

The Stone That the Builders Rejected

Another penetrating study by that nationally-recognized authority on international trade, STEPHEN BELL, in which is set forth the "winning move" that is open to any nation sincerely desiring peace and prosperity.

★ DEVOTEES OF THE game of chess are prone to regard checkers as "baby game," not to be compared with the more complex game of kings with its many pieces of varied powers. They are not justified in so regarding it, for checkers has depths which few have plumbed. There are "problems" in the game which will tax the ingenuity of the ablest chess masters to solve. There is one in particular with which I have had considerable fun showing it to chess players, and never yet found one of them to solve it—"Black to play and win." It looks so easy that most of them think they have solved it after a hasty glance, but their solution is no good—white can beat it and play the game to a draw. The one winning move looks so suicidal, so much like throwing the game away, that it is seldom even considered. So it looked to me when first confronted with the problem, and not until it was played against me to a win could I see its crushing power.

So, it seems to me, is the age-old and world-wide problem of peace on earth and good will among men. There is a way to win it, and a few men in all ages have seen it, but because it looks like national suicide to most men, they have not believed it practicable, and no nation has accepted it.

Though the keenest and most powerful statesmen and politicians in the world have devoted themselves to the solution of this problem of attaining and maintaining the peace of the world, and some of them have considered and even flirted with the one "move" which would reorient civilization and lead the nations to the state when they would have no reason to learn war any more, they have drawn back into their shell of nationalism rather than take the step which, they imagine, would mean national suicide.

Never in all human history has more attention been bestowed on this problem than during and since the first World War, when Germany, sensing acutely that her position in the forefront of civilization was precarious, sought to fortify it by force of arms. Let us therefore consider Germany's position and what she might have done to make it secure.

She was a nation of seventy to seventy-five millions of people, inhabiting a territory about four-fifths the size of our State of Texas. Her territory was not so rich in natural resources, either agricultural or industrial, for the sustenance of so large a population as was that of some of her neighbors—not as rich as Texas, which was and is better able to support a hundred million than Germany to support half that number. What wealth Germany possessed had been made by the hardest of hard work, and no one ever claimed that the Germans were not industrious.

A nation in such a position must of necessity be a manufacturing and trading nation. It needs industrial materials from many or all parts of the earth, and markets in which to sell its own products in order to pay for these materials and supplies of all kinds. She saw abroad the materials and markets she needed, and, being a nation of what Frank Vanderlip called "Economic Illiterates," thought the only way she could acquire them was by the might of her arms. Had not other nations before her done the same?

By strange perversion of right reason all nations seem possessed of a belief that the interests of men and nations are incompatible—even conflicting—antagonistic. God never made the world on so diabolical a plan. They are taught—by implication if not explicitly by their dominant schools of economics that the bringing of goods into a country tends to its impoverishment while the sending of goods abroad enriches it. "Buy at home" is their well-nigh universal slogan. To sell more abroad than they buy abroad is the aim of their commercial policies, and an excess of exports over imports is deemed a "favorable" balance of trade, while an excess of imports over exports is regarded as "unfavorable." In their pursuance of this policy they have erected a maze of mutually exclusive tariff barriers cunningly contrived to keep imports at a minimum and encourage exports. Germany was particularly adept at this game of excluding imports and "dumping" exports. Such were the conditions in which international trade had degenerated into a general game of "beggar my neighbor" in which all nations were more or less impoverished, the "have not" nations suffering most.

Many centuries ago a man whose name has become a synonym for wisdom wrote: "There is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty." No saner counsel of liberalism in trade relations was ever uttered, but no nation has ever heeded it—Germany least of all. Had she but used the wit God gave her she would have seen that the true way to get in fullest measure the supplies of materials and the markets that she needed was to tear down the barriers to trade which she had herself erected, *regardless of what other nations did.*

This is the "move" which the nations will not take because they fear the "unfavorable trade balance," and that it leads to national economic suicide. That the truth is the exact contrary is abundantly proved by the world's experience of the past thirty years.

Trade—the exchange of goods and services—is the genesis of civilization, for without trade we would be but solitary savages. The need for evaluating equivalent values in trade has played a large part in developing our sense of justice. Trade is cooperation, and the vast cooperations which lift civilized life above the savage state could not be carried on without trade.

The nation which first arrives at a true realization of the nature of trade and shapes its policies accordingly will reap a rich reward. Trade is a two-way traffic, to

stop which one way stops it both ways. It is the exchange of goods for goods. Money is legal tender and circulates freely only in the land of its origin. It does not go abroad in payment for imports, for it is a medium of exchange only at home. The nation which first abolishes its own tariff barriers and opens its doors to the free importation of goods from all the world need fear no "deluge" of cheap goods from abroad. They will not come unless wanted and can be paid for, and to pay for them will require a corresponding movement of domestic goods abroad. In ridding itself of the high costs of production which "protective" tariffs impose it will gain a tremendous competitive advantage over its fettered competitors which retain their tariffs, from which handicap they can escape only by themselves adopting the same policy.

Talk of "annexing" the territories, resources and markets of other nations! Germany could have practically "annexed" the resources and markets of the world overnight merely by abolishing her own trade barriers, if she had possessed the wit to see it. Because she did not see it, and no voice to which she would listen was raised to tell her about it, she turned pirate, poisoned

the moral atmosphere of the world, wrecked a great portion of it, including herself, and her last state was worse than her first.

That she learned nothing from her experience is evident, since now she is at it again, and has induced Italy and Japan to join her in the same course. Overlooking the move that would win for them and all civilization more than any nation has yet aspired to, they are reducing civilization to wreckage.

Nor has the rest of the world learned adequately the true nature of trade. The "winning move" I have set forth for Germany was and is open to all other nations, but they still fail to see it, and it is still as true as when Isaiah said it: "My people are destroyed because they lack knowledge and understanding."

Commercial and industrial freedom is the stone which the builders of civilization have rejected. When will they take it up and make it the cornerstone thereof? If, like Solomon, their statesmen truly seek "wisdom to govern, this great people," they may be sure that not only wisdom but all manner of good things will be their reward.