

SAFEGUARDING AND PROTECTION

IN GREAT BRITAIN AND THE UNITED STATES

By

FRANCIS W. HIRST

*Author of "The Life of Thomas Jefferson" and
"The Early Life and Letters of John Morley"*

The first object of this book is to present to English readers at home, in the United States and in the British Colonies, a clear statement of the modern theory and practice of Protection, as they appear in the policy of Mr. Baldwin and the Fordney Tariff of the United States. A chapter on War Debts and another on European Tariff Walls will help to shew what benefits British and American statesmen, if they could perceive the truth of Political Economy, might reap upon a distressed and disordered World.

**SAFEGUARDING.
AND PROTECTION**

By the same Author

LIFE OF THOMAS
JEFFERSON
Macmillan & Co.

EARLY LIFE AND
LETTERS OF
JOHN MORLEY
Two volumes.
Macmillan & Co.

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AND PROTECTION**
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By
FRANCIS W. HIRST

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THIS BOOK IS INSCRIBED
BY HIS FRIEND AND ADMIRER THE AUTHOR
TO SIR HUGH BELL, BART.

PREFACE

THE first object of this book, which originated in a pamphlet written at Sir Hugh Bell's request a year ago, is to present to English readers at home, in the United States and in the British Colonies, a clear statement of the modern theory and practice of Protection as they appear in the Safeguarding and Preferential policies of Mr. Baldwin and in the almost prohibitively protectionist (Fordney) tariff of the United States. A chapter on the War Debts and another on European Tariff Walls will help to show what benefits British and American statesmen, if they could but perceive the Truth and the Light of political economy, might bestow upon a distressed and disordered world.

The Appendices and a very complete Index will, I hope, add considerably to the utility of the work.

F. W. H.

LONDON, *March 1st, 1927.*

INTRODUCTION

AS a general defending a territory varies his formations to meet the changing tactics of invading armies, so the free trade argument has to be reshaped from time to time against the old sophistries disguised under new masks and new names to conceal their identity with a discredited past.

After the repeal of the Corn Laws no practical British politician of the last century dared to call himself a protectionist. Memories of the Hungry Twenties and Thirties and Forties were too fresh. Fair Trade, Reciprocity or Retaliation were the words employed to hide the old policy of robbing everybody in order to enrich a privileged few. Even so "Fair Traders" and "Retaliationists" proposed universal free trade as their ultimate object. We were to close our ports in order to make other nations open theirs. We were to raise prices in Britain, in order to induce the German and American Governments to lower prices in Germany and the United States. We were to erect a protective tariff and enact artificial scarcity, in order that our trade rivals and commercial "enemies" might demolish theirs and adopt the gospel of free exchange and untaxed plenty. It reminds one of the military theory that you should declare "preventive" war on a neighbour in order to make him peaceful.

After "Fair Trade" came "Tariff Reform," with Mr. Joseph Chamberlain as its standard-bearer. When that had been exposed and defeated, the Great War

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afforded another opportunity to our protectionists. Betrayals of free trade by its leaders gave them new heart, till at last in 1923, encouraged by the trade depression, Mr. Baldwin came boldly into the open with a Protective and Preferential Tariff as a cure for unemployment. The people's answer was decisive; and before the red letter business gave them another chance the Conservative Party very wisely announced that they had accepted the verdict and would not seek another mandate for protection. But, thanks to the elections in 1924, Mr. Baldwin now commands a large parliamentary majority who are mostly protectionists, though they won their seats as Anti-Communists. So the blessed word "Safeguarding"—first adopted by the post-war Coalition Government—has been resurrected for the purpose of concealing from the public eye a new series of protective and preferential duties.*

This brief glance at recent history explains why a new book was thought requisite to elucidate new fictions, reaffirm old truths and rouse Englishmen from a false sense of security. The price of freedom in business and trade, as well as in the political sphere, is eternal vigilance. In the eyes of too many statesmen, representative institutions exist in order to be "wangled." For them politics is the art of dissembling. Political words in their mouths are like bad coins in the hands of cheating money-changers. True the country voted only two years ago against protection. "It did not vote against safeguarding," is the reply. "But," we rejoin, "there is no difference between a protective duty of 33 per cent. and a safeguarding duty of the same

* The very first meaning given for "Safeguard" in Murray's Oxford Dictionary happens to be "Protection."

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amount." Our statesmen answer, "That's as it may be. We have carried out our pledge *to the letter*."

Even that statement is not true. In his first budget Mr. Churchill included a number of protective duties without passing them through the sham process which goes by the name of safeguarding. In his second (1926) budget he played the same game by a new protective duty on commercial motor-cars as well as by re-enacting and raising the so-called Key Industry duties.

