CHAPTER X

AN IDEAL MINISTRY OF COMMERCE

Cost of carrying on the Nation's Business—Amount allocated to Trade—Practical Legislation as opposed to Theoretical Legislation—Failure of Board of Trade to meet Nation's Requirements—Need for a Ministry of Commerce—The necessity of protecting our Manufacturers' Interests.

A MORE gigantic task than that of carrying on the business of the British nation does not exist. Comparatively few readers can be brought to study figures, but a few references to round sums are essential to exemplify the enormous rate at which the cost of running this country is expanding. Fifty years ago the expenditure was sixty-six million pounds sterling (£66,000,000); this year it is over one hundred and eighty-six million pounds (£186,000,000); and it is increasing twice as fast as it did half a century ago.

The business man, the manufacturer, and the trader may well ask, what proportion of this huge expenditure is being applied to the development of their particular interests in the nation's business? A short analysis of the country's expenditure is necessary

before that question can be answered. The great spending forces of the country are the Navy, the Army, and the Civil Service. It is to the last-mentioned that we must look for any amounts expended on the development of the country's trade. The Civil Service Estimates may be divided as follows :—

Annual Expenditure.	
Public Works and Buildings ..	£3,638,000
Salaries and Expenses of Civil Departments	4,178,394
Law and Justice	4,621,535
Education, Science, and Art ..	19,680,454
Foreign and Colonial Services ..	1,639,768
Non-effective and Charitable Services	13,011,001
Miscellaneous	245,160
Insurance and Labour Exchanges	2,844,962
Revenue Departments (*i.e.* Customs and Excise, Inland Revenue, and Post Office) ..	28,062,680
Total	£77,921,954

Now, the only amounts in the foregoing expenditure that may directly be associated with home trade are contained in 'Salaries and Expenses of Civil Departments' and 'Insurance and Labour Exchanges.' Of the amount of £4,178,394 under the former head, the sum of £471,650 represents the Board of Trade and subordinate departments, and £462,000 represents the Boards of Agriculture of England

and Scotland, the balance comprising the salaries and expenses of the Treasury, Home Office, Foreign Office, Stationery Office, Local Government Board, etc. The amount of £2,844,962 allocated to 'Insurance and Labour Exchanges' is mainly on account of the new Insurance Act, and can hardly be regarded as an expenditure created for the direct benefit of the trader as distinct from the general community. The other amounts in our list represent £19,000,000, 'Education, Science, and Art,' with which we shall deal in a subsequent chapter in so far as its relation to the manufacturer is concerned; £13,000,000, non-effective and charitable services, that is hospitals, charities, superannuation allowances, etc.; £4,600,000, law and justice; and £1,600,000, which represents the expenses of foreign and colonial services.

Out of the grand total of £78,000,000, we have, therefore, a very small proportion directly earmarked for the upkeep of a department concerned in the development and promotion of British trade. If we allocate a share of the expense of public works and buildings, the amount still stands in appallingly significant contrast with the grand total of seventy-eight million pounds sterling which is annually

expended on the other departments of State.

The Board of Trade is, or rather should be, the strongest department of a great trading nation. On it should be lavished all the care and attention of a business-like Government desiring to make permanent the trading prosperity of the country. Through the medium of the Board of Trade, the Government controls and directs the trade blood of the country. The Home Office controls the workshops and conditions of life therein, but with the Board of Trade lies the duty of properly developing trade, encouraging manufactures and industries, directing the commercial energies of the country into sound, profitable channels, and creating a never-failing link between trade openings abroad and manufacturers at home.

The necessity of assisting British manufacturers to obtain more frequent information regarding openings for trade in other countries first impressed itself on the Board of Trade as long ago as 1899, but it is questionable whether during the fourteen years which have since elapsed the progress in that direction has been proportionate to the expense involved. The Board of Trade established a Commercial Intelligence Branch as

a result of recommendations made by a Departmental Committee appointed in 1897. This Branch reported that the written inquiries made to it in 1910 numbered 9010 and personal inquiries 5829, *i.e.* a total of 14,839. Thus the post of this Branch, after ten years' organisation, consisted of less than thirty letters per diem! In 1912 they numbered 10,316, or an increase of three or four per day as a result of two more years of organisation.

