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S E C R E T.

C.P. 274 (31).

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C A B I N E T.

FORESTALLING.

Memorandum by the Chancellor of the Exchequer and
the President of the Board of Trade.

In accordance with the instructions of the Cabinet, we have carefully examined the available evidence as to the amount of importation at present going on.

This evidence consists of daily returns prepared by the Board of Customs and Excise of the imports of non-dutiable wholly or mainly manufactured articles into the Ports of London and Harwich during the months of October and November 1930 and 1931. To these two ports come some 40% of the total imports of the class mentioned, but we are endeavouring to obtain particulars from other ports as certain trades are not carried on to any great extent through London and Harwich.

Examination of the figures at present before us shows that the month of October revealed no very marked difference as compared with October 1930. The opening days of November, however, though the period is too short for final conclusions, do appear to show a marked increase in the value of the goods entering this country. This increase appears to be pretty general, but we subjoin the particulars of a few typical classifications.

Class. (Entries into London)	Daily Average. Oct.1930.	Daily Average Oct.1931.	Daily Average Nov.1930.	Daily Average Nov.1931.
Pottery, Glass, Abrasives, etc.	20,208	21,877	19,804	26,811
Iron & Steel & Manufactures thereof.	15,254	16,811	16,036	27,315
Cutlery, Hardware, Implements and Instruments.	4,401	10,720	3,407	10,395
Electrical Goods and apparatus	14,695	11,143	12,534	15,079
Machinery.	25,317	34,289	23,327	37,013
Cotton Yarns and Manufactures	14,607	17,152	12,905	19,158
Woollen & Worsted Yarns and Manufactures.	22,947	27,497	18,953	37,634
Apparel	25,806	20,125	19,274	28,944
Chemicals, Drugs, Dyes and Colours.	17,071	18,640	14,469	19,567
Leather and Manufactures thereof.	30,930	28,614	25,083	46,692
Paper and Cardboard.	33,112	31,754	34,691	39,716

The conclusion we derive from an examination of these figures is that the increase of imports is sufficiently striking to merit serious attention. It might easily grow to much more alarming dimensions if not checked, and since the House will be rising in the course of a few weeks we think it desirable that the Government should ask Parliament at the earliest possible moment to arm it with the necessary powers to deal with abnormal importation as and when it occurs.

We suggest that the powers should take the following form. The Board of Trade with the consent of the /

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Treasury should be empowered to impose by Order a duty not exceeding 100 per cent. ad valorem on any kind of goods falling within Class 3 (i.e. manufactured and mainly manufactured articles) of the Import List, if satisfied that goods of that kind are being imported in abnormal quantities. The Order, though taking effect at once, should presumably be subject to confirmation by resolution of the House of Commons within, say, four weeks if the House is sitting at the time the Order is made, or within four weeks of its reassembly if it is not. The Bill should also contain a provision enabling Orders to be varied or revoked, and it would no doubt be necessary to include machinery provisions dealing with such matters as the basis of valuation.

We would also suggest that, as we are taking these powers to deal with a temporary situation, the Act, and all Orders made under it, should expire at the end of twelve months from the passage of the Act.

(Intd.) N.C.

W.R.

11th November, 1931.