It is our duty as free traders to make all this plain to the country. At the same time we have to examine the nature and extent of the mischief, and let it be seen how much of the poison of corruption and favouritism has been injected into our industrial and fiscal system since the General Election of 1924.

In order that a small book may serve a large purpose I have also presented in a popular form the scientific foundation for free trade as well as a brief refutation of some fashionable fallacies by which simple folk are sometimes beguiled. An additional chapter on the American Customs Union may serve to show why that immense political and commercial federation of forty-eight states gains more from free trade than it loses by protection.

Common sense tells us that restraints on business are generally bad, that red tape strangles enterprise, that taxes on goods in transit will reduce the volume of transactions, that wage earners will suffer if the things they buy are made artificially dear, that legislation to increase the cost of living and production must be especially disastrous to a populous manufacturing and commercial country like ours—and so on and so on.

But not every one who feels all this can explain the

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faith that is in him or expose the verbal tricks and sleek illusions of a plausible protectionist. I have therefore tried to set out in simple language the philosophy of free trade—how men and nations gain by exchanging their surplus products and why tariff barriers are impediments to peace and goodwill.

The mischief already done is substantial; the danger is great and pressing. Men and women of public spirit, citizens of the world, who see the mischief and recognise the danger, should bestir themselves to recover lost ground, ere it is too late.

Not long ago, in a suggestive and scholarly address to the Classical Association, the Prime Minister touched on the causes of the fall of the Roman Empire. Among them he mentioned the over-taxation of the provinces and the decadence of the Roman character. When the Roman word ceased to be trusted, he remarked, it was not surprising that the Roman Empire fell to pieces. Nor did he fail to apply the moral. The British Empire has been built up by similar virtues, by the strength of the British character, by faith in the British word. The analogy he thought was near enough to convey a lesson. Let us not fall away from the qualities of our ancestors, nor fail to take warning from "the danger signals of history." Perhaps, then, Mr. Baldwin is really beginning to feel his financial policy and the safeguarding measures are shaking public faith in his pledged word. If so, he will prohibit any further encroachment on free trade and repair as soon as may be the damage done.

The substitution of the word "safeguarding" for "protective" has been supposed to exonerate the Prime Minister and his supporters from the charge that, in

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spite of all their assertions to the contrary, they are in fact undermining our free trade system. Yet it is only a little more than three years since their own proposals for a protective tariff were submitted to the country and decisively rejected. As for the General Election of 1924, we all know that it turned on Communism and Socialism. Consequently the present Administration has neither political mandate nor moral authority to reverse piecemeal that liberal policy of free trade or free exchange which the people of Great Britain have consistently supported for the last eighty years.

Of the four new classes of protective duties, which were recommended to Parliament in the autumn of 1925 and, with one exception, carried in December, those on cutlery will constitute a pretty heavy tax on every household, and especially upon young people who are setting up in married life. They impose a new burden on the breakfast table and the dinner table. The duties on wrapping paper imposed in the budget of 1926 constitute a burden on every shopkeeper as well as upon many wholesale merchants and manufacturers. The glove taxes penalise hundreds of thousands of women who can ill afford to increase their clothing bills. Finally, the tax on gas mantles is a tax on artificial light, which is surely an essential of existence in a civilised community.

If free traders had required working models of protection over and above the duties on clocks and watches, silk, motor-cars, etc., imposed by Mr. Churchill in his first budget, their needs have been amply supplied in his second.

Every protectionist success since 1914 has been won with the assistance of war, waste or public extravagance.

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It is by this unholy alliance that our tariff reformers hope to overthrow the financial system established by the constructive genius of Sir Robert Peel and Mr. Gladstone under the inspiration of Adam Smith and Richard Cobden. That system was marked by strict economy, justice and impartiality. The old practices of jobbery and favouritism were swept away. The use of public loans, or customs duties, or subsidies, to reward the relatives and friends and supporters of a ministry or to induce wealthy tradesmen and manufacturers to contribute to the party funds was put an end to. Titles were not sold to the highest bidder. All the servants of the State were encouraged to be economical, and every form of waste and extravagance was severely discountenanced. By these means the indirect taxes were reduced far below their present level, so that in respect of taxation the middle and working classes of Great Britain in the 'eighties and 'nineties of the last century were far better off than they are now. Before the Boer War the purchasing power of the pound was nearly double what it is to-day.

British credit was in such esteem that in 1897 our $2\frac{1}{2}$ per cents. rose to 110—of late they have been below 55! Our revenue system, the envy and admiration of the world, was based on the four practical maxims or canons of taxation formulated by Adam Smith:—

(1) The subjects of every State should contribute in proportion to their respective abilities.