In 1910 an Advisory Committee was appointed to advise the Board of Trade (1) on the work of their Commercial Intelligence Branch and on such matters relating to foreign tariffs and other commercial questions as the Board may refer to them; and (2) as to commercial missions abroad or other means of obtaining and diffusing information for the benefit of British trade. There were 27 members of this Committee, of which number more than half had never had any practical experience of manufacturing or practical commercial life either here, in the Colonies, or in foreign countries, and there were not more than half a dozen who could lay claim to a prominent place in the ranks of British manufacturers. However, the Advisory Committee proceeded with its

investigations and with giving advice to the Commercial Intelligence Branch of the Board of Trade, and in March, 1913, presented its report. In connection with the work of the Branch, the Committee has directed special attention to two points: (*a*) the special register; (*b*) utilisation by Chambers of Commerce of information supplied to them by the Branch.

A special register was introduced in 1907, in which are recorded for a fee of one guinea per annum the names of British firms desirous of obtaining confidential information as to openings abroad concerning specific branches of trade. It appears that the number upon the register on December 31st, 1912, was 1516! A moderate calculation would probably show that the total number of manufacturers and traders of the United Kingdom concerned directly or indirectly in sending goods abroad in large or small quantities is about 50,000.

Three per cent. only have thought the information which the Commercial Intelligence Branch could afford them worth a guinea. The fee cannot be the stumblingblock, for I have yet to meet the business man who would not willingly pay many guineas to open up channels of new business. The blame is, of course, placed upon the manufacturer.

'We regret,' says the Committee, 'that a larger number of firms have not availed themselves of the facilities offered.' The manufacturer's obvious retort is, 'We regret that we do not think your service is worth a guinea per annum.' With respect to the utilisation of material by Chambers of Commerce, the expressions of opinion from the various Chambers of Commerce constitute a most damning indictment of our present system of distributing information.

London does not think the notifications of the Board's Intelligence Branch are of sufficient importance to include them in its *Journal* 'or to specially inform members thereof'; Birmingham is of opinion that the practice of the Board of Trade cannot be satisfactory until the Chambers of Commerce of the country are made official distributors of information; Edinburgh, Newcastle, North Staffordshire, South of Scotland, etc., state that much of the information is of no interest to traders in their districts; Leeds thinks it a waste of time and money on information which never reaches the proper quarters; and so on. There is displayed a sad lack of organising ability, though organisation in this respect is an urgent need.

The present lack of cohesion between the departments concerned in the administration of the country's commerce is aptly shown in a letter published in the newspapers on May 13th, 1913. This letter was received by the Council of the Association of Chambers of Commerce from the Foreign Office, and in it Sir Edward Grey recommends to the favourable consideration of the Association proposals which have for their object a closer co-operation between His Majesty's Commercial Attachés and the Chambers of Commerce.

Sir Edward Grey is of opinion that better results could be obtained if His Majesty's Commercial Attachés were to receive some guidance from British manufacturers and merchants interested in foreign markets. It has occurred to Sir Edward Grey that there would be some advantage if, first, a standard classification of the trades and industries of this country could be made and uniformly adhered to in official reports; and secondly, if sets of leading questions could be drawn up by experts with reference to all the principal industries in this country, especially those affected by foreign competition. This classification should be kept within strictly defined limits, and should not be allowed to extend

to matters of detail. The object in view would probably be best attained if a certain number of the more important branches of trade and industry were grouped together under a few broad headings, somewhat in the following manner :—

TEXTILES.—Cotton, yarns, sewing cottons, tissues, woollens, yarns, worsted, shoddy, linen.

IRON AND STEEL.—Pig-iron, steel.

MACHINERY.—Electrical motors, dynamos, Mining, Agricultural, factory, milling, pumping, etc.

