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in new machinery, and taking on fresh bands of workmen."

At first there was an idea in British newspapers that the home manufacturers might "capture German trade" in neutral countries; but this illusion was soon dissipated; for the managers of our staple industries, when many of their best workmen had joined the army, found that after executing war orders they were unable to supply even the diminished requirements of their old customers. A more sensible battle-cry, "Business as Usual," has now given place to a campaign for national economy, in order that the people by self-imposed privations may diminish imports, release home manufactures for exportation, and spare more money for public loans and taxes.

At first the paralysis of the exchanges, the blockade of Germany, and the risks of the seas produced many violent results. The price of cotton was halved and the Southern States of America were in despair. Dyes, drugs, and chemicals rose as fast as cotton fell. Food and coal became almost everywhere dearer and dearer as winter advanced.¹ The jute planters in India were almost equally embarrassed. A tin and rubber crisis invaded the Malay States. Business throughout South America was brought to a standstill, and for a time those neutral countries which were not forced to mobilise seemed to be harder hit than the belligerents. No doubt very large profits were made by farmers and merchants in Holland, Scandinavia, Roumania, Italy, and Switzerland, who had stocks of the things most needed by

¹ Curiously enough while wheat advanced rice declined, and in the late autumn the government of Japan took artificial measures to raise the price for the benefit of the farmers.