

JAPANESE CHILD WINS

AMERICAN-BORN SON OF ORIENTAL HOLDS LAND.

Supreme Court Upholds Right but Denies Incorporated Holding Company's Claim.

Real property rights in Washington acquired by American-born Japanese children through the establishment of trust funds by their parents, were upheld, and the right of aliens to obtain lands through the creation of incorporated holding companies was denied in decisions handed down by the State Supreme Court at Olympia yesterday.

The cases originated in King County through efforts of Prosecutor Ewing D. Colvin to escheat lands acquired in this county, and the decisions are considered as pointing the way to the future administration of the state's alien land law.

The first case involved the ownership of a piece of property transferred to trustees for Frank Kosai, an American-born Japanese minor and, therefore, a citizen of the state. Transfer of the property was made by the father, Choski Kosai, on June 7, 1921, three days before the alien land law went into effect, to Pierce Lonergan, Seattle attorney, S. Osawa and himself as trustees for the benefit of the child. The father continued to work the land as an employe of the trustees.

This arrangement, it was contended by Prosecutor Colvin, constituted a fraud in that it was done to evade the law. The court held, however, that the child, being a citizen of the state, was entitled to the protection of the law and that to deny its ownership would be to confiscate the property of a citizen.

Must Deal Justly.

"The state, although mighty, cannot insist upon the allegiance of all its citizens unless it deals justly with all its citizens and it cannot deal justly if it confiscates the property of its own citizens without just reason," the decision read.

Prosecutor Colvin pointed out that under the decision any Japanese parent may establish a trust fund for the purchase of property for its children and that in this way the bars are let down to extensive acquisition of property which in effect will be held by aliens, through their children.

Mr. Lonergan, who represented the trustees acting for the minor, set forth that the question was one of fundamental trust law and constitutional law; that it was within the right of the parent to set aside funds for the purchase of property for children who are citizens and therefore entitled to hold property and that there was no evasion of the law in so doing.

"There is no danger that this decision will let open the flood gates to Japanese ownership of property in the state," Mr. Lonergan said today. "It does establish the rights of American-born Japanese children in this state. The Japanese are not interested in acquiring property here to the extent that they will come in in great droves and acquire property for their children under this decision."

The second case involved the question of whether a corporation, the capital stock of which is principally owned by aliens, could hold lands in trust for aliens. The court held that this was an evasion of the law and affirmed judgment handed down by Superior Judge Calvin S. Hall in this county for the escheat of valuable garden lands in the White River Valley held in the name of the White River Gardens, Inc. It was established that S. Katsuno and his wife had acquired 1,997 shares of 2,000 shares of stock in the company and then had assigned them to their son, a minor, "for love and affection." This transfer was held to be subterfuge.