Regarding the sets of questions the Foreign Office communication continues :—

'I am to enclose a copy of a set drawn up by Mr Hooper, of the Commercial Intelligence Branch of the Board of Trade, on the woollen and worsted trades, which may serve as a model. If similar sets could be obtained for other leading industries they would prove of the greatest assistance to His Majesty's Commercial Attachés and Consular officers abroad in drawing up their reports and in conducting their investigations on points of interest to the home producers.'

The Associated Chambers were asked if they would be prepared to advise the Foreign

Office on the classification and compilation of such sets of questions, and the Council of the Association decided to agree to the requests contained in the Foreign Office communication and to appoint special committees of the Council to deal with each request as received.

Here, then, is a typical example of our lack of organisation. The Board of Trade appoints a sub-department, the Commercial Intelligence Branch; the Commercial Intelligence Branch draws up a set of questions at the request of the Foreign Office; the Foreign Office communicates it to its Commercial Attachés; and the Association of Chambers of Commerce appoints special sub-committees to deal with each at the request of the Foreign Office. A cynic has said that the way to advancement in the Government service is to invent a new kind of form. In this case it appears to take the machinery of the Board of Trade, the Foreign Office, the Association of Chambers of Commerce, and the Commercial Intelligence Branch of the Board of Trade to draw up a form to enable our Commercial Attachés to do their work. The experience of most business men is that a representative who does not

possess sufficient initiative to investigate and report upon the opportunities for business in a given area without requiring to be assisted by a written list of questions is generally a representative not worth employing.

Such trade matters as those with which the Foreign Office is here concerning itself should properly be dealt with by a Ministry of Commerce. The duties imposed upon our Board of Trade are already too multifarious. They comprise the collection of trade statistics, in itself the work of a whole department in most countries; the issue of patents; maintaining the standards of weights and measures; the non-legal machinery of bankruptcy; the registration of joint-stock companies; supervision of railways, tramways, water and gas undertakings, electric lighting, harbours, lighthouses, and merchant shipping.

It is not surprising that a department which undertakes to do so much, does in reality achieve so little, and that its disastrous policy of *laisser-faire* in some directions does not more often characterise its attitude in other matters. Cabinet Ministers and members of Parliament have only to make impartial and independent inquiries to discover what relations exist

between the Board of Trade and the manufacturing and trading community.

The Board of Trade has not the confidence of the manufacturer: the fact is patent to any impartial inquirer. Properly, the relations between a National Trading Department and the trader should be similar to those which exist between, say, the Incorporated Law Society and the legal profession. The trader should regard the department as being there to look after his interests, not to harass him in his business; to help him build up the nation's trade, not to hinder its development; to assist him when other help fails, not to bind him in red tape.

In actual practice he does not regard the Board of Trade in the former light, but often sees in that department his natural enemy. No confidence can, under such circumstances, exist between the two parties; and consequently, so long as the present position remains unchanged, the one can render the other but little of that effective assistance which should be its sole *raison d'être*.

The lines upon which I suggest that the reforms urgently needed in this respect should proceed may be briefly indicated here. The Board of Trade should be relieved of all duties

which concern the development of trade, the fostering of commerce, or the protection of British traders' interests. These are matters requiring quite different treatment from that for which the official mind has been trained. The collection of trade returns and statistics might be left to it, and its name be changed to the State Statistical Department, to which might be transferred the statistical work of all departments.

The control of the railway, shipping and general trade of the country must in time become separate departments of State, as must all those matters which concern the labour of the country. A strong Ministry of Commerce in the United Kingdom would be of incalculable value to the British manufacturer and trader in establishing a central organisation where what the Americans would term, with more clarity than elegance, 'live' assistance might be given to traders on 'live' business lines.

This Ministry should be formed to represent the views of the trading community and the trading community only; it should act as counsel for the manufacturer on every question concerning commerce, and its voice should carry the utmost weight in the counsels of

the nation. We should then have no repetition of such unfortunate incidents as when on committees appointed to consider matters vitally concerning commercial life only a minority of the members actually represents commercial interests. The position of the Ministry of Commerce would be equivalent to the position of the managing directors of a big business, manufacturing a variety of goods at numerous workshops, and served by scores of capable managers acquainted with all the technicalities of their various businesses.

