

# JAPANESE EVADE

## ANTI-ALIEN LAW

Utilize Services of Whites as Dummy Incorporators in Organizing Companies.

### PHELAN EXPOSES RECORD

Universal Service, Special Cable, via Leased Wire.

SAN FRANCISCO, Saturday, April 5.—United States Senator Phelan yesterday declared that the Japanese have found a means of evading the anti-alien land laws of California, and are using white men as "dummy" incorporators to gain control of California lands. This charge, he said, was based upon statistics furnished him by the corporation commissioner of this state. These statistics, according to the senator, show:

That the number of Japanese who have made application in the last three months for power to form corporations equals the number who have applied for incorporation papers in the past two years. Senator Phelan said:

"This shows the necessity of repealing Section three of the anti-alien land law which provides that aliens can form corporations with the provisions that the majority of the incorporators be citizens or be eligible to citizenship in the United States."

This section, he stated, at the time of the passage of the law was considered a preventative measure, but "the Japanese have been slow in taking advantage of its flabbiness."

Senator Phelan's statement in full follows:

"To successfully combat the legal advice employed by the Japanese to evade the law of the state, the Legislature must pass the Inman bill.

"It has become necessary for me to appeal directly to the people of this state for support in securing the passage of this measure.

"In 1913 the anti-alien land law was passed by the California Legislature and Section three of that bill provided that aliens could form corporations with the provision that the majority of the incorporators be citizens or be eligible to citizenship in the United States.

"The ineligible Japanese who wished to form corporations secured as their incorporators white men, citizens of the United States who act as dummies. Statistics furnished me by the state corporation commissioner show conclusively that in most of the corporations the majority of the incorporators are white men and in this way the Japanese successfully evade the real meaning and intention of the law makers.

#### Record of Incorporations.

"In California there are 104 Japanese corporations and fifty more have made applications to the corporation commissioner to incorporate since January 1, 1919. The 104 corporations have a combined capital stock of \$2,348,000.

"In addition, the Japanese have four foreign firms incorporated under California laws with holders in Japan with a capital stock of approximately \$53,000,000. The largest of these which withdraw big profits from California, is the Mitsui Bussan Kabaschiki Kaisha, capitalized for \$50,000,000.

"The other three companies are the Tokyo Marine & Fire Insurance Company, Ltd.; the Oakada Company, and the Ushida Trading Company.

"This shows how the Japanese have been taking advantage of the loopholes of the California and alien land law.

"The greatest number of corporations controlled by the Japanese is in Fresno County, where forty-one companies have invested approximately \$925,000. All are interested in farming.

"In San Francisco there are ten Japanese corporations. These are, for the most part, engaged in trading, real estate, general merchandise, importing and exporting and promotion societies. The combined capitalization of these concerns on paper is \$320,000.

"The records show the Japanese corporations in other cities: Los Angeles, nine; Sacramento, eight; Merced, five; Oakland, four; Placer, three; Tulare, two; Dinuba, Watsonville, Loomis and Lodi, one each.

"There is a scattering of others throughout the state, the principal locations being Sonoma, Hanford, San Bernardino, San Jose, New Castle, the Santa Clara Valley, San Diego, Oxnard, Livingston, San Fernando, Vacaville, Guadalupe and San Lorenzo.

"The majority of the corporations have been formed to promote the immediate interests of the Japanese farmers and land holders. The Japanese farmers in one region form a corporation and together they manage to obtain benefits through the control of land which they would find impossible to obtain individually."