

3/4/42

(3)

SUGGESTED PROGRAM FOR THE FEDERAL RESERVE BANK  
OF SAN FRANCISCO AND OTHER PUBLIC AGENCIES TO  
DEAL WITH PROPERTY OF EVACUEES FROM PACIFIC  
COAST MILITARY AREAS.

The success of the proposed program will depend upon placing complete responsibility for its execution in a responsible West Coast agency acting under the general direction of the local military authorities.

I. - Scope of Problem:

The evacuation on short notice of tens of thousands of persons from Military Areas on the Pacific Coast raises serious problems in connection with the liquidation of their property holdings and the protection of the property of such persons against fraud, forced sales, and unscrupulous creditors. Obviously the emergency will cause financial loss to the group involved. However, the following program is intended to accord to this group reasonable protection of their property interests consistent with the war effort.

II. - Legal Authority:

Since the program is one basically to assist the evacuee in the liquidation of his property, it is expected that in most instances the evacuee will voluntarily avail himself of the facilities afforded by this program. Governmental sanctions will be necessary to deal with creditors and others who seek unfair advantage of the evacuees. There is ample legal authority now vested in the military authorities and in the Treasury Department which can be delegated to such West Coast agency to deal with this problem without necessity of obtaining further legislation or new executive orders.

III. - Administration of Program:

The nature and urgency of the situation, coupled with the large volume of transactions that will require prompt handling, necessitates the program's being administered by an agency on the West Coast cloaked with full authority to act without reference to Washington. The over-all control of all aspects of the evacuation must obviously rest in the military authorities. Subject to this over-all control by the Army, the direct responsibility for the execution of the property aspects of the program should be placed in the Federal Reserve Bank of San Francisco, which has branch offices in Los Angeles, Seattle, and Portland. The Federal Reserve

Bank will be in a position to obtain the cooperation of other Government agencies, and of well-known and experienced individuals and institutions in the various communities throughout the West Coast area. This cooperation, together with the established integrity and ability of the Federal Reserve Bank, will enlist the confidence of all of the affected groups and discourage gouging by creditors or other self-seeking interests.

The Federal Reserve Bank will also work in close liaison with the Federal Security Agency, the United States Department of Agriculture, and other Federal, State, and local public agencies that can be of assistance in dealing with the property during the course of its liquidation. These agencies will undoubtedly be called upon by the military authorities to handle other aspects of the evacuation problem, such as the transportation and resettlement of the evacuees, and their reemployment in new areas.

The Federal Reserve Bank of San Francisco, which is the fiscal agent of the Treasury Department, will be clothed with ample authority to execute the program. The Treasury Department will lay down the broad principles and objectives of such program as well as the general procedure to be followed. The Department will also furnish the San Francisco Bank by airplane with the requisite number of trained experts to assist in working out the details of the program in the field and to participate in its execution. If need be the Department is in a position to provide the San Francisco Federal at once with 100 or more men for this purpose.

The keynote of this program is speed. It is believed that it can be put in operation by Monday, March 9, 1942.

#### IV - Outline of Program.

A. Properly staffed offices under the direction of the San Francisco Federal Reserve Bank will be opened at once in the local communities from which evacuees will be moved.

B. Announcement will be made throughout the area by the Federal Reserve Bank of San Francisco that its representatives in these offices are prepared to assist evacuees with the problem of liquidating their property and protecting them against those seeking to take unfair advantage of their plight.

C. These representatives will assist in putting the evacuees in a position to obtain buyers, lessees, and other users of their property on fair terms. In cases where the evacuee is unable to select his own agent to dispose of his property, the Federal will be prepared to act as agent for the evacuee under a power of attorney or similar arrangement and take steps to liquidate the property on fair terms.

D. Evacuees threatened by creditors will be encouraged to come to the representatives of the Federal for advice and guidance. The Federal representative will also discuss the matter with the creditor with the view to working out a fair settlement and limiting the remedies that may be pursued by the creditor who threatens unfair action. By and large the mere existence of this program of helping evacuees will eliminate or forestall most of the sharp practices that are now feared.

E. In some cases the property of the evacuee may be such that its real value can only be realized at a future time, e.g., Japanese novelties. In such cases the Bank's representative will assist the evacuee in arranging for the storage of such property if that is the wish of the evacuee.

F. On agricultural properties the Bank's representative, with the assistance of representatives of the U. S. Department of Agriculture, will attempt to arrange for the leasing or sale of such property or if need be for the growing of the crops, with a view to preventing their loss through inattention.

G. The Federal Reserve Bank of San Francisco and its representatives will be cloaked with adequate authority to cope with problems arising on the basis of existing circumstances. The program will be flexible and at all times the Bank will attempt to keep matters on a voluntary basis, satisfactory to the evacuee. Where these efforts fail it may be necessary for the Bank's representative to step in and take the property over for the purpose of obtaining a fair and reasonable liquidation.

It is expected that the setting up of this program and the accordance to the evacuees of facilities for the liquidation of their property should greatly expedite the departure on a voluntary basis of the evacuees from the military area.

3