(2) A tax should be certain, and not arbitrary.

(3) A tax should be levied at the time and in the way most convenient to the taxpayer.

(4) Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury.

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A Government which applies the fourth maxim to its customs tariff is bound to eliminate the protective element from every duty. It was a new idea to the contemporaries of Adam Smith. But it was obviously true and right. There was soon a general agreement among economists that the sole purpose of a tax should be to bring in revenue; but it was left for Sir Robert Peel and Mr. Gladstone between 1842 and 1860 to achieve that purpose by repealing protective Customs duties or by adding a corresponding excise duty upon the same article produced at home, as in the case of beer and spirits. Bounties and subsidies were abandoned. They have been revived—with what mischievous results I have tried to set forth in Chapter VII. The result of the financial measures taken by Peel, Gladstone and their successors was to reduce enormously the burdens upon our people, to free commerce from a multitude of vexatious restrictions, and to raise by means of a dozen indirect taxes a far larger revenue than had previously been raised from thousands. It is a sad commentary on our supposed progress in the art of government that a financial system so scientific and so perfect as ours should be sinking back, degraded and debased, into the wasteful inefficiency and corruption from which it was purged by the heroic labours of Peel and Gladstone.

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APPENDIX I

SIGNATORIES to the International Manifesto of October, 1926, with the standing and business description of the individuals and the reservations of the French and Italian signatories.

AUSTRIA

OSCAR BERL	Merchant.
DR. OTTO BOHLER	Steel Manufacturer.
DR. SIEGMUND BROSCHE	Chemical Manufacturer.
DR. PAUL HAMMERSCHLAG	Oesterreichische Credit-Anstalt für Handel und Gewerbe.
ALFRED HEINSHEIMER	Managing Director Vienna Bank-Verein.
MAXIME KRASSNY-KRASSIEN	Chairman Niederosterreichische Es-compte-Gesellschaft.
DR. ARTHUR KRUPP	Berndorfer Metallwaren-Fabrik.
JULIUS MEINL	Manufacturer.
LUDWIG NEURATH	Oesterreichische Credit-Anstalt für Handel und Gewerbe.
DR. JOSEF REDLICH	Ex-Minister.
DR. RICHARD REISCH	President Austrian National Bank.
BARON LOUIS ROTHSCHILD	Messrs. S.M. von Rothschild, Vienna.
RICHARD SCHOELLER	Steelworks Schoeller Blackmann.
RUDOLF SIEGHART	President Boden-Credit-Anstalt.
FRTZ TILGNER	President Austrian Chamber of Commerce.
LUDWIG URBAN	President des Hauptverbandes der Industrie Oesterreichs.

BELGIUM.

J. CARLIER	Vice-President Council of Industry and Commerce.
HECTOR CARLIER	Adm. Del. Banque d'Anvers.
M. DESPRET	President Banque de Bruxelles.
CHARLES FABRI	Managing Director Banque d'Outremer.

E. FRANQUI	Vice-Governor Société Générale de Belgique.
F. HAUTAIN	Governor Banque Nationale de Belgique.
J. VAN HOEGAERDEN	Director General S.A. d'Ougrée Marihaye.
J. JADOT	Governor Société Générale de Belgique.
O. LEPREUX	Vice-Governor Banque Nationale de Belgique.
F. M. PHILIPPSON	Banker.
R. TILMONT	Director Banque Nationale de Belgique.
P. TRASENSTER	President S.A. d'Ougrée Marihaye.
T. WIENER	Vice-President Crédit Générale Liégeois.
PAUL VAN ZEELAND	Director Banque Nationale de Belgique.

CZECHOSLOVAKIA

DR. JOSEF BARTON	President of the Czechoslovak Textile Manufacturers' Association.
DR. O. FEILCHENFELD	Managing Director of the Böhmisches Eskompt Bank.
DR. HANUS KARLIK	President of the Central Association of Czechoslovak Sugar Industry.
DR. BOHUSLAV MARIK	Chairman of the Ceskomoravska-Koblen A. G.
IAN NOVOTNY	General Director Pramyslova Bank.
DR. VILEM POSPISIL	Governor of the Czechoslovak National Bank.
DR. JAROSLAV PREISS	General Manager Zinnostenska Bank.
DR. VACLAV SCHUSTER	President of the Allgemeiner Böhmischer Bankverein.
DR. ADOLF SONNENSCHNEIDER	Director Vitkovice Iron Works.
DR. EDUARD STUTZ	Vice-Chairman of the Böhmisches Union Bank.

