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昭和七年

老幼重雄殿贈

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昭和七年七月

第十九回全米海外貿易會議に於ける
日支關係演說

日本經濟聯盟會調查課



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始



紐育に本部を有する全米海外貿易協議會は、本年度第十九回年次大會を太平洋海外貿易協議會第九回大會との共同主催の下に、去る五月四日より六日に亘る四日間布哇ホノルル市に於て開催した。

本年度の大會は從來開かれた單なる國內的年次大會と異り、汎く太平洋沿岸諸國の實業家をも是に招待し、太平洋貿易の發展策を討議研究することを主要目的としてゐる爲め、主催者側より去る一月、日本、支那、濠洲、比律賓、中南米諸國の實業家に對し招待狀が發せられ、本邦實業團體代表としては次の諸氏が出席された。

三井物産株式會社取締役 瀨古孝之助氏（本會代表）

大阪商工會議所理事 高柳松一郎氏（日本商工會議所代表）

横濱商工會議所常議員 野村洋三氏（同上）

住友合資會社東京支店長 矢島富造氏（大阪商工會議所代表）

東京石川島造船所事務取締役 澁澤正雄氏（日本商工會議所代表）

本冊子は同會議に於ける諸國代表の演說速記中より主として日支關係演說のみを収録し、併せて同會議に於ける本邦側諸代表の御活動を御紹介せんとしたるものである。

昭和七年七月

日本經濟聯盟會調查課



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第十九回全米海外貿易會議に於ける日支關係演說

目次

一、第十九回全米海外貿易會議の開催	一頁
二、第十九回全米海外貿易會議の狀況（澁澤、瀬古兩代表歡迎茶話會の記）	七
三、貿易障礙に就きて（和文）	一
神戸・大阪外國商業會議所代表　エイ・モルガン・ヤング氏	一
四、第十九回全米海外貿易會議に於ける日支關係演說（英文・卷末左より）	一
(一) 日米貿易關係に就きて	一
日本商工會議所代表　澁澤正雄氏	一
(二) 日米貿易關係より觀たる北米合衆國	五
桑港商工會議所代表　ウオレス・エム・アレキサンダー氏	五
(三) 太平洋交通料金に就きて	三
大阪商工會議所代表　矢島富造氏	三
(四) 貿易障壁としての關稅	七
日本經濟聯盟會代表　瀬古孝之助氏	七
(五) 支那に於けるボイコットに就きて	一
日本商工會議所代表　高柳松一郎氏	一
(六) 貿易障礙に就きて	五
神戸・大阪外國商業會議所代表　エイ・モルガン・ヤング氏	五
(七) 支那・米國間通商關係に就きて	五
駐ハワイ支那領事　梅景周氏	五

(八)	ポイコットに就きての支那側の釋明	駐ハライ支那領事	梅景周氏	五三
(九)	再び支那に於けるポイコットに就きて	日本商工會議所代表	高柳松一郎氏	五七
(十)	ポイコットに就きての支那側の再釋明	駐ハライ支那領事	梅景周氏	五九
(十一)	人類相互間の新しき絆としての商業—特に對支貿易の發達を中心として	支那商業會議所代表	チャールス・エイ・ウオング氏	六三
(十二)	國際的協力に就きて	日本商工會議所代表	野村洋三氏	六九
(十三)	太平洋沿岸貿易の將來	全米海外貿易協會議長	ゼイムス・エイ・フアレル氏	七三

一、第十九回全米海外貿易會議の開催

昨年五月紐育市に於て開催されたる第十八回全米海外貿易會議(The 18th National Foreign Trade Convention)は、現下の經濟的諸情勢に鑑み、太平洋沿岸貿易の發展促進のため、本年度大會を太平洋沿岸海外貿易協議會(Pacific Foreign Trade Council)との聯合主催とし、その開催地を布哇・ホノルル市に決定し、中・南米、加奈陀、濠洲、ニュージーランド、支那、日本、香港、比律賓等の太平洋沿岸諸國より多數實業家諸氏の出席を希望すると共に、更に同大會の開催地たるホノルルの商業會議所に於ては、昨秋特に書記長ジョン・エイ・ハミルトン(Mr. John A. Hamilton)氏を差遣して廣く東洋方面諸國を歴訪せしめ、これ等諸國よりの積極的參加を勧誘する所があつた。當會に於ても昨秋十月日本工業俱樂部、日本商工會議所と共同主催の下にハミルトン氏を招待し右會議に關する詳細なる説明を聽取すると共に、本邦側實業家の同大會出席方につき懇懇斡旋の勞を執り、別項記載の如く本邦側代表者を決定した。抑々全米海外貿易協議會(National Foreign Trade Council)なるものは、米國海外貿易の發展を助長するの目的を以て一九一四年に創立せられたるものであり、該協議會は右の目的達成の爲め廣く海外貿易に關する諸問題の周到なる調査研究を行ひ、その解決策を講ずると共に、貿易問題に關する一般的教導を以てその任務としてゐる。協議會の組織は合衆國の著名なる商工業者、輸出入業者、運輸關係業者、銀行及保險業者、其他米國海外貿易に關係ある汎ゆる方面の人士九十有餘名を網羅し、現委員長にはユー・エス・鋼鐵會社前社長ゼームス・フアレル氏(Mr. James A.

Farrell) 氏が任ぜられてゐる。

協議會の主たる事業の一つは毎年開かるゝその年次大會 (National Foreign Trade Convention) であるが、この大會は主として米國海外貿易に關する當面の諸問題に就き種々討議を爲し、その議題並に決議は米國海外貿易の重要な資料として注目せらるゝ所のものである。該年次大會は既に回を重ねること十八。昨年の大會は五月二十七日より三十日まで三日間に亘つて紐育市ホテル・コモドリアに於て開催され、出席者二千二百餘名。(内布哇よりの出席者七十二名、外國代表者八十四名) 同大會は主として米國並に世界の輸出入貿易に關する諸問題を論議の中心とすると共に、特に商品價格の引上を、通商障礙の緩和につき一般經濟界の注意を促す所があつた。

本年度の布哇に於る第十九回大會は去五月四日より六日まで三日間に亘つてホノルル市、ロイヤル・ハワイアン・ホテルに於て開催されたがその會議プログラムは次の如くである。

第十九回全米海外貿易會議プログラム

第十九回全米海外貿易會議
第九回太平洋沿岸貿易會議 共同主催

會場 於ロイヤル・ハワイアン・ホテル

第一日 (五月四日)

午前十時開會 (第一會議)

一、開會の辭 全米海外貿易協議會會長 ゼイムス・エイ・ファレル氏 (Mr. James A. Farrell)

二、第一會議々長紹介 ホノルル・カツスル・アンド・クツク株式会社々長フランク・シー・アサートン氏

(Mr. Frank C. Atherton)

三、歓迎五分間演説

ハワイ知事 ローレンス・エム・ジアド氏 (Hon. Lawrence M. Judd)

ホノルル市長 チー・フレッド・ライト氏 (Hon. G. Fred Wright)

ホノルル商業會議所會頭 ケネス・ビー・バーンズ氏

(Mr. Kenneth B. Barnes)

四、議 題——日米貿易關係に就きて

(a) 日米貿易關係に就きて 日本商工會議所代表 澁澤正雄氏

(b) 日米貿易關係より觀たる北米合衆國 桑港商業會議所代表 ウォレス・エム・アレキサンダー氏

(Mr. Wallace M. Alexander)

(c) 太平洋交通料金に就きて 大阪商工會議所代表 矢島富造氏

(d) 貿易障壁としての關稅 日本經濟聯盟會代表 瀬古孝之助氏

午後十二時半 午餐會

午後二時十五分會議再開 (第二會議)

五、議

題——日米貿易關係に就きて（續開）

- (e) 支那に於けるボイコットに就きて 日本商工會議所代表 高柳 松一 郎氏
- (f) 貿易障礙に就きて 神戸・大阪外國商業會議所代表 エイ・モルガン・ヤング氏
ジャパン・クロニクル紙主筆 (Mr. A. Morgan Young)

午後三時・特別會議——（太平洋沿岸貿易協議會主催）

議 題——太平洋沿岸諸國貿易に就きて

- 特別會議々々長——太平洋沿岸貿易協議會議長 ヘンリー・エフ・グラディ博士 (Dr. Henry F. Grady)
- (a) 海外貿易と産業の發達 ロス・アンゼルス商業會議所會頭 エイ・シュライヘル氏 (Mr. A. Schleicher)
- (b) 旅行に伴ふ海外貿易 加奈陀太平洋鐵道汽船會社旅客部長 エイ・ビー・コールダー氏 (Mr. A. B. Calder)

第二日（五月五日）

午前九時三十分開會（第三會議）

議 題——支那及米國間貿易に就きて

- 第三會議々々長——ハワイ大學學長 デイ・エル・クラウフォード氏 (Mr. D. L. Crawford)
- (a) 支那・米國間通商關係に就きて 駐ハワイ支那領事 梅 景 周氏 (Mr. King-Chau Mui)

(b) 人類相互間の新しき絆としての商業——特に對支貿易の發達を中心として

チャイニーズ・アメリカン・バンク頭取 チャールス・エイ・ウオング氏
支那商業會議所代表 (Mr. Charles A. Wong)

(c) 東洋に於ける航空路の發達に就きて

上海・米國商業會議所代表 ジー・シー・ウエスターヴェルト大佐
(Captain G. C. Westervelt)

零時十五分 午餐會

午後四時——六時 ホノルル商業會議所主催歡迎茶話會

午後七時 晚餐會——議長 ジェームス・エイ・ファレル氏 (Mr. James A. Farrell)

(a) 國際交通に就きて 紐育全米ケーブル會社社長 ジョン・エル・メリル氏
(Mr. John L. Merrill)

(b) 國際的協力に就きて 日本商工會議所代表 野村 洋三氏

第三日（五月六日）

午前九時三十分開會（第四會議）

議 題——米國、濠洲及ニュージールランド間貿易に就きて

第四會議々々長——ホノルル・オアフ鐵道株式會社々々長 ワオルター・エフ・テイリングハム氏
(Mr. Walter F. Dillingham)

- (a) 濠洲の現状に就きて 駐濠洲・シドニー米國總領事 ウイルバー・ケプリンガー氏 (Honorable Wilbur Keblinger)
 - (b) ニュージーランドの海外貿易事情に就きて
ニュージーランド・オークランド商業會議所代表 ダブリュウ・エイ・ボオウヘル氏 (Mr. W. A. Boucher)
 - (c) 濠洲の海外貿易に就きて 濠洲 リム氏 (Mr. Limb)
- 零時十五分 午餐會
- 午後二時十五分 (第五會議)
- 第五會議々長——前ハワイ知事 ウォルター・エフ・フレニアー氏 (Hon. Walter F. Frear)
- (a) 米國及フィリッピン間貿易に就きて 紐育 オー・ケー・デヴィス氏 (Mr. O. K. Davis)
 - (b) 太平洋沿岸貿易の將來 全米海外貿易協議會議長 ゼームス・エイ・ファレル氏 (Mr. James A. Farrell)
 - (c) 國際貿易上に於けるハワイの地位 ホノルル・スター・ブレチン紙主筆 ウォレス・アル・フアリングトン氏 (Hon Wallace R. Farrington)
 - (d) 會議中に於ける演說並に論說に關する一般討議

一、第十九回全米海外貿易會議の狀況

——澁澤、瀨古兩代表歡迎茶話會の記——

今回ホノルルに開かれた第十九回全米貿易會議及第五回太平洋貿易會議に本會並日本商工會議所を代表して出席された澁澤正雄、瀨古孝之助兩氏が歸朝されたに就て、當會は去る五月二十六日日本工業俱樂部に於て兩代表の歡迎茶話會を開催し、會長首め各理事出席、席上澁澤代表の會議經過報告並に特に支那に於ける日貨排斥問題を中心とする會議の情勢其他種々の感想談があつた。左記は其談話の要領である。

本會議は豫定通り五月四日より六日に至る三日間で終了したが、吾々は前後二週間に互る布哇滞在期間に日本代表として各方面の歡待を受け、會議の首腦者たるゼームス・ファレル氏(ユー・エス・スチール會社前社長)外合衆國各都市並太平洋沿岸諸國の代表者と談を交へる多くの機會を得たことは望外の仕合せであつた。

會議の第一日は謂はゞ日本デーであつて、開會劈頭フーヴァー大統領の祝電傳達があり、州知事、市長等の祝辭の後、直ちに吾々日本代表の演說に移り、同行八名中澁澤、矢島、瀨古、高柳の四代表相次で演說を行つた。(別項英文速記録参照)就中大阪商工會議所代表たる高柳博士の試みられた演說は支那の日貨排斥に關するもので、本邦側としては最も重きを置いたところであり、其反響も亦相當著しいものがあつた。支那の日貨排斥の件を此會議に於て正

面から論議することの可否に就ては念の爲め豫め會議の幹事長デヴィス氏にも相談した處、同氏は成るべく本問題の表面的論議を避け度き希望の様に見受けられたが、日本側としては到底之を黙過することは出来ないので、高柳代表は其演説に於て支那に於ける日貨排斥の事實を一々指摘されたのである。

第二日目の會議は米支間の貿易關係を主題とし、支那側代表としてホノルル駐在の支那領事及梅景周氏の演説があった。適が何れも語學は頗る堪能で流暢な演説であつたが、更に支那領事は前日の高柳氏の演説に對して言及し、之に反駁を加へた。其要旨は「支那は元來平和を愛好するものであつて、日本に對しても決して敵意を持たぬ。然し最近に於ける支那の對日敵對行動は日本の侵略的態度に對する自衛上の消極的行爲であり、而も事實貿易に係る平和的手段に過ぎぬ。」といふ支那一流の辯辭である。

其日適々澁澤、潮古兩代表はフアレル議長と午餐を共にした機會に於て、日支兩側の演説に關する印象はどうかと質ねたところ、同氏は素ともと日本をよく了解されてゐる人ではあるが此際も「日本代表の演説は好印象を與へた支那側の辯は皮想の感がある、唯日本は米國一般民衆により好き了解を得せしむる様殊に新聞を利用する必要があると思ふ」といふ返事であつた。然るに其翌朝ホノルルの各新聞に右の支那領事の演説が大きく發表されたので、吾々日本側も再び會議に於て之に應酬すべしといふことに一決し、此事をフアレル議長に諮つたところ同氏は議長として日本側の應酬演説の希望を容れられた。斯くして其日恰も徳川公爵よりのメッセーjour讀の後を承けて高柳博士は再び演壇に起つて先年支那の米貨排斥の際駐支米國公使ロツクヒル氏の採つた態度を引例して極めて適切なる反駁を試み、

高柳氏の演説終了後フアレル議長は支那側に發言の餘地を與へず手際よく閉會を宣した。

處が支那側は中々之では納らず、翌日又々新聞紙上で大に反駁に努めたが、要するに支那側には實業界を代表する本來の代表といふものが一人もなく、其言論も内容が甚だ貧弱であつたので、吾々自ら言ふのは自畫自讀の嫌ひがあるが、本問題に關する會議の情勢は非常に日本側に有利であつた。此事に就ては議長フアレル氏を首め、豫て日本に好意を有する米國人士の理解と其の間接の支援に俟つ所が多かつたのであるが、特にフアレル氏は單に日本をよく了解されてゐるといふだけでなく、其の爲人寡言にして愛嬌を失はず、片言隻語をも苟もせざる信義の士であつて、今回の會議に際し吾々日本代表團に寄せられた同氏の好意は誠に感銘に堪へない。會議終了後同氏が特に吾々一行の爲めに設けられた晩餐會に於ては、澁澤代表の挨拶に對し、故澁澤子爵と舊知の米人諸氏が交々起つて子爵生前日米親善の爲めよく盡されしことども追想談等に時を移し、極めて暖かい寮圍氣に満ちて、恰もホノルルに於ける故子爵の追悼會の如き觀を呈した。

尙ほ來年度の本會議はピッツバーグで開催されることである。

三、貿易障礙に就きて

ジヤパン・クロニクル紙主筆

エイ・モルガン・ヤング

今日私は諸君の前に或る評判のある人間として顔出し致しました。尤もその評判は左程廣いものとも又よい種類のものとも申しませんが、とにかくかく申しますのはこれから私が御話し致しますことに、幾らか關係がありますので先づはかく申上げたのであります。私の友人である日本人の中には私を彼等の國の敵だとは勿論申しませんが、私を彼等の所謂「反日」だとして見てゐるものは澤山あります。併し乍ら、私の書いたものをよく見て頂くならば、その中には彼等の喜ばぬ個所もありませうが悪意から出たのではなくして凡ての場合を或る種の標準にあてはめて批評したのみであるといふことが了解出来ることと思ひます。或る者は私に外國人なのだから外國人らしく御客さんとして居るべきだらうと申しますが、併し私としては實際に家族の一員だと寧ろ自任して居る譯でありまして、随つて言ふべき時には随分いやなことと言ひ度いと考へてゐます。こういふ次第ですから只今暫らく日本の陸地を離れてはゐますが、家族の利益の爲めには言ふべき相當の權利があると考へてゐる次第であります。

先づ最初に手前味噌を並べまして相済みませんが御容赦を御願ひ致します。尤も只今は神戸大阪外人商業會議所の代表として出席致して居ります次第であります。阪神外人商業會議所と致しましては時には種々の權利關係などで日

