Britain, with only a small peacetime army, required revolutionary changes of the army. Initial arrangements were superseded by Lloyd George's innovation of national factories, state financed and managed but the state was still reliant on co-opted businessmen to do the managing. There were strict accounting checks on the costs of private firms and taxation of profits above a pre-war levels.

Management of Resources

This saw state planning go further. State involvement in raw materials and intermediate goods lay on the dependence of war production on the global economy. In Germany, fear of key raw material shortages due to the British blockade led to the establishment in August 1914 of a War Raw Materials Section of the Prussian War Ministry. It took over strategic stocks in Germany and German-occupied Europe in order to distribute them according to need. Germany also responded to the blockade by developing domestic substitutes e.g. aluminium for copper and synthetic nitrates for explosives; the War Raw Materials Corporations assisted with this.

The period 1916-1917 saw a second wave of interventionism in munitions related sectors in the form of the Hindenburg Programme in Germany due to the shock of the extent of Allied firepower at the Somme. This dramatically increased steal and other put targets and introduced state control of steel distribution. The Program also extended state powers to rationalise production between plants and allocate labour. Along with food and rent controls, these measures did form an allocation system. Germany did not however achieve an effective centralised rational system as the British did and relied on requisitioning.

State intervention in Britain commenced with government control of the railways, spread to steel production by mid-1916 and coal mines and coal distribution in February 1917. The Daylight Saving Act of 1917 was the product of state control. Britain used maritime and financial pre-eminence to purchase most of world supply of commodities. This policy later became inter-allied.

Food Supplies

In 1913, the British population imported threequarters of its food supplies in calorie terms; in Germany, this was 10%, while Austria-Hungary, France and Italy were roughly equal in terms of imports and exports, while Russia was a large grain exporter. Home food supplies before the war were more abundant in Eastern Europe but wartime supplies, and access to world supplies, was greater in the west.

Food supply was not seen in Britain as a problem in the UK until 1916 but in 1917/18, the calorific value of average food consumption was 3% lower than before the war, meat consumption 20% lower, milk and butter 25% lower and flower products 10% higher. These were the worst years due to the U-boat campaign. As a result, much British grassland was returned to grain production and equitable distribution achieved through rationing. There was public confidence in the system.

The worst food shortages occurred in urban Germany, Austria-Hungary and Russia. The simple price controls in Germany could not elicit extra supplies and extra powers of requisitioning were given to authorities. A Reich Food Office was established to unify controls in May 1916 but with limited powers. Bread was rationed from January 1915 but measures tended to reduce rather than increase supply which, when coupled with the poor harvest of 1916, resulted in the ‘turnip winter’ of 1916/17. Y 1917, the calorific value of German food consumption was 20% below that of 1913. The centrality of imports to the British system made it easier to police than the German one.

In Austria-Hungary, declining food production was compounded by the loss of production in northern war zones, an internal transport cross and regional grain hoarding. Requisitioning at fixed prices directed supplies to the black market. There was such a serious urban food crisis that authorities seized grain train bound from Romania to Germany in April 1918 to feed the hungry in Vienna.

French agricultural output fell for similar reasons to Germany but the difference was food imports. Foreign weight represented 43% of domestic production in 1916 and more in subsequent years. Frozen imports buttressed meat