

THURSDAY, APRIL 1, 1920.

The Anti-dumping Bill.

THE Bill to prevent dumping and to establish a Special Industries Council to advise as to the promotion and assistance of special industries has just been introduced into the House of Lords by Lord Balfour of Burleigh, and, as might have been anticipated, met with a somewhat dubious reception from certain noble Lords who, faithful among the faithless, still bow the knee to the old gods of Manchester. *Autres temps, autres mœurs.* We seem to remember a time when the present sponsor of the Bill made the "happy despatch" rather than obey the behest of the chief apostle of Tariff Reform and Imperial Preference to follow the path he is now treading. But we live in changeful times, and events are apt to play havoc with principles. Lord Balfour of Burleigh is not by any means the only citizen who recognises that the altered economic conditions of the Empire and of the world are nowadays inconsistent with the *credenda* of the Cobden School.

It cannot be said, however, of the new departure that the Bill, after all, deals with a measure of any very great magnitude. Even if it becomes law it is not likely to have any immediate or world-wide consequence. As regards dumping, it is primarily aimed, of course, at our late chief adversary. The Germans, no doubt, would dump again if they could, or saw any advantage in so doing. But from all accounts they are not now in a position to consign any class or kind of goods at prices at which goods of the same class or kind are sold by them at home in the ordinary course of business. It is, therefore, in the highest degree unlikely that the Board of Trade would be called upon for many months, or even years, to come to prohibit their importation from Germany under the powers of the Customs Consolidation Act of 1876.

The present political and economic condition of that prostrate nation forbids any hope that she can for a long time yet, if ever, resume her old position as a great trading community. Her proletariat has now tasted power as never before, and conditions of production are altogether changed. It is certain that in the case of some commodities, sugar, for example, there is nothing to dump, and the prospect that there ever will be is very remote. But it must never be forgotten that Germany is not the only nation that might conceivably resort to dumping in the future,

and after our bitter experience we cannot afford to let the future take care of itself.

The provisions of the Bill are very elastic, and the Board of Trade is to be entrusted with a fairly wide discretion as regards prohibition of entry. If the imported goods are shown to be necessary in the national interest they may be admitted under such conditions as the Board may order, and any such order must be brought to the notice of both Houses of Parliament. This would not preclude the Board from taking prompt action when necessary; but the Minister would of course be responsible ultimately to Parliament. As an interference with freedom of trade, even the reasonable safeguards involved in this measure will no doubt be fiercely opposed; and it remains to be seen what power the doctrinaires of the old school still retain. The plain man will find it difficult to see the snake in the grass.

The sections of the Bill dealing with the establishment of the Special Industries Council for the promotion and assistance of special industries are, however, of immediate and pressing importance, and it is to be hoped that, whatever may be the fate of the clauses directed to the prevention of dumping, this portion of the measure will not be sacrificed. It is concerned with matters which may be said to have originated out of and in consequence of the war, and to have been forced upon us in great measure by the action of our late enemies. It is notorious that for years prior to the outbreak of war Germany had by divers arts and cunning contrivance sought to hamper and restrain the development of our industries and to thwart the expansion of our commerce. Her methods at times, especially in foreign markets, had violated every principle of fair trading. Her practices were part of her policy of world-wide aggression—*Deutschland über alles*—no matter at what cost or at what sacrifice of commercial rectitude. It was that policy which produced, and probably precipitated, a war which practically every element of German nationality had conspired for a generation past to bring about. It was only on its outbreak that the extent and character of that conspiracy were realised, and that this country fully recognised how it had been tricked, and with what subtlety one after another of the things that count in the struggle which was contemplated had been "cornered" and impropriated. Chagrined as Germany was by our entrance into the war, it was untrue to say, as she alleged, that jealousy of her impending commercial supremacy was at

the bottom of our action. However disquieted and perturbed we might be with Germany's repeated acts of aggression and with the truculence and arrogance of her methods, strained trade relations would never have induced this Empire to draw the sword. That was not the issue which welded the English-speaking world together. But that Germany should have so imagined is intelligible. She had at least good cause for the supposition.

The special industries which the Bill seeks to promote and assist have originated, so far as this country is concerned, in great measure through and by reason of the war. We were compelled to take them up by sheer necessity. Certain of them were among the things of which the Germans had gradually acquired practically complete control for years past. All of them were necessary to our national welfare, and some of them, under the conditions of modern warfare, were essential to our national existence. Our late experience ought surely to have burnt the lesson into the national mind. Never again must we be dependent on outside sources for our medicaments and dyes, certain metals, magnetos, glassware, and optical instruments. These special industries—enumerated in the second schedule to the Bill—were in great measure started during the earlier years of the war. They are defined to be industries supplying commodities which are essential to the national safety, as being absolutely indispensable to important industries carried on in the United Kingdom, and which formerly were entirely or mainly supplied from countries outside these islands. They cannot be said to be firmly established as yet. Some of them, like the manufacture of synthetic dyes, have made extraordinary progress, and their permanence is only a question of time. Others are being developed with more or less rapidity. But every one of them is the subject of continued scientific inquiry and research, and it is the purpose of the projected measure to foster and protect them during this incubatory period.

To this end it is proposed to create a Council of not fewer than five and not more than nine persons of commercial and industrial experience, to be appointed by the President of the Board of Trade. Its duties will be to watch the course of industrial development and, in consultation with the Department of Scientific and Industrial Research and any other Government Department interested in any special industry, to advise the Board as to the promotion and assistance of the special industries named in the schedule to the

Bill, and any other industry which, in the opinion of the Council, is a special industry in the sense already defined. It is required to examine any proposals made as to the promotion and assistance, or any suggestions as to the better organisation or management, of any special industry on the application of any Government Department interested, or any firm or person engaged, in any such industry, to advise the Board as to what steps, if any, should be taken by way of assistance to conserve or promote any special industry, and to indicate the terms upon which, in its opinion, such assistance should be given. It is further required to make an annual report to Parliament stating what has been the progress of any special industry to which State assistance has been given, and what recommendations have been made in respect to it. Lastly, any application made to the Board for State assistance by any firm or person engaged in a special industry shall be referred to the Council, together with any information in the possession of the Board as respects that industry, and the Board may require any firm or persons engaged in that industry to furnish any information which the Council may deem necessary under pain of fine or imprisonment.

These, no doubt, are somewhat drastic powers, but, it must be remembered, they are asked for in the interests of national security, and it is unlikely that in operation they will prove to be inconsistent with the proper interests of private trading. As the Council will be associated with the Department of Scientific and Industrial Research, we assume that it will exert a nurturing influence upon scientific work through which industries are created and developed. No one desires to assist an industry which is not itself endeavouring to grow by the use of knowledge, but when this intention is clearly manifested, the State may very well exercise the function of stimulating it or of removing obstacles to expansion. We are faced with the necessity for doing whatever is within our power to promote the establishment of new industries as a means of increased production, not only because our national position demands the use of progressive methods, but also to enable us to meet the vast expenditure which the war has entailed. We have regained in a measure the control of raw materials, and for their profitable use science must co-operate with industry, and both must be the objects of the fostering care of the State. The new measure seems to have been conceived in this spirit.