

V. THE SIGNIFICANCE OF THE ECONOMIC SITUATION.

So far we have attempted, very imperfectly owing to the exigencies of space, to give an outline of some events in the industrial and economic life of the peoples as affected by the war. We have seen the whole civilized world stagger under the blow, with commerce paralysed, countless thousands of men and women suddenly deprived of occupation, the avenues of trade blocked and the smooth working of commerce disorganized. We have seen prices soaring to unheard of levels for a short time until panic had subsided, then to drop not to their old levels, but to levels anywhere between 30 and 70 per cent. higher than before the war. We have seen industry reorganizing itself, with infinite pain and difficulty, to new conditions, and practically the entire nation of each belligerent land turning to work connected more or less directly with the war. And then we have seen the labour struggles in England, culminating in the most momentous strike perhaps of modern times, when Welshmen calmly defied the whole strength of the state in arms to enforce the penal clauses of the proclamation designed to send them back to work.

And what will be the outcome of these strange and very significant events? It is hard to say, and yet we can with some degree of certainty make a few surmises. In the first place, we must remember that the world has had a terrible jolt, and that the settling back into the old grooves after the war will be a very difficult business, if, indeed, it is wholly practicable. For Germany this will probably, nay, certainly, be a far more difficult business than for her opponents, and the consequences while the war lasts are even more serious. Germany's overseas trade was stopped dead; a very terrible blow to her when it is remembered that in 1913 she sold to the rest of the world goods worth about two billion dollars, while she imported nearly two billion and a half dollars' worth of goods for her own consumption. An interruption to such a vast volume of trade, an interruption lasting over many months, and even stretching into years, is a frightful blow to the economic welfare of the German Empire. As the *Times* said on May 26, 1915: "No rearrangement of the home demand, no reorganization, no retrenchment, no financial prestidigitation can, in the long run, avert the consequences of this stoppage of raw materials, unless the German armies are able to secure a new supply."

The economic factor, in short, is the most serious one for Germany, although at the same time we must remember that after the war Germany will undoubtedly take her place once