷⁹ *War Savings*, February 1918, 55.

⁸⁰ TNA T172/746 leaflet 'Have you asked your Insurance Company . . .', February 1917

⁸¹ BEA AC 30/356 Bonar Law's letter 11 January 1917.

⁸² Wormwell (2002), p.334.

⁸³ National War Savings Committee, Second Annual Report, op. Cit., p.5

⁸⁴ National War Savings Committee, Second Annual Report, 1918, cmd. 9112, p.2.

the display of posters in the most effective places. Associations were encouraged to distribute literature house to house in their districts.⁸⁵ Special campaigns were conducted in major centres of population outside London, with slogans, such as 'U Boats are active, are You?', 'Don't spend - lend', 'War Bonds or courage - which?'. As a result monthly sales to small investors in England and Wales rose from just under £4million in September to well over £5million in the next two months following the launch of the autumn campaign at a mass meeting of volunteers from every savings association in London's Albert Hall on 22 October. So important was the campaign that the meeting was addressed by the Prime Minister and the Chancellor of the Exchequer, with the whole war cabinet in attendance.⁸⁶ Nevertheless with the cost of the war escalating even further, there was a need for more to be achieved. Instead of repeating the success of the Great War Loan of the previous year, Bonar Law was persuaded to ask 'the country to lend the money as it was required in a process termed 'continuous borrowing' - £20,000,000 or £25,000,000 per week.⁸⁷ Apart from the propaganda value of the plan if it succeeded, another issue was persuading the banks to underwrite yet another enormous loan.⁸⁸ Bonar Law entrusted publicity and propaganda for the whole campaign to NWSC and each local committee was asked to form a War Bond Campaign Committee.⁸⁹ He later admitted that he doubted if continuous borrowing would raise anything approaching the almost £1,000 million achieved by the Great War loan.⁹⁰

On 21 November George Sutton, chairman of Amalgamated Press, was appointed director of publicity by the NWSC specifically at first to promote the sale of war bonds. A man of energy and action, he brought a professionalism to the campaign, which it had so far lacked and a determination to achieve very much higher targets across the piece.⁹¹ He joined the NWSC central committee, along with T L Gilmour from the newly formed Department of Information (MI 7), which was responsible for wartime propaganda and run by John Buchan.⁹² Gilmour headed the press and cinema branch of the department.⁹³ Shortly after Sutton's appointment a novel idea for collecting war savings was suggested by the Army Council of using the newly developed tanks as both a way of promoting the campaign and acting as temporary banks with lady cashiers inside issuing certificates with a special tank stamp. Tanks had caught the public imagination after their first use in the Battle of the Somme. All local associations were asked to promote the visits extensively and persuade as many people as possible to participate and 'feed the tank'. In a carefully orchestrated programme of events the tank was to be escorted into the centre with bands playing in a great procession. Each day dignitaries, including politicians and senior military men, would address the crowds from the top of the tank. Tanks were to be delivered by train and borough surveyors were warned to make sure that the roads and bridges along its route could bear its 25 ton weight. The first tank week was held in London in the first week in December and exceeded all expectations. Others quickly followed. The tank week in Bristol in the third week in December took over £14million. However an analysis of the receipts showed that only relatively modest sums were received from small savers, with less than £50,000 in small denomination certificates being sold.⁹⁴ Nevertheless in December the total sum subscribed in £1

⁸⁵ *Ibid.*, p. 3.

⁸⁶ *Ibid.*, p. 6.

⁸⁷ TNA 172/775 'The Thousand Million', 12 August 1918.

⁸⁸ See for comparison TNA T1712/746.

⁸⁹ National War Savings Committee, Second Annual Report, *op. Cit.*, p. 6.

⁹⁰ Wormwell (2002), p. 347.

⁹¹ National War Savings Committee, Second Annual Report, *op. Cit.*, p. 6.

⁹² TNA NSC 7/2 Staff, 1917.

⁹³ Sanders and Taylor (1992), p. 80.

⁹⁴ TNA NSC 7/38, Bristol Tank Week Report, 1917.

certificates rose by some £1.75 million, reassuring the government that the effort was contributing to macro-economic policy.

