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The circular sent by the Japanese Chambers of Commerce to the principal institutions of the same kind in the United States is said to have been read in America as a hint that Japan may be obliged to resort to a boycott of American goods. We are very sure that no such idea entered the minds of the drafters of the circular or of those that approved its despatch. What they had in mind, doubtless, was the self-evident fact that any estrangement between the two nations must necessarily interfere with the development of a commerce which owes much to the exceptionally friendly relations hitherto existing between them. As for the latest trouble in San Francisco, it is stated that the refusal to renew the licences of Japanese servants' agencies is not such a simple affair as it appears to be at first sight. These agencies make it their chief business to supply labourers to employers, and inasmuch as the inflow of Japanese labourers has now been plainly restricted, the San Francisco Authorities are said to hold that agencies for the supply of labour cannot

have a lawful *raison d'être*. Hence it is that they have resorted to the pretext of refusing to renew the licences of these agencies on the ground that they are conducted by aliens. The great question is whether such a course can be reconciled with treaty. It is true that the last clause of the 2nd Article of the Treaty between Japan and the United States reserves to the latter the right to modify the provisions of the Treaty by law, ordinance and regulation in matters of trade, immigration of labourers, police and public security. On the other hand the 14th Article guarantees to Japan most-favoured-nation treatment in everything that concerns commerce and navigation. It has now to be decided, therefore, whether the last clause of the 2nd Article or the general provision of the 14th Article is applicable to the present case. The Japanese seem disposed to claim that, while they have no right to expect exemption from any law generally operative, they do not receive most-favoured-nation treatment when they are discriminated against as a special nationality. Evidently if other aliens can receive licences to run labour agencies the fact of unfair discrimination against the Japanese would be established.