

Who Slammed The Door?

Japan, as expected, has notified the world that China will henceforth trade with her alone. The "open door" has been shut.

American, English, and French merchants and manufacturers, through their several governments, will protest against this monopolization of a cherished market. Treaties will be invoked, diplomatic papers will be written, speeches will be made. But China will be forced to buy from Japan.

It is funny that Japan should have found it necessary to spend so much money and blood to get a customer. According to our protectionists we have been forced to close our own doors to Japanese products because

our high-priced labor cannot compete with the "coolie" labor of Japan. Why, then, was it not possible for Japan to conquer China economically without a war? How could American merchandise, produced by "expensive" workers, transported thousands of miles, outsell Japanese merchandise made next door by the lowest priced labor in the world? There is something in this protectionist argument that seems cockeyed.

But, how to re-open this door to the Chinese trade! Our salesman is prevented by a Japanese cop from seeing the prospective customer, or, if through some back door he does get into the store and writes an order, there is no way of delivering the goods. The ports of entry are in the hands of the Japanese.

And yet, if we really want to sell goods to China, there is nothing to prevent us—except protectionist arguments. All we have to do is to rip down our silly tariff walls.

It must be remembered that Japan could not sell to the Chinese because American goods were cheaper than Japanese goods—service and quality considered. The reason for the costly war was Japanese inability to meet free competition. Now that she has monopolized this market she will try to get back the cost of the war by forcing Chinamen to pay tribute through high prices for merchandise. The high prices will be made higher by customs duties.

Now, Japan is not self-sufficient. She must buy much from other countries. If we broke down our tariff walls she would find a better market here, because our more productive workers can buy more than the Chinese laborers, whose purchasing power is further depleted by the tribute collected by Japan. Since international debts are ultimately liquidated with goods, Japan would have to buy our products.

Since she could not compete with us in China because our prices were lower than hers, she would now find it profitable to re-sell the goods we sell her to the Chinese. She would find it more advantageous to be a middle-man than a manufacturer. While she would collect an immoral "profit" (for a while) at Chinese

ports of entry, we would nevertheless have the Chinese market. It would be a back door, but it would be wide open.

Our free trade policy would open up the world for our goods. England, France, Russia—all the Japanese customers would shun her and come to us. To get our trade she would have to compete with the world for our custom, and everybody (except a protectionist and a militarist) knows that the way to beat a competitor is to lower price or give more service.

Much of the goods which Japan would send us would come from China. For the goods she proposes to force on the Chinese will be paid for with Chinese goods. Now, Chinese goods would necessarily be high-priced because of the inefficiency of robbed labor. Japan would be forced to encourage Chinese labor to produce more in order that she could liquidate her debt for goods bought in America. She would have to relinquish her tribute collections.

In fact, if we adopted a free trade policy the Japanese would find it more profitable to do business with us than to try to collect tribute from a people with vengeful knives in their sleeves. The way to open the door to China is to open our door to world trade.