Every means of pushing British manufactures abroad would be studied; every outlet for British goods would be made known to manufacturers; every grievance would be investigated and steps taken to obtain a remedy; every piece of official despotism towards traders—whether under the Insurance Act, Factory Acts, Employers' Liability Act, Shop Hours Act—would evoke an active though (to those culpable) possibly unwelcome interest on the part of the Ministry of Commerce.

A weak Government might fear the creation of such a department lest it brought into being a body too powerful to control; but a really strong Government would be too

glad to welcome a department, representing the interests of the great manufacturers as well as the small traders, to fear lest its power might be used for aught save the welfare of the country's commerce.

The duties of the ideal Ministry of Commerce should be quite distinct from those inspecting duties which the Board of Trade and the Home Office now perform, and which constantly bring these Departments into conflict with employers. The personnel of the Department of Commerce should be quite distinct from that of the present Department of the Board of Trade, which is mainly built up on the same lines as other departments of the Civil Service without regard to the qualifications or experience necessary to fill the posts available. There can be no valid excuse for the present practice of appointing clerical officials who have had no practical experience of trade, and are quite incompetent to deal with vital matters affecting commerce.

There is every excuse for the irritation displayed by any great captain of industry, controlling tens of thousands of industrial workers and enormous works, when a few principal clerks at the Board of Trade, entirely ignorant of business life, are

empowered indirectly to determine matters concerning the industry upon which he has expended a life-time's thought and study. The personnel of the Department should consist of men who have been trained, subsequent to their public school or university career, in practical experience of business life.

The present method is common to most departments. The public school boy, having matriculated, enters for, and passes one of the Civil Service examinations. He is appointed, perhaps, to the Inland Revenue Department or to the Board of Trade central office. After some years of junior clerical work he is promoted from stage to stage, the promotion being given, not according to the ability or zeal displayed but according to seniority. If the hand of Providence moves rapidly among the seniors in his department, and they are called away either by death, accident, superannuation, or appointment to other offices created by new legislation, the junior clerk may expect to be very rapidly promoted, until, in course of a few years, he becomes a principal clerk.

Principal clerks at the Board of Trade are the chief executive officers under the Assistant Secretaries. Apart from the essence

of the matters under their care, the scope of their responsibility may be likened to that of managing clerks in a solicitor's office. They are daily called upon to investigate questions affecting trade and commerce in preparation for the senior officials. Is it, therefore, a matter for surprise that such matters are not dealt with from the broad standpoint of the business man, but from the narrow, restricted view of a man who has spent the best years of his life 'cribbed, cabin'd, and confined' within the limits of office routine and office procedure?

It is the practice of most writers, when referring to our permanent officials, to express a general admiration for the race as a whole. I have never been able to discover the reason for this sop to their vanity, except that it invariably precedes or follows a damaging criticism of the methods and the work of permanent officialdom. The idea that the permanent official is *sans peur et sans reproche* is a fetish; individually he may be, and more often than not is, quite a good citizen, an excellent companion, and a rattling good sportsman; but collectively he is the product of a system which has proved inherently bad, and which scales the heights of folly and impotence when

called upon to deal with matters concerning British commerce.

The Department of Commerce should be a department where every member has been drilled in commercial life. The aspirant for appointment to this department should not be judged solely on the examination basis of the Civil Service, but also on his knowledge of one or more trades. Promotion in a department of this kind would result from knowledge and ability as it does in the factory and the workshop, and not solely from seniority of service. The controlling head of the Ministry would not be a member of Parliament holding the office because a place must be found for him in the Cabinet or because he has rendered certain party services whose recognition cannot be avoided.

