



Wheat Field in a Favored Section. The Total Income from Wheat will be High this Year but it will be Unevenly Distributed.

Britain's Plans for Reconstruction

ARTICLE I.

LAST December, the British government received a document entitled, "Final Report of the Committee on Commercial and Industrial Policy after the War." That document has since been published by His Majesty's Stationery Office in the usual form of British governmental reports, containing some 80 pages in all, and is now known briefly as "Balfour of Burleigh's report," after the name of the chairman of the special committee which prepared it. There is much material and many conclusions contained in this report, which should appeal to Canadians, and it is proposed here to view the findings of Lord Balfour of Burleigh, and his colleagues in the light, not only of changed conditions in the United Kingdom, but also of the industrial and social outlook in Canada and the United States.

Personnel of the Committee

It is interesting to note that the importance of preparing to meet after-war conditions appealed to the British government as early as July, 1916, when Rt. Hon. Herbert Asquith, the prime minister of that date, called the Balfour of Burleigh committee into existence. In addition to the chairman, the following members of this special committee were appointed as follows: Arthur Balfour, H. Gosling, W. A. S. Hewins, M.P., A. H. Illingworth, M.P., Sir J. P. MacLay, Bart., the Rt. Hon. Sir A. Mond, Bart., M.P., Arthur Pease, R. E. Prothero, M.P., Sir Frederick H. Smith, Bart., G. F. Wardle, M.P., together with the following gentlemen, who are presiding over Board of Trade committees on the position of important industries after the war: Sir H. Birchenough (Textile Trades), Sir Alfred Booth, Bart. (shipping and shipbuilding trades), Lord Faringdon (finance), Sir C. G. Hyde (engineering trades), the Hon. Sir C. A. Parsons (electrical trades), Lord Rhondda (coal trades), and G. Seoby Smith (iron and steel trades). Following the displacement of the Asquith government, several of the members of Lord Balfour's committee accepted office under the new prime minister, Lloyd George. Their places had to be filled and other considerations necessitated the appointment of additional members to the committee, so that its final composition was as follows: Lord Balfour of Burleigh (chairman), Arthur Balfour, Sir Henry Birchenough, Sir Alfred Booth, Lord Colwyn, Lord Faringdon, H. Gosling, R. Hazelton, Sir C. S. Henry, M.P., Sir Clarendon Hyde, Sir W. S. McCormick, S. A. McDowell, Sir G. A. Muntz, A. Nimmo, J. O'Neill, Sir C. A. Parsons, Sir W. Pearce, A. F. Pease, W. Priestley, J. A. Roxburgh, G. Seoby Smith and Sir A. Williamson.

Terms of Reference

The following terms of reference were given to Lord Balfour and his colleagues by the government at the time of their appointment:—

Lord Balfour of Burleigh's Report adapted to the Canadian Point of View—By Norman P. Lambert (Secretary Canadian Council of Agriculture)

"To consider the commercial and industrial policy to be adopted after the war, with special reference to the conclusions reached at the Economic Conference of the Allies, and to the following questions:—

"(a) What industries are essential to the future safety of the nation, and what steps should be taken to maintain or establish them.
"(b) What steps should be taken to recover home and foreign trade lost during the war, and to secure new markets.
"(c) To what extent and by what means the resources of the Empire should, and can be developed.
"(d) To what extent and by what means the sources of supply within the Empire can be prevented from falling under foreign control."

Influence of the Paris Conference

As might be concluded from the foregoing references, the general argument of Balfour of Burleigh's report is not altogether sympathetic with the old free trade traditions of England. This appears very plainly to have been due to the influence of the Economic Conference of the Allies held in Paris just previous to the appointment of the committee on commercial and industrial policy. The recommendations of the Paris conference, to say the least, were rather belligerent in tone as well as strongly protectionist in their appeal, and their effect upon the final report of Lord Balfour was not without its humorous aspect. Eleven chapters out of the twelve included in the report are crowded with statistical and verbal evidence calculated to lead to pronounced conclusions in favor of a certain measure of protection for the British manufacturing industries. The twelfth chapter, comprising a summary of conclusions, however, reflects a very obvious aversion on the part of a large section of the committee, after having approached the barriers repeatedly, from taking the jump into the field of tariff reform.