Sutton transformed publicity producing a series of well designed and brightly coloured posters to support individual campaigns, such as a picture of Joan of Arc with the caption - 'Joan of Arc saved France, Women of Britain Save Your Country buy War Savings Certificates'. Another showed German soldiers in field grey and pickelhaubers armed with whips, driving men and women towards a huge steel press with the caption - 'Buy War Bonds'. Others were directed at specific campaigns, such as an illustration of a ship yard with the slogan - 'Every pound invested in national war bonds means more ships, more food and an earlier victory', or an illustration of an exploding shell - 'bomb them with more war bonds'. He spelled out in simple words how every citizen could help:

1. lives must be lived more simply.
2. personal, household, and business expenses must be reduced to the minimum.
3. The surplus of weekly or monthly earnings over necessary expenditure must be invested straightaway in National War Bonds or War Savings Certificates.
4. Current balances at the Bank should be kept as small as possible . .
5. Private individuals with money on deposit in Banks should withdraw as much as they can and invest it in National War Bonds.
6. Business people and firms with money on deposit should withdraw it all not absolutely needed for their business operations . . ⁹⁵

These precepts were added to every appeal. When the sale of bonds showed signs of dropping in late April Sutton wrote to the Bishop of London to take up an offer made at the beginning of the war to promote 'thrift throughout the land'.⁹⁶ To attract those with no access to banking, he imitated the Prudential by inaugurating a scheme for selling both bonds and certificates through official agents, individuals or organisations affiliated to associations, who purchased them in their own right and then sold them on.⁹⁷

So popular were tank weeks that the Chancellor thought they were the only way the general public could be made to buy war bonds.⁹⁸ The army happily agreed and tank weeks multiplied in 1918. Larger towns were sent real tanks, while smaller communities had to make do with models for a day.⁹⁹ Testimony to the Chancellor's confidence was the £14 million raised in Glasgow during a week of some of the worst winter weather the city had experienced for many years.¹⁰⁰ In England and Wales tank weeks were supplemented at first by business men's weeks, one of Sutton's brainwaves which ran from 4-9 March 1918 and proved very successful. Liverpool was asked to raise £2.5 million and achieved almost £13 million. Ipswich with a tenth of the population, raised £431,200, almost triple it's

⁹⁵ TNA T172/775 'Money and Victory', 1918.

⁹⁶ TNA T172/776, Sutton to Bishop of London, 9 May 1918.

⁹⁷ National War Savings Scheme, Second Annual Report, op. Cit., p. 7.

⁹⁸ TNA T172/776 letter JCCD to General, 29 January 1918

⁹⁹ See for example 'Tank Timetable, 10 May 1918, TNA T172/776.

¹⁰⁰ NRS NSC 1/289 Second Annual Report of the Scottish War Savings Committee, 1918, p.3. The Scottish tank was called Julian, see Taylor, M. A.' *The Tank Banks in Edinburgh and Leith*, n.d., available at http://www.edinburghs-war.ed.ac.uk/system/files/PDF_tank_banks.pdf (June 2014).

target.¹⁰¹ There were also shop weeks in the larger stores.¹⁰² Scotland decided against businessmen's weeks in favour of a Scottish War Weapons week where 'every Parish, Village, Town and City in Scotland was to be set the patriotic task of each raising sufficient money during the week to buy a weapon of War on the £2 10 shilling basis per head of population'. Special posters were designed illustrating different weapons and meetings were held throughout the country. The week was a spectacular success, raising over £19 million.¹⁰³ A Christmas campaign had a brightly coloured poster showing a lighted candle with the slogan '100,000 new war savers wanted by Christmas, on Christmas Eve a candle in every window and a war saving member in every home'.

Sutton was quick to imitate the idea and planned a series of weapons campaigns with the overall slogan - 'the silver bullet'. Districts that participated were offered the opportunity of having a weapon named after them.¹⁰⁴ Despite the reservation of some districts that there was little capacity left for further savings, these campaigns were a startling success. Altogether war weapons weeks in the five weeks ending 4 May raised over £80 million.¹⁰⁵ Over £30 million was raised in the middle fortnight of July alone as the prospect of victory became more certain.¹⁰⁶ So as to sustain the effort Bonar Law wrote a letter in mid July for banks to send to every depositor who still had money on deposit in their accounts.¹⁰⁷ At four o'clock on 12 August sales of war bonds reached a grand total of £1,000 million, topping the Great War loan of the previous year.¹⁰⁸ This success may have had less to do with patriotism than prudence as many investors expected interest rates to fall after the war and either took the opportunity to convert existing war loan into higher yielding longer dated stock¹⁰⁹ or borrowed money to buy more stock. The tax net had now also widened to include 3million people, which made the tax free element attractive to more investors.