本人と少々の紛議の起ることもありますが、其他の外部の世界の關係に於ては我々と我々日本の友人との利害は殆んど一致してゐるのであります。只今私はポイコット並に一般貿易に對しての障害といふ題で御話し致します様要求されてゐます。就ては私は先づ最初に吾々はとかく貿易に關する基礎的事實を忘れがちではないか、即ち相互の利益のための交易なることを忘却してはゐないかといふことを言ひ度いのであります。吾々は買手を神様視しその御機嫌をとらねばならぬ、その御愛顧を求めねばならぬといふ様に習慣づけられてゐます。米國の商賣上の金言に「顧客は常に正し」と言ふことがあります、勿論私も商業上に禮儀の大切なことは存じて居ります。ところで私は洋服を一着買つたり食堂で飯をたべたりする場合、こちらはほんとうに價値ある何かを彼等から受けた様に感じますが相手に對してはそれと交換に何か頗る不確實な價値のものを與へた様に感じます。尤も私の様なこんな感じを起す人は甚だ少いかも知れませんが、併し若し凡ての貿易上の取引に相互の利益といふ考へがもつとはつきり保たれるならば、輸出禁止とか、關稅とか、ポイコットとか、其他凡て貿易に障害を來す様な事柄に對しても現在とはもつと違つたより正當な考へが起きることには確かだらうと考へます。現在全世界は今迄逆つて來た難局から全く脱することは出來てゐませんが、併しその苦難の結果右の根本義がよりはつきり認識されましたならば苦難も全くの無駄とはならないであらうませう。

近頃各地で通貨の減少とその價値の不安定とから物々交換が企てられてゐると聞いてゐます。この方法は明かに頗る稚拙な原始的なものではあります。取引の本質を明白に保持してゐるといふことに於て有益な性質のものであります。買手と賣手との間の有害な區別が全くなつてゐます。現金は單に測定の道具に過ぎません、科學といふものも概ね物を測定することから成立つてゐるのであります。さすれば現金なるものもその意味に於て科學的であり、進歩的なものであります。然るにそれを單なる道具と見ずしてそれ自體を目的物たらしめるので忽ち間違つて了ふのであります。

貿易の職能たるや頗る重要であります、文明の基調と申しても決して過言ではあるまいと考へますのみならず一種神聖なものであるとも見なければなりません。決して政治的の密謀や不公正な利益獲得のための道具に使はれてはならないのであります。最近貿易業者なる階級は中間の介在物視せられ、隨つてこれを排除して了ふ必要がある様に教へてゐる人が随分ありますが、併し實際に於て生産者は生産のために彼等の時間の全部を費しますので、彼等のために眞に市場を見付けてやらねばならないのは商人なのであります。昔のアラビアンナイトの話は正しい考を持つて居りました、彼等にとつては王様と商人との區別がありませんでした、今日の商人は明日の王様になつてゐます、そして政略のために位から落された王様は彼の荷物を背にして再び運命を拾ふべく路上をうろついてゐます。貿易の自由なくして吾々は決して自由ではあり得ないのであります。ナポレオンは英國人を町人の國民だと申しましたが、併し彼等英國人はこの貴い町人なる名稱を擁護致しました。

貿易と自由とは非常に密接な關係があります。凡て商品の自由な交易を阻害するが如き事は惡であり壓制の印しなりと見れば大した間違はありませぬ。此等の障害の中で最も決定的なものとはあらゆる保護關稅であります。併し特に

これに關しては私よりも更に詳しい方が居られますので私は單に必要ある部分と、及び商業上のボイコットと同じ性質を有するものなることにのみ言及するに止めて置きます。最近ボイコット問題は關稅と同様或はより以上に従前吾々の歴史に見なかつた様な進出振りを示しました。實際それは廣く傳播されて頗る重大な政治的結果を生じてゐます。少數の人々は私の書いた物を見て呉れますが、これ等の人々に對し私は「國際平和の敵としての關稅」といふ題目でもつて時々話しをしたことがあります。そいふ言葉はボイコットに對しても同様當てはまるものであります。

「併し君等の商品を買ふことを欲しないものに強いてそれを買はせやうと強制することは出来ないだらう」と言はれるかも知れませんが、それに對する返事としては「若し既に彼等がその商品を買ふことを欲せないものならば買はせない様な企てがこれ起る筈がない」といふことであります。關稅並にボイコットに對しては不利を受ける側に於ても相當の黙諾があるのであります。愛國心に訴へられるとか、或は又現在の犠牲に對してはいづれ早晚利益があるだらうといふ様な見込でもつて黙從してゐるのであります。何れにせよ一種の強迫手段であることは否むことは出来ません。首謀者も大抵利己的或は邪惡な動機から始めるものであることも事實であります。情けないことにはボイコットは頑固な譯のわからない人々のために感情的に激化せられて、弱者が強者に對する防禦の武器だといふ様になつて了りました、尤も實際的の武器としても頗る残忍なものが暗に用意されてゐることも聞いては居りますが、亞細亞大陸の政治的正邪を云爲することは私の今日の話しの範圍外であります、又此の會議の問題でもないであります。

併しボイコットの組織は頗る不吉な發展をして居りまして、合法的な貿易に對して甚だしい障害となつて居りますので、これは今回の論議の主題となつてゐるのであります。支那でのボイコットの歴史は漸次洶瀚なものとなりつゝあります。その言葉自體は餘り古いものではありません。借地人や近隣の者から壓制者と見られたアイルランドの地主の追放以後如何にして使用され出したか細説の要を認めませんが、此の談しは貧民や庇護者のない人々が壓制者にうちかつたために自發的に發生した一つの運動であるかの様に常に話されてゐます。併し果して實際的にかの地主に生活の必需品を賣つてやらす、彼をしてその地位に止まることの出来ぬ様にした商人それ自體が自ら進んで小利益しかないが而も彼等にとつては必要なところの商賣をまで好んで止めたのでありませうか、正常な商賣をしてゐたのにもかゝるそれを止めたとせば、それは暴力で強迫されて仕方なく斯くなつたのではありますまいかと疑はれるのであります。その後に来た凡てのボイコットのその語源が右のアイルランドの運動から出たのであるとしますならば、それ等ボイコットの性質から見ても、右のアイルランドに起きた最初のものも矢張り實際は如何なる事があつても決して地主に何物も賣つてやらぬとほんとうに考へてゐる者共によつて組織され、其他の地主の眷顧を喜んでゐるものはこれに強制せられて加入せしめられたものと考へられます。支那で現在普通のことになつてゐる政治的ボイコットの最初の一つは、支那人に對する米本國の法令の不公平なことから同國に對してなされたものであります。即ちこれは米支兩國に於ける不正當な米人に對してなされたものであります。其後に於ては、今日は此の國の品に明日は彼の國の品にといふ風に何回かボイコットがありました。支那と商業上重要な接觸を持つた國は大抵順送りにやられたのであります。

す。貿易の自然的發展につれまして日本の支那に於ける地位がだんだん重要になりました結果、日本も亦かゝる示威運動に頗る悩まされて居ましたが、遂にかの大爆發をなすまでに事情が悪化したのであります。ボイコットに就ての責任の所在等を云爲する事は今日の私の仕事ではありませんが、大抵國際間の係争は何れの側にも過失があるのであります、精々一方が他よりもより悪いのだと言ひ得るのみであります。私の言はんと欲するのは寧ろ攻撃のためにせよ、防禦のためにせよ、ボイコットは何れより見ても全然不當然なやり方であるといふ事でありませぬ。段々たつ中にボイコットの技術も發達致しました。種々の違つた局面がありまして如何様なのが最も悪いかといふことは言ふに困難であります。而しボイコットが政府の武器となつてゐるといふ事實こそは頗る不名譽極まるものでなければなりません。支那の事についてその品格を落すやうに話しする際いつもこういふ馬鹿げた質問を發することが流行してゐます。それは「支那とは何ぞや」といふのです、そして「こゝに一つ、あそこに一つ政府があり、彼等の教令は或る區域以外には一步も出ない國だ」といふのです。併し支那帝國は嘗て一度も中央集權の行はれたことのなかつた國なのですから其後それを引きついで頗る統一した政府を要求するのが無理かも分りませぬ、尤も帝國時代はだらしのないまゝで奇妙にうまくいつてゐたのではあります。支那政府は各その區域内だけでは頗る効果的であります、最近のボイコットに於てそれが責任を拒否して全然知らぬ顔をしてゐるのは怠慢でありませう。これはモスコ政府が共産黨の行爲に對して全然責任をとらぬのゝ丁度眞似であります。

極く最近朝鮮滿洲事件から延いて上海並に揚子江沿岸一帯にひどいボイコットが起りましたが、それは頗る統一さ

れた組織的のものだと考へられました。併し同時に廣東で一時ボイコットの嚴重な彈壓をやりましたので相當勢がくだけました、これは勿論廣東政府が南京政府に對抗するに就て日本の同情を得んが爲めでありました。茲に政治的密謀を達成するために種々に弄せられた方法の説明書がありますが、これが爲め國際貿易は随分動搖させられたのであります。政治的冒險者等が彼等自身の利益を圖るため貿易の基礎を破壊することは頗る困つたものであります、人民をして平和に安住せしめ彼等の經濟を刷新することの最も大切なものなることは言ふ迄もない事であります。茲に一つのボイコットがちよいと始められますとすれば、それに特種の目的がない限りいつまでものろつて續くのであります、實際に於てボイコットづけて誰かが金の儲かる間は續くのであります。被害者の方でもボイコットの内情の如何なるものであるかに就ては種々の意見もあり、時にそれが各自一致せぬ場合もありますが、不正な金を儲けるための手段だと言ふことに於ては結局誰かが異論がないのであります。ボイコットの首謀者の中その目的に對しほんとは忠實なのは或種の學生團體のみであります。彼等は彼等の力を試みるとか、或は何かやつつけるべきボイコット當面の對象を持つて居ります、かくしてその運動を愛して行動してゐるのであります、これは青年としての強い動機なのであります。尤も此者等とボイコットの團體基金の儲け口と考へてゐるものとの間に劇然たるしきりをつけることは出来ませぬ、又團體の利益の爲めに集まるものと自己自身の政治的能力に對して相當の報酬を得んとする者の間にも明確な區別は立ちませぬ。

賃銀目當の労働者は勿論それはそれとして労働さすために加入させ、其他配下のものは各自それ相當の仕事のため

に加入さすとかしてゐますから、結局凡ての階級が關與してゐることになります。有名な團體の指導者から下は苦力等の無頼漢に至つて居ります。彼等は私的に税關をつくつてゐます、それは正規のものと似かよつた様な組織でありまして表面或る外國品の侵入を防遏するのだと稱してゐますが、しかし充分な金さへ出せばそれ等の商品も通過出来るのであります。その他に種々の私的企業をやつてゐます、有力な官吏や富商はボイコットを始めて至急に彼等の財布を肥やし、又は市場を自分の都合のよい様に動搖せしめたりなどした幾多の話があります。最も大なる被害者は支那自體である事がしばしば言はれます。いたぶられるのは支那商人であり、高い代價を拂つて大きな損失をしますのは支那の顧客であります。又始終大きな範圍の破壊をやりましてボイコットされた商品は頗る多量に上りて積み重ねられ、その額たるや誰もが放還金を拂ひ得ぬ程の大量であります。かゝる組織から招來される最も痛嘆すべき惡果は商人道徳の頹廢であります、かつては支那商人の正直は有名なものでありました。言葉が通ぜないので合法的な契約が書けず又書けても強制力に困難があるため純粹の信用のみにて取引する習慣になつて居りましたが、その信用は殆んど悪用された例がありません、然るに今日はどうでせう。全く反對であります、次から次へと新らしく困難が生じるものですから支那商人自身一種の方法を案出して居ります、註文した品物はボイコット團體の許可がないから非常な値引を得ればとにかく、さもなければ受取ることが出来ない、同時に商品も値下りして困つてゐる、誠に相濟まぬがとて値引の口實を作るのであります。嘗つての無比の評判は敗徳のため地に落ち、昔の外人との取引に於ける十二分の信用は今や頗るあやふやなものとなつてゐます。支那自身が一番の被害者であると私は申しますが、併しボイコ

ットされた外國人も亦頗る苦しみつゝある状態になつて居ります。過去數ヶ月間に於て尙未だ日本商人の所有に屬して居た商品が少なからず押收されました、日本領事からの再三の抗議で大抵はとり返されましたが、或る場合には海軍の救助を求めたこともあり、併し又或る場合には單に盗みとられたものもあります、隣邦政府に對しその政府がもつと能率的にうまくやつて領土内の完全な秩序を維持する様主張し要求することは不可能ですが、併し同時にかゝる状態の下には商賣はやつて行けません、完全な承認を期待する程の政府ならば當然組織的のいたぶり行爲をやめなくてはなりません、確かなる條約が改定さるべきや否や等は問題ではありません、又欲せぬ商品を買はず様にする事が出来るかどうか等も問題ではありません、排除せらるべきは政治的目的のためにボイコットが使用されることでもあります。それは表面彼等が言つてゐる様な人民の側に於ける感情の自然的發露では決してないのであつて、實は自分等の利益のためにする無頼漢に依つて爲されるものであります。彼等は多くの人々に對して愛國心の發露がこの方法を要求するのだなどと説得するかも知れませんが、併しそれは實は裡面に於て何らかの利益を彼等にもたらすものなる事實を人々は閑却しては居りません、偶々ボイコットの 방법으로租界の回收が出来るからと言つても、その事實が何等ボイコットを正當づけるものではありません、全體的結果として尠からぬ困難被害増悪を招くではありませんか。のみならず、ボイコットを起すかゝる理由そのものに就て頗る同情を失ふものであります。これこそ先づ第一に改められなければならない事だと思ひます。

如何なる方法でボイコットに反撃を加へるか等の對策に就ては只今敢て申しませんが、然しボイコットは内部の刷新、

外部のよき關係の招來に效果ある方法でない事を斷言いたします。ボイコットの流行するのは支那に限つたことではありません。印度に於ける状態は或る點に於ては支那のそれよりも更に悪いのであります、それはボイコットに宗教的色彩が加へられんとしてゐることであり、政治的状态が違つてゐますので彈壓に反對すべき機會を作るため一般的正義感に訴へての平和的ボイコットなるものが強調されてゐます。尤も平和的糾察隊などといふが如きものはあり得ません。ボイコットに反して好む品物を勝手に賣買するものは注意人物とせられ、人民の自由のために行動するのだと公言してゐる人間から仕返しをされるのです。これに反し支那のボイコットは暴力の濫用であります。そういうつた様なレファインされたところがまだありません。印度のやり方よりも幾分正直かは知りませんが、併し最近の發展に於ては事實は假裝された政府の支持がある様な状態になつて居ります。この兩國に於ては無政府状態に結末を告げしめんとしても、外部からのものでは如何なる企圖も全く駄目であるといふ深刻なる事情が伏在してゐます。世界は現在政治的に進展の舞臺に立つてゐます、一國民が他の國民に對抗するに力を用ゐることは頗る人意に合はぬ所であります。世界は現在特に支那の利益のために條約を改定すべく眞實なる好意を表はしてゐると私は信じます。かゝる條約は單に相互の猜疑心に基いたものであるといふ人があるかも知れませんが、併し私は皮肉屋ではありませんが世界最古の文明の源泉である此の大國中の最も向上心に富む人々によつて、政治的ルネサンスの達成せられんことを望み、それへの努力に對してはあらゆる激勵を與へようといふ眞實の感情が一般に瀰漫してゐると考へます。この感情は支那の活動に關して最近なざる、批評に於ても明らかに見らるゝ所であります。併し支那が自國の困難から脱離

し、昔の光輝を復活せんことを親愛してゐる人々は、先づ第一に貿易を阻害する尤も有害なるかの組織を悲しむのであります。今迄申しました様に私は關稅の擁護者ではありません。關稅の經濟的不完全も困りますが、關稅そのものが貿易の自由を害する事は甚だしいものと考へます。自由は自由を放棄する權利をそれ自體持つてゐます、そこでこの頃では多くの國に於て或種の經濟上の利益のために自らの自由を切減してゐます。十年前に於ては支那は今日よりもつとボイコットをするに適した頗るよい機會があつたと考へます。當時は關稅率が外國の壓力に依つて一定してゐました、若し當時に於てボイコットをやりましたなら、首謀者は自國商品の保護に名をかることが出來たでせう。現在に於てはその口實はないのでありますから、現在支那で自國商品の保護をいふものは他國に於けると同様、愛國心を名として自身の利益のためにその邦人に課稅し得るのみであります。この種惡用の自由を許しますが爲めに、より亂暴な全くとりとめもつかぬボイコットをやり出す様なことに立ち至るのではないかと疑はれます。ボイコットに一點辯護すべき點ありとしますれば、先づそれは本質が保護關稅と同じだといふことであります。而して關稅屋は關稅の賦課は自由な衆人から選ばれた代表のする行爲であると言つて自分の論を正當づけますが、だからと言つてボイコットに政府が關與する様な場合に於ては、ボイコットの罪たるやこれは又頗る重いのだと考へます。兩者何れにも私は正直な人間の恥づべき様な方法で、いたぶられたとして眞正の商業と言はれない貿易關係を造るべく努力してゐる人がその中に居るのを見ます。然しこゝにいふ貿易を阻害する特種の状態に就ては、私が今迄申しました様に、私よりもつと専門家が居られますからその方々で論議されるのでありませうが、併し私は關稅とボイコットの似かよつ

た害毒は、單に利己的行爲と惡徳とを進めしめるのみに止まるものに非ざることの警告を發したのであります。關稅とボイコットの兩者が引續いて惡用せらるゝならば、兩者は非常な激發性を有するものでありますから早晚大爆發を起し、そうしてその疼痛は長く續きお互に罪のなすり合ひをすることになりませう。

就てはこの會合に於けるが如く崇高な商業といふことに興味を持たれ、吾が勞力からの生産物を需要者凡てに賣ることが出来るやうになることが一番利益ある事であり、且つそれをこゝでお互に相談するのであると信ぜらるゝ方は、人類の最も基礎的自由、即ち一般の利益のための商品の自由交易の權利を阻害するが如き事柄に就ては、何時でもこの機會を失はず御話しをされんことを願ふ次第であります。

Contents

	Page
(1) Japan's Trade with America by Mr. M. Shibusawa.....	1
(2) The United States View of Trade Relations with Japan by Mr. Wallace M. Alexander.....	4
(3) Trans-Pacific Communications Rates by Mr. T. Yajima...	21
(4) Tariff as Trade Barrier by Mr. K. Seko.....	24
(5) The Boycott in China by Dr. M. Takayanagi.....	27
(6) Obstacles to Trade by Mr. A. Morgan Young	31
(7) A Brief Survey of Sino-American Commercial Relations by Mr. King-Chau Mui.....	40
(8) The Boycott in China Explained Third General Session by Mr. King-Chau Mui.....	48
(9) Japan's Group Offers A Brief Boycott Reply.....	51
(10) Chinese Consul Fires Shot on Boycott Issue.....	53
(11) Commerce-A New Bond Among Men, With Special Reference to the Development of Trade with China by Mr. Charles A. Wong.....	56
(12) International Coordination by Mr. Yozo Nomura	62
(13) Pacific Trade Prospects by Mr. James A. Farrell.....	65

1. JAPAN'S TRADE WITH AMERICA

By M. SHIBUSAWA

Delegate from the Tokyo Chamber of Commerce and Industry, and the
Japan Chamber of Commerce and Industry

Chairman and Gentlemen:

I consider it a great honor that I am given the privilege of speaking to you in this National Foreign and Pacific Trade Conference, which is held for the first time at this city, the crossroads of the East and the West.