The result is that Lord Balfour has been obliged to present his report finally to the government with eight different reservations and memoranda supplementing the main report, and containing vital differences of opinion on the question of the future fiscal policy of Great Britain.

For example, the principle reservation of opinion was expressed by Lord Faringdon, Sir Charles Henry, Sir Gerard Muntz, Sir Charles Parsons, and Seoby Smith, who united their voices into one common plea on the subject of a fiscal policy. The main report, while proposing to protect by a duty certain "key" or "pivotal" indus-

tries, and also to adopt Canada's "dumping clause," did not go far enough for these gentlemen, who wished to meet conditions laid down by the Paris conference. In their reservation they urged that the "general trade" of our enemies should be penalized by the imposition of customs duties or prohibition. They also urged that a general ad valorem tariff of ten per cent. should be imposed upon all wholly or mainly manufactured articles imported into the United Kingdom. This recommendation, however, was not in accord with the views of the majority of the committee serving under Lord Balfour.

Radical Changes Unlikely

There were also prominent conditional provisions in Balfour of Burleigh's report, which make conclusive judgment as to the future application of its findings entirely impossible. For instance, in the discussion of measures to be adopted during that period after the war, known as "the transitional period," the report says: "The prolongation of the war and the entry into it of the United States, have increased the importance of a considered policy directed towards assuring to the British Empire and the Allies adequate supplies of essential raw materials during the period, immediately following the conclusion of peace, and we wish to make it clear that in our opinion the extent to which the Paris resolutions which bear upon this vital question can be carried into effect, depends upon the co-operation of the governments concerned." In other words the attitude of Balfour of Burleigh's committee towards all or any of the problems of commercial policy after the war is limited absolutely by the possibilities of co-operation between Great Britain and her present Allies.

When devoted reference is made in this report to the Paris resolutions, and when unmistakable indications of the thought of a self-contained and self-sufficient British Empire, are revealed, the average Canadian immediately places over against such opinion, the outspoken pronouncements of President Wilson of the United States, relating to a proposed League of Nations. And those who have read H. G. Wells' recent book, "In the Fourth Year," in which free support is given to President Wilson's views, must also come to the conclusion that a large section of British opinion is in complete harmony with the president of the United States, when he says: "There can be no special, selfish, economic combinations within the league, and no employment of any form of economic boycott or exclusion."

The net result of reading and analyzing this very interesting and informative report, is the impression, that despite the number of its allusions to the Paris resolutions, and the amount of protectionist material contained in it, no definite or positive indication is given of fiscal reform in Great Britain after the war. On the other hand there are numerous lessons which Canada, with its aspiring industries may take from the evidence which was submitted to Lord Balfour and his committee, for examination.

Strength and Vitality of British Industry

While the present war has been generally acclaimed amongst democratic peoples as a struggle "to end the war," and to banish the German military system for ever from the world, the tendency has been marked on the part of certain elements in all of the Allied countries, consciously or unconsciously to cultivate the very principles against which the Anglo-Saxon, the Gallic, and Latin races are fighting.

This tendency is reflected in an outstanding manner in several features of the report which Lord Balfour of Burleigh presented to the British government.

Having taken as the starting point in its investigations, "a survey of the general position of British industry, and overseas trade in 1913, the last complete year of peace," Lord Balfour's committee found that an examination of a comparative statement of the trade statistics of Great Britain, Germany, and the United States, bore (to use the exact words of the report) "a remarkable testimony to the strength and vitality of British industry as a whole." In this survey, special attention is given to the coal trade, iron and steel trades, engineering trades, shipbuilding, and marine engineering, electrical trades, non-ferrous metals, textiles, and chemical trades, including drugs and dyes.

Effect of War on Industry

As a result of evidence submitted mainly by special committees appointed by the president of the British Board of Trade, Lord Balfour and his colleagues conclude that the great vitality and power of British industry during the decade preceding outbreak of war, were due to coal, textiles, shipbuilding, and some branches of engineering trades, such as textile machinery. But exception is made in regard to iron and steel, and also to electrical, chemical, and chemico-metalurgical industries. This is pointed out that in these latter industries, Britain by 1913 had been entirely overshadowed by Germany and the United States.

It is stated, however, that war requirements have enormously increased the productive capacity of these industries, and have resulted in a greater

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