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Buying War Bonds

There are many expenses included in military operations. The more active the military is, the more costs are involved. Where does a country get the money to go to war? During World War II, it was through the sale of war bonds.

During the spring of 1941, it became increasingly obvious that the U.S. would be drawn into the European conflict. In May, the series E Defense Bonds were issued. The surprise attack by the Japanese on Pearl Harbor, Hawaii, on Dec. 7, set the American war machine into running at full gear. When war was declared, the name of the bonds was changed from defense to war to enlist the patriotism of the people.

The War Bonds not only raised money for the government but also acted as an investment for the general public. A ten dollar bond was purchased for \$7.50 or 75% of its face value. In ten years the bond would reach maturity and be worth its face value. There were many different denominations or values of bonds. They ranged from \$10 to \$100,000 in value.

Ten dollars might not seem like much money now, but it represented a week's wages or more to many people. At that time, the average worker earned as little as 15 and as much as 40 cents an hour. That meant the wages for a forty hour work week were between 6 and 16 dollars.

Many people could not afford even the least expensive bonds, yet they wanted to participate. To give everyone the option of helping, War Stamps were issued. Their face value began at 10 cents and went up from there. When a person had enough stamps they could be traded for a War Bond.

On May 1, 1941, the first bond was sold to President Roosevelt. It was the start of many successful bond sales drives.

The key to selling the bonds and paying the cost of the war rested upon the Federal government's ability to get the word out. People wouldn't know how they could help if they didn't know about the bonds.

The War Finance Committee was to oversee advertising, but they were faced with a problem. How could they spend money on advertising when those dollars were needed for the war effort? The Committee contacted the newspapers and radio networks for help.

The radio station, newspaper, and later magazine publishers chose to run the ads for free as part of their contribution to the war effort. They didn't just run the ads that the government provided but also produced their own ads as well. They considered it their patriotic duty. After the first month of advertising, polls showed that 90% of the public knew about the different ways to buy War Bonds.



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In addition to the ads, special War Bond rallies were held, as well as special sporting events. Hollywood celebrities often headlined these rallies. Crowds of people would show up to buy the bonds and see their favorite entertainers. Hollywood people set a goal of raising \$775 million in bonds. They ended up selling more than \$838 million. Not to be outdone, the professional baseball and football leagues held special games where War Bonds were the price of admission. One event raised more than

\$56 million in War Bonds.

Irving Berlin wrote a song that became very popular, "Any Bonds Today?" The copyright was assigned to the Treasury Dept. so all royalties were automatically sent there. Norman Rockwell made a series of four paintings which became an important part of War Bond advertising.

While the large contributions made by celebrities were often pointed out, the entire War Bond drive would not have succeeded without the participation of average Americans.

The War Bond sales eventually totaled more than 150 billion dollars. It was the most successful sale of its kind ever. It represented the overwhelming popular support of the American people for freedom.

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Questions

1. Why was it important for the government to sell War Bonds?

2. What decision saved millions of dollars in advertising?

- _____ 3. If you could not afford to buy War Bonds, you could buy:

- A. Stamp Bonds
- B. War Stamps
- C. Rally Bonds
- D. Defense Bonds

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- _____ 4. What percentage of the face value of the bond did you pay?
- A. 75
 - B. 50
 - C. 60
 - D. 80

5. Why was it hard for the average family to afford to buy War Bonds?

- _____ 6. Who made the paintings to support War Bond sales?
- A. Van Gogh
 - B. Matisse
 - C. Norman
 - D. Rockwell

7. How did the sports and entertainment industry help War Bond sales?

8. Who were the biggest supporters of the War Bonds?

- ☐ Why do you think War Bonds were essential for the effort during WWII?
- ☐ Compare the patriotic responses of the people during World War II to what we have seen from the American public now.

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