Despite this success the rumours about government extravagance that Bonar Law had done his best to quash the year before continued to circulate, along with fears that a capital levy advocated by the Labour Party might be imposed. They were so serious that the Governor of the Bank of England felt compelled to write formally to warn him in July,¹¹⁰ By this time the threat had largely passed as German advances in the spring had stimulated a new wave of patriotism.¹¹¹ This allowed NSWC to set a target of £200 million sales of certificates for the coming year, almost double the £108 million raised in 1918, which worked out at £5 per head. On this basis quotas were huge. London alone was expected to raise over £45million. Even tiny Rutland with a population of 20,000 had to find £204,000. This ambitious campaign was titled 'feed the guns', which was supported by a series of stunning posters that covered the war on land, at sea and in the air. It was much the most professional so far undertaken, with scrupulous planning.¹¹² Underlying the campaign was the need for victory, not simply a negotiated peace:

¹⁰¹ TNA NSC 7/38, Business Men's Week, n.d.

¹⁰² TNA 172/776 provides details. They continued after the war see BPMA POST39/4534A.

¹⁰³ NRS NSC 1/289 Second Annual Report of the Scottish War Savings Committee, 1918, p. 4.

¹⁰⁴ As both Glasgow and Hull discovered this did not extend to either cruisers or battleships, TNA T172/776 memorandum 27 February 1918.

¹⁰⁵ *Ibid.*, War Weapons Week, 14 May 1918.1

¹⁰⁶ TNA NSC 7/38 War Weapons Week, May - August 1918.

¹⁰⁷ TNA T172/7775 undated letter from Bonar Law, from context July 1918.

¹⁰⁸ *Ibid.*, War Bond Triumph, 12 August 1918.

¹⁰⁹ BEA AC30/355

¹¹⁰ TNA T172/777, Governor to Chancellor, 19 June 1918.

¹¹¹ Wormell (2002), p. 172.

¹¹² TNA NSC 7/38 'Guns Campaign' 1918.

The war must be won. For personal, social and international reasons the war must be made to lead to some position of military advantage before we can make the final step to a final settlement on the lines which is the desire burning in every heart.

If we fail to attain to this military advantage we shall be helpless and hopeless in every attempt to get even a moderately welcome settlement.

This message was to be driven home to every member of every association.¹¹³ The campaign was launched at a meeting at London's Guildhall on 30 September 1918. The Prime Minister, Lloyd George was unwell, but set out in a speech, read for him, that it was essential for the allies to occupy a defeated Germany, not simply negotiate an armistice. He called for one last heroic effort from savers to support the war effort.¹¹⁴ To illustrate life at the front a mock battlefield was erected in Trafalgar Square.¹¹⁵ Despite his misgivings of the previous year, Bonar Law in his speech explained there were two ways of funding the war 'great loans' or 'a system of continuous borrowing' - 'no one has ever had any doubt that the second method is in every way the best. It raises the money with the least possible disturbance to the financial conditions . . .'¹¹⁶ Sutton fell out with Jean Findlay, the secretary of the Scottish Committee and architect of its propaganda, who planned to run a victory campaign rather than feed the guns. This was only resolved by the intervention of the Labour Member of Parliament Horatio Bottomley and Bonar Law himself.¹¹⁷ Before feed the guns could make an impact, the sort of armistice Lloyd George had warned against had been signed, but this was not to be the end of national savings. Ironically the Scottish Committee was to get its way.

As early as June 1917 with the approval of the new Ministry of Reconstruction the NWSC had appointed a sub-committee 'to consider what facilities for savings should be provided for small investors after the war'.¹¹⁸ The committee was in no doubt that the state should continue a scheme of national saving after the end of hostilities, not least because of the huge burden of debt. Although not strictly within its terms of reference, the committee drew attention to the possible macro-economic consequences of the payment of some £100 million to troops on demobilisation at the end of the war, which could easily result in even higher inflation - 'The danger appears to us so great that we consider it imperative to devise some scheme to divert these gratuities from spending to saving'.¹¹⁹ In the short term NWSC had responded by launching campaigns in all three armed services and the mercantile marine.¹²⁰ The report paid little attention to the sensitivities of existing savings institutions and recommended that -'The new savings movement should if possible be associated with the promotion of social improvements requiring expenditure of a capital nature such as housing'.¹²¹ The proposal depended on the continued support of the army of volunteers recruited to support the war savings movement through the associations and sanction of expenditure by the Treasury. Although there was a chronic shortage of housing, smaller investors had not traditionally owned their own houses. The idea was that peacetime national savings, apart from helping address the national debt, would also be applied to social housing, which family savings could be used to furnish. This was a logical extension

¹¹³ Ibid, announcement in the Silver Bullet.