If you permit me to refer to my personal affairs, I should like to state why I have come to this Conference as the delegate of the Tokyo Chamber of Commerce and Industry and the Japan Chamber of Commerce and Industry. As some of you probably know, my father, the late Viscount Shibusawa, was always very anxious to promote and good will between America and Japan throughout his prolonged life of ninety-two years, during which time he made four trips to America. It was his cherished hope that he would again visit America for the furtherance of cementing the cordial relations existing between both countries, which he believed will create the pillar of peace and prosperity in the Pacific. I think, had he lived until now, he would certainly have come to this Conference in spite of his old age. Therefore, as his son and a business man, it is my pleasure and duty to attend this Convention to fulfil this identical purpose, and this is the reason I accepted the kind invitation of the National Foreign and Pacific Trade Councils for this joint conference.

And now, Mr. Chairman and Gentlemen, I shall pass on to the subjects for the discussion for which we have crossed the ocean, to meet in this beautiful city, which, besides being a spot where nature wears her brightest smiles, is also the key position to a world commerce that is destined to increase, and, in increasing, to bring our respective nations into closer relationship.

I have the great honor of addressing this Conference as the delegate of the Tokyo Chamber of Commerce and Industry and of the Japan Chamber of Commerce and Industry. As I look back

over the recent history of my country, I see, nearly eighty years ago, America knocking at our door and calling on us to participate in the world's trade. And when I see how the Pacific Coast States of America have developed, I am glad to see that America has herself reaped the greatest benefit from this commerce. At the present time the world is in the grip of a general depression, yet our trade with America in 1931 was 767 million yen (exports being 425 millions and imports 342 millions)—that is to say, thirty-two per cent of the whole foreign trade of Japan has been with the United States. America is our best customer, and we also buy more from America than from any other country. Last year—a year of depression—you bought from us:

	YEN
Raw silk, to the value of.....	342,000,000
Canned goods to the value of.....	7,000,000
Porcelain, to the value of.....	6,000,000
Hats, to the value of.....	6,000,000
Tea, to the value of.....	5,000,000
Silk tissues, to the value of.....	5,000,000

as well as many other goods.

Among our purchases from you were:

	YEN
Raw cotton, to the value of.....	153,000,000
Timber, to the value of.....	26,000,000
Mineral oil, to the value of.....	19,000,000
Automobiles and parts, to the value of.....	15,000,000
Steel, to the value of.....	8,000,000
Wheat, to the value of.....	2,000,000

and other American products.

Quantities and values of goods exchanged fluctuate with the changes in general economic conditions, but the goods I have mentioned are the staples of our mutual trade, and the foundation of an exchange of commodities which is becoming more evenly balanced as our commerce becomes more closely linked.

American business men, I understand, regard the Chinese trade as potentially very great, and naturally so, since China has an

enormous population. Your own returns show that America's trade with China during the past ten years has averaged some \$254,000,000 annually. But they also show that the trade with Japan has averaged \$597,000,000 over the same period, or more than twice the amount of trade with China. What is the explanation of this? I think it is quite clear. The volume of trade depends less upon the area and the population of a country than upon its economic development and the purchasing power of its people.

I shall not trespass further upon subjects which we shall be discussing on Friday next, when we shall be comparing the relative values of the trade of various countries. Your own Government publications have shown you that Japan ranks fourth among purchasers of your goods, and that she is second among countries from which you draw your supplies. This is enough to show how important the trade already is; and, when the present world-wide depression is ameliorated, we cannot doubt that it will experience a great increase. I believe, therefore, that this Conference cannot do better than direct its first attention towards the elimination of all obstacles to trade in the world at large, but especially in the Pacific area. My colleagues from Japan will enlarge upon this subject.

I thank you sincerely for the privilege you have accorded me in asking me to take the lead in addressing you as a delegate from abroad.

2. THE UNITED STATES VIEW OF TRADE RELATIONS WITH JAPAN

By Wallace M. Alexander

Chairman of the Board, Alexander & Baldwin, Ltd.
Representing the San Francisco Chamber of Commerce

GENTLEMEN: Your presence here as delegates to the nineteenth convention of the National Foreign Trade Council is sufficient indication of the very great interest which development of our foreign trade holds for you all. Coming together on this occasion in Honolulu—strategic pivotal point in mid-Pacific—it is fitting that your attention should be focused sharply upon the trade of the United States in this great Pacific area. Since all of you are aware of the close relation existing between our foreign trade and our domestic prosperity, it is appropriate at this time that you should discuss those aspects of our economic life most familiar to you and which at the same time must receive from statesmen and business leaders their serious consideration in the formulation of any proposals looking toward the solution of either national or international problems.

The ever-increasing and far-reaching applications of scientific discoveries and the development of combination and mass production which we have witnessed during the last fifty years, penetrating as they do the whole structure of our social and economic life, have in innumerable ways profoundly altered our civilization and have been largely responsible for the vast expansion of our world trade, a phenomenon which the majority of us are often prone to accept as a matter of course.

"Now is the dawn of the Pacific era." These pregnant words of President Roosevelt, spoken so many years ago, have been realized and today we stand in the full morning light of that brilliant prophecy. Our country faces both the Atlantic and the Pacific; and we on the Pacific Coast occupy the last great western frontier. By reason of our island possessions in the Far East and our ever-expanding trade with the Orient, whose rich natural resources and

vast potential markets are as yet untouched and undeveloped, we are justified in our deep concern in the destiny of Asia.

Our industries are producing commodities far in excess of the legitimate demands of our domestic markets. One outlet for this excess has been found in the Orient. In 1913 our entire Asiatic trade was only \$125,000,000, while today it is over two billion, an expansion of over 1500 per cent in a little over fifteen years. Millions of our neighbors across the Pacific through multiplying contacts with the western world are becoming each year in ever-increasing numbers consumers of Western goods. In the comparatively short space of time since the world war, our trade with China has doubled and our trade with Japan trebled. California's trade alone with the Orient has increased over 300%. If we follow the tremendous readjustments that have taken place in the field of foreign trade since the war, all the figures indicate clearly the decline of the predominance of the Atlantic and the rise of the Pacific. The center of the world's trade is definitely shifting to this great Pacific Basin and the movement is proceeding with an ever-increased acceleration. The following figures will demonstrate this movement very clearly. The importations from Europe in 1928-1929 to the United States increased 169% over the importations in 1910-1911 and the exportations to Europe from the United States increased 184.6% during the above period. The importations from Asia during the above period increased 563.4% and the exportations to Asia from the United States increased 806%. This is due in great part to the increase in the consumption of food-stuffs in Asia.

Let us consider for a moment our trade with Japan as expressed in a few significant figures. Japan's exports to the United States are greater than her exports to any other country, and her imports from the United States are greater than her imports from any other country. Our mutual trade is dominated in both directions almost exclusively by two single outstanding commodities, silk from Japan and cotton from the United States. Raw silk and silk products constitute approximately 80% of total imports into the United States from Japan, and raw cotton makes up about 40% of the total United States exports to Japan. These percentages are based on

import and export values of the year 1930. Shipments of cotton during 1931 over 1930 increased from 889,000 bales of 500 pounds to 1,740,711 bales, but due to the low price of cotton in the United States, the dollar volume of exports of this commodity increased by only \$13,670,000 or 20%, against an increase of approximately 100% in pounds of cotton exported.

Absorbing as we do 35% to 45% of Japan's total exports, we have become her principal export market. Our exports to Japan in 1931 amounted to \$155,668,045 compared with \$164,570,403 in 1930. Imports from Japan total \$205,399,000 in 1931 as compared with \$249,968,000 in 1930. Falling price levels in 1931 were responsible for the decrease in value of goods shipped in that year, also the decreased consumption of luxury products and the increased competition of rayon versus silk in our country. In pursuing her policy of industrialization, it would thus appear that Japan is vastly more sensitive to changes in the United States tariff than to those of any other single country.

I beg to quote herewith some of our principal exports to Japan based in order of their importance from a value standpoint; all percentages given are approximate. In 1930, our raw cotton exports constituted 40% of our total exports to Japan; petroleum and petroleum products 11%; iron and steel products 7%; automobile, motor trucks, auto parts, etc., 4.8%; lumber, logs, etc., 4.4%; wheat and wheat products 4.1%; industrial machinery 4%; fertilizers 2.7%; electrical machinery and apparatus 2%; all other products 20%.

As regards our imports from Japan in 1930—as stated above, silk and manufactured silk constitute 80% of same; next in importance comes food products including crab meat, tea, and dried beans 4%; decorated china 1%; furs 1%; all other imports 14%.

It will be impossible for me in the short time allotted me to take up the various situations and conditions which affect the trade relations of our two countries as regards these articles. There are doubtless many exporters here who will wish to speak in detail on these matters. In studying our mutual trade relations there are certain conclusions as regards Japan's commercial position that

cannot be avoided.

First—In order to meet her steadily increasing population with the question of immigration yet unsolved, Japan must increase her imports of food and also increase imports of many of the raw materials which the very process of industrialization entails.

Second—To pay for these increasing imports she must increase her exports and these exports under the pressure of international competition will of necessity be made up of commodities of which she has some comparative advantage.

Third—The necessities of the situation compel her in order to meet the needs of her ever-increasing population to rely upon not the total value of her exports but the "value added by manufacture" and hence upon the willingness of foreign countries to take products in an advanced stage of manufacture. It is this last phase of her commercial position that at present is worrying her most as regards her trade with the United States. In a rough way her trade with the United States is mainly an exchange of raw materials for raw materials—silk, rags, furs, and other items for cotton, wood, iron, sulphate, pulp, petroleum, leather. While raw materials free of duty constitute the bulk of Japan's exports to the United States, they are by no means all. A few of the chief articles among Japan's exports to the United States affected by the tariff of 1930, which increased the tariff already existing, are camphor, earthenware and glass ware, canned crab meat, silk weaving material, imitation pearl, material for hats, dolls and toys of celluloid, toothbrushes. The duties on the above articles range from 15% to 110% ad valorem. The imports into the United States from Japan in 1927 were about \$417,000,000 and the total of the imports on which duties were raised was only about 5% of the total from Japan. The increase in the Act of 1930 cannot therefore be regarded as a serious blow to Japan; to her however it is significant of an increasing tendency on the part of the United States to levy duties on her manufactured goods and consequently a blow to her industrial progress.

America's tariff is based largely on the difference of cost of production abroad and at home. Japan's tariff, which on many

items exported by the United States is practically prohibitive, has for its object the necessity of keeping value of imports reduced to the limit of Japan's export value. Otherwise Japan's finances would be drained. As Japanese exports, principally of raw silk to the United States, and of cotton manufactures to non-manufacturing countries, increase, we may look for an increase in value of Japan's imports and perhaps a lowering of Japan's tariffs. The prevailing low position of the Japanese yen, and embargo against export of a quick reduction of Japan's tariffs.

Among American manufacturers there is no feeling of resentment against the Japanese tariff. On the contrary, only deepest sympathy is felt for Japan and her financial situation, and hope is everywhere expressed for Japan's economic recovery and development. The range of goods exported by the United States, which are affected by Japan's 1924 luxury tariff schedule of 100 per cent, are principally manufactures which may be produced in the industrial nation of Japan, given tariff protection. Leather products, soaps, textiles, jewelry and watches, photographic materials and equipment, including films, umbrellas, games and toys, and even such important foodstuffs as fresh, canned, preserved, and dried fruits and vegetables, honey and cheese—all these are affected by Japan's 100 per cent luxury tariff.

It is important to note that Japan's luxury tariff is not discriminatory against the United States but applies to identical commodities from all world sources. In cases where Japan has made concessions, by commercial treaty, to other countries, like France and Italy, the United States is given the same treatment.

Japan-United States commerce will flourish in highest degree when tariffs of both countries are liberalized. Present free entry into Japan of raw cotton, and free entry into the United States of raw silk, suggests the possibility of freer exchange of goods.

One of the recent slogans that has found wide acceptance in our American business life is "less Government in business and more business in Government." It is the commerce of a country that furnishes the life blood of a nation. Where commerce both local and foreign stagnates through too much Governmental interference, the

ships disappear from the seas and the marts of trade are closed.

It is only through the careful and watchful attention and participation of the business man in national affairs that grave mistakes of policy both foreign and domestic are avoided, and an even balance is maintained between the different departments of the Government.

It is clear to all of us that business is synonymous with trade, and it is almost a platitude to remark that we can only sell to those who can buy, and the prospective buyer of our commodities can only pay either in gold or in goods. In the present world situation we find gold concentrated in the hands of two countries, France and the United States. As a result, the peoples of this Pacific area, in their trade with us, have no alternative but to pay in goods.

That the normal and healthy exchange of commodities should proceed with as few obstacles as possible must be obvious to all. It should be equally apparent that indiscriminate and unconsidered tariff barriers present the most obtrusive obstacles which foreign trade has to surmount. Rapid transportation and communication are rapidly reducing old geographic boundaries to mere fictions.

However, the recognition of the deleterious effects of such a policy must not be construed as meaning an advocacy of free trade. We want neither free trade nor do we want excessive protective tariff walls. All thinking men devoted to the promotion of foreign trade should desire, advocate, and strive for a policy of reciprocal tariffs worked out by competent authorities on commonsense bases, informed by a comprehensive knowledge of the pertinent facts and supplemented by the fullest consideration of both the direct and indirect effects likely to result therefrom, to the end that foreign trade, assisted by reciprocal tariffs, may be stimulated to renewed activity and follow unhampered its normal course of healthy expansion.

In brief, tariff reciprocity represents the square deal. In addition, it expresses, if you like, an enlightened self interest, since continuously mounting tariffs prove in practice to be boomerangs ruinous to the very people they were designed to assist.

All of us who seek to understand this great Pacific area and the

Orient in particular realize how many profound problems exist—problems which spring on the one hand from the racial and cultural differences of the peoples concerned and, on the other, from varied and often conflicting national interests, both economic and political. The policy of the United States in its dealings with China and Japan presents a history of which none of us need feel ashamed. With one notable exception which later I shall indicate, our relations with these two great nations have been marked by justice and tolerance and have been animated by an understanding sympathy for their economic and social aims and aspirations and a true desire for the promotion of mutual understanding and good will.

OPEN DOOR IN ORIENT

The corner stones of our policy have been the maintenance of the "Open Door" and the territorial integrity of China. The "Open Door" policy may be summed up in the statement that it represent the square deal and equality of opportunity for all concerned.

The first treaty with China was signed in 1844. In 1848 the annexation of California established our flag on the Pacific and at once plans were discussed for the establishment of trade by steamship between the great port of San Francisco and the Orient. In 1854 Commodore Perry signed the memorable treaty which established our trade with Japan. The acquisition of the Philippines in 1898 following the war with Spain placed us securely on the threshold of the Orient. These Island possessions in the Far East brought with them new responsibilities and immeasurably quickened our interest in the future of Asia. In the next year, 1899, John Hay, then Secretary of State, addressed his historic notes to the great powers formulating our policy in these words: "To insure to the commerce and industry of the United States and all other nations perfect equality of treatment within the limits of the Chinese Empire," and in addition, "to remove possible causes of international irritation and reestablish confidence, so essential to commerce."

This policy was intended to curb and regulate the activities of the Powers in their spheres of influence, to avoid conflicts between the varied interests concerned, and to make impossible the partition

of China. In addition it was intended to foster and encourage American trade with the Orient, unhampered by selfish national interests. This policy was reiterated again by Hay after the Boxer Rebellion and by 1904 all the great powers had announced their acceptance of the principle. We not only initiated the "Open Door" policy but we have ever since been its sponsor, protesting vigorously on all occasions when others seemed to be attempting to negate it.

The treaty of Portsmouth in 1905 committed both Russia and Japan to the principle, Japan declaring herself for the "Independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industries of all nations in China." A final official acceptance and confirmation of the policy was given in the Open Door treaty, signed during the now famous Washington conference of 1922. We should take particular note of the fact that Japan has through her authorized representatives, not once but several times within the last few months, reiterated her position in Manchuria, openly declaring herself the champion of equal opportunity and the open door for all nations. First on October 13 last at Geneva; second on December 28th, 1931, through Prime Minister Inukai, who in addition behalf of his country, cordially invited participation and cooperation in Manchurian enterprise; third on January 16, 1932, in her official reply to our query in regard to the completion of the Japanese occupation. Now since these pledges stand in strong contrast to the current popular impressions created by recent events it may be well worth while for us to examine briefly just what the "Open Door" actually means in concrete terms to some of the great nations of the world and in particular to the United States.

Since 1907, the year in which the Japanese took over the management of the South Manchurian railroad, the growth of Manchurian trade has been phenomenal in its extent and rapidity. In 1907 the trade of Manchuria, estimated at 52 million Haikwan Taels, was less than 10% of the total trade of China; by 1929 it constited 21% of the total trade of China and was estimated at 755 milllon Haikwan Taels or an expansion of 1500 per cent in 22 years. In viewing this extraordinary growth we should note that

from 1920 to 1929 the excess of exports over imports averaged about 80 million Haikwan Taels per annum. The following table shows in comparative form the general trade position of the principal countries concerned at the end of 1929. These are the latest figures available. The values given in these tables are in old Customs Hai-kwan Taels worth about 60c. In 1930, owing to the drop in silver, customs dues began to be collected in gold units equal in value to 40c.