DENMARK

A. O. ANDERSEN	Chairman of the Danish Steamship Owners' Association.
C. C. CLAUSEN	Manager Privatbanken of Copenhagen.

EMIL HERTZ	Manager Danske Landmanskbank.
ERNST MEYER	Chairman of the Merchants' Guild.
ETATSRAAD FR. NORGAARD	General Manager Copenhagen Handelsbank.
P. P. PINSTRUP	Chairman Council of Agriculture.
LENSBARON ROSENKRANTZ .	Managing Director National Bank of Copenhagen.

FRANCE.

“ Les sous-signés, craignant que des passages du plaidoyer puissent donner lieu à certaines divergences d'interprétation, tiennent à préciser les points sur lesquels ils sont d'accord.

“ Ils estiment que l'état d'instabilité et de désordre économique dans lequel se débattent à l'heure actuelle les pays Européens a son origine dans les conséquences de la guerre et, en particulier, dans les crises monétaires qui en sont résultées. Ils croient que, pour éviter l'aggravation d'une situation inquiétante, il convient, avant tout que les pays où la monnaie n'est pas encore stabilisée s'acheminent le plus rapidement possible vers une monnaie saine : ces pays le pourront d'autant plus aisément que les relations économiques entre les peuples seront rétablies sur des bases normales favorisant les échanges commerciaux.

“ Ils pensent, à cet égard, que l'élevation ou la rigidité excessives de certains systèmes tarifaires, les exagérations directes ou indirectes de protectionnisme, de discrimination ou de préférence, les obstacles apportés aux transactions internationales par des réglementations abusives des transports, doivent être condamnés.

“ Ils se déclarent en conséquence favorables à toutes mesures qui tendraient à la suppression de telles barrières artificielles, qui s'opposent à la libre reprise des relations économiques d'avant guerre entre les nations.

“ Ils ne sauraient, en effet, oublier qu'il est impossible à aucun Etat moderne de vivre et de prospérer sans entretenir avec les autres Etats des rapports commerciaux et que, par suite de l'étroite interdépendance entre les peuples, ce n'est que par un échange mutuel de services de crédits et de marchandises que l'équilibre économique mondial peut être finalement obtenu.”

R. P. DUCHEMIN	Président de la Confédération Générale de la Production Française ; Président de l'Union des Industries Chimiques.
HORACE FINALY	Directeur Générale de la Banque de Paris et des Pays Bas.
E. FOUGERE	Président de l'Association Nationale d'Expansion Economique ; Président de la Fédération de la Soie.

R. LÆDERICH	Régent de la Banque de France ; Président du Syndicat Générale de l'Industrie Cotonnière.
M. LEWANDOWSKI	Administrateur-Directeur du Comptoir National d'Escompte de Paris.
R. MASSON	Directeur Générale du Crédit Lyonnais.
H. DE PEYERIMHOFF	Président du Comité Central des Houillères de France.
P. RICHEMOND	Administrateur de la Banque Nationale de Crédit; Président de l'Union des Industries Métallurgiques et Minières.
CH. SERGENT	Ancien Sous-Secrétaire d'Etat aux Finances ; Président de la Banque de l'Union Parisienne.

GERMANY.

GEH. KOMMERZIENRAT DR.	
BOSCH	Chairman Chemical Trust, Heidelberg.
GEHEIMRAT FELIX DEUTSCH	Chairman General Electric, Berlin.
DR. CARL MELCHIOR	M. M. Warburg & Co., Hamburg.
FRANZ VON MENDELSSOHN	Banker, Berlin.
DR. SCHACHT	President of the German-Reichsbank.
KARL FRIEDRICH VON SIEMENS	Chairman Siemens Bros., Berlin.
FRANZ URBIG	Disconto Gessellschaft, Berlin.
GENERALDIREKTOR VOGLER	Steel Trust Dortmund.
F. H. WITTHOEFFT	Senior Partner Arnold Otto Meyer, India Merchants, Hamburg.

GREAT BRITAIN.

SIR ARTHUR BALFOUR	Chairman Arthur Balfour & Co., Ltd., Sheffield.
HENRY BELL	Director Lloyds Bank, Ltd.
SIR HUGH BELL, BART.	Ironmaster.
LORD BRADBURY	Director Williams Deacons Bank, Ltd.
WILLIAM CARNEGIE	General Manager National Bank of Scotland, Ltd.
W. H. COATS	Chairman J. and P. Coats, Ltd.
SIR JOHN COWAN	Chairman Redpath, Brown & Co.
LAURENCE CURRIE	Glyn, Mills & Co.