¹¹⁴ Ibid, Report of proceedings at a meeting to launch the autumn war savings campaign, 30 September 1918.

¹¹⁵ *Silver Bullet*, 18 September 1918, p. 1.

¹¹⁶ TNA T 172/771 Summary for speech.

¹¹⁷ TNA T172/775 letters October and November 1918.

¹¹⁸ TNA NSC7/2 report 18 February 1918.

¹¹⁹ Ibid, p. 7.

¹²⁰ National War Savings Committee, Third Annual Report, 1919, p. 3.

¹²¹ Ibid, p. 8.

of the wartime argument that individuals should save and transfer their purchasing power to the state.¹²² The shift of emphasis towards social improvement marked a further milestone in the rhetoric of thrift towards what became known as 'purpose saving' or in macro-economic terms deferred expenditure.

With growing evidence that the German spring offensive had been turned, in July a formal decision was taken to launch a peacetime savings campaign as soon as hostilities were at an end.¹²³ Planning had to go hand in hand with preparation for the Feed the Guns autumn war savings campaign. The tone and style of the advertising changed emphasising family life and saving for children's future. Special attention was given to the role of women in the return to peace. Just four days after the armistice was signed, Kindersley announced the continuation of the war savings scheme 'AS A PERMANENT PART OF OUR NATIONAL MACHINERY', with the same ambitious total for the coming year of £200 million.¹²⁴ The Treasury committee on financial facilities added its support, declaring that savings 'means a real increase in the capital wealth of the country which is bound to benefit trade and industry'.¹²⁵ In launching the National Savings Scheme Kindersley was careful to avoid any suggestion that the primary purpose of war savings had been to prosecute hostilities, but rather, as he explained, 'to secure for the nation all the benefits which would accrue from a successful establishment of a safe, secure, convenient and profitable method of investment for people of small means'.¹²⁶ The women's auxiliary committee (the successor of the women's subcommittee of the Metropolitan War Savings Committee) still chaired by Margaret Lloyd George, issued a manifesto calling for continued austerity, particularly amongst the better off. The committee was now even more inclusive, including representatives of those who supported and opposed women's suffrage, the Association of Teachers of Domestic Subjects, the Actresses Franchise League, all the political parties and so on.¹²⁷ By the spring of 1919 the NWSC had been transformed into the National Savings Committee and war bonds and certificates had been rebranded in a Victory Campaign. In the process very few of the war savings associations failed to make the transition in to national savings associations.¹²⁸ The total sales of savings certificates for the year totalled almost £80 million, with repayments of £20 million, compared with £108 million and £16 million in 1918(see Figure 1 on page 21). Although well short of the target, this was a remarkable achievement. The report on the campaign explored future strategy:

The organisation has a great task before it. It has to educate the community to a right conception of the real meaning of "wealth" - how it is produced and how it is conserved and utilised for the betterment of mankind. It has to preach a gospel of Goods and Services remodelled for peace. It has to inculcate the idea of abstinence from waste and from immediate ephemeral pleasures, to ensure right and wise spending in order to make for the greater health and efficiency of the nation. It stands for development, construction, increased production by efficient organisation and by the maintenance of vigour and energy.¹²⁹

¹²² TNA NSC 7/2 memorandum 445, 29 October 1918.

¹²³ *ibid.*, minute of 23 July 1918.

¹²⁴ *ibid.* press release 15 November 1918.

¹²⁵ *ibid.* extract November 1918.

¹²⁶ *ibid.*, speech 7 March 1919.2

¹²⁷ TNA NSC 7/1 400/1 'To our fellow countrywomen'.

¹²⁸ National Savings Association, Fourth Annual Report, 1920,cmd. 775, p. 2.

¹²⁹ TNA NSC7/2 Report on the Autumn Campaign, 1917-18, p. 18.

The Victory Loan campaign was launched by Bonar Law on 16 June and ran for just under a month, attracting altogether nearly £770 million.