MANCHURIAN TRADE

Countries	Imports from	Exports to	Total
Japan	138,750,000	168,858,000	307,608,000
Soviet Union	15,747,000	40,282,000	56,030,000
Great Britain	12,483,000	22,377,000	34,861,000
U. S. A.	25,922,000	12,167,000	38,089,000

The vast extent of the undeveloped resources of Manchuria is so well known that it is needless to go into them here.

Covering Manchuria's most conspicuous industries, I offer for your consideration some comparative tables covering exports and imports to and from four principal countries. These are taken from the Manchurian Year Book of 1931 and cover the trade for 1929, the latest figures given.

MANCHURIA'S EXPORTS TO

(In Haikwan Taels)	Great Britain	U.S.A.	Germany	Russia
Soya Beans	17,511,000	68,000	235,000	25,070,000
Other beans	341,000	38,000	27,000	481,000
Silk products	3,000			
Chemical products	299,000			15

MANCHURIA'S IMPORTS FROM

	Great Britain	U.S.A.	Germany	Russia
Cotton piece-goods	1,018,000	800,000	77,000	1,717,000
Woolens—mixed	2,314,000	18,000	1,603,000	15,000
Miscellaneous				
piece-goods	264,000	20,000	148,000	108,000
Chemicals and				
medicines	1,706,000	59,000	250,000	234,000
Dyes and Colors	1,877,000	51,000	192,000	149,000

Note: — A well-informed though unsubstantiated rumor explains Russia's advance in this field on the ground that Russia has largely increased the sale of piece goods recently by inducing certain British firms to sell these commodities for her at prices with which not even the Japanese can compete. In compensation Russia has granted to the British firms mentioned the right to obtain certain otherwise unobtainable products from Mongolia, which is, as everyone knows, virtually a Russian province.

MANCHURIA'S EXPORTS TO

	Great Britain	U.S.A.	Germany	Russia
Bristles	237,000	321,000	58,000	
Hair and feathers	103,000	246,000	28,000	
Leather and hides	675,000	1,754,000	41,000	50,000

MANCHURIA'S IMPORTS FROM

	Great Britain	U.S.A.	Germany	Russia
Silk piece-goods	31,000		97,000	7,000
Iron and Steel	812,000	842,000	343,000	2,786,000
Machinery	1,026,000	1,723,000	1,584,000	857,000
Vehicles	235,000	3,580,000	381,000	388,000
Railway material	27,000	696,000	15,000	264,000
Electric material	50,000	373,000	228,000	351,000

Note: — The Far East is turning increasingly toward electricity as a source of power. Leaving out of account the two exclusively Russian and Japanese lines and the Peking-Mukden Line, there are in Manchuria some 1,300 miles of railways which are bound to see great developments in coming years. It seems clear that Japan will not be capable of supplying all their needs.

Because of the two important companies, the Indo-China and the British China Coast, Great Britain, with the exception of Japan leads the world in the shipping of the Port of Dairen. There is, however, a growing tendency on the part of long distance ships of other nations to call at Dairen. These great vessels always impress the Chinese shippers and we may see other nations pressing Great Britain for this supremacy.

The recent disturbances in Manchuria and Shanghai have once again focused public attention upon the unfortunate situation now existing between Japan and China. It is not for us at this Foreign

Trade Conference to take sides in this controversy but to touch only on those features of same which have to do with Oriental commerce and trade. We look upon both China and Japan as friends desiring with whole-hearted sincerity an early and amicable settlement of the differences and misunderstandings which have precipitated the clash.

CHINESE BOYCOTT OF JAPANESE GOODS

In her dealing with Japan in case of hostilities China has found her most effective weapon to be that of the boycott. It should be understood that in the last five years the successive boycotts against Japanese goods have gone far beyond the mere refusal to buy such goods, but have been instituted and enforced by powerful agencies, which have exercised the police powers of a government but which have not been controlled by the Chinese governmental authorities. An attempt to estimate the effectiveness of the Chinese boycott of Japanese goods which in certain regions has been increasing in intensity since September last, is complicated by other factors such as the general depression of trade throughout the world and the abandonment of the gold standard of Great Britain in September. The total decrease in exports to outside countries from Japan (excluding Hongkong and Kwantung) in 1931 over the preceding year was 22% and the decrease in Japanese exports to China during the same period was 40%, from which it may be gathered that Japan's export trade with China decreased approximately 18% in the year 1931 as compared to the preceding year.

Comparing the months September to December, 1931, when the Manchurian trouble developed, to the corresponding period in 1930, Japan's exports to China (excluding Honkong and Kwantung) fell off 65% during the last four months of 1931 as compared with the same period in 1930 and 68% in January, 1932, as compared to January, 1931. The boycott movement measured by percentage decrease in purchase of Japanese goods has been most effective in South China followed in turn by Central China, Hongkong and North China.

Of the shipping along China's coast and inland waterways, Japan

in 1929 controlled over 27%. This has been seriously affected by the boycott, one important Japanese company operating on the Yangtze being forced to lay up its ships and other Japanese shipping firms suffering heavy losses newspapers report that as early as October, cargo work on Japanese ships had become impossible at Canton, ship's crews having to unload freight. Japan's share of the carrying trade to and from China has also been seriously affected and in several cases virtually eliminated. The American Commercial Attache in Shanghai reported in January that during the last three months of 1931 "Importers bringing in cargo on indent for Chinese, requested their representatives in foreign countries not to ship by Japanese ships owing to the fact that the Chinese would refuse to take delivery. In the same way, export cargo in those cases where Chinese middle-men had any connection therewith was shipped through other lines."

Japanese trading firms in China have found it almost impossible to conduct business, Chinese compradores have in most cases left their employ, Japanese banks have been widely boycotted, and small Japanese industrial and business units in China completely snuffed out.

THE GOLD STANDARD AND INTERNATIONAL TRADE

The question pressing us at the moment is to be done in the peculiar emergency growing out of the abandonment of the gold standard by our principal competitors in international trade. Great Britain's exchange is down to \$3.40; Canada's is off 17½%; Japanese yen is quoted at 32c as against par of about 50c.

The temporary effect of the lowering of the value of the currency of any country is to lower its cost of production and thereby give it an advantage in its exports but also decreases its purchasing power and therefore decreases our exports to it. Our goods produced on a basis of cost in gold dollars if sold in Japan with a cheaper yen have to be sold for more yen. This increases the price in the same way that an additional tariff might do. In most respects, however, these effects are only temporary and in the long run if the value of the money unit goes down, wages and prices go up to correspond; then the situation is just what it was before and the

only difference is in the number of money units that are counted. The advantages and disadvantages of deflation therefore last only through the period of readjustment. There is, however, one permanent advantage of doubtful quality. If the lower value of the money unit of any country is permanent, an internal public debt of one million yen, payable in yen, is still payable in one million yen even though these yen have less value. Germany abolished her internal public debt in this way and a number of the other European countries greatly reduced their debts in the same way. Otherwise the commercial effect of a change of standard disappears when prices and wages have readjusted themselves to that standard.

It seems clear that America should not yield to the temptation to depart from the gold standard in order to meet this temporary competition and it is not at all likely that our government will seriously consider such a step.

And now let us return to our own country and consider what we may do in preparation for the part which we should play in this great arena of world affairs. We should strive sincerely to remove all causes of friction and misunderstanding which now exist between ourselves and the peoples of the Orient, looking toward the establishment in the future of a greater measure of mutual confidence and good will. A tangible gesture in this direction was pointed out to you most cogently a year ago by ex-Governor Wallace R. Farrington, of the Territory of Hawaii, who said to you in part:

"We have an error on our own account to correct..... Under present-day immigration conditions the exclusion law as applied to the peoples of the Orient is a wholly unnecessary affront to peoples whose good will and whose respect we are ambitious to enjoy. Time and events have brought us to a scientific method of immigration control. We have the quota law for all nations outside the Orient. There is every reason why our country should apply this law to the peoples of all nations outside our immediate neighbors of the North American Continent."

Friendly relations between nations is contingent upon a nice consideration of such things as pride, national honor, and the like,

and the careful adjustment of our international relations in conformity with a spirit of justice and fair play. All things being equal, price and quality acceptable, business goes to our friends. And, therefore, in view of this, it is fitting that we consider the situation which has arisen in the Far East, as a result of the United States Immigration Act of 1924, and the consequences of that act as it affects our relations with the Orient.

Oriental immigration prior to 1924 was regulated in the following ways: by the Chinese Exclusion Act of 1882, all Chinese immigrant labor was barred from entrance into the United States; by the Asiatic Barred Zone provision of the 1917 law, all Hindus and other Asiatics were similarly barred; up to 1924, immigration from Japan was regulated by President Roosevelt's "Gentlemen's Agreement," entered into by Roosevelt and the Japanese Government in 1908.

At the time the 1924 law was under consideration, the just and logical procedure would have been to place Japan and other Oriental countries on a quota basis. This, however, was not done, but instead a clause was introduced into the law which debarred, with minor exceptions, all aliens ineligible to citizenship. Both Secretary of State Hughes and President Coolidge, as well as numerous others in high positions, protested vigorously against this unjust discrimination against our most powerful neighbor in the Orient. In view of our past friendly relations, this act on our part seemed to the Japanese incomprehensible. It was a blow to their pride, a slap in the face, since it implied that they had not lived up to the "Gentlemen's Agreement" and, in addition, that they were not on an equality with the European nations. And it was so gratuitous, because a survey of the whole question of Japanese immigration, from its inception in the early nineties, would show that at all times Japan was anxious to cooperate with the United States in the solution of this domestic problem.

Now, if Japan and other Oriental countries were placed upon a quota basis, what would be the result? Placed under the operation of the quota law, Japan would have a quota of 185 per annum and China a quota of 105 per annum. Let me emphasize to you that

the granting of quota to Japan, China, and other Asiatic countries will not in any way affect such questions as our Alien Land Law or citizenship through naturalization; that it is in no way concerned with one's personal opinions regarding standards of living, birth rate, or assimilability of the Japanese or other Orientals already in the state. It is of greatest importance that these facts be kept in mind, as the quota question has often been badly confused through the introduction and subsequent discussion of these extraneous and irrelevant considerations.

Moreover, it must be kept in mind that these quotas, 185 for Japan, 105 for China, and a minimum quota of 100 for British India and other small Asiatic states, would in actual practice to a very large extent be filled by Occidental nationals who stand in a preferential position. From this it is apparent that the numbers involved are negligible, and I stress it here only because many people have been misinformed in this matter and have come to believe that the granting of quota to Japan and China would open the doors to a large and very dangerous influx of Orientals. As you readily see, this is not the case. Looked at in any unprejudiced way, the quota system applied to the countries of Asia would constitute in actual practice rigid exclusion.

Continuing with the broader aspects of our relations with the Far East, the attitude of our government, its authorized and official acts, and above all, the extent to which it assumes a spirit of friendship and cooperation, I am sure you will all agree with me when I say that the first step is the creation of goodwill. We as business men in these days when the question of the distribution of our products is uppermost in our minds, know how immensely valuable is the attitude of mind that our customers bear to us. Mr. Owen D. Young, in his magnificent speech delivered before the Convention of the National Light Association in 1930 in San Francisco, stresses this point. I cannot do better than to quote from his remarkable address:

"One cultivates his potential buyers. He does not rebuff them. He seeks their friendship and their goodwill. If they need credit he extends it. If they have goods which he can

take in exchange without curtailing the business of his own country, he makes it a point to take them. Is that the attitude of America today toward her potential customers? Are we creating good will or bad will in the countries where they live? Are we interesting ourselves in their welfare? Are we concerned about their living standards? Are we extending them credit through our financial machinery? Are we cooperating with them politically in order that they may improve their conditions? Are we making friends, and so creating an attitude of mind, a spirit of relationship which will convert potential customers into actual ones? I venture the prediction that we must do so if we are to conserve our own economic structure, not as a matter of charity, but of self-interest. The people of America, and particularly the farmers with their agricultural surplus and the wage earners with unemployment, must learn that the solution of their problem lies, not in a narrow isolation of America from the rest of the world, not in an insulation of our economic structure, but in the broadening of our interest, the extension of our aid, the development of our credit machinery, the improvement of the economic conditions of other folks in order that they may buy what we so badly need to sell."

To bring about this attitude on the part of our government, and to educate public opinion to substantiate such an approach, we have urgent need of courageous, competent leadership, farsighted, wise and informed; leadership which is free from the desire to promote the narrow aspirations of any selfish interest whatsoever; leadership at once internationally minded and animated by a determination to seek international good will and understanding as the only sound basis for progressive development of trade relations in the Pacific.

Here our opportunity lies: leaders may in this great Pacific Basin devise new ways and means, set forth new policies. We still inevitably drag with us the policy and approach of the Atlantic Coast and the European trade. Each year in the future will see the trade of the Pacific growing in comparison with that of the Atlantic

and in a briefer time than any of us realize, the Pacific trade will surpass that of the Atlantic, not only comparatively but actually. How that trade is conducted will depend upon the wisdom of our leaders and the breadth of their vision; their ability to see beyond the immediate present, and their individual problems; upon the policies which they adopt; and upon the quality of their approach to the great problems of the Pacific which face us all.

3. TRANS-PACIFIC COMMUNICATIONS RATES

By. T. YAJIMA

Delegate from the Osaka Chamber of Commerce and Industry

CHAIRMAN AND GENTLEMEN:

The command of telegraphic service at reasonably cheap rate is really one of the fundamental prerequisites of international trade in modern times.

In the age when we had no facilities of cablegram, we communicated with each other by letter. The present age ignores distance and time by the facilities of communications—letters only being a means of confirming telephone and telegraphic messages previously exchanged. This is the civilized means of transaction of business, both national and foreign.

But to my great regret, business transactions between America and Japan are being operated sometimes by letter, aided to some extent by means of cablegram—both submarine and radio—on account of the high rate of transmission.

Just after the war, in 1919, it took about four or five days for cable communication between America and Japan, and vice versa, owing to less efficiency in operation. At that time we, the Japanese business men, had considered laying a submarine cable between America and Japan for the purpose of promoting business relations between the two countries, cooperating with American business men. But on account of the rapid development of the radio, we established a new wireless telegraphic enterprise in Japan instead of laying submarine cable in the Pacific, which I had hoped would have an effect on lowering the rates and facilitating business transactions between the two countries.

Yet the rates in the Pacific, between America and Japan, are still much higher in comparison with those in the Atlantic, between America and Europe. We can understand, to some extent, why rates should be much lower between Europe and America than between

Japan and America, considering the respective differences—not only in distance, but also in the volume of trade and the frequency of communication. Also, the telegraphic service between Europe and America is much more developed, due to its having been founded many years previous.

But it is not so easy to understand why telegraphic communication with New York, with which we have maintained and shall maintain the closest commercial relations, should be much more costly than with points in Europe. We pay 3.45 francs per word from Europe to Japan, while the rate is 4.20 francs from New York to Japan. This appears hardly fair, especially from the point of promoting business relations between New York and Japan for the benefit of trade between America and Japan.

As regards the rates between San Francisco and Japan, they have been reduced twice; yet we find land rates between San Francisco and New York still high, which, I think, has shown practically no change during these last few years.

In view of these circumstances, it is to be earnestly hoped that the matter in question may receive careful and deep consideration by the National and Pacific Foreign Trade Conference so that the rates, if too high, may be replaced by moderate ones for the benefit of trade between America and Japan. We must remember that lower price leads to greater utilization. When we obtain lower rates on telegraphic messages we will have more opportunity to utilize the service and thus increase the earnings of the telegraphic companies. Thereby we shall find that a reduction of rates for transmission of messages will increase business between the countries concerned, working to the benefit of the traders and telegraph companies.

Once again allow me to call your attention to the submarine cable project, which, as I have said before, was considered by a group of Japanese business men in cooperation with a group of American business men in 1919. It is my opinion that the present does not warrant its further consideration. However, when economic conditions improve, and business flourishes we may have the

opportunity of negotiating with America in regard to this important project.

4. TARIFF AS TRADE BARRIER

By K. SEKO

Japan Economic Federation

Chairman and Gentlemen :

During my business career of nearly forty years as an international trader I have never experienced any situation equal to the world's present economic crisis; and during my sojourn of twenty-two years in New York I do not remember that trade between America and Japan was ever in such an unsatisfactory condition as it is today.

All of us know that there are many causes which have brought us to such a deplorable state; such as the overproduction and poor consumption of agricultural and industrial products; homeproducts-using campaign; continued slump in prices of almost all commodities and securities; unequitable distribution of gold; shrinkage of credit; gold embargo; exchange fluctuation; slump of silver; Soviet Russia's practice of underselling her products without consideration of cost; extraordinary large number of unemployed; and above all—the most important item, of very rapidly increasing tariff by almost all countries of the world.

Though probably a very few of these difficult factors have already passed their worst, yet we are facing most of these difficulties in the severest form. However bad the condition may be, we will have to continue to work with increased energy and patience to bring about, even slowly, a brighter and healthier condition.

In regard to the tariff question, since the close of the Great War, especially during the last two years, we have been watching with great anxiety and horror, rapidly increasing tariff rates of almost all the countries of the world. The countries bordering on the Pacific Ocean, almost without exception, have either led or followed up this practice. The United States of America did not fall short of this group of the tariff-raising countries. On the other hand, Japan continued her policy of keeping tariff rates on a very reasonable basis.

The present-day basic principle of extremely high tariff countries is to tax on the difference between the selling cost of exporting countries and fair market price of importing countries, such price including the cost fair profit and amortization. Every separate item on the list of goods recommended for protection on such basis finds some enthusiastic advocates who also add the argument that it provides work for the unemployed, increases national income and keeps money in the country.

If we continue to go on with such practice of raising tariff rates, already too high on many articles, the trading doors of most countries of the world will practically become closed, except for some raw materials.

