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IN
WAR AND RECONSTRUCTION
BENJAMIN H. HIGGINS

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Preface

IT IS by now abundantly clear that the methods of war finance followed by the several belligerents in World War II have had significant and lasting effects on their economic and financial institutions. In certain respects Great Britain is the most striking case in point, although the causes of her postwar difficulties are far from exclusively economic in nature and their roots are, in some important instances, to be found in circumstances antedating World War II. Professor Higgins' essay, *Lombard Street in War and Reconstruction*, begins therefore with the pre-World War I status of Britain's financial institutions and carries the account through World War II and into the postwar period up to early 1948. While Britain's financial position was grave at that time, the main directions of change in the institutions that comprise Lombard Street—which is the study's focus of interest—were reasonably evident and it seems unlikely that they will be altered materially by the events of the calculable future.

This study complements Professor Higgins' earlier essay, *Canada's Financial System in War*, and together with other Financial Research Program studies that have dealt with wartime developments in the United States and in National Socialist Germany, it completes a closely related series of studies on the impact of war on financial machinery.

The author is Bronfman Professor of Economics at McGill University and has completed the study as a member of the staff of the Financial Research Program. In preparing his essay Professor Higgins has had the benefit of an unpublished National Bureau manuscript on the same subject by Dr. Tibor Scitovszky, and has also profited from the extensive and thoughtful comments of several readers both on the staff of and outside the National Bureau.

The first draft of the manuscript was edited by Donald Dunham and subsequent drafts by Dorothy Wescott, who was assisted by Mary Watkins.

R. J. SAULNIER

Director, Financial Research Program

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