F. C. GOODENOUGH . . .	Chairman Barclays Bank, Ltd.
NORMAN L. HIRD . . .	General Manager and Director Union Bank of Scotland, Ltd.
ROBERT M. HOLLAND- MARTIN, C.B.	Chairman Bank of Liverpool and Martin's, Ltd.
WILLIAM HOWARTH . . .	President Textile Institute.
LORD INCHCAPE . . .	Chairman Peninsular and Oriental Steam Navigation Co., Ltd.
LORD INVERNAINR . . .	Chairman W. Beardmore & Co.
WALTER LEAF, D.LITT. . .	Chairman Westminster Bank, Ltd.
KENNETH LEE, LL.D. . .	Chairman Tootal, Broadhurst, Lee & Co., Ltd.
SIR FREDERICK LEWIS . . .	Chairman Furness, Withy & Co., Ltd.
LORD MACLAY OF GLASGOW	Shipowner.
ANDREW MCCOSH . . .	Chairman William Baird & Co., Ltd.
RIGHT HON. REGINALD MCKENNA	Chairman Midland Bank, Ltd.
SIR ADAM NIMMO	Chairman of the Scottish Coal Owners' Association.
RIGHT HON. MONTAGU COLLET NORMAN	Governor Bank of England.
RIGHT HON. VISCOUNT NOVAR, K.T., P.C., D.S.O.	Director Union Bank of Scotland, Ltd.
A. A. PATON	Chairman Liverpool Cotton Assocn.
J. W. BEAUMONT PEASE	Chairman Lloyds Bank, Ltd.
EUSTACE R. PULBROOK	Chairman of Lloyds.
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LIONEL N. DE ROTHSCHILD	N. M. Rothschild & Sons.
SIR FELIX SCHUSTER, BART.	Director National Provincial Bank.
GEORGE J. SCOTT	Treasurer and General Manager Bank of Scotland.
SIR JOSIAH STAMP	President of the Executive of the London Midland and Scottish Railway.
SIR D. M. STEVENSON, BART.	Ex-Chairman British Coal Exporters' Federation.
REES GRIFFITH THOMAS	General Manager British Linen Bank.
DOUGLAS VICKERS	Chairman Vickers, Ltd.
LORD WEIR	Weir & Co., Glasgow.
SIR GLYNN H. WEST	Chairman Rylands Bros., Ltd.
WILLIAM WHITELAW	Chairman London and North Eastern Railway.

COL. F. VERNON WILLEY .	Francis Willey & Co., Ltd., Bradford.
SIR PERCY WOODHOUSE .	President Manchester Chamber of Commerce.
SIR ALEXANDER KEMP WRIGHT, K.B.E.	General Manager Royal Bank of Scotland.
D. YOUNG	General Manager Clydesdale Bank.

HOLLAND.

DR. C. J. K. VAN AALST .	President Nederlandsche Handel Maatschappij, Amsterdam.
S. P. VAN EEGHEN . . .	Merchant Banker, Amsterdam.
F. H. FENTENER VAN VLISSINGEN	Manufacturer, Utrecht.
E. HELDRING	President Chamber of Commerce, Amsterdam.
DR. A. J. VAN HENGEL .	Director Rotterdamsche Bankvereniging, Amsterdam.
DR. P. HOFSTEDE DE GROOT	Managing Director Amsterdamsche Bank.
PAUL MAY	Lippmann, Rosenthal & Co., Bankers.
DR. W. A. MEES	R. Mees & Zoonen, Bankers, Rotterdam.
A. F. PHILIPS	Managing Director "Philips Gloeilampenfabrieken," Eindhoven.
D. W. STORK	Stork Bros., Inc., Hengolo.
C. E. TER MEULEN . . .	Hope & Co., Bankers.
DR. Q. J. TERPSTRA . . .	Shipbuilder, Rotterdam.
PROF. DR. M. W. F. TREUB	Ex-Minister of Finance, The Hague.
DR. F. G. WALLER . . .	Managing Director Nederlandsche Gist & Spiritusfabriek, Delft.
TH. VAN WELDEREN BARON RENGERS.	Agricultural Economist, Oenkerk, Friesland.
DR. G. VISSERING . . .	President Nederlandsche Bank, Amsterdam.

HUNGARY.

ANTHONY EBER	General Manager Hungarian Italian Bank.
CHARLES DE ERNEY . . .	General Manager First National Savings Bank.
HENRY FELLNER	Chairman First Hungarian Steam Milling Co. of Budapest.

EXC. GUSTAVUS GRATZ . . .	Ex-Minister of Foreign Affairs.
COUNT JOHN HADIK . . .	Ex-Minister of the Crown.
BARON JOHN HARKANYI . . .	Ex-Minister of Commerce.
BARON MAURICE KORNFELD . . .	Director National Bank of Hungary.
BARON PAUL KORNFELD . . .	Director Hungarian General Credit Bank.
BARON MARCEL MADAR-RASSY-BECK . . .	President Hungarian Discount and Exchange Bank.
EMIL MUTSCHENBACKER . . .	Managing Director Hungarian Agricultural Union.
COUNT LADISLAS SOMSSICH . . .	President Agricultural Union.
EXC. JOHN TELESKY . . .	Ex-Minister of Finance.

