

Competitors need not apply

In Japan, there are so many layers of middlemen that a bottle of scotch sells for \$56. A few years ago, an American friend of mine got the bright idea to import direct and open Tokyo's first discount liquor store.

For three glorious days he watched customers line up to buy scotch at \$20 a bottle. On morning four, he was arrested by the police, jailed and charged with violating an obscure 18th-century law. Two weeks later he was told: Get out of Japan or go to jail for 18 months. He left.

In Japan Inc., competitors need not apply. The Japanese feel a passion for selling their goods to the world, but they, like the French, regard importing anything besides raw materials as somehow unclean. Following this mercantile philosophy and working a 50-hour week, the industrious Japanese piled up a trade surplus last year of \$50 billion. Japan's largest customer, the U.S., ran a \$141-billion trade deficit.

Just about everyone around the world is furious at the Japanese. Last week, the U.S. Congress bluntly told Japan Inc. to either open its markets to American exports or face major trade restrictions. Canada, with uncommon verve, echoed the threat. The Japanese promised to report this coming week on how their markets would be opened to foreign trade.

Well, ho hum, the U.S. and Canada have nagged the Japanese for years to permit two-way trade. Japanese officials always respond by agreeing "in principle," smiling a lot and, when nothing happens, saying with injured innocence: "But our markets are open."

Here, as a friend of mine learned, is what awaits



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exporters to Japan. He tried to sell them pharmaceutical tablets. What, he asked, was necessary for government approval? "Oh, regulations very unclear, very confused," he was told. And then: "All imported products such as yours must be triangular-shaped." Japanese tablets round or oblong; foreign devil tablets must be designed to stick in throat of people who dare take them.

Or, take the case of a large U.S. cosmetics firm that finally got its products cleared for sale in Japan after years of regulatory anguish. The first shipment arrived at the docks in Yokohama and then sat there in the sun for six months. Japanese customs: "So very sorry, shipping documents lost."

Why does the U.S. allow Japanese exporters free entry while American industry is largely barred from selling in Japan? Can't Washington just tell Japan Inc.: "Either start buying U.S. products or you won't even sell a sushi bowl in our market."

Here, as far as I can tell, are a few reasons why this obvious recourse has not been taken:

● Low-priced, high-quality Japanese imports force our own North American unions and producers to

keep their costs down and productivity up. This keeps inflation low and earns much political credit by pleasing consumers. Each time our unions get too demanding, a new flood of Japanese imports cools them down.

● Japan has the world's third-largest economy, some of the world's leading technology and an important strategic location that dominates Northeast Asia. Tokyo is Washington's most important ally outside of Europe and the key eastern Pacific base for U.S. naval and air forces. These bases allow projection of U.S. power onto the Asian mainland and into Russia's Siberian backyard.

● Washington badly wants to avoid riling the prickly Japanese lest they toss out U.S. forces and cozy up to the Russians. A combination of Soviet resources with Japanese technology and managerial skill is a prospect that causes sleepless nights at the Pentagon. The last time Washington threatened Japan's vital economic interests — Franklin Roosevelt's 1941 embargo on trade to Japan — the Japanese went to war. They are most sensitive about exports; without them, Japan would be another Newfoundland.

● Politically powerful North American farmers and citrus growers sell a lot of produce to Japan. Any trade war would hurt their business and no one, either in Washington or Ottawa, wants to tangle with the farm lobby.

So, after all the latest huffing and puffing about trade retaliation subsidies, we will be back watching our color Sonys and driving around in our well-made Toyotas. Western devils love Japanese gadgets just as much as the Japanese love exporting them.