

British Chambers of Commerce .

By **Burapa Atthakor**

British Chambers of Commerce and Chambers of Trade are both private organizations, but they differ from each other in one very important aspect. The membership of a Chamber of Trade consists only of retailers in a particular locality, while a Chamber of Commerce is made up of producers, manufacturers, bankers and wholesalers etc.; and although Chambers of Commerce are established on a local basis, there is nothing to prevent a manufacturer etc. from being a member of more than one Chamber. There are probably more than a hundred local Chambers of Commerce in England. These are regionally grouped and each group is represented by a regional chamber. There is then the Association of British Chambers of Commerce which represents most of the Chambers of Commerce in England. It must, however, be made clear that regional Chambers are only established for administrative convenience ; the members of the Association of British Chambers of Commerce are not the regional Chambers but the local Chambers themselves.

Functions : The functions of a Chamber of Commerce are :—

- 1) To represent the interests of members
- 2) To provide services for members

Representation of the interests of members

This is done on two levels. At the local level, the local Chamber makes representations to the local authorities in local matters which concern only their members e.g. the raising of the water rate in the locality. It answers enquiries from the local authorities. It may even fight local elections to obtain representation in the local council itself.

At the national level, the Government deals mainly with the Association of British Chambers of Commerce, although it may at times deal with the bigger

Chambers directly in matters which concern only them. The Association has an executive staff of only 15 and its main function is that of answering Government enquiries on business opinions and making representations to Government Departments. The views of members are ascertained, where necessary, by asking the regional Chambers which ask the local Chambers which if necessary, will go to the businesses which make up the membership. In answering Government enquiries, the Association may also give the view of the minority and the reasons for it.

In addition to the above function, the Association of British Chambers of Commerce also runs several permanent committees each of which is specialized and meets as often as occasions demand to study and discuss various problems in the field in which it is concerned. There are permanent committees on traffic, taxation, crime etc. Further, when a particular problem arises which does not fit within the field of any of the existing permanent committees, an *ad hoc* committee will be set up e.g. to study the Company Bill which became law only recently. The committees are generally made up of directors, or employees of big businesses who can spare the time, and perhaps have some special knowledge or interest in the particular matter. Members of the committees get no remuneration for their work from the Association. However, some of the big firms e.g. ICI, Shell etc. have professional committee men on their payroll whose function is to get on as many committees as possible to make sure that the views of the firms are made known.

Provision of services for members

All Chambers of Commerce provide practical services for their members. The amount of services rendered by a Chamber, however, depends on its means which in turn usually depends on its size. Because Chambers of Commerce in England are independent private organizations, most of their income comes from members' subscription; and for this reason Chambers of Commerce of large cities with more members e.g. London, Manchester, Birmingham tend to have better means than small local Chambers and are consequently able to provide more and better services for their members. The

biggest Chamber of Commerce in England is not surprisingly the London Chamber of Commerce with more than 10,000 members. The following are the services provided by it.

Information Section This Section answers members' enquiries on export regulations of foreign countries, on tariff rates, on overseas sources of supply etc. The Section maintains an extensive library which contains directories of most countries. The information must of course be continually kept up to date since changes in export regulations, tariff rates occur regularly in one country or another. This is done by sifting relevant information from trade magazines, journals, by keeping in touch with foreign Chambers of Commerce, Embassies, and the Board of Trade which have commercial representatives throughout the world. There may, however, still be some members' enquiries which the Section can not answer. In such cases, it will generally help the members to make contact with those who may be in a better position to answer them.

The function of the Information Section, despite its name is not confined to providing information. If requested by a member it will check whether goods supplied correspond with the samples. It also helps members who are in difficulty with customs or in connection with excessive storage charges etc. and ask the Chamber for assistance. The Section will not, however, give legal advice. Its decisions in disputes e.g. as regards the quality of goods etc. carry weight only because its integrity has always been beyond question.

Overseas Section This Section also provides information but only in connection with foreign markets. Its function is in effect to encourage exports by making exporting as uncomplicated as possible for those firms who wish to do so. It gives advice on market prospects, and on problems of exporting to particular countries, and on methods of payment etc. The Section is divided into divisions corresponding with the main regions of the world e.g. Far East, Middle East, Africa, Eastern Europe etc., and each division is responsible for studying the market in the particular region. Information is obtained from the usual sources e.g. foreign Chambers, Embas-

sies, Board of Trade and firms with branches in the region etc. In addition the Chamber will from time to time itself send trade missions to study particular market conditions at first hand.