The controlling head of the Department of Commerce should be selected from among the men who are kings of commerce and whose experience and ability should be secured for the benefit of the country as a whole. This does not mean that the policy of the Ministry of Commerce would be dictated by one individual; it could with great advantage be made a Ministerial Board, with an elected chairman to speak on its behalf

in the Cabinet and in the House of Commons. The Ministerial Board would be drawn from the leaders of the manufacturing and industrial world, representatives of the iron, steel, cotton, coal, textile, and other industries, and the principal productive trades of the country. Membership of the Board should not be the reward of political service; it should be the seat of honour bestowed by the industry or trade represented. The Presidency of the Institute of Chartered Accountants or the Incorporated Law Society, the Governorship of the Bank of England, are honours which every accountant, lawyer, and merchant regard very highly. The ironmaster, the weaver, the engineer, the printer, the chief of any great manufacturing or producing trade, would look upon a seat on the Ministerial Board of Commerce as a reward very jealously guarded and held in the highest esteem by the members of the industry which elected him, and as the chairmanship would carry with it a seat in the Cabinet, the office would be vested with considerable authority.

As to the payment of members of the Board, the sum of £50,000 per annum would be trifling in comparison with the value of a Board of this character to direct the trade and

commerce of Great Britain. The executive staff of the department under its control would be specially selected for their experience and practical knowledge of industries and manufactures, and the scale of remuneration would be the same as an expert staff would command in a first-class manufacturing firm. Mr A. would not receive £1000 per annum solely because his predecessor in the same position received £1000 before him.

The salary scale would attract men of the best calibre. Public school boys, instead of drifting into the Civil Service and out again into the Stock Exchange, banking and insurance, or into art and literature, as is happening each year now, would pass from the public schools or universities to the workshops of the great engineering, shipbuilding, and manufacturing firms. They would become 'commercial cadets,' in much the same way as the boy from the naval preparatory school goes to Osborne and becomes in due course a 'naval cadet,' learning the business of the sea.

Six to seven years is ample time to acquire a practical knowledge of a trade; many young university men, succeeding to the mills and factories of their fathers, have acquired a thorough practical grasp of the business

within three or four years. The university man is trained to learn and learns quickly.

The Commercial Department of the Government would thus be constantly fed by men from 25 to 28 years of age, practically and theoretically educated in the details of business life and with a sympathetic understanding of the duties imposed upon that branch of the department in which they would serve. These officials would be required to keep constantly in touch with the practical side of trade, for their advancement would depend upon their growth in experience and knowledge, just as it would were they employees of a manufacturing firm. Thus do I conceive the establishment of a staff working under the control of a Board of the best brains to be found in the country's commerce. The personnel of a department so constituted would enjoy the confidence of the whole country.

Now for the duties which would fall to the Department of the Ministry of Commerce. All its energies would be directed to the development of the country's trade, to improving the position of that trade in the world's markets, to removing difficulties in the way of British manufacturers, and incidentally to

preventing meddling with British industries for the sake of advancement by political parties or individual statesmen. It would have no concern with the details of administering the various Acts affecting workshops, factories, mines, railways, steamships, *et hoc genus omne*, although it would be vitally concerned in thoroughly sifting the details of any alterations or additions to such Acts before they found a place on the Statute Book.

The Declaration of London is an example. It was an admitted failure. It was typical of officially-made legislation directly opposed to the interests of the shipping and commerce of the country, and emphasises the need for a connecting link between our Foreign Office and the commercial community, so that diplomacy shall not over-weigh considerations vitally affecting our trade.

The Department of Commerce would waste no time over the details arising out of the collection of revenues, or the collection and publication of statistics, or the holding of inquiries concerning accidents, and the thousand and one duties which are still carried out by various departments of the Board of Trade. Its duty, first, last, and always, would be: *To maintain, extend, and protect British trade and*

British traders at home and abroad. Sooner or later that is the problem with which Great Britain will be faced, and we cannot afford to disregard any suggestions, however impossible of achievement they may appear to be at the present time. The duty of the suggested department may, therefore, be divided into home and foreign, thus :—

(*a*) To maintain, extend, and protect British trade at home.

(*b*) To maintain, extend, and protect British trade abroad.

The best method of maintaining British trade at home is believed by a large part of the trading community to be the raising of a tariff wall against foreign goods; but I wish to keep this book free from any question of political prejudice, for much may be done for British trade on non-partisan lines.

