

## CHAPTER IV

## INDUSTRIAL AND SOCIAL CONSEQUENCES

"The harvests of Arretium this year old men shall reap."—*Macaulay*.

EVEN an abstract analysis of the industrial consequences of modern warfare presents difficulties; but when the political economist passes from the abstract to the concrete, and endeavours to trace, historically or geographically, at home, in the colonies, and abroad, its immediate and subsequent effects not upon one, but upon all industries, he will be faced with a task of almost insuperable dimensions. Here we must be content with a few brief indications by way of supplement to what has been said of the first results of this war. If an individual suddenly begins to spend more upon fireworks than he previously spent upon food, clothing, and other necessaries or comforts, his expenditure produces a real activity and a certain prosperity. The difference between productive and unproductive expenditure is not seen at the moment. While the expenditure goes on, the effect upon the labour market is very much the same. Thus, much the same amount of labour and wages and salaries may be spent on a two-million Dreadnought as upon the building of twenty merchant vessels costing £100,000 apiece. But the merchant fleet, after it is once built, will, if judiciously employed and financed, earn dividends and will also yield a sinking fund sufficient to rebuild it in the course, perhaps, of twenty years. The Dreadnought,