Exhibitions and Publicity Section

This Section, as its name suggests, is concerned with helping members of the Chamber to attend trade fairs, exhibitions etc. and publicize their products. It will act, metaphorically speaking, as a nurse to member firms which want to attend. It will, for example, book hotels for the firms' representatives, advise on design and lay out, find interpreters for them, provide an information officer etc. However, for these services, the firms which attend will have to foot the bill, since the chamber does not have adequate means to provide them free. The Government, however, may help pay a part of the bill in which case the firms will only have to pay the rest.

This Section also has another responsibility—that of publishing a monthly magazine. The magazine gives general information about the economy, trade news and also contains articles of business interests.

Certificates of Origin Section

This Section issues certificates of origin to members who request them. The purpose of the certificate is to provide proof of the origin of the goods. Before issuing a certificate of origin, the Section will require from the requesting member some form of evidence e.g. invoice of the supplier, manufacturer etc. Fraud is undoubtedly possible, but there is no problem in England.

This Section also runs in conjunction with some other foreign Chambers what is called the carnet scheme. This scheme enables goods on their way to a trade fair, or samples to go into a country participating in the scheme without payment of duty provided that they are taken out of the country within the time limited. The scheme is a system of mutual guarantee e.g. Paris Chamber guaranteeing on behalf of British firms taking goods into France that if anything remains, duty would be paid by it, and the London Chamber offering the same guarantee on behalf of French firms taking goods into Britain.

Commercial Education Section

The services provided by this Section to the member are more indirect. Broadly speaking, the aim of this Section is to increase business efficiency generally. The London Chamber conducts commercial examinations not only throughout the country, but throughout the world including Thailand. There are several courses ranging from typewriting, shorthand to accounting, and business management. The standard of the examinations, however, is of a clerical level only, and the certificates issued by the London Chamber of Commerce are not to be compared with university degrees.

Basic Organization of the London Chamber of Commerce

The executive of the Chamber consisting of the various Sections some of which we have mentioned, does the day to day work of the Chamber, but all its acts have to be subsequently approved by the General Purposes Committee which meets once a month for this purpose. Members of the General Purposes Committee are appointed by the Council which is the supreme body consisting of all the members of the Chamber. This body also meets once a month after the meeting of the General Purposes Committee, usually merely to take note of what has been done. It will in general leave the task of supervising the executive to the latter.

Membership

The London Chamber of Commerce has a special section dealing specifically with membership. This Section is concerned with considering applications, recruiting new members, and dissuading members who wish to resign from doing so. Its power, however, is one of recommendation only: all applications have to be officially approved by the General Purposes Committee.

The task of screening applications is very important, because for the sake of its reputation, the Chamber must make as sure as possible that the firms which are admitted to its membership are respectable or reputable. All applications must be sponsored by a firm which is already well known to the Chamber, and they will still be refused membership if no satisfactory information about them can be found.

The task of recruiting new members is also very important because the Chamber's finances depend solely on members' subscriptions. In this task, the Membership Section runs a team of representatives who compile a list of firms which would be desirable members but are not yet members. These firms are then approached by the representatives who would provide information on the services of the Chamber and the advantages of being a member, and use whatever respectable methods to persuade them to join. If they join or definitely refuse to join they are crossed off the list.

In the case of members who wish to resign, the Membership Section will in a similar way try to dissuade them from doing so. The section has a liaison officer *whose sole job this is*. Usually a firm wishes to resign membership because it has in the past paid its annual subscription but has made no use of the Chamber's services, and feels that it has wasted its money. It will be up to the liaison officer to try to persuade such firm to utilize the services of the Chamber more, and to convince him how the firm can benefit from these services.

Apart from the above mentioned tasks, the Membership Section also provides a service by providing information about membership. The Section keeps a record of all firms which are or have been members of the Chamber or have been approached or have applied to join, and can provide such information as—the reputation of a firm, how long it has been established, whether it has changed its name etc.

