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STATE ATTORNEY GENERAL

V. S. McCLATCHY  
(EXECUTIVE SECRETARY)

August 10, 1931

Prof. Chas. A. Kofoid,  
Department of Zoology,  
University of California,  
Berkeley, California.

Dear Sir:

There is enclosed herewith, as  
requested in yours of this date, copy of the report to the Cal-  
ifornia Joint Immigration Committee, July 19, 1930, document  
#262.

Truly yours,

*Dorothy Kaltenbach*  
Dorothy Kaltenbach,  
Asst. Secy.

DK  
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## California Joint Immigration Committee

785 MARKET STREET  
PHONE GARFIELD 2697  
San Francisco, Cal.HON. U. S. WEBB  
STATE ATTORNEY GENERALV. S. McCLATCHY  
(SECRETARY)

July 19, 1930.

QUOTA FOR JAPAN AS A REMEDY FOR MISUNDERSTANDING  
AND PROMOTER OF TRADE.

To the Chairman and Members  
California Joint Immigration Committee,  
San Francisco, California.

At the meeting of this Committee, June 26th, Mr. Wallace M. Alexander, of the San Francisco Chamber of Commerce, read a statement taking issue with the points of the brief concerning quota for Japan prepared by your Secretary and presented in your name, under instructions, to the Resolutions Committee of the Los Angeles convention of the National Foreign Trade Council, May 21, 1930. Mr. Alexander was a member of that Resolutions Committee.

There is such a wide divergence between Mr. Alexander and the Committee as to certain pertinent facts and conclusions to be drawn therefrom that it is desirable, in the interest of mutual understanding, that the differences be adjusted if possible. It is particularly desirable because many others probably share the views of Mr. Alexander. Some study has been made of Mr. Alexander's data, and this memorandum of results was prepared for information of the Committee.

## ELIGIBILITY, NOT QUOTA, THE REAL ISSUE

In the first place, the real issue is not "quota", with entrance of a limited number of Japanese immigrants. That is but a half way station. Japan has frequently declared thru her representatives at international meetings, at Paris and elsewhere, that she will insist on "racial equality", - the same privileges for her nationals, including naturalization, as are conceded Europeans. It has been declared with equal positiveness that quota will not satisfy her. We may assume fairly then that to grant quota would be simply an exhibition of weakness on our part which will strengthen the demand which she has frankly said must be conceded ultimately if we wish to satisfy her. The present immigration act with its bar against ineligible aliens would be unobjectionable to Japan if our naturalization law were amended to include Japanese in the privileged class. To grant immigration quota now to Japan would except the Japanese from a disability imposed by our naturalization law, and handicap us in opposing Japan's final demand for the right to citizenship. That is the issue which the country must face; and it were best to face it now.

The Japanese point of view on this issue finds expression, a little guarded it is true but none the less clear, in the issue, June 15, 1930, of Gaiko Jiho, the Revue Diplomatique of Tokyo, a semi-official publication supported by government subsidy, in an article by Dr. U. Oyama, former Consul General of Japan at San Francisco. The article discusses the present situation in its various phases and gives prominence therein to the activities of this committee and Mr. Alexander in connection therewith. The quotations below are taken from a translation of the article:

"But we must not forget that along with the immigration question there are many other matters of Japanese exclusion unsettled. One of them is the matter of ineligibility of Orientals for citizenship. Another is the Japanese exclusion land laws of California and other western states of America." \* \* \*



"The decision of the United States Supreme Court that Japanese being neither negro nor white, are ineligible, is final as an interpretation of the existing law. Nevertheless it has become an important question requiring further study whether the provisions of the existing law which does not give the right of naturalization to Japanese are appropriate or not.

"Particularly in the case of the Japanese the question is not simply one of eligibility or ineligibility. In America the Japanese exclusion immigration law, Japanese exclusion land laws and all other laws excluding Japanese, are based on the ineligibility of Japanese for citizenship. The refusal of naturalization to Japanese is a grave matter in international intercourse and international life."