Such economic state may appeal very reasonably to the extreme protectionists, and to the mind of the political advocates of protection. After all, the results of such extreme protection or prohibition will surely be higher cost of living, retarding culture and civilization, and be liable to bring unrest, discord and quarrels among nations. The trade between the United States of America and Japan has so far been comparatively satisfactory; Japan buying very large quantities of American cotton (America's export to Japan is the largest of all), with tendency of rapid increase. Besides, we take some farm and forest products, not to speak of a great many varieties of manufactured articles. America in return imports from Japan very large quantities of raw silk, and some semi-and wholly manufactured articles. While Japan-American trade situation is as such at present, the future will probably be quite different. Japan is in a position to continue to import from America very large quantities of raw cotton and moderate quantities of various other articles. America's demands for raw silk may decrease, or at any rate may not increase, owing to the increasing use of artificial silk. Import to America of other Japanese products may become less and less as a result of the extremely high tariff. The future outlook from the standpoint of Japan is such.

However, by fair play, mutual concession and reciprocal spirit working with courage and determination to better the situation on both sides, we may be able to turn the tide, resulting in better and

mutually increasing trade.

With such a view in our mind we Japanese shall continue our efforts to bring such desirable situation about and to let it continue, in which we feel sure American friends will not hesitate to coöperate.

5. THE BOYCOTT IN CHINA

By. Dr. M. TAKAYANAGI

Delegate from the Osaka Chamber of Commerce and Industry
Osaka, Japan

We are meeting at a time when Japan is receiving rather more publicity throughout the world than she appreciates; and, in view of the reactions in some parts of the world that have been reported, I hope you will be patient with me while I try to give you a brief outline of the causes of the present conflict with China. You may think that at a commercial gathering politics ought to be tabooed, but in this case the whole trouble comes about through politicians not leaving commerce alone.

I might, however, easily point out that, both in Manchuria, on September 18th last, and in Shanghai, on January 28th, Chinese soldiers put the match to the powder magazine by their wanton attacks, in the first case on the railway, and in the second case on the Japanese marines who were participating in the protection of the International Settlement. That is a point which I shall not stress, however. The trouble is that the powder magazine was unfortunately there.

As an old proverb reads: it takes two to make a quarrel. But human nature does not always find it possible to avoid it. Especially is this the case when a progressive nation has for its near neighbor a nation who possesses all the necessary elements for progress, but prefers to be unprogressive.

International agreements nowadays make it obligatory that commercial enterprise should have the right of penetration into all countries. Commodore Perry told us that some eighty years ago, and, though we did not like it at the time, we saw that he was right. Since then America and Japan have enjoyed one another's respect, though both have also experienced difficulties with a near neighbor who was less ready to see the signs of the times than Japan was. When disputes between neighbors who differ so greatly are settled, for the time being, it is inevitable that the unprogressive

one should feel dissatisfied with the terms. In China of late years this dissatisfaction has been seized upon for the promotion of political party aims; and it is significant that the most successful one has been the Nationalist party, namely, Kuomintang, which made political capital out of its resentment against Japan, and used this foreign bogey to divert attention from its lack of serious intent to lead China along the path of progress; by way of keeping the adherents of the party occupied, the Kuomintang has, for a good many years past, taught them to use the boycott as a national policy against Japan, and from time to time against other countries as well. If individuals spontaneously boycotted Japan, it would be useless to complain. But, these boycotts are really an act of hostilities against us, if not war, and in no particular are they more warlike than in their organization. They fluctuate in their intensity. During the past twenty-five years we have seen at least ten boycotts carried out against Japan, their vehemence increasing owing to their success and to the immunity which their promoters have enjoyed. Both China and Japan have suffered economically in consequence, and so have other countries against whom trade boycotts have from time to time been directed.

There are three characteristics of the boycott movement which I should like to point out.

First comes its political character. The Kuomintang has become the only party in China, and is the parent of the present National Government. It has branches in all the principal cities, and one of its chief political activities is to organize anti-Japanese associations. The party is not without serious internal discords, but can always rally with a show of unanimity to an anti-foreign cry. Its movement has the object not merely of causing a temporary injury, but of making such an economic gulf between China and Japan that our rights and interests in China will be altogether lost.

Secondly, the boycotts are always conducted with violence. There is what I might call the orderly violence of simply preventing the transportation of Japanese goods, which, besides preventing trade, also cuts off the necessities of life from many Japanese residents; and there is also the disorderly violence committed in the seizure and

confiscation of Japanese goods whether in the act of transportation during storage in warehouses, or when offered for sale—offences which have been committed even in the International Settlement of Shanghai and when the goods were still in custody or possession of Japanese. Chinese merchants, dealing lawfully in Japanese goods, are made to pay heavy fines of all kinds. When they either cannot or will not pay, they are confined in wooden cages, which are exposed at the corners of streets or are dragged round public thoroughfares, with placards describing them as traitors or by other opprobrious terms.

Thirdly, all educational organs, from primary schools to universities, are used for the propagation of anti-foreign sentiments, namely, xenophobia. Whatever the Nanking Government may disclaim regarding its complicity in the boycotts, how can it explain these anti-foreign teachings, whereby, from the earliest years, the rising generation of China is taught hatred of foreigners and taught to regard foreigners as their natural enemies? Books on geography, history, literature, even on music, are full of absurd stories for this purpose. In a collection of Chinese classbooks and textbooks I have counted up five hundred chapters of anti-foreign material, out of which over two hundred and eighty were directed against Japan. Two hundred and twenty were either anti-foreign generally, or were directed against other specific countries—which will, I think, convince you that it is not merely a question of one country's loss being another's gain. It is highly deplorable that all of us are losing our legitimate business in China.

It would be to our mutual interest, and to the interest of every commercial nation in the world, if China were well organized and orderly. Disorder keeps China poor, and holds back the progress of all who would either sell to her or buy from her. Though Japan is small in area compared with China and has only one-sixth to one-seventh of its population, yet, if you examine the trade returns, you will find that Japan is a much better customer of the principal trading countries than China is. A peaceful and prosperous China would be of the greatest value to the world at large.

Warlike action is rightly unpopular with the nations today, and

Japan is among those who have pledged themselves to abandon it as a political weapon. Japan has no wish either to destroy her trade or to antagonize her neighbors. I think, therefore, that at an international meeting like this I may contribute, in however small a degree, to a happier future by asking you to appreciate the facts and the necessities, of the situation. I do not seek to alienate your sympathies from China. Rather would I invoke those sympathies, and ask you to do all you can to help China in the formation and the prosecution of a wiser policy. To become a full member of the comity of nations, China needs all the patriotism of her people; but patriotism is a sentiment which is fatally easy to misuse or to corrupt. The Chinese are an industrious people and are good traders. However warm your sympathies with them are, you cannot regard recent Chinese policy as having been wisely directed. All that I would ask you is to use all your influence in guiding China along those paths of peaceful neighborliness in which alone trade can flourish and civilization progress.

6. OBSTACLES TO TRADE

By A. MORGAN YOUNG

Editor Japan Chronicle, Kobe, Japan

Representing the Kobe and Osaka Foreign Chamber of Commerce

I appear before you today as a man with a reputation—I do not say that it is a very wide one or even a very good one, but such as it is, I invoke it on behalf of what I am about to say now. Many of my Japanese friends regard me—not, I am sure, as an enemy of their country, but as what they call “anti-Japanese.” But those who are kind enough to read the stuff that I turn out are generally ready to acknowledge that what they do not like in it is put there not out of any malevolence but because I apply certain standards of criticism to all cases. Some hold that, being a stranger in the land, I should regard myself as a guest; but in fact, I regard myself rather as one of the family, and consequently assert my right to say nasty things when I feel so inclined, and it is from this very fact that, when I have left the shores of Japan for a time, I feel that I have some right to speak on behalf of the family.

I hope you will forgive this egotistical beginning, but I am here as a delegate of the Kobe and Osaka Foreign Chamber of Commerce, and, while we sometimes have little tiffs at home, in regard to our various rights, our interests, in regard to the outside world, are very much at one with those of our Japanese friends. On this occasion I have been asked to speak on the subject of boycotts and of interferences with trade in general. And first I would like to say that I think we are apt to lose sight of the fundamental fact in trade, namely that it is an exchange for mutual benefit. We have got into the habit of regarding the buyer as a godlike person whom we must propitiate and whose favors we must seek. “The customer,” an American commercial maxim says, “is always right.” I certainly do like courtesy in commerce, but when I buy a suit of clothes or a dinner, I feel that I am receiving something of real value and that I am giving something of very dubious value in exchange. Perhaps I am in a very inconspicuous minority in this feeling, but I am sure that if the idea of the mutual benefit of every trading transaction

were kept better in view, there would be a different and a juster feeling on the subject of embargoes, tariffs, boycotts, and all other hindrances to trade than there is. Perhaps the crisis through which the world has been passing, and out of which it has not yet completely emerged, will not have been altogether in vain if this one principle is better recognized as a consequence. We have heard of places and communities where, owing to a shortage of currency or to the doubtfulness of its value, attempts have been made at barter. This is evidently a very clumsy and primitive method, but it has the useful quality that it keeps in view the essential nature of the transaction. That mischievous distinction between buyer and seller disappears. Cash is simply a means of measurement, and as science consists very largely of measuring things, cash is to that extent scientific and progressive; but we make a mistake when we allow it to become an end in itself instead of merely a means.

Trade has so important a function that I think I am not exaggerating when I saw that it is the basis of civilization, and should be regarded as something almost sacred—not as an instrument for political intrigue and unfair advantage. It has been the fashion of late years to refer to the trader as a middleman and to preach the necessity of squeezing him out; but in actual practice the producer has his time fully occupied in producing, and it is the merchant who has to find his markets for him. The old story-tellers of the Arabian Nights had the right idea. With them there was no distinction between kings and traders. We find the merchant of today sitting on the throne tomorrow, and the king who has been let down by politics shouldering his pack and retrieving his fortune on the road. We cannot be free unless trade is free. Napoleon called the English a nation of shopkeepers, but the shopkeepers vindicated their high calling.

Trade and freedom being so closely connected, then, we shall not be far wrong in assuming that everything that interferes with the free exchange of commodities is an evil and a sign of oppression. Among these interferences I should most decidedly include all protective tariffs; but I understand that this particular subject is in much more competent hands than my own, so I shall refer to these

only in so far as they are related to and are of the same nature as commercial boycotts. Of late years, boycotts, like tariffs, have acquired a prominence which they seldom had in earlier stages of our history; certainly they have been more widely spread and have had more serious political results. To the small public which is kind enough to read what I write, I have sometimes preached on the subject of tariffs as the enemies of international peace; and the same criticism is valid of boycotts. "But you cannot force people to buy your goods if they don't want them," it may be said. The reply to this is that if they did not want them, there would be no attempt to prevent them from buying them. In the case of both tariffs and boycotts, there is a good deal of acquiescence on the part of the sufferers, gained by an appeal to their patriotism and even by the promise that they will themselves benefit in time by their present sacrifice; but this does not diminish the fact that the method is one of compulsion, and that the promoters are often inspired by selfish and even corrupt motives. As regards boycotts, they have, unfortunately, been exalted by people the softness of whose hearts was not balanced by a hardness of their heads, into the likeness of a weapon by means of which the weak can defend themselves against the strong. But we have heard the cruel and deadly submarine defended on the same grounds. It is not my province today to discuss the political rights and wrongs of the Asiatic continent: it does not even come within the objects of this conference; but, since the boycott system has developed so potently, and has become a serious hindrance to legitimate trade, it has become a proper subject for discussion here.

The history of boycotts in China is one that is becoming voluminous; yet the word itself is not very old. There is no need for me to recount how the word came into use after the ostracism of an Irish land agent whose tenants and neighbors found him oppressive. The story is always related as though it were one of a spontaneous movement by which poor and helpless people got the better of an oppressor. But we may be permitted to wonder whether those who really made it impossible for the agent to remain at his job by refusing to sell him the necessities of life, would have refused to do their little bit of trade and make the small profit they needed had they not been threatened with violence, if they exercised their

undoubted rights. Unless all subsequent boycotts have been named after a movement of a character entirely different from themselves, the original boycott was organized by those who would not in any case have sold anything to the agent, and was forced upon those who enjoyed his custom.

One of the first of the political boycotts that have become so common in China was that enforced against the United States owing to legislation there which discriminated against Chinese; but it hurt the wrong people on both sides of the Pacific. From time to time since then there have been boycotts, now against this nation's goods, and now against another's, till most of those who have important commercial contacts with China have suffered in their turn. In the course of the natural development of trade, Japan's share become more and more important, and she has accordingly suffered in a greater degree from these demonstrations, until, during the past year, things have reached such a pitch that there has been a serious explosion.

It is no part of my business today to try and allot blame. In nearly all international disputes there are faults on both sides, and at the best we can only say that one was more blameworthy than the other; my point is rather that the boycott is an altogether wrong method of attack or of defence. It has developed a technique as time has gone on, of which there are several aspects, and it is hard to say which is the worst. Perhaps this inglorious eminence should be accorded to the fact that boycott has become a weapon of the Government. It has become rather too much the fashion, when speaking in a derogatory manner of China, to ask the foolish question, "What is China?" and to say that there is one Government here, and another there, and that the writ of none of them runs beyond a certain circumscribed area. But it would be foolish to expect a highly centralized form of Government to succeed the dissolution of an Empire which never was centralized but which get on very well in its loose-knit fashion. Chinese Governments are effective enough within their areas, and in the more recent boycotts it is idle for them to disclaim all knowledge of or responsibility for them. To do so is only to imitate the Moscow Government when it points out that it is not responsible for the doings of the Communist party.

It might have been supposed, quite recently, when a very determined boycott broke out at Shanghai and along the Yangtze generally, with events in Korea and Manchuria as its reason, that this indicated a very highly centralized organism; but this is considerably discounted by the fact that at the same time there was a vigorous suppression of the boycott (for a time) in Canton. The fact was, of course, that the Canton Government was, in order to get the better of the one at Nanking, trying to secure the favor of Japan. Here we have an illustration of the freakish manner in which international trade is tossed to and fro for the furtherance of political intrigue. It is surely more important that people should live at peace and evolve their economy than that political adventurers should destroy the very bases of trade for the furtherance of their own interests. Nor can the trader ever be sure where he stands. A boycott may be started suddenly, but unless there is some particular object in ending it, it drags on interminably—just as long, in fact, as anybody is making money out of it. The sufferers have various accounts of how it is conducted, and these accounts seem at times incompatible with each other. They all fall into their place when considered as means of turning a dishonest penny. Perhaps the only promoters who are honest in their aims are some of the student bodies, who love to feel that they are exercising power and that they are hurting somebody, these being strong motives with the young. No rigid line can be drawn between these and the people who regard the boycott as a means of replenishing party funds. Nor again is there any sharp distinction between those who collect on behalf of the party and those who have to raise a due reward for their own political activity. The laborer, they no doubt consider, is worthy of his hire. Subordinate helpers are enrolled for the work, so that we find all classes participating, from prominent party leaders down to gangs of coolies. They set up a sort of unofficial Customs House, and their organization has some of the inconsistencies of the official Customs House: notably that its professed object is to protect the country from the invasion of certain foreign goods, but that, so long as sufficient money is forthcoming, these goods will be passed. Out-side the organization there is naturally a great deal of private enterprise. There are many stories of powerful officials and wealthy merchants

starting boycotts for the express replenishment of their own purses and for influencing the market favorably for themselves. It is often pointed out that the Chinese themselves are the greatest sufferers. It is the Chinese merchant who is black mailed, the Chinese consumer who has to make good the merchant's losses by paying higher prices. From time to time there is also destruction on a large scale, the boycotted goods having accumulated in large quantities, beyond the capacity of anybody to pay the necessary blackmail. Among the most deplorable effects of the system is the demoralization of the Chinese merchant himself. At one time the probity of the Chinese merchant was famous. Owing to the difficulty of making legal contracts where the language was not known, and of enforcing them even when made, it had long been the custom to trade with Chinese merchants purely on trust, and that trust was hardly ever abused. Now, alas! conditions have changed. The harassed merchant, continually facing fresh difficulties, has acquired a technique of his own, and only too often expresses regret that he cannot take delivery of goods that he has ordered, and of which the price meanwhile has gone down, pleading that the boycott organization will not allow it—except, perchance, at a heavy discount. So a once unique reputation is dragged down by demoralizing circumstances. The confidence which once made dealing with the Chinese merchant so satisfying has given place to suspicion.

As I have said, the Chinese themselves are the chief sufferers, but things also grow steadily worse for the foreign merchants who happen to be boycotted. During the past few months in Shanghai there have been no few cases of goods being seized which were still in possession of the Japanese merchants. In many cases they have been recovered by a prompt appeal to the Japanese consulate, followed by energetic representations in Chinese official quarters; in some cases they have been rescued by naval parties; but in some cases they have simply been stolen.

It is impossible to insist upon a neighboring State governing itself efficiently and keeping perfect order in its domains; but at the same time it is not possible to carry on business under such conditions, and a Government which expects to be fully recognized

must protect its commerce from organized blackmail. It is not a question whether certain treaties ought or ought not to be revised. Nor is it a question whether people can be made to buy things they do not want. It is the use of the boycott for political purposes which is the objectionable thing. It is never, as is pretended, a spontaneous expression of sentiment on the part of the people, but is worked by gangsters for their own profit. They may persuade a number of people that patriotism demands this method, but they are careful to see that it brings in some profit to themselves. The fact that some political concessions may be won at times by a boycott does nothing to justify such methods; for very much more often the total result is hardship, suffering, and hatred. Moreover, it destroys sympathy with the cause which it professes to promote, and this is the chief necessity if there is a wrong to be righted.