ITALY.

"The undersigned, whilst signifying their agreement with the spirit which has dictated the above manifesto, wish to place on record that had it been possible for them to co-operate in the framing of the document they would have preferred to give a different and more precise form to some of its passages. Above all, they would have liked that criticism should have been exercised not only as regards the excessive height of Customs tariff and the rigidity of Customs regulations in force in some countries, but also in respect of all the numerous forms of direct or indirect protection, discriminations or preferences, artificial subsidies and restrictions on emigration.

"With such reservations they willingly subscribe to the manifesto."

G. AGNELLI	President "Fiat" Co.
ANTONIO STEFANO BENNI	President of the General Fascist Confederation of Italian Industries.
BIAGIO BORRIELLO	Vice-President Union of Chambers of Commerce.
ETTORE CONTI	Senator and Industrialist.
RICCARDO GUALINO	President "Snia Viscosa."
FELICE GUARNERI	Director General Association of Italian Corporations.
GINO OLIVETTI	Chief Secretary General Fascist Confederation of Italian Industries.
NICOLA PAVONCELLI	President of the Board of the Bank of Italy.
ALBERTO PIRELLI	President Association of Italian Corporations.
L. TOEPLITZ	Administrator Banca Commerciale Italiana.

NORWAY.

- CÆSAR BANG President Federation Norwegian Industries.
 E. G. BORCH. President of the Royal Agricultural Society of Norway.
 SIR THOMAS FEARNLEY . . Shipowner.
 KAMSTRUP HEGGE President of Association of Norwegian Private Banks.
 HIERONYMUS HEYERDAHL . Chairman Christiania Bank of Kreditkasse.
 A. F. KLAVENESS Shipowner.
 N. RYGG President of the Bank of Norway.
 H. WESTFAL-LARSEN . . . President Norwegian Shipowners' Association.
 WILH. WILHELMOSEN . . . Shipowner.

POLAND.

- DR. HENRY ASCHKENOVI . . Managing Director Banque d'Escompte de Varsovie.
 STANILAW KARPINSKI . . . President Banku Polskiego.
 EXC. MARJAN SZYDLOWSKI . Representative of Association of Mining Industries of Upper Silesia.
 A. DE WIENIAWSKI Vice-President Banque de Commerce.

ROUMANIA.

- MAURICE BLANK Vice-President Banque Marmoresch, Blank & Co., Bucharest.
 M. OROMULU Governor Banque Nationale de Roumanie.

SWEDEN.

- GÄNNAR DILLNER Managing Director Trafikaktiebolaget Grängesberg-Oxelösund, Stockholm.
 J. S. EDSTROM Managing Director Almänna Svenska Elektriska, Stockholm.
 GUST EEMAN General Manager Goteborgs Bank.
 IVAR KREUGER Managing Director Svenska Tandsticksaktiebolaget, Stockholm.
 VICTOR MOLL Governor Bank of Sweden.
 O. RYDBECK General Manager Skandinaviska Kreditaktiebolaget.

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HELMER STEN	General Manager Aktiebolaget Svenska Handelsbanken.
K. A. WALLENBERG	Chairman Stockholms Enskilda Bank.
MARC WALLENBERG	Chairman Swedish Bank Association.

SWITZERLAND.

G. BACHMANN	President Banque National Suisse Zurich.
FREDERICK DOMINICE	Adm. Union Financière de Genève.
LEOPOLD DUBOIS	Chairman Société de Banque Suisse.
ALBERT LOMBARD	Vice-President Swiss Association of Bankers.
RUDOLF SARASIN	President Chamber of Commerce, Basle.
CARL SULZER SCHMID	President Gebruder Sulzer Aktiengesellschaft, Winterthur.

UNITED STATES.

GATES W. MCGARRAH	Banker, New York.
J. J. MITCHELL	President Illinois Merchants' Trust Co., Chicago.
J. P. MORGAN	Messrs. J. P. Morgan & Co., New York.
THOS. N. PERKINS	Delegation of the Citizens of the U.S.A., Member of the Reparation Commission.
MELVIN A. TRAYLOR	President First National Bank, Chicago.
ALBERT H. WIGGIN	President Chase National Bank, New York.