Let me cite a few examples. There are many manufacturers in the United Kingdom always on the *qui vive* to discover time-saving methods in the operation of their factories; others who are ready to investigate every new process in order to see how far it can be adapted to the requirements of British trade. The difference between the price at which certain articles are produced at home and the price

at which they are sold here by foreign makers is sometimes due solely to the employment of a cheaper process or labour-saving device. Where such information is available, it would be the business of the Department of Commerce to secure it for the benefit of every British trader in that particular industry.

Again, we spend £50,000 per annum on Secret Service. I suppose this sum is mainly expended in obtaining detailed information regarding new war machinery, so that our War Office may be *au courant* with the latest devices in man-killing weapons. Why should not at least as energetic investigation be applied to the more peaceful avocations of trade?

The agents and representatives of our Department of Commerce would be constantly scouring the world to discover for the general benefit of British trade the best and most up-to-date methods anywhere in use. Such information would not benefit any single trader alone, but could be turned to profitable account by all traders who cared to take advantage of it. In this way the whole country would keep rising to a constantly higher level of efficiency and ability to produce goods in competition with foreign importers.

In May last, the British public learnt with

regret and astonishment that the contract for the lock gates and swing bridge for the East India Dock had to be given to an Oberhausen firm, to the great gratification of the German, and the chagrin of British, manufacturers. The general assumption was that British shipbuilding yards were so full up with orders that the work had to be sent to Germany, but it is probable that the giving of the order happened only by mere chance to synchronise with a time when our yards were busy.

Apparently, it is not generally known that the German steelmakers are so organised that they can cut the price of British firms even in London. The great steel combine which rules the export prices can enable any firm that is a member of their associations to obtain all its materials for export at a very reduced price. This is an explanation of the low price at which the tender for the work in question was submitted.

Quite apart from this incident, it is possible that many of our governing bodies, in seeking the cheapest market at any price, often do more damage to the prestige of British trade than is represented by the mere difference in price between the British and foreign tenders. This difficulty in understanding

that British trade is built on a broad, world-wide basis and that its prestige should not be impaired for the sake of a few thousands of pounds constantly arises, and a settled policy on the part of public bodies would be welcomed. The fact that a German firm constructed the gates and bridge for the East India Dock in the heart of the British Empire will be trumpeted abroad to the detriment of British trade in every market in the world.

There will come a time when, be our policy Protection or Open Door, we shall insist that all work required for public buildings shall either be done within the United Kingdom, or before it is given to competing nations the facts shall in every such case be laid before an impartial body constituted for the purpose and formal consent obtained. I cannot imagine that a highly-practical Council of Ministers of Commerce would not at once realise the danger of allowing our competitors to obtain so rich an advertisement as is often afforded them by incidents like that mentioned above.

As a nation we still need to realise that the fight between the big Powers of the world is becoming more than ever a commercial fight, and that only by national organisation and direction can we hope to maintain our lead.

Especially with regard to our foreign trade could the suggested department be of great value to manufacturers. Under present conditions a manufacturer who wishes to discover new openings for his goods has to despatch a personal representative to the country where he wishes to find a market for them; and this emissary must combine an intimate acquaintance with the trade he represents with a practical knowledge of existing conditions in the country visited; he must, that is to say, be endowed with a combination of qualities that is rarely found. There has been a tendency in recent years to complain that our Consuls resident in foreign cities do not do as much as they might to assist British traders.

That much yet remains to be done is indicated by one of the avowed objects of the recently-formed British Engineers' Association. It is pointed out in the prospectus of this Association that the British Government maintains at present only one Commercial Attaché for the whole of China. It will be the business of the Association persistently to work for a better Consular Service and a stronger commercial staff at the Embassy, backed up by a keener interest in British

engineering and trade interests in high official places. It is said that there are dangers in too keen interest in trade matters at the British Embassy in China, but, as the *Manchester Guardian* parenthetically observes in commenting on the matter, 'we seem to be very remote from such as yet.'

A popular impression prevails, indeed, that His Britannic Majesty's Consul is a kind of commercial agent, but this is not so. The Consular Service, it must be remembered, is a part of the Diplomatic Service, and is under the control of the Foreign Office. A Consul, besides acting as the 'nearest friend' to all British subjects in distress, is called upon to deal with all kinds of matters that are in no way connected with British trade *qua* trade. He celebrates or registers marriages where either of the parties is of British nationality; he registers the births and deaths of British subjects; he administers oaths and declarations and acts generally as a Commissioner of the Peace; he is at times called upon to dispense justice; and occasionally is required to act in a diplomatic capacity.

