



JAPANESE AMERICAN CITIZENS LEAGUE / JACL

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Date: January 12, 2010
To: The Honorable Lt. Governor Lee Fisher
From: Ronald M. Katsuyama, Vice President for Public Affairs
Japanese American Citizens League
Re: January 7, 2010, Press Release

Dear Honorable Lt. Governor Fisher:

The Japanese American Citizens League (JACL), the oldest and largest Asian American civil rights organization in the United States, believes that your January 7, 2010, press release entitled, "Fisher Blasts Exclusion of U.S. Cars in Japanese Cash For Clunkers Programs" is both misleading and irresponsibly inflammatory. It claims that "The exclusion of American autos from Japan's domestic Cash for Clunkers program is outrageous..." and that "...when Japan created its own sales incentive program, it erected barriers making it nearly impossible for American cars to qualify."¹

In this troubled economic time with high unemployment, the JACL is concerned that simplistic accusations of unfair trade practices against Asian countries can induce anti-Asian sentiment at home and, worse, violence against our Asian Pacific American residents. For example, two unemployed Detroit autoworkers violently murdered Vincent Chin in 1982, mistakenly believing that he was of Japanese descent. This hate crime was punctuated with the outburst, "because of you mother f---s we are out of work." Unfortunately, there are too many historical parallels of such violence against Asian immigrants, dating back to the 1800s when new laborers were portrayed as threats to the jobs of "real" Americans. Given the anti-Asian reactions that your press release has already induced, we ask that you retract your accusatory statements and, in future discussions of foreign trade issues, engage in more balanced, informative, and productive discussions.

Sincerely,

Ronald M. Katsuyama

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¹ These statements incorrectly imply that trade barriers were created in association with Japan's domestic program that offers green tax breaks and subsidies, up to \$2830 for a trade-in of a used car 13 years or older for a new, fuel-efficient car with 35.5 mpg or better and a \$1130 credit without a trade-in.

Scott Evans in a December 11, 2009, Motor Trend article,* writes, "Because domestic Japanese brands hold more than 95% of the Japanese market, the U.S. automakers typically sell less than 10,000 vehicles there combined. With such low numbers, the Japanese government gives them the option of having their

vehicles tested under official Japanese government rules for fuel efficiency or selling them without the official ratings, and Detroit has opted for the latter while other import automakers have not. Because Detroit's cars haven't been officially rated for fuel economy in Japan, they're ineligible in the program. If Detroit chooses to have them rated, then they could participate. No reason was given for Detroit's decision not to have their cars rated, but costs are likely a factor especially given their low sales numbers.”

It is important to understand that prior to Japan’s current domestic auto sales incentive program (4/10/09 through 3/31/10) automakers from Europe and Korea have been opting to sell their cars in Japan with official fuel ratings, but US automakers have not. Therefore, the apparent obstacle for US automakers is not additional trade restrictions, *per se*, but rather their failure to compete in a market wherein fuel efficiency is a requirement. Although US automakers could benefit from a revision of standards under which Japan’s program will grant tax credits, it will probably be difficult to negotiate a lowering of fuel-efficiency requirements under the current program, said to be driven by both economic stimulus and environmental concerns.

*Article posted at: <http://wot.motortrend.com/6616632/cash-for-clunkers/detroit-says-japans-c4c-program-unfair-japan-says-its-their-own-fault/index.html#ixzz0cPbMtJO1>