APPENDIX II

OVERSEAS TRADE OF GREAT BRITAIN.*

THE overseas trade returns for January, 1927, supplied the usual statistics showing imports, exports and re-exports for the past year. In the *Board of Trade Journal* these figures are supplemented by an analysis showing the proportions of our trade with various parts of the world to our total trade. For purposes of comparison with earlier years, trade with the Irish Free State has been excluded. In 1926 imports from that country represented 3.29 per cent. of our total trade, exports 5.33 per cent., and re-exports 8.29 per cent. The following table shows the proportions of our trade with the rest of the British Empire and with foreign countries in 1913, 1924, 1925 and 1926 :—

	Imports from		Exports to		Re-exports to	
	Foreign Countries.	British Empire.	Foreign Countries.	British Empire.	Foreign Countries.	British Empire.
	%	%	%	%	%	%
1913 ...	75.13	24.87	62.82	37.18	87.58	12.42
1924 ...	73.00	27.00	62.22	37.78	88.22	11.78
1925 ...	70.37	29.63	60.82	39.18	89.40	10.60
1926 ...	72.73	27.27	55.21	44.79	88.71	11.29

The increase in the proportion of imports from foreign countries in 1926, in comparison with 1925, is chiefly due to the coal stoppage, as emergency supplies of fuel and iron and steel came mainly from foreign countries. Excluding coal, the proportion of imports from foreign countries was 71.73 per cent. in 1926, compared with 70.37 per cent. in 1925, and of exports 54.02 per cent., against 58.50 per cent. In 1925 we exported coal to the value of about £45,000,000 to foreign countries and £3,000,000 to British countries, while in 1926 the corresponding figures were £17,000,000 and £1,000,000.

The next table summarises the distribution of our trade by Continents, trade with the Irish Free State again being omitted :—

* Abbreviated from an article in the *Economist* of February 19th, 1927.

Year & Class of Trade.	Europe.	Africa.	Asia.	North America	South America	Australia, &c.	Total.
Imports—	%	%	%	%	%	%	%
1913.....	40.53	6.10	12.71	23.86	9.06	7.74	100.00
1924.....	33.30	7.76	12.75	27.72	9.70	8.77	100.00
1925.....	32.73	7.72	13.55	27.39	8.71	9.90	100.00
1926.....	36.53	6.77	12.58	26.36	8.62	9.14	100.00
British expts.							
1913.....	34.64	9.87	25.20	11.99	9.59	8.71	100.00
1924.....	33.49	10.36	24.30	13.02	7.99	10.84	100.00
1925.....	32.01	11.61	22.83	13.01	9.11	11.43	100.00
1926.....	26.29	12.00	25.24	14.18	8.93	13.36	100.00
Re-exports							
1913.....	56.02	3.31	2.48	32.26	1.97	3.96	100.00
1924.....	67.36	2.94	1.94	21.67	1.29	4.80	100.00
1925.....	66.21	2.87	1.85	24.45	1.13	3.49	100.00
1926.....	64.45	3.48	2.77	25.17	1.32	2.81	100.00

As regards imports, the most noticeable feature is the large increase in 1926 of imports from Europe. This was mainly due to imports of coal, and the large fall in exports to Europe was mainly due to decreased exports of coal.

A detailed analysis of the figures shows how trade with various countries has fluctuated. Imports from and British exports to the principal European countries measured by sterling prices are shown in the following table:—

(000's omitted.)

	Imports from				Exports to			
	1913.	1924.	1925.	1926.	1913.	1924.	1925.	1926.
France.....	£ 49,498	£ 72,836	£ 71,980	£ 64,753	£ 32,396	£ 50,000	£ 38,673	£ 25,213
Italy.....	8,131	18,312	19,436	15,776	14,640	17,804	18,979	10,603
Switzerland.....	11,070	19,434	19,033	13,693	4,212	11,298	9,204	6,195
Spain.....	15,976	23,635	23,657	20,734	9,728	13,082	12,715	8,951
Portugal.....	3,898	6,819	6,299	5,334	6,053	8,582	8,427	7,055
Belgium.....	23,426	36,980	36,236	45,214	13,528	23,117	19,662	15,013
Germany.....	80,411	36,897	48,156	72,685	40,677	42,644	44,206	26,343
Czechoslovakia..	..	13,491	10,737	10,920	..	1,376	1,560	1,330
Jugo-Slavia.....	..	494	369	405	..	1,122	1,285	867
Austria.....	..	2,511	2,598	2,391	..	2,370	2,212	1,906
Hungary.....	7,706	547	476	273	4,481	380	586	655
Greece.....	2,202	3,863	3,102	2,587	2,537	5,892	6,058	3,398
Roumania.....	2,037	2,203	2,278	2,672	1,947	2,856	3,077	2,613
Turkey (Europe)	1,165	1,195	847	952	2,414	3,316	3,574	2,406
Russia.....	40,271	*29,568	*32,887	*32,425	18,103	*6,974	*8,705	*7,718
Finland.....	..	13,812	13,223	13,285	..	4,659	3,959	2,772
Poland.....	..	8,387	5,143	8,525	..	3,499	3,708	2,471
Sweden.....	14,213	22,486	21,317	21,427	8,220	13,874	11,508	8,052
Norway.....	7,437	11,673	12,973	12,184	6,147	8,726	8,104	6,916
Denmark.....	24,053	48,890	49,303	47,960	6,061	13,780	10,987	8,715
Netherlands.....	27,913	55,990	62,000	65,535	22,794	34,649	36,526	26,754
Total.....	319,407	429,943	442,050	459,780	193,938	269,800	253,709	175,846