These are matters which rightly come under the purview of the Foreign Office, but when we come to questions of trade the duties of the

Consul are not so extensive as the British manufacturer assumes. The Consuls at ports deal with many matters relating to the shipping, but Consuls at inland cities and towns have completed all work of direct trade value that falls to their share when they have answered any inquiries from traders, and made a report once a year to the Foreign Office.

In fact, our Consuls are inclined to be somewhat indignant with those manufacturers who send them trade catalogues and price-lists and expect them to distribute these among likely customers, and generally act as a 'bagman' for the British exporter. Their indignation is perhaps justified, but the British manufacturer is not wholly to blame. The position and duties of the British Consul are of a very ill-defined character, and a reorganisation in this branch of the Government service must sooner or later be undertaken.

Diplomatic duties and services of a general character should be separated from commercial and trade duties. The types of men required to perform these respective duties are quite distinct. What does a man trained in an engineering works and concerned with pushing his country's engineering goods in a

foreign country want to be bothered with the 'marrying and giving in marriage' of any couple who take it into their heads to get married in his city?

The representative of the Foreign Office should be quite distinct from the representative of the Ministry of Commerce. Even his reports would gain in value. At present the Consular reports are 'Edited at the Foreign Office and the Board of Trade.' Repeated complaints were made some years ago about the delay in issuing them after receipt from our Consuls, and their publication has been slightly accelerated since; but as the reports still take about six months to reach the public, there is plenty of room for further improvement.

More important, however, is the necessity for revising the contents of such reports. The ideal Consular report on the trade of a country would be such as the managing director of a big trading company would expect to receive from his representative, except that in the former case all branches of trade would be covered, instead of only the one in which the individual firm was interested. As it is, in such reports matters of a general nature of little direct value to the manufacturer are often discussed.

The following is a typical paragraph from the present style of Consular report. Writing of the development of certain ports in a country the name of which is immaterial, our Consul there says :—

> Their importance has not yet been realised by British merchants. They would be well advised to send representatives to examine the trade possibilities, which, although at present comparatively small, are likely to grow so rapidly and to be of great importance before British merchants are able to get into the market. Our United States competitors are not only supplying articles which British manufacturers could supply if they took an interest in the market, but they are gradually learning to manufacture goods after the British style, although not so good in quality or so advantageous in price. Nevertheless, the orders being small and the delivery from the United States more rapid, together with the total absence of British commercial travellers to show their goods and arrange terms of credit, the merchants very naturally take little interest in British trade. There is no doubt that British trade could, if it made an effort, regain a large part of the trade that it has lost. This is the opinion of a great number of merchants. But an effort must be made.

An excellent sermon truly, but how can a report of this kind help the maker of gas engines or the manufacturer of cotton shirts? If our Consul had collated a list of the prices at which, within his personal knowledge, certain goods were actually being sold, the British exporter would know at once if he were in a

position to beat that price with an article of equal or better quality. The best test of the practical value of Consular reports is that which is usually applied to other publications —the proportion which their actual circulation bears to the highest possible. If there are 5000 manufacturing firms engaged in making goods of various kinds for export to Argentina and the total number of Consular reports sold respecting that country does not exceed 1000 (apart from the general circulation among individuals and firms who subscribe to all reports), then it is clear either that the reports are not suited to their proper purpose, or that 4000 manufacturers do not understand the value of the reports.

It is not credible that manufacturers would fail to make use of reports which were of value. Trade publications of a general character dealing with the export trade have a circulation of tens of thousands of copies every week. This is evidence of the value attached by exporters to accurate information respecting the trade of countries to which they send goods. Even when they contain details of importance to traders the reports made by Consuls are often received too late to be of practical value. Under the suggested

reorganisation of the service, in addition to annual reports the Consul would be constantly reporting trade intelligence and trade openings, so that an incessant stream of information would be flowing from the country concerned into the hands of the British manufacturer through the intermediate organisation of the Ministry of Commerce. Any one who has seen the reports issued by the Pan-American Union and by the Bureau of American Republics from Washington will realise the difference between the information available for the American manufacturer and that which the British manufacturer receives through the Board of Trade and Foreign Office.

