GERMANY AND THE ECONOMIC PROBLEM

SINCE war was declared between Great Britain and Germany no assertion has been more generally heard than the prediction that 'the economic strain' would, if nothing else, break down the capacity of the German Government and nation to maintain the struggle. What precisely this 'economic strain' would be and in what forms it would convincingly reveal itself was not always made clear, even by those who most confidently made the assertion. But as commonly used it may be presumed to imply, first, that the financial resources of the German Government would not prove equal to the drain and expenditure of a war on two fronts and at sea, prolonged beyond six or eight months; secondly, that the economic and industrial organization and resources of Germany were of such a character as gradually to collapse under the remorseless pressure of war; thirdly, that German trade and commerce would be practically ruined by the conditions of war; and fourthly, that in all these respects Great Britain was markedly superior—her wealth greater, her resources larger and more elastic, her industrial organization and commerce less vulnerable.

Are these assumptions, axiomatic to many British minds, approximately sound? Is an economic and financial collapse in Germany to be expected? If so, when will it come? Can Great Britain reasonably infer