* Including Esthonia, Latvia and Lithuania.

With the insignificant exception of Hungary no country in the above list took a larger value of British exports in 1926 than in 1925, and in most cases the decreases were heavy, particularly in the cases of France, Italy and Holland. The value of British exports to Europe in 1926 was substantially lower than in 1913, and allowing for the increase in prices the falling-off in volume was very heavy.

The next table shows British imports from and exports to the United States and other foreign countries outside Europe:—

(000's omitted.)

	Imports from				Exports to			
	1913.	1924.	1925.	1926.	1913.	1924.	1925.	1926.
	£	£	£	£	£	£	£	£
United States . . .	143,854	244,878	250,282	231,532	30,478	54,575	53,451	49,05
Cuba	3,675	12,420	11,620	4,512	2,214	3,200	2,607	2,06
Mexico	1,880	5,935	5,323	6,017	2,333	2,443	3,137	2,76
Argentina	42,485	79,100	68,544	67,497	22,641	27,194	29,177	23,00
Brazil	10,008	4,794	5,843	4,237	12,465	13,078	16,145	12,61
Chile	5,359	10,911	12,276	7,758	6,010	5,359	6,028	5,66
Peru	3,178	9,720	8,511	7,486	1,488	2,739	2,384	2,35
Uruguay	2,749	5,452	4,867	4,546	2,916	3,214	3,168	2,37
Japan	4,389	7,454	7,348	7,423	14,783	26,923	16,448	13,96
China	4,672	13,765	13,739	11,554	14,845	20,354	14,555	16,42
Turkey (Asiatic). .	4,251	1,963	1,599	2,060	5,291	898	1,026	68
Egypt	21,395	38,268	34,235	25,014	9,805	15,123	16,441	11,04
Other countries . .	9,917	26,626	26,800	26,866	10,731	17,328	19,892	17,02
Total	257,812	461,286	451,087	406,522	136,000	193,028	184,457	159,03

It will be seen that the value of American products bought by Great Britain is four or five times that of British products bought by the United States.

More than half the 1926 fall in imports is accounted for by the United States and Cuba, but heavy declines are also shown by Chile (nitrate imports having dropped by over 50 per cent.) and Egypt. The lower value of imports from both the United States and Egypt was partly due to a fall in the price of raw cotton. Imports from China were £2,000,000 lower than in 1925, but the figure of £11,500,000 compares with only £4,500,000 in 1913.

Our last table gives the figures of trade with the various States of the British Empire:—

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(000's omitted.)

	Imports from				Exports to			
	1913.	1924.	1925.	1926.	1913.	1924.	1925.	1926.
	£	£	£	£	£	£	£	£
Canada	30,488	66,082	70,727	64,193	24,795	28,150	27,562	26,383
Australia	38,065	59,234	72,740	61,045	34,470	60,760	60,168	61,206
New Zealand ...	20,338	47,020	51,332	46,824	10,838	20,319	23,097	20,593
India and Ceylon	56,218	92,648	97,034	75,637	74,458	94,921	90,988	87,721
South Africa	12,495	18,049	25,196	18,913	22,185	30,266	30,688	32,164
West Africa	5,174	13,193	13,784	12,539	6,601	10,494	13,942	11,734
Mauritius	293	3,586	1,421	3,522	536	1,225	881	700
Straits Settlements.	15,880	10,583	18,770	19,890	5,836	8,286	11,517	11,515
Malay States ...	3,674	1,659	5,020	6,363	..	1,147	1,996	2,513
West Indies	2,116	4,789	5,929	4,789	2,339	3,766	4,004	3,536
Irish Free State.	..	51,239	43,394	40,857	..	42,372	40,162	34,764
Other Possessions	6,955	20,554	24,374	21,990	14,249	30,830	29,916	24,187
Total from Possessions..	191,516	388,616	429,721	376,562	195,307	332,536	334,921	317,016

Australia and South Africa are the only prominent exceptions to the general decline of exports in 1926 due to the Coal Strike.

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