Chairman Albert Johnson of the House Immigration Committee, who announced May 24th his intention to secure "quota for Japan" has since explained that his meaning was misunderstood. He does not favor making the yellow races eligible for American citizenship or for entrance as immigrants. He proposes simply an increase in the nominal quota for Japan from 100 to 180, the number to which she would be entitled under national origins if her nationals were eligible. He would do this without change in the "eligible" provision. But the present nominal quota for Japan is not for entrance of Japanese--but for entrance of nationals of other countries eligible to our citizenship and residing in Japan. Increasing that number to 180 will not admit any Japanese and will not therefore satisfy Japan. Her nationals can be admitted only by making exception in their favor either to the immigration policy or to the naturalization law, which Mr. Johnson declares he does not favor. Japan's hopes apparently were prematurely raised by the original announcement.

There is no question as to the cultural assimilability of the Japanese, and none as to their physical, mental and moral qualifications. But the racial differences are so great, as demonstrated by the second generation Japanese in Hawaii and California, individually fine young men and women, that they are not absorbable and must remain apart an unassimilated group in our population, therefore an obstacle to homogeneity of citizenry. Mr. Alexander uses the word "assimilation" in a different sense from that given it by the Committee, whose investigation of the facts in connection therewith has been so thorough that no further reference need be made thereto. That may be said also for other minor points made by him.

PROMOTING TRADE BY IMMIGRATION REGULATION?

Mr. Alexander insists that our immigration law has so deeply offended the Japanese that it has resulted in a great loss of trade to this country and that future results in that direction will be more serious still; therefore that the law should be so amended as to meet Japan's wishes. He stresses that point and attention is given it here accordingly.

Similar demands were made by other nations in 1924 and similar representations were offered by the State Department when the policy of immigration restriction was in the balance. The question is not whether such nations declare themselves aggrieved, but whether they have just cause for grievance; and further whether it is our national interest or their desire which should regulate our immigration policy.

Dismissing for the moment that question, consideration is given to the loss of trade, if any, which has been caused by Japanese ill will or boycott, induced by our immigration law.

Mr. Alexander rests his case as to this phase of the matter on loss of part of the lumber trade of the Pacific Northwest with Japan, and on loss to certain California articles of export under Japan's "luxury tax", operative July 1, 1924, which he declares was passed as a retaliatory measure against this country.

He calls attention to the fact that the State of Washington lost 26% of its Japanese trade (in lumber) in one year, 1929, and refers to it as "a pretty stiff price to pay for exercising national prejudice." He offers J. J. Donovan as authority for the statement that Washington's loss of trade in this matter is due to Japan's resentment. But as a matter of fact Donovan did



not make that statement. He said the loss was due "some to curtailment in all purchases by Japan, some to the new Japanese tariff favoring Russia, and some to resentment".

On the other hand, it is stated by a representative of the large lumber interests of the Northwest that the result is in no way due to resentment; that the Japanese buy when and where they can buy to best advantage; that the loss in the lumber trade of the Northwest with Japan is due to a variety of causes, including general world business depression, Japan's present industrial slump, decrease in use of lumber for building purposes because of use of other material, and competition in the lumber trade from Russia and from Canada.

Again, if Japan cut down her orders for lumber in resentment against the immigration act of 1924 why wait 5 years to do it, and meanwhile flood the Pacific Northwest with her orders. The absurdity of the claim is apparent when placed side by side with that other claim that Japan's luxury tax, passed in 1924, was a retaliatory measure against this country. Why punish us by refusing to buy some things and flood us with orders for others?

#### JAPAN'S LUXURY TAX

Mr. Alexander relies on an unnamed "gentleman in California" for information as to the loss suffered by California thru the "luxury tax" of Japan, which he says was passed by the Japanese Parliament because it was "filled with indignation at the exclusion act". The authority quoted calls attention to the decrease in raisin shipments and in "Del Monte Products, Oakland Shredded Wheat and Napa Shoes", and adds, "Mr. McClatchy has caused his friends a loss of at least \$500,000 a year". The "gentleman in California" overestimates Mr. McClatchy's importance, and he is sadly misinformed as to facts.