From what has been said about the British Chambers of Commerce and especially the London Chamber, it can be seen that they are fairly well organized and serve a useful purpose. Commercially they provide a business standard which is the envy of the world. As pressure groups, they are conscious of their interests and are indispensable to the Government. It seems to me that there are some learned people in Thailand who think that organized pressure groups are undesirable. This idea has long been out of date. The function of any good Government is to serve the interests of the country. It must try to govern in such a way as to benefit the country as much as possible. The

interests of various groups in the country often conflict, and before the Government can make a decision as to which of alternative courses of action will benefit the country best, it must first know the interests of the various groups, to discover the opinion of a group e.g. doctors, teachers etc., it is not practical for the Government to ask all the members of the group or some of them at random. *Organized pressure groups provide orderly channels of communication which are mutually advantageous both to the groups themselves and to the Government.* They greatly facilitate the task of government and prevent the Government from overlooking interests which are being affected. If they are, the Government will know from them soon enough. It can then take all the interests likely to be affected into account before making a final decision.

However, although pressure groups are useful and are regarded as indispensable in many Western countries, it is not the case that people with similar interests always organize themselves into a pressure group. It is sometimes necessary for the Government to lend a hand. The British Government itself has on occasions helped to create a pressure group to look after its own interests.

I have talked at length about the importance of pressure groups because commerce and trade cover such a large field and are of such importance that coherent pressure groups must be moulded to represent their interests. The two Acts passed in B.E. 2509 the Trade Association Act and the Chamber of Commerce Act have not strengthened the then existing Trade Associations and Chambers of Commerce but have had the opposite effect. The requirement that Chambers of Commerce and Trade Associations must register separately from ordinary associations in accordance with the new Acts have resulted in there being fewer Chambers of Commerce and Trade Associations than ever before. The aim of the Acts was to control Chambers of Commerce and Trade Associations because they had a powerful influence in the economy and might perform acts which were detrimental to it especially since many of them were Chinese whose motives were selfish and who did not have the interests of Thailand at heart. This was indeed a praiseworthy motive,

but it might have been better to legislate against undesirable business and trade practices directly. It is for example, possible to legislate directly against monopolies, restrictive agreements and resale price maintenance as the British Government has done.

What is wrong with the Chamber of Commerce Acts and the Trade Association Acts as an instrument of control is that the Acts apply only to Chambers of Commerce and Trade Associations by while membership of neither of them has been made compulsory with the consequence that any group of firms with evil motives can still operate legally simply by not forming themselves into a Trade Association or a Chamber of Commerce or joining them. Further, even though trading and commercial interests are mainly in the hands of Chinese which we regard as undesirable, it would still be better to have Chinese Chambers of Commerce or Trade Associations representing their interests. Without them it would be more difficult for the Government to keep in touch with their opinions, or control their actions.

From all that has been said in this article, it must be clear that whether as pressure groups or as providers of necessary commercial services, Chambers of Commerce are very useful to the Government and also have a role to play in the economic development of the country. It would be wrong, however, to try to imitate the British Chambers of Commerce blindly. The British Chambers contains many faults. There is for example, too much overlapping in the provision of routine services. Most of the big Chambers duplicate each other's work which is a waste of both manpower and resources. More basically, British Chambers of Commerce are independent private growths and are, therefore, rather untidy with too many little Chambers in existence. In Thailand in which there are hardly more than a few Chambers of Commerce to speak of, it will be possible to build up a network in such a way to avoid any tangle and overlapping and waste. It will, of course, be necessary for the Government to offer a leading hand, but this will not be harmful so long as the Government does not attempt to control the Chambers themselves. The Chambers of Commerce in many countries receive financial assistance and advice from the Government.

FOR THE RULER

- ⊙ Conspiracy : A prince needs trouble little about conspiracies when the people are well disposed, but when they are hostile and hold him in hatred, then he must fear everything and everybody.

- ⊙ Merit : A prince must show himself a lover of merit, give preferment to the able and honor those who excel in every art.

- ⊙ First Impression : The first impression that one gets of a ruler and of his brains is from seeing the men he has about him.

- ⊙ Flattery : There is no other way of guarding one's self against flattery than by letting men understand that they will not offend you by speaking the truth; but when every one can tell you the truth, you lose their respect.

Machiavelli