With the methods by which a boycott should be countered, I am not specially concerned at present, but I am quite sure that the boycott is not an effective means either of gaining internal reform or improving external relations. China is not the only country where boycotts are in fashion. In India the situation is in some ways worse, for there the attempt has been made to give it a religious aspect. Political circumstances being different, the peaceful aspect of the boycott has been emphasized there, in order to make out a case against suppression which shall appeal to the general sense of justice. But it remains true that there is no such thing as peaceful picketing. People exercising their right to buy and sell what they choose are marked men, and are victims of the vengeance of those who profess to be concerned for their liberties. In China these refinements are still lacking. The boycott there is a crude application of force. It would be more honest than the Indian method but for the fact that, in its later developments, it has a disguised official support. In both countries there are grave difficulties confronting any attempt from without to bring this anarchy to an end. The world has arrived at a stage of political evolution where the exercise of force by one nation against another is rightly very unpopular. With regard to China in particular, the world has shown, I believe, genuine good will in the concluding of treaties specially for her benefit. Some may say that such treaties are founded only on mutual jealousies. I am

not so cynical, but believe that there is a real sentiment in favor of giving this great country, the fountainhead of the most ancient existing civilization on earth, every encouragement in the effort of her most aspiring men to effect a political renaissance. That sentiment is also apparent in the criticism lately offered of action taken in China. But those who most sincerely hope that China will emerge from her troubles and revive her ancient glories must be the first to deplore a system of interference with trade which is most mischievous. As I have said, I am no advocate of tariffs, but consider them an undue interference no advocate of tariffs, but consider them an undue interference with liberty of trade, as well as their being economically unsound. But in these days freedom includes the right to surrender freedom, and many countries are curtailing their own liberties for a supposed economic advantage. Then years ago a much better case could have been made out for boycotts in China than could be made out now. At that time the Customs tariff was fixed by foreign pressure, and promoters of boycotts might have argued that they were for the purpose of protection. That excuse, however, no longer exists, and those interested in protection in China are now able, like those interested in it elsewhere, to tax their countrymen for their own benefit in the name of patriotism. I am not at all sure that freedom to commit this abuse has not had a good deal to do with the readiness to commit the grosser and entirely indefensible one of organizing boycotts.

The only thing that I can find to say in favor of boycotts is that they are essentially of the same nature as protective tariffs. The tariff-mongers justify themselves on the ground that the imposition of the tariff is the act of the elected representatives of a free people, while we consider that we are condemning a boycott with special severity when we accuse the Government of having a hand in it. In both cases we see people who have worked hard to get up a trade connection blackmailed and put out of business in a manner which should make every honest man blush. However, as I have said, this particular phase of interference with trade is to be dealt with at this conference by more competent hands than mine. But I should like to utter a warning—that the likeness between tariffs and boycotts

extends further than the promoting of selfishness and corruption. They are of such an exasperating nature that sooner or later their continued abuse must lead to explosions of violence, followed by long periods of soreness and mutual recrimination. It is therefore to be hoped that all people who, like this assembly here, are interested in the high calling of commerce and who believe that the greatest benefit that we can confer on one another is to offer the products of our toil to all who want to buy, will lose no opportunity of speaking, in season and out of season, against every attempt to hinder what is the most fundamental liberty of every human being—the right to exchange his goods freely with his fellow men, for the common benefit.

7. A BRIEF SURVEY OF SINO-AMERICAN COMMERCIAL RELATIONS

By KING-CHAU MUI, Consul of China in Hawaii

The first trade relations between China and the United States were indirect. Prior to 1784 Chinese tea was taken to America's ports by the English merchants through the East India Company. It was in that year that under the reign of the Great Emperor Chien Lung, a contemporary of George Washington, that a New York merchant reached Canton aboard the *Empress of China*, with a large quantity of ginseng to be exchanged for tea. This was the first direct contact in Sino-American trade relations. From the commencement of Sino-American commercial intercourse the two great countries have been linked together by bonds of sympathy and friendship and these ties have been strengthened from year to year.

In tracing the development of trade between China and America we may conveniently divide the record into four periods: the first from 1784 to 1843, the second from 1844 to 1894, the third from 1895 to 1913, and the fourth 1914 to the present.

THE FIRST PERIOD 1784—1843

In order to facilitate and encourage trade between the two countries, the United States drafted a number of preferential import and export duties. The duty levied on tea carried by American bottoms direct to United States ports was less than that imposed on tea shipped by vessels of other nationalities. The principal exports from China at that time were tea, silk, and nankeen, while imports consisted principally of ginseng, skins, furs and sandalwood. It is estimated that between 1805 and 1834 Canton imported skins valued at G\$53,500,000.

There were only four ships engaged in direct trade between Canton and American ports in 1789, but in 1804 the number of vessels increased to 34, while 1806 saw a further increase of the fleet to 42. Between 1816 and 1820 the trade between Canton, the only port in China then open to foreign commerce, and American ports was fairly well balanced, but between 1821 and 1830 export business

amounted to G\$52,954,944, while imports only G\$35,477,581 showing a balance of G\$17,477,031 in favor of exports. Between 1831 and 1840 a greater difference in the balance of trade in favor of China was noticeable, which was G\$48,474,020. From 1815 to 1839 the principal imports from the United States were cotton, quicksilver, brass, lead, rice, iron and steel.

THE SECOND PERIOD 1844—1894

From 1844, the year when the first Sino-American treaty of Amity and Commerce was concluded, to 1894, there was a steady increase in Sino-American trade due to several favorable influences. In the first place, there was a great improvement in shipping facilities, larger and speedier ships being engaged in the China trade, and, most important of all, preferential treatment given under the American tariff to Chinese imports. Chinese tea was admitted free of duty, while silk and wool were subject to very small duties, whereas these same commodities imported from other countries were taxed heavily. This favorable tariff treatment naturally encouraged trade between China and the United States.

Another factor of considerable importance was the great improvement in business conditions which followed the conclusion of the Treaty of Wangshia in 1844 between China and the United States. Prior to the signing of this treaty there were many irregularities in foreign trade; there was no uniformity of duties, and there were occasionally evil practices which tended to handicap the growth of commerce. The conclusion of the Wangshia Treaty stabilized China's commercial relations with the United States, and American imports and exports (like those of other countries) were subject to a fixed rate of tariff the schedule of which formed apart of the treaty. The opening of five ports on China's coast to foreign trade, as a result of the Opium War, naturally tended to promote further commercial activity hitherto concentrated in Canton. According to Article 3 of the Sino-American Treaty mentioned above the citizens of the United States were also permitted to enjoy the same advantages and privileges in the five ports that British subjects enjoyed by virtue of the Treaty of Nanking.

THE THIRD PERIOD 1895—1913

After the conclusion of the Sino-Japanese war in 1895, Japan's trade with China increased considerably, but at the same time there was continued expansion of Sino-American trade. In 1896 the volume of trade carried on between China and the United States amounted to G\$28,945,000 which was increased to G\$42,156,000 in 1900. In the following year the total decreased by 32 per cent as compared with the preceding year's figure. Trade saw a further decline when the Russo-Japanese war broke out in 1905.

Among imports from the United States cotton and manufactured cotton goods ranked first in value, followed by mineral oil, tobacco, machinery, iron and steel. Between 1905 and 1913, while imports of machinery, iron and steel increased considerably, tea, which constituted the principal export from China in 1895, representing about 36 per cent of the total export, had dropped to 8.2 per cent of the total in 1913.

THE FOURTH PERIOD—SINCE 1914

Prior to the great war Sino-American trade was not on a large scale, and in 1914 represented less than 10 per cent of China's total trade. This increased to 12 per cent in 1915. The year 1916 saw a further increase to 16 per cent, and in 1917 the proportion had increased to 19 per cent. In the year when the World War was concluded the United States stopped the list of import of Chinese goods, absorbing more than 30 per cent of China's total trade, while Great Britain took 23 per cent.

In the very early days trade between China and the United States cotton-piece-goods represented about 30 per cent of the total Chinese imports from America, but of late years this business has dwindled, due to keen competition from England and Japan, and the growth of home production in China. Petroleum now ranks first among imports from the United States, with raw cotton, tobacco, hardware, machinery and timber filed in the order of importance. American cotton, owing to its high quality, is imported in large quantity. In 1924 the imported value of cotton amounted to over 5,000,000 Haikwan taels, which increased to 18,000,000 Haikwan taels in 1926,

and in 1929 it was further increased to 34,794,990 Haikwan taels. Tobacco has also increased enormously. Thirty years ago this import was valued at only a few thousand dollars, but in 1928 it amounted to 48,840,000 Haikwan taels.

Among China's exports to the United States silk ranks first, with wood-oil, wool, rugs, egg products, peanuts, and embroidery in the order of importance. From June, 1930 to June, 1931, a total of 48,003 piculs (133 1-3 lbs. in a picul) of silk were exported to the United States, an increase of 62 per cent as compared with the previous year's figure. In 1927 over 900,000 piculs of wood-oil were exported, and in the following year the total increased to 1,094,000 piculs. In 1919, 1,069,000 piculs of this product were shipped to the United States, representing about 80 per cent of China's total export of that commodity.

GROWTH OF CHINA'S TRADE

The possibility of trade in China is absolutely unlimited. That China's foreign trade has grown tremendously is clearly shown by statistics. In 1870, China's imports amounted to G\$95,000,000 and exports to G\$110,000,000. Thirty years later in 1900, these figures were trebled. In spite of internal troubles and foreign complications, China's foreign trade continues to grow each year. Every ten years China's trade doubles, as evidence of the vitality and resourcefulness of China as a nation. An official report released recently by the Chinese Customs Administration showed a total revenue collection of 246,064,000 Haikwan taels for 1931, as compared with 180,619,758 Haikwan taels in 1930. Of course, part of this increase must be attributed to the new tariff schedule enforced by the Government, but it would be misleading to say that the increase is entirely due to tariff changes. A gradual increase over a period of years cannot be said to result from the upward revision of the tariff.

Trade with the United States, particularly shipping, is steadily on the increase. In 1910, American tonnage of shipping entering and clearing in China was 750,000 tons; now it has grown to 6,300,000 tons. We must bear in mind that the Chinese population composes one-fourth of the total population of the world, but Chinese

foreign trade amounts to only 2 per cent of the total world trade. In the whole quota of China's foreign trade, America has 17 per cent. From this one will readily realize there is a tremendous possibility of future development.

GOOD WILL AND COMMERCE

For the development of commerce and foreign trade in China, two things are absolutely necessary: First, we must have a peaceful, and well-ordered and independent China. Secondly, it is necessary to have China's good will. To create a well-ordered and peaceful China is our part. China must do it. To maintain China's good will is your part. Happily a traditional friendship and the most cordial relations exist between China and the United States, have existed for nearly a century. It was John Hay who declared the "open door" policy, which pledges equal trade opportunity for all, a declaration made at a time when the dismemberment of the Old Empire was threatened. The so-called "open door" policy was later crystallized into the Washington Nine-Power Treaty, which reiterated and clearly defined the principles upon which the policy rested. The relations between United States and China have been and will be built on this policy.

On the twenty-fourth of July, 1928, the United States took the lead of all the foreign powers to restore to China her tariff autonomy. It was an act of profound friendship on the part of the United States toward China. It reciprocates China's good will toward the United States. Foreign interests are best protected and foreign trade best promoted by mutual good will.

CHINESE MARKETS

The United States is more and more directing its attention to countries bordering on the Pacific. The most fruitful field for development is China. Efforts in every direction are being made to encourage this trade between the two countries. It should be noted here that American exports to China have increased some 50 per cent during the last decade. China was the only market in the world which purchased more from the United States in 1931 than in 1930,

in spite of the fact that the country was suffering from war, famine, flood and other natural and unnatural calamities. There is not the slightest doubt that the present Sino-American trade can easily be doubled or quadrupled in the next decade if all impediments to trade would be removed.

First of all, the removal of tariff restrictions of the United States against certain Chinese food products would increase the purchasing power of China. Sir Robert Hart said, "The Chinese have the best food in the world, rice; the best drink, tea; and the best clothing, cotton, silk and fur." Remember the maxim that "exports pay for imports." Unless a country can export, her capacity for import will be limited.

HIGH TARIFF AND THE SLUMP IN SILVER

The raising of the tariff duty and other similar measures in the United States also tend to hamper the growth of Sino-American trade, and restrict to a great extent the natural expansion of China's export to the United States. During the last two years, the export trade of the United States experienced a sharp decline. The main cause is undoubtedly the reduced power of America's former consumers to purchase. And among the "former consumers" China is figured as an important member. The reduction of China's purchasing power is caused by the decreased value of silver. The stabilization of silver by international efforts would revive American markets in the East.

The fall of the price of silver makes the quotation for Chinese produce and manufactures look very attractive to the buyer whose currency is on a gold standard, but as a matter of fact China has not profited from the slump in silver to the extent which might have been anticipated. This is partly because prospective purchasers have hesitated to place large and definite orders for Chinese goods on account of uncertainty as to the future of the silver market. Unless rates of exchange are more permanently established, there will be no good prospect of Chinese export trade expanding, because foreign buyers will only commit themselves to orders which are sufficient to meet their immediate requirements. A world conference

on the problem of the silver slump, with the participation of all nations which have an interest in the matter, is highly advisable. Especially is it of vital importance to the United States and China inasmuch as the former is the greatest producer of silver while the latter, up to this moment, is one of the very few countries whose standard of currency is based on that metal.

UNFAVORABLE BALANCE OF TRADE

In spite of the fact that China's exports have grown steadily, her foreign trade continues to show an unfavorable balance—that is, imports are persistently in excess of exports. In the year 1930 the value of foreign manufactures and produce imported into China amounted to nearly 1,310,000,000 Haikwan taels, an increase of 44,000,000 over the imports for the preceding year. Exports in 1930 amounted to less than 895,000,000, a drop of more than 120,000,000 Haikwan taels compared with the previous year.

INSPECTION OF EXPORTS

In order to increase China's exports it is necessary to put Chinese goods on an equal footing with the products of other countries. For that purpose the Chinese Government has established the Bureau of Inspection and Testing of Commercial Commodities in the leading export centers of the country. By a system of rigid inspection, these bureaux not only enhance the reputation of China's products by eliminating fraud and adulteration, and removing other objectionable qualities sometimes found in the export products, but they also encourage the general improvement of trade standards by conducting educational and research work in addition to the actual inspection of goods for export.

FOREIGN TRADE BUREAU

Besides the inspection of exports the most important step taken by the Government recently in the direction of developing China's commerce with other nations, is the establishment of the Bureau of Foreign Trade, which corresponds to the Bureau of Domestic and Foreign Commerce in the Department of Commerce of the United

States Government. The Bureau of Foreign Trade functions through four departments, namely, the General Affairs, Direction and Information, Statistics and Editorial Departments. America's trade with China has had a firm footing from the outset, and with the aid of these bureaux the trade between these two countries will naturally be developed on a much larger scale in the near future.

8. THE BOYCOTT IN CHINA EXPLAINED THIRD GENERAL SESSION

By KING-CHAU MUI
Consul of China in Hawaii

(Note: This is an addendum to Consul Mui's prepared
address printed in advance of the Third Session.)

Thursday, May 5, 9 : 30 A. M.

An American commercial maxim says, "The customer is always right." Indeed, one cannot get markets and customers by employing force or by making oneself unpopular. One must get the good will of one's customers. China has always been friendly toward Japan, except when Japan "sticks a gun at China's side" and "holds her up." The anti-Japanese boycott movement in China has been aroused time and again only by the Japanese acts of aggression. The boycott of Japanese goods on a large scale at present has been solely due to Japan's unwarranted seizure of China's three Eastern Provinces. It is only a natural expression of indignation of the Chinese people who cannot meet the Japanese in their own way. It is the only weapon by which the Chinese hope to ward off Japanese aggression and to bring the Japanese ruling class to their senses. If Japan wants to remove the boycott movement in China, Japan should exert her efforts to remove the cause. There is no government in the world which can compel its people to buy what they do not want. The Chinese would abandon their boycott movement if Japan would give up her aggressive designs toward China. The Chinese are a peace-loving people and they have no prejudice against any nation.

In order to lay the blame on the Chinese Government, Japan has taken the position that the recent boycott was participated in by the Kuomintang, which, in China, according to the Japanese allegation, is the same as the Government. This allegation is illogical and unsound. The Kuomintang is only a political party. It has its own organization separate from the Government. Its relation with the Government is the same as that of any party in power in any country. While the Kuomintang may have taken part in the boycott movement to some extent, the movement itself has been carried out

by non-political organizations and supported by the people themselves. It is perfectly plain to all impartial observers that the movement is carried out by private individuals and private organizations having nothing to do with the Government.

The Chinese boycott developed along two lines. In a large measure it was spontaneous, entirely voluntary. In addition, organizations were formed to enforce the boycott upon merchants who are reluctant to make the sacrifice. In some instances these organizations did arrest a few Chinese merchants found violating the boycott and confiscated their goods. But we must remember that the Chinese forceful restraint of trade was applied to Chinese Citizens only and not Japanese subjects. Japan says the measures adopted by the Chinese Boycott organizations are illegal. They seem to have forgotten the fact that in all such cases the measures were applied to Chinese people and Chinese firms only. It is entirely a matter of China's domestic concern.

Permit me to re-enforce my statement that the enforcement of the country-wide economic boycott against Japan is entirely a patriotic expression of the Chinese people without any official direction. The boycott movement against Japanese goods will also mean economic losses to the Chinese exporters and importers trading with Japan, but the losses are considered to be worthwhile sacrifices by the Chinese people who are prepared to make them. It is an accepted principle of international law that the state cannot be made responsible for the acts of its individual citizens. Since the Chinese boycott against Japan is essentially a private affair, it does not in any way involve the rights and obligations of the Chinese Government.

The boycott is not encouraged by the Chinese Government; as a matter of fact it need not be. So long as the anti-Japanese boycott movement remains within legal bounds the Government cannot stop it even if it wants to do so. The boycott is not a Chinese institution. In its history in the west there has scarcely been a Government potent enough to suppress such a movement.

In the conduct of foreign relations between nations, sympathetic understanding of one another's needs and aspirations as well as a willingness to cooperate for the common good are most conducive

to international peace and good will. No one will profit by a process of mutual destruction. The relations between China and other nations have never been more cordial and friendly than in the last few years. We seek merely what we believe to be our inherent rights as a sovereign and independent nation. The principle of nationalism guides our foreign policy. Its aim is to seek international liberty and equality for China. Our principle of nationalism has nothing whatever in it of xenophobia or anti-foreignism as asserted by one of the Japanese delegates of this convention.