Japan's luxury tax was not in any way a retaliatory measure aimed at this country. In fact it hit other nations, with which Japan has no immigration or other problem, more severely than it hit us. An explanation of the situation which forced the luxury tax will be found in the Japan Year Book, 1924-25, at p. 611, and also, with much interesting detail, in an article "Luxury or Life" in the "Far East Review" of Shanghai, September, 1924. The tax covered originally 123 articles, afterwards reduced to 106 (see partial list in Japan Year Book, 1930, p. 435) on which a duty of 100% ad valorem was levied. It covered such a wide range as clothing, leathers, jewelry, perfumes, toothpowders, confectionery, house furnishings, phonographs, films, etc., etc. It was imposed as a measure of national economy and to control a tendency toward luxurious habits on the part of the Japanese. It was forced in a way by Japan's rapidly increasing adverse trade balance, her great silk exports decreasing while her imports for rebuilding and rehabilitating her people increased. It was intended to force the Japanese to buy at home, of home products and home manufacture, and thus do their part in adjusting the trade balance.

The article in the Far East Review referred to says that the statement that the tax was intended as a boycott on American goods is "disposed of without difficulty in view of the protest from British Boards of Trade", and adds: "It would appear that no nation is especially hit by this luxury tariff, but that all suffer equally, the Japanese themselves being hardest hit, since those who have come to depend on imported goods of the 'luxury' classification must find some homemade substitute or go without".

The figures for exportation of raisins to Japan referred to by the "gentleman in California", when examined by calendar years and analyzed, furnish no indication of feeling against this country. It is true that in 1925 the tonnage decreased to one-half that of 1924, but, as the tax was 100%, the amount spent by Japanese consumers for California raisins in 1925 was practically the same as in 1924. The figures show too that for each of the three years, 1926, 1927 and 1928 (no figures available for 1929) Japan consumed 20% more California raisins than she did in 1925. No evidence of ill will or boycott there! Even now with the 100% luxury tax Japan consumes 40% more California raisins than she did in 1921 when there was no tax. The year 1924 showed a drop as compared with 1923 in Japan's raisin importations of 20% in



tonnage and 33% in value, undoubtedly due to the effectiveness of her economy campaign. The luxury tax went into effect in the middle of 1924.

It is understood that the U. S. Bureau of Foreign and Domestic Commerce has not found in the imposition of the luxury tax any indication of retaliation on the part of Japan. Attention is called to the fact that there are a number of articles in the list not produced in this country; and the Crosse and Blackwell products of England were as much affected as the Del Monte products of California.

Mr. K. Nishida, English editor of the San Francisco Japanese American News (Nichi Bei), says the luxury tax was not due to retaliation, but to economic conditions resulting from the earthquake and a desire of the Japanese government to stress economy.

The authorities on both sides of the Pacific who know agree that there has been no indication of trade retaliation on the part of Japan for hurt claimed in connection with operation of our immigration law, and the facts and figures disprove any such charge.

Equally without foundation is the claim that Japan's future trade with us is dependent upon our conceding her the privilege of dictating our immigration policy or the belief that she would have increased respect for us if we did so. It is evident that an effort is being made to stampede certain business interests into the belief that trade is to be fostered or lost according as we concede the privilege of regulating our immigration to other nations or reserve it strictly for ourselves to be exercised primarily for the national welfare. Lack of information and spread of misinformation tends to give prominence to such an impression and to conceal the grave results to national standards and national welfare that must result from such a policy.

We owe it to ourselves and to our neighbors on the Pacific to do our share in maintaining friendly relations and preserving peace, and to do those things which, without sacrifice of our interest or self respect, will show due regard for their rights and for international comity. It has been the Committee's viewpoint that we must cease to buy good will at sacrifice to well defined interests of the nation if the nation is to live.

V. S. McClatchy, Secretary