

The Cost of WWI

1914 - 1918

World War I killed more people and cost more money than any earlier war. About fifteen million people died, and millions more were injured. It is estimated that the war cost a total of \$338 billion.

The war also caused political changes. Four empires collapsed by the end of the war. Communists came to power in Russia in 1917. The United States became the world's leading industrial power and creditor. During WWI, the United States' share of world trade doubled.

Let's look at the costs of WWI in detail. The human costs were huge and tragic. Ten million soldiers and more than five million civilians died in the war. WWI also contributed to an epidemic of influenza, the Spanish flu. That epidemic killed 25 million people around the world.

Most of the soldiers who died in WWI were killed in battle. This was new. In earlier wars, most soldiers had died of illness and disease. WWI had better medicine and deadlier weapons. The deadly new weapons used in WWI included tanks and aircraft. Machine guns were widely used for the first time in WWI. Poison gas was used as a weapon by both sides.

The costs of WWI were more than any earlier war. There are two kinds of war costs, direct and indirect. Direct costs are what is spent actually fighting the war. Indirect costs are the economic losses from death and property destroyed. The direct costs of World War I were more than \$186 billion. Indirect costs were about \$152 billion. So the total cost of WWI was about \$338 billion.

WWI had positive and negative economic effects. Industrial production increased greatly. This stimulated the economies of many countries, especially the United States. But the war also caused terrible losses in Europe. Millions died, property was destroyed, and there were financial troubles. When the war started in 1914, Europe was the world's financial center. Four years later European countries were deeply in debt. There was widespread unemployment and inflation.

Germany suffered the most. The Treaty of Versailles was tough on Germany. The winning countries thought Germany had started the war and