It may be objected that I would make the British Consul a glorified commercial traveller. That is true. But the salary attaching to the post would be almost on an ambassadorial scale, and the rank of the Consul as the accredited representative of the British Ministry of Commerce would be an assured one in any country. He should be housed and staffed in a manner fitting the representative of the greatest trading nation of the world. He would travel from town to town in the district to which he was appointed not in the interests of any firm but in the

interests of British traders collectively, using every resource and every means of publicity to make known the superiority of British goods, and to influence the buying orders in the direction of British manufacturers.

Such incidents as that related in the *Berliner Tageblatt* of 21st April, 1913, should not be possible. The *Berliner Tageblatt* of that date reported that 'the Argentine Government has ordered four further torpedo craft of large dimensions from Krupp's Germania yard. These vessels, it is said, are to take the place of four which were built in England, but which, failing to satisfy the contract conditions, were eventually disposed of to Greece. In consequence of the views expressed by the Argentine Naval Council,' it is added, 'the Government has decided to invite tenders from German firms only. The vessels will be of the same type as the *Catamarca*, constructed by the same firm, but will be about 200 tons larger, will be fitted for oil fuel alone, and will receive stronger torpedo armament.'

It would, under present conditions, have been highly improper for any representative of the British Government at Buenos Ayres to make representations to the Argentine Naval Council so as to influence the Council towards

placing their order in Great Britain. Any of our great shipbuilding firms, however, would have only been too glad of an opportunity to advance their claims before the order was given, so that it might be secured, if possible, for one of their yards. It is in this way that the representative of the suggested Ministry of Commerce could certainly lend useful aid. There are many difficulties of the kind which might be met by timely intervention on the part of a representative of the British Government. Similar difficulties crop up constantly in the diplomatic world, and have to be overcome.

Charges of ill-faith, inferiority of goods, and reflections on credit are often made recklessly by unprincipled trade competitors, and a manufacturer finds his business falling off, and his accounts with good customers in a foreign city gradually closed, without being informed of the causes underlying the change until the damage has been done. These are matters which the British representative should investigate with a view to preventing the circulation of reports damaging to the prestige of British trade.

The Diplomatic Circle can afford considerable assistance to British commerce without in any

way detracting from the dignity of their position. At present firms of contractors who carry out the construction of large works of public utility often find themselves embarrassed by a deliberate breaking of agreements on the part of municipal authorities in foreign countries. A vast amount of British capital has been entirely lost owing to the scant respect paid by many foreign 'city fathers' to agreements granting concessions for the construction of harbours, ports, railways, tramways, etc.

British foreign policy does not officially recognise private investors' financial interests, although in such glaring cases of State dishonesty as those of Venezuela and Guatemala the Foreign Office could not avoid taking some action; but only rarely does it recognise private interests officially. Nor does it trouble itself to help British contractors or manufacturers in enforcing compliance with agreements made by foreign countries. Millions of pounds sterling have been deliberately stolen from the British people by unprincipled foreign 'statesmen' who have pledged the written word of their countries, knowing quite well that the defrauded creditors are powerless to gain redress in the Courts of

that country, and that appeals to the British Foreign Office would be in vain.

Pressure on the part of the British Ambassador acting in concert with the representative of a Ministry of Commerce would often defeat such dishonest tactics. A threatened visit from a British gunboat is more effective in bringing recalcitrant debtors to their senses, than any amount of verbal 'protests' from the Council of the Corporation of Foreign Bondholders. It is recognised that His Majesty's Navy is properly engaged when 'policing' the high seas and protecting traders from being despoiled of their cargoes. Manufacturers and contractors for works or loans naturally can see no essential difference between the acts of 'piratical' statesmen who rob British merchants on shore and those of piratical seamen flying the Jolly Roger on the high seas.