War savings in the United Kingdom had transformed the thrift landscape, taking it out of the hands of the multitude of paternalistic savings organisations, including the trustee savings banks, friendly societies and so on, and making it a national enterprise a critical component in macro-economic policy. To the annoyance of the TSBs, it was delivered largely through the POSB, albeit like the TSBs it depended on the mobilisation of a huge voluntary effort for its success. It had shown through the use of mass advertising and education the whole population could be encouraged to save as a matter of personal responsibility on an unimaginable scale. Economists at the Treasury had redefined the rhetoric of thrift in terms of national investment and deferred spending, which, however distasteful to some, were to become the touchstone of the savings movement for the next fifty years. It is often argued that savings organisations collapsed because of competition from retail bankers, but this overlooks the fact that they had also ceased to be thought to have any relevance for macro-economic policy. One of the reasons was the huge growth in pension funds which had become the principal investors in government debt to match their liabilities.

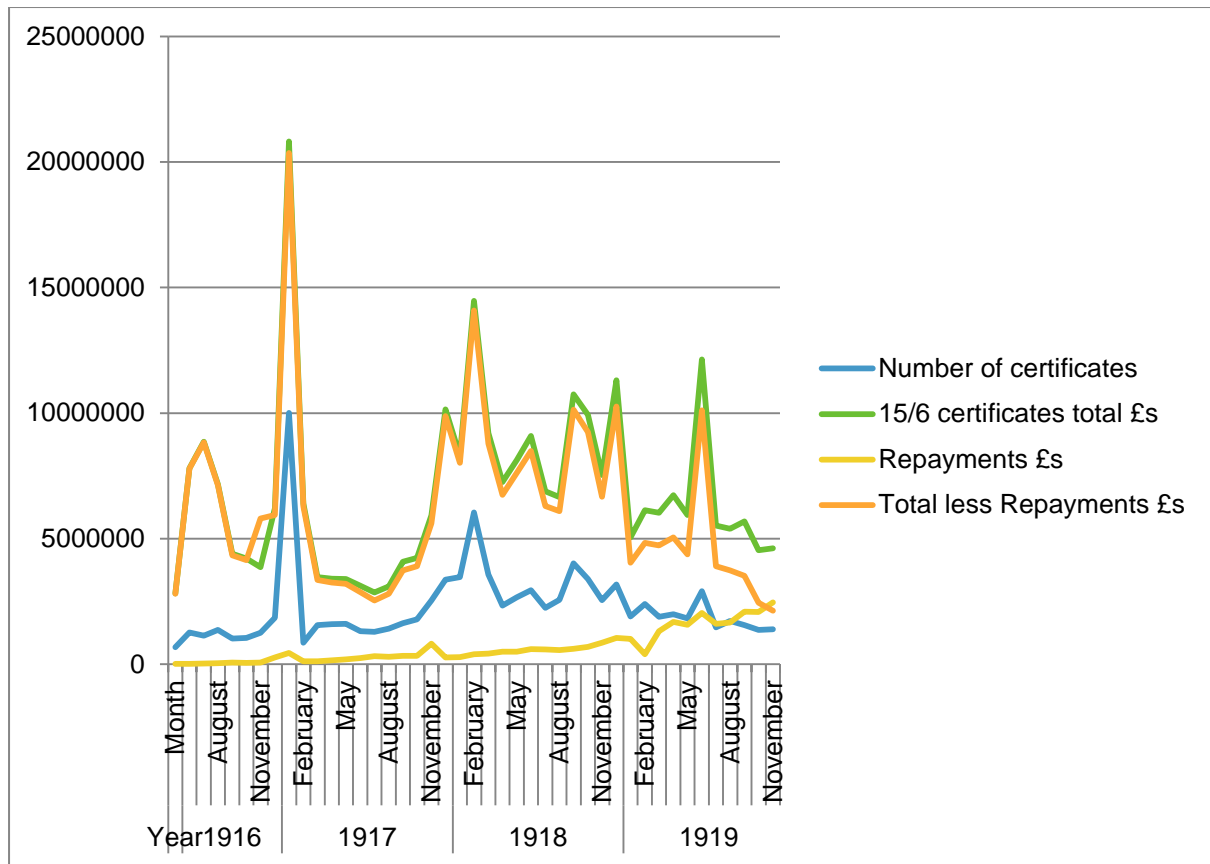


Figure 1: Small savings, June 1916 to December 1919.