As to the charge of using "all educational organs" for anti-Japanese propaganda in China, it is highly exaggerated. Anybody of average mentality and who reads history aright can easily see the Japanese traditional policy of aggression toward China. What is claimed to be anti-Japanese propaganda is nothing but the recording in histories and textbooks of Japan's imperial undertakings on Chinese soil. Of course Japan does not like to have her aggressive designs in China put in the record for the Chinese children to read. May it be pointed here that the Chinese people are not a forgetful race even without sharp and constant reminders?

9. 'JAPAN'S GROUP OFFERS A BRIEF BOYCOTT REPLY.

Strong China Government Will
Bring an End to Troubles, They Assert.

Statements by King-Chau Mui, Chinese consul at Honolulu, that Japanese aggression in China was responsible for the anti-Japanese boycott, and that the Chinese government was not a party to it, were answered late Friday by the Japan delegates to the National and Pacific Foreign Trade convention.

The Japanese delegation issued the following prepared memorandum;

"The delegates from Japan are anxious not to commit the impropriety of using this conference for the purposes of political debate, and therefore offer a comment in the briefest possible form on the paper read by King-Chau Mui, the consul for China, since they feel that this paper might create a mistaken impression.

"As was pointed out in the paper on 'Obstacles to Trade,' the first of the modern series of boycotts was directed against the United States in 1905. The United States on this occasion was far from regarding it as 'only a natural expression of indignation of the Chinese people.'

Official Guidance.

"On the contrary, Mr. Rockhill, the United States minister to China, described it as a 'conspiracy in restraint of trade, carried on under official guidance, and with the sympathy of the central government.'

"Under instructions of Mr. Elihu Root, the secretary of state, Mr. Rockhill expressed his government's emphatic opinion that it was the Chinese government's duty to put a complete stop to a movement carried on in open violation of solemn treaty provisions and of the laws of China; and he asked for the support of other powers in suppressing the movement in the areas of their influence.

"We may remember, too, that this energetic action was taken on

account of a boycott which, compared with the latest example, was a very trifling affair.

"Mr. Mui's description of the boycott as being solely due to Japan's action in Manchuria ignores the fact that of late years there have been almost annual boycotts, one of which is not over before another has begun.

"His argument that the Chinese government has nothing to do with them is, as pointed out in one of the papers that he criticizes, similar to that of the Soviet government when it disclaims connection with Communist party activities, the comparison being justified by the fact of there being only one party in each country.

Can't Be Sustained.

"Quite apart from that, the claim that boycotts are a matter of purely domestic politics is one that cannot be sustained. Certainly Mr. Root would not have admitted it. And when Mr. Mui confesses that the government is not prepared to defend its own citizens in the exercise of their lawful rights, but allows others to inflict on them the most grievous losses because these others consider that their victims' sacrifices are worth while, he is only defending anarchy.

"That the anti-foreign propaganda contained in the Chinese school books is merely a statement of the facts of history is an assumption that finds no support in an examination of the evidence; and if, as Mr. Mui claims, there is an absence of xenophobia in China, the school books are calculated to bring about a speedy cure.

"The papers by delegates from Japan which touched upon the illegal restraints of trade in China asked that all friends of China should use their best influence in persuading her that this boycott system is one that only does her mischief without doing her any good.

"If China develops a strong orderly government, she will have very little trouble with her neighbors."

The Chinese delegates made no reply.

D. CHINESE CONSUL FIRES SHOT ON BOYCOTT ISSUE.

Answer Follows Closing Episode of Foreign Trade Convention.

The Japanese delegation at the foreign trade convention last week t in the last word, formally, on the issue of the Chinese boycott, t not the last word on the general subject.

The Japanese presented their final memorandum a few minutes fore the convention closed, Friday. On Saturday the Chinese isul, King-Chau Mui, fired a parting shot. It is in the form the following statement;

The Japanese delegation to the Pacific and National Foreign ade convention, has accused China of having boycotted Japanese ds in the past without cause. It seems to the Japanese delegation t the Chinese are born anti-Japanese. An examination of the tory of Sino-Japanese relations will reveal the truth that all past inese boycotts against Japan were undertaken as a result of definite provocations from Japan.

Quotes Willoughby.

Prof. W. W. Willoughby of Johns Hopkins university, world famous authority on Far Eastern affairs, said, during the long period which has ensued since she first came into open conflict with China, Japan, though professing friendliness to her neighbor, has done nothing in an affirmative way to aid China in building up for herself a strong, united, and economically prosperous national existence. Upon the contrary, she has seized what have seemed to be favorable opportunities to impair China's sovereignty and to break down her administrative integrity. Even as to the conceding to China of the right, enjoyed by other sovereign nations, to derive an adequate income from her customs receipts, Japan was among the last of foreign powers to yield, and then under not unimportant conditions.

What Professor Willoughby said is unbiased. All the boycotts, whether local or national-wide, that have occurred have resulted from some overt act of Japan against China's sovereignty. The first

本記事は會議終了の翌日支那側代表がホノルルの新聞紙上に發表せるものにて會議に於ける正式の演説にあらざるもここに參考資料として収録せり。右御了承を乞ふ。

account of a boycott which, compared with the latest example, was a very trifling affair.

"Mr. Mui's description of the boycott as being solely due to Japan's action in Manchuria ignores the fact that of late years there have been almost annual boycotts, one of which is not over before another has begun.

"His argument that the Chinese government has nothing to do with them is, as pointed out in one of the papers that he criticizes, similar to that of the Soviet government when it disclaims connection with Communist party activities, the comparison being justified by the fact of there being only one party in each country.

Can't Be Sustained.

"Quite apart from that, the claim that boycotts are a matter of purely domestic politics is one that cannot be sustained. Certainly Mr. Root would not have admitted it. And when Mr. Mui confesses that the government is not prepared to defend its own citizens in the exercise of their lawful rights, but allows others to inflict on them the most grievous losses because these others consider that their victims' sacrifices are worth while, he is only defending anarchy.

"That the anti-foreign propaganda contained in the Chinese school books is merely a statement of the facts of history is an assumption that finds no support in an examination of the evidence; and if, as Mr. Mui claims, there is an absence of xenophobia in China, the school books are calculated to bring about a speedy cure.

"The papers by delegates from Japan which touched upon the illegal restraints of trade in China asked that all friends of China should use their best influence in persuading her that this boycott system is one that only does her mischief without doing her any good.

"If China develops a strong orderly government, she will have very little trouble with her neighbors."

The Chinese delegates made no reply.

10. CHINESE CONSUL FIRES SHOT ON BOYCOTT ISSUE.

Answer Follows Closing Episode of Foreign Trade Convention.

The Japanese delegation at the foreign trade convention last week got in the last word, formally, on the issue of the Chinese boycott, but not the last word on the general subject.

The Japanese presented their final memorandum a few minutes before the convention closed, Friday. On Saturday the Chinese consul, King-Chau Mui, fired a parting shot. It is in the form of the following statement;

The Japanese delegation to the Pacific and National Foreign Trade convention, has accused China of having boycotted Japanese goods in the past without cause. It seems to the Japanese delegation that the Chinese are born anti-Japanese. An examination of the history of Sino-Japanese relations will reveal the truth that all past Chinese boycotts against Japan were undertaken as a result of definite provocations from Japan.

Quotes Willoughby.

Prof. W. W. Willoughby of Johns Hopkins university, world famous authority on Far Eastern affairs, said, during the long period which has ensued since she first came into open conflict with China, Japan, though professing friendliness to her neighbor, has done nothing in an affirmative way to aid China in building up for herself a strong, united, and economically prosperous national existence. Upon the contrary, she has seized what have seemed to be favorable opportunities to impair China's sovereignty and to break down her administrative integrity. Even as to the conceding to China of the right, enjoyed by other sovereign nations, to derive an adequate income from her customs receipts, Japan was among the last of foreign powers to yield, and then under not unimportant conditions.

What Professor Willoughby said is unbiased. All the boycotts, whether local or national-wide, that have occurred have resulted from some overt act of Japan against China's sovereignty. The first

occurred in 1908 as a result of the Tatsu Maru episode. In 1915 came the twenty one demands and another boycott. In 1921 there was a third boycott inspired by Japanese ambitions in Shangtung. The Tsinan affair of 1923 arising out of Japan's military occupation of that city and the killing of the Chinese Commissioner of foreign affairs, resulted in another boycott.

Began in July.

The recent boycott movement began in July, 1931, as a result of the Wanpoashan incident and the anti-Chinese riot in Japanese-governed Korea where more than 100 Chinese lost their lives and millions of dollars worth of Chinese property were destroyed. It gathered strength and spread all over the country after Japan occupied China's three eastern provinces.

It is quite natural that this unwarranted military invasion created a high degree of indignation on the part of the Chinese throughout China. In all places the boycott is indorsed by the local chamber of commerce - a fact showing the spontaneous voluntary expression of the movement. Replying to the Japanese memorandum of last October 9 on boycott, the Chinese government stated, "Freedom to choose one's purchase is an individual right with which no government can interfere, and while it is the duty of every government to protect foreign nationals, it is bound neither by any recognized standard of governance, nor by any principle of international law, to prohibit or punish the exercise of an elementary right of citizenship. If there be any responsibility at all in the matter, it entirely lies with Japan since the Wanpoashan incident, which created this general prejudice against Japanese merchandise. ?

Not By Force.

We cannot force people to purchase against their wishes. In like manner the Chinese government cannot check the boycott movement of the people. The Japanese will readily understand the Chinese position if only the table is turned. It is true that the economic soundness of a boycott is a mooted question, inflicting as it does colossal on the boycotting country as well as on the country boycotted. What a boycott truly signifies is, in the opinion of the Chinese people, not so much the desire to hurt the offending party as the determination

to bring that party to its senses through sacrifices. If the Japanese are really sincere in wishing to see the boycott movement ended, they should first of all try to convince their military leaders of the blunder they have committed in pursuing a policy of aggression.

The ability to stop the Chinese boycott, therefore, does not lie in the Chinese government nor the "influence of friends of China," it rests entirely upon the shoulders of the Japanese government. The longer the military forces of Japan remains on Chinese soil, the more difficult it becomes to terminate the boycott movement.

11. COMMERCE—A NEW BOND AMONG MEN

With Special Reference to the Development of Trade with China

By CHARLES A. WONG

Manager, Chinese American Bank

Representing the Chinese Chamber of Commerce, Honolulu

I. Introduction:

I deem it a great privilege to be here today to represent the Chinese Chamber of Commerce of Honolulu at the 19th Foreign Trade Convention held under the auspices of the National Foreign Trade Council and the Pacific Foreign Trade Council. On this occasion, I have the honor to extend to this convention of distinguished representatives the sincere greetings and felicitations of the Chinese Chamber of Commerce of Honolulu and of the Chinese Chambers in China whose delegates, because of preoccupation with affairs at home, are not able to meet with us today. I have the honor, too, on behalf of the Chinese Chamber of Commerce of Honolulu, to convey its sincere thanks to the National Foreign Trade Council and to the Pacific Foreign Trade Council for bringing this convention to Honolulu, enabling the members of our organization to learn the high points of foreign trade from the able and distinguished delegates assembled here.

The occasion of this meeting suggests the subject for this brief address. It is a meeting sponsored by men who have bound themselves together to promote the object of developing and improving international commerce. Accordingly, the subject chosen for presentation is "Commerce is a new bond among men, with special reference to the development of trade with China."

II. Commerce is a New Bond Among Men:

For almost two thousand years, organized Christianity has been the means of uniting men together, through its churches and other allied institutions, for the definite purpose of improving the moral and spiritual welfare of mankind. Within a much shorter period, commerce, in its more modern conception, has been the unifying

force that has bound men together, through its communication, transportation, and industrial facilities, for the expressed purpose of promoting the interchange of commodities between countries for the material comfort, convenience, and general welfare of the human race. Commerce is relatively a new force; but, like Christianity it plays a very important part in the world's economy.

About two hundred years ago, Diderot, a French philosopher, wrote: "All the men of all lands have become necessary to one another for the exchange of the fruits of industry and the products of the soil. Commerce is a new bond among men." This statement is just as true today as it was two hundred years ago; and we are just as necessary to one another for the exchange of the fruits of industry and the products of the soil as our predecessors were. Indeed, we are more necessary to one another than they; for they were separated by great distances which took much time to overcome, and they were not provided with good communication and transportation facilities. Hence, they were more or less self-sufficient. But, by reason of the introduction of the steamship, the railway, the telegraph, the wireless, the airplane, the radio, and the radiophone, distances have been in a large measure eliminated, and the countries of the world have become a neighborhood, and their peoples have become neighbors. As neighbors, they are more or less dependent upon one another. They are so closely bound together by commercial ties of every sort that an injury to one is often an injury to all. This is clearly shown by the present economic depression which has gradually spread all over the world, though not with equal violence in all countries.

One of the effects of this world-wide economic depression is the general decline in international trade. According to the United States Department of Commerce, among the 82 countries for which comparable data for 1929 and 1930 are available, only one country, namely Russia, where foreign trade is a Government monopoly, shows a substantial increase in 1930 in both imports and exports; 76 countries show reduced imports, and 73 show reduced exports.

Another effect of this world-wide economic depression is the general increase of unemployment which is now facing practically every nation throughout the civilized world. It is estimated that

there are nearly 30,000,000 persons in Europe and America who are able and willing to work, but who are unable to obtain gainful occupation. This is a serious problem which demands most careful attention and proper solution.

Still another effect of this world-wide economic depression is the violent decline in volume of business and in security prices, which was said to have reached its climax in December, 1930. Owing to this decline, the wealth and the purchasing power of all classes, including the rich as well as the poor, have been adversely affected. Some people view the situation so seriously as to state that the rich man is vanishing from America.

Moreover, still another effect of this world-wide economic depression is the undermining of public confidence. This was heightened by the inability of Germany to take care of her war reparations, resulting in the non-payment of inter-governmental debts. People throughout the world suddenly became distrustful of certain central banks, and an international run on England took place in August and September, 1931 leading to the abandonment of the gold standard in that country. This was followed by an international run on the United States, causing withdrawals of gold totalling more than \$700,000,000 for foreign account.

Such are some of the effects of the economic depression of the past three years. They concern the peoples of all countries. They indicate that the problems involved are far-reaching, and that commerce has an important part to play in helping to find proper solutions for these and other difficulties that are now confronting the world.

The important part that commerce plays in endeavoring to find proper solutions for these difficult world problems is recognized by national governments concerned and by commercial organizations and their affiliated institutions everywhere. Their activities, in the interest of commercial development and in the interest of the perplexing economic problems of the world, indicate their belief that international commerce will not only recover her lost ground and make further gains in due course of time, but also cement the bonds of friendship and good will among men which is indispensable for

the development of more and better trade. The very fact that we are here today, discussing commercial topics, indicates, too, our faith in the efficacy of commerce to bring about complete economic recovery and to strengthen the bond of friendship and good will among men.

III. Development of China's Foreign Trade. 1920-1930:

To help strengthen the bond of friendship and good will among men by the development of commerce, China plays a not inconsiderable part. The net value of her total foreign trade increased from 1,303,880,000 Haikwan Taels in 1920 to 2,204,500,000 Haikwan Taels in 1930 (1 Haikwan Tael in 1930 equalled 45 cents U.S.G.), showing a gain of 900,710,000 Haikwan Taels within a period of ten years. Her exports increased from 541,630,000 Haikwan Taels in 1920 to 894,800,000 Haikwan Taels in 1930, showing an increase of 353,210,000 Haikwan Taels; and her imports increased from 762,250,000 Haikwan Taels in 1920 to 1,309,700,000 Haikwan Taels in 1930, showing an increase of 647,500,000 Haikwan Taels.

All through the ten years, from 1920 to 1930, there was a continuous excess of imports over exports. In 1920 this excess amounted to 220,620,000 Haikwan Taels; and in 1930 it amounted to 414,900,000 Haikwan Taels. This continuous excess of imports over exports constitutes a problem that China is called upon to solve in the not distant future.

China's principal items of export, in the order of their importance in 1930, were as follows: Silk, beans, vegetable oils, beancake, egg products, skins, seeds, cotton, coal, and tea. It may be of interest to note the destinations of these items of China's export trade. Silk went principally to Hongkong, France, the United States, and Japan; beans went chiefly to Russia, Japan, and The Netherlands; vegetable oils went chiefly to The Netherlands; beancake went chiefly to Japan, Russia, and Korea; egg products went chiefly to Great Britain, Germany, France, and the United States; skins went chiefly to Japan, Germany, Hongkong, and Italy; seeds went chiefly to Italy, Japan, The Netherlands, Denmark, and France; cotton went chiefly to Japan, and the United States; coal went chiefly to Japan, the Philippines, and Hongkong; and

tea went chiefly to Russia, Turkey, Persia, Egypt, Hongkong, Great Britain, and the United States.

China's principal items of import in 1930 in the order of their importance were as follows: Cotton, rice, sugar, kerosene oil, cigarettes, and flour. It may be of interest to note the sources from which China derived these imported articles in 1930. Cotton came chiefly from British India, and the United States; rice came chiefly from British India, Hongkong, and French Indo-China; sugar came chiefly from the Dutch Indies, Hongkong, and Japan; kerosene oil came chiefly from the United States, the Dutch Indies, and Hongkong; cigarettes came chiefly from Great Britain, the United States, and Hongkong; and flour came chiefly from the United States, Japan, and Hongkong, and Canada.

IV. Prospects for Further Expansion of China's Foreign Trade:

Such are the principal items of China's foreign trade, together with the destinations of her exports and the sources of her imports. Practically all the principal articles of export and import during the ten years, from 1920 to 1930, had registered substantial gains; but there are prospects for expansion and further development. The potential power of 400,000,000 people, representing one-quarter of the human race, to produce articles for export, and their capacity to consume articles of import, are not to be lightly regarded. The countries which have had commercial relations with China in the past are familiar with these facts, and recognize the great possibilities of China's foreign trade.

V. Some Suggestions for Development of China's Foreign Trade:

While the possibilities of China's foreign trade are great, there are certain obstacles that must be overcome. In the first place, the present high foreign tariffs prevent China from increasing her exports. If her exports are not increased, she can not obtain the purchasing power with which to increase her imports. Imports must be paid for by money or credit. If China cannot sell more goods for export, she will not be able to buy more goods for import. It is suggested that if the process of making duties higher and higher is not discontinued, there is little prospect for the immediate further

development of China's foreign trade. It is not advocated that high duties be abolished; but if tariff barriers are modified and lowered to stimulate the power to buy and to consume, it would help materially to develop and expand China's foreign trade.

There is another obstacle to the immediate further development of China's foreign trade. It is the present condition of the silver market. The fall in the market price of silver during the past three years has had a bad effect on international trade, particularly on China's foreign trade. If the price of silver could be adjusted and stabilized through the good offices of an international convention, with the participation of all nations interested, it would contribute very much to improve foreign trade with China.

Moreover, in the endeavor to promote the development of international trade, selfishness appears to be uppermost in men's minds. It is exceedingly helpful, indeed it is very important, to recognize and respect the elemental principle of reciprocity in all commercial affairs. In other words, in our foreign trade operations, as in other activities of life, we should put into practice the Golden Rule, which, expressed by Jesus Christ, is "Do unto others as you would have them do unto you," or expressed in the negative by Confucius, is "Do not do unto others what you would not have them do unto you." The pursuit of a selfish policy, in order to obtain advantages for ourselves alone, will not contribute to a healthy development of foreign trade.

VI. Conclusion:

The foreign trade of China has shown marked development during the ten years from 1920 to 1930. The growth in exports and the increase in imports have been large. There are good prospects for further development and expansion of this trade. If the tariff restrictions be modified, if the price of silver be adjusted and stabilized, and if the elemental principle of reciprocity in all our commercial dealings be recognized, respected, and put into practice, it is not difficult to imagine that the further development of China's foreign trade is assured, and commerce, the new bond among men, will be in a position to do more effective work for the prosperity, happiness, and general welfare of mankind.

12. INTERNATIONAL COORDINATION

By YOZO NOMURA

President, Samurai Shokai, Yokohama
Representing Chamber of Commerce and Industry of Yokohama,
Chamber of Commerce of Tokyo

Excellencies, Chairman, Ladies and Gentlemen:

I consider it a great honor to be called upon to say a few words on behalf of the delegates from Japan before such a brilliant gathering of the distinguished ladies and gentlemen.

It is indeed a matter of great significance as well as of far-reaching importance that, thanks to the efforts of National Foreign and Pacific Trade Council of America and under its auspices we delegates from all the different countries along the Pacific have been given an opportunity to assemble here for the purpose of doing our utmost in the furtherance and promotion of the international amity and commerce among the nations and our sincerest thanks are due to the promoter of this council. The previous meetings of this council have already done a great deal in the attainment of its objects and, I have no doubt, in view of the most critical moment that is threatening the economic and business circles all the world over, this pleasant gathering we have just finished will prove of far greater merit than its predecessors.

Nobody can tell into what abysmal depth the economic collapse of the present days will lead us. In all the important industries, consumption is lagging far behind production. The business is reorganized, readjusted, and the cost of production is cut to a minimum, only to encounter further decrease in demand followed up by continued slump in prices even below the level of actual cost. Judging by the fundamental principle of economics, one would think it is time that a great majority of these industries suspended or completely wound up their business, but the difficulty is that they can not do so very easily, but have got to continue it even at an inevitable loss, simply on account of the previous debts the business is shouldering, and the social and labor problems that the suspension

or cessation of business will surely invite. If all the trades and industries of the world were to totter along on this suicidal basis, with nothing like a bright prospect in the near future, I am afraid the entire economic structure of the present day would shortly be wrecked and ruined from its very foundation.

I think this is the true state one meets almost everywhere in the world. Of course all the proprietors and managers must be doing their utmost in making both ends meet and fighting their way to tide over the impending difficulties, but I am not sure what success such strenuous and courageous exertion on the part of individual traders and business men will meet with in fighting against the veritable maelstrom of the severest general depression.

It goes without saying the causes that have led us to such pitiful conditions are multifarious and so are their remedial measures, but I am inclined to think that the general lack of faith and confidence on the part of every industrial and business man in respect to the future of the economic world is a question that requires and is quite worthy of our serious constant consideration. It looks well-nigh impossible to expect anything like recovery of the economic and business prosperity without first regaining faith and confidence, and I should think such regaining is a condition precedent to the much-desired rehabilitation of the whole economic structure. I have been more than satisfied to see that the Foreign Trade Council has seen fit to stress the importance of such recovery of faith and confidence and proceeded accordingly in this meeting.

Let us see for a moment what has given rise to this universal lack or loss of confidence, both in one's own country as well as everywhere else. I should think discord or lack of harmonious coöperation, which is noticeable almost everywhere, is the chief underlying cause. On the one hand, all the trades and industries of a nation which, like individuals in their communities, ought to be running on the principle of mutual support and mutual prosperity are, from various causes, not infrequently engaged in actual strifes among them, whilst on the other, all the nations of the world are vying with one another in making their tariff walls higher and higher and remoulding their currency and other policies more and more

preferential and discriminative, so as to more effectively exclude all foreign commodities. I really think this universal discord is chiefly accountable for the lack or loss of faith and confidence for the future.

Both capital and labor might have not a few plausible reasons to offer justifying their attitude, and nations sufficient causes for their anti-foreign policies; but if this discordant state is to continue forever, it looks more than certain that the entire economic organization will at length be completely destroyed. If a new economic organization conducive to the furtherance of the general welfare of humanity was forthcoming, this destruction of the present one may be all right, but as long as there is no such institution in sight as is worthy of our adoption, we are bound to protect the present one and any factors or forces that tend to the destruction should be resisted or deflected with all our might.

It is my most sincere prayer and request to you, Ladies and Gentlemen, that you will continue all your exertion toward the enhancement of harmonious coöperation and mutual support so that we can always prove ourselves as the foundation of international good will, permanent prosperity and peace.

In conclusion, I thank you again for the overwhelming kindness, hospitality and courtesy you have extended to us ever since our arrival here. Perhaps some of you have already seen Japan, but let me take this opportunity of most cordially inviting you and assuring you all that the Land of the Rising Sun and her people will welcome you with her warm heart, open arms and cheerful smile.

13. PACIFIC TRADE PROSPECTS

BY JAMES A. FARRELL

Chairman, National Foreign Trade Council

I am to speak to you for a few moments this afternoon on the widely inclusive subject of trade prospects in the Pacific area. I have noted with no little interest the fact that some of our friends in Honolulu are accustomed to speak of the landed area surrounding this great ocean as the "Pacific Basin." It is a term suggestive of the developments that have been in progress for the last three or four decades and that seem now to be approaching the stage where the appropriateness of that designation of this area will receive world-wide recognition.

This great ocean which is developing into a basin washes the shores of four of the six continents, and furnishes their great trade routes to something like half the population of the world. Hawaii is its strategic and commercial center, the crossroads of those trade routes.

West of you lies the Orient with its teeming millions of hard-working, thrifty people, the great majority of whom are still, unfortunately, enduring a standard of life materially below that of some of their neighbors. That is a fact which has received much consideration at this convention. For it was one of the great purposes of this meeting to study ways and means by which that standard might be elevated in some degree, and those people helped in the acquisition of some of those products of human ingenuity which, in other lands, have taken part of the drudgery out of life and added to its comfort and enjoyment.

South and southwest lie Australia and the myriad islands of Polynesia and Oceania, with all their varied forms of Nordic and tropic civilization.

To the East the three Americas, North, Central and South, stretch across thousands of miles of latitude and embrace markets that respond to every form of human need, want and desire from that of the Eskimos of the frozen Arctic to those of the Indians of the Land of Fire around Cape Horn.

This, in brief outline, is the structure of the Pacific Basin. Across, around and through this basin there flow already vast currents of international trade. Progress in the means of transportation and communication has lessened the time and distance between the peoples of this area, at the same time that it has fostered and expanded their acquaintance with one another. Each has gained in knowledge of the products and the service of all the others. Inevitably it has resulted that products of one country which only a few years ago were unknown in the others have now become necessities to all.

That is a natural process. The quest of man has always been for something or anything that will render life easier or more enjoyable to him. In these days of prompt and easy access to the remote corners of the earth it matters little or nothing to the average man what part of the world produced the article that contributes to the comfort or entertainment of his life. The point with him is to possess it and use it, and his effort is to attain the means of obtaining it.

We who have assembled in this convention furnish concrete evidence of that fact. We have come here to consider with one another methods and means for expanding and improving the exchange of our various products among our own peoples. That is the immediate and sufficient purpose. But back of that and underlying it, is the basic motive of bettering conditions of life for the men and women who dwell in this great area. We stand for better living conditions for all peoples, everywhere. That is our fundamental impulse.

Much has been done in recent years to achieve fulfillment of that motive. In 1913 the international commerce of the countries of the Pacific basin aggregated six billion dollars, and constituted 14 per cent of the total of world trade. By 1929, when the total of world commerce had grown from 41 to 67 billions the share of it held by the countries of the Pacific basin had expanded from 6 to 14 billions, or 21 per cent.

Under the influence of the subnormal economic conditions of the last two years there has been a serious decrease in general world

trade. It is significant that under such circumstances the trade across the Pacific has disclosed a greater resistance to depressing influences than that of other parts of the world.

When consideration is given to United States trade only, and not to the general trade of the whole Pacific basin, the showing has elements of distinct encouragement. The dollar value of all United States exports to all markets was 37½ per cent less in 1931 than in 1930. Our exports to all Asia, however, fell off only 19 per cent, and those to India, China and Japan decreased only 10 per cent.

It is to be noted that a substantial part of the trade recession is due to price declines, and that volume of merchandise exchanged has maintained a better average. Thus the volume of our exports to all markets was only 20 per cent less in 1931 than in 1930, and the volume to Asiatic markets was only 5 per cent less than in the preceding year. To India, China and Japan our exports in 1931 actually increased in volume by 6 per cent over those of 1930.

This tendency is even more clearly shown by the trade figures for the last six months of 1931 compared with the last six months of the previous year. Our exports to China increased between the two six-months periods from 52 million dollars to 69 million dollars, while those to Japan increased from 68 million dollars to 77 million dollars. This was in a period when the average recession in our exports to the world in general was about 35 per cent.

The principal factors contributing to this gain were raw products. Last year, for instance, the Far East bought more than a billion pounds of our cotton, or 35 per cent of that portion of it exported. This is more than twice the amount of our cotton purchased by the Far East during the preceding year and is the largest share of our crop that ever crossed the Pacific.

Other items of our trade which have largely contributed to this increase are tobacco, wheat, lumber and fuel oil, while we have also gained in such manufactured products as flour, gasoline, sound films and factory sewing machines. Likewise our manufactured products, even in cases where they fell off in sales, held up in the Far East much better than elsewhere in the world. We sold last year to China and Japan more than \$10,000,000 worth of machinery and electrical

equipment compared with about \$16,000,000 worth the year before, Japan took \$9,000,000 worth of our automotive products in 1931 compared with \$8,000,000 worth in 1930 and China bought \$16,000,000 worth of our tobacco products in 1931 compared with \$17,000,000 worth in 1930. Japan and China bought \$10,000,000 worth of our lumber in 1931 compared with \$12,000,000 worth the year before, and largely due to famine conditions China took more than \$6,000,000 worth of our wheat compared with about \$1,200,000 worth in 1930. Japan's imports of iron and steel dropped from \$14,000,000 to \$7,000,000 while China's dropped substantially less, from \$6,000,000 to \$4,500,000.

The Philippine Islands likewise continue to be an important factor in the trade of the Far East. Our total exports to the Philippines during the last six months of 1931 were about \$23,000,000 compared with those of \$29,000,000 during the last six months of 1930, a decrease of 20 per cent compared with our average decrease in the rest of the world of about 35 per cent. Last year we sold to the Philippines about \$5,775,000 worth of cotton cloth, slightly more than our sales the year before. It is obvious that in the latter year of deflated prices our sales represented a much greater shipment of cloth. The Philippines continues to be heavy customers for our iron and steel with purchases of \$5,000,000 in 1931 compared with \$7,500,000 worth in 1930, and with purchases of \$3,000,000 worth of our automotive products compared with \$4,000,000 worth the year before.

Our imports from the Far East show a rather more severe recession than our exports, the figure for the last six months of 1931 compared with those of 1930 being:

	1930	1931
Japan.....	\$143,000,000	\$108,000,000
China and Hongkong...	42,000,000	28,000,000
Philippines	42,000,000	30,000,000

Our imports of silk, for instance, although fairly constant in quantity, decreased more than 25 per cent in value from Japan and more than 30 per cent from China, and our imports of hemp from the Philippines decreased from \$8,500,000 in 1930 to \$2,900,000 in

1931, or more than 60 per cent. Similar severe reductions are noted in our imports of rubber, jute, tin, wood oil, wool and other of the essential products of the Far East.

The China situation, notwithstanding conditions there, still shows important signs of development as the standard of living irresistibly rises in those parts of the country which enjoy peace.

During the past two years the increase of roadbuilding in South China has led to largely increased purchases of gasoline and to a growing import of motor-buses. There has been a steady growth in the use of electrical machinery for house, office and manufacturing equipment, and Americans have largely participated in supplying this significant development. The extension of telephone and telegraph lines continues, and the increase in construction, particularly in South China, has led to a fairly constant demand for foreign cement and lumber. Last year China took 20 per cent more of our Douglas fir exports than in 1930. She is now the largest overseas user, and buys 40 per cent of the Douglas fir we sell abroad.

The bean industry in Manchuria, although it has suffered in the recent depression, has now displaced the silk industry as China's largest export factor. Beans and bean oil now count for more than 15 per cent of China's total exports and with the development in Manchuria will probably expand to a substantially greater future.

By a series of drastic measures Australia has not merely reversed her negative trade balance during the past year but has built up a very substantial positive balance. For the twelve months ending November 1 of last year her imports were only £47,000,000 compared with £107,000,000 for the corresponding months of the preceding year. In this same period exports dropped only £4,000,000, from 93 to 89 millions and now enjoy the unusual position in Australia of being twice the current amount of imports.

The depreciation of the Australian pound has accentuated both of these falls in value. Import trade in Australia is at present the lowest recorded since 1910, representing only £9. 7s. per head of the population as compared with a maximum of £30. 6s. per head in the year 1920-21. The diminution of exports does not show nearly this wide range, being equal to about £15. 14s. per capita at present,

compared with the maximum of £28. 5s. in the year 1919-20.

It only remains, according to The National Bank of Australasia, Ltd., to achieve a small increase in wool and wheat exports to provide for interest and other recurring obligations and to establish a national balance which will lead to the building up of Australian values in London.

Slight gains have been made in recent months in exports in meat, butter, wheat and wine, but wool and the ores and concentrates and most other Australian exports remain stationary or continue to decline.

Our exports to India during 1931 occupied for the first time a place second only to that of the United Kingdom. They were greater than those of Japan, amounting to \$52,000,000 compared with Japan's exports of slightly under \$50,000,000. The greater part of this increase was due to India's large imports of American cotton during 1931, owing to the failure of the domestic crop, these cotton imports accounting for \$7,500,000 worth of our Indian trade. Substantial increases were made, however, in our sales to India of automobile tires, which rose from \$2,100,000 in 1930 to \$2,700,000 in 1931. India's purchases of our motor cars were also encouraging, the decrease during the year being only about 10 per cent, from \$3,630,000 to \$3,198,000. Our sales of electrical apparatus were also close to standard, amounting to \$1,450,000 for 1931 compared with \$1,650,000 for 1930.

We took about 10 per cent of India's exports, approximately the same position as in recent years, although in the past two years the value of India's shipments to the United States has dropped about 62 per cent, mainly in decreased shipments of jute, shellac and gunny cloth.

I have already referred to the fact that the trade of the Pacific basin more than doubled in the fifteen years between 1913 and 1929. It is significant that that growth of trade was not accomplished or caused by a corresponding increase of population. But it did accompany a striking development in this area of the means of transportation and communication. Steamships have multiplied and the radio has been added to the cable. The facilities of commerce

have increased in number and efficiency, with growth of commerce their constant companion.

This progress still goes on and will continue. It is a process that is never completed. The disturbance of balance between production and consumption from which the world is now suffering will be corrected and the forward march will be resumed at a probably accelerated pace. The proverb that "where there is no vision the people perish" was not written about the dwellers in the Pacific basin.

經濟聯盟既刊調查彙報

	實 價
大學及專門 學校卒業生就職問題ニ關スル調査資料……………(調査彙報第一號)……	¥ 0.35
アメリカ經濟の威觀と其根底……………(調査彙報第二號)……	0.35
大學及專門 學校卒業生就職問題意見集……………(調査彙報第三號)……	0.50
米國關稅改正の本邦對米貿易に及ぼす影響……………(調査彙報第四號)……	0.10
國際賣買規定統一條約案に對する意見……………(調査彙報第五號)……	0.30
濠洲聯邦關稅改正に關する調査資料……………(調査資料第六號)……	0.10
歐洲に於ける鐵鋼業の國際競争と貸銀率……………(調査彙報第七號)……	0.10
英國政府綿業調査委員會報告書……………(調査彙報第八號)……	0.20
英國經濟使節の極東來訪に就て……………(調査彙報第九號)……	0.10
固定資産原價償却に關する參考資料……………(調査彙報第十號)……	0.25
英國經濟使節の日本に於て調査したる 英國輸出貿易法の缺點……………(調査彙報第十一號)……	0.10
事業所得に對する稅制建議參考資料……………(調査彙報第十二號)……	0.20
銀の問題……………(調査彙報第十三號)……	0.15
英國經濟使節の綿業に關する報告の結論並勸告……………(調査彙報第十四號)……	0.10
極東派遣英國經濟使節一般報告の結論並勸告……………(調査彙報第十五號)……	0.15
關稅問題調査資料……………(調査彙報第十六號)……	0.50
金融問題調査資料 第一輯……………(調査彙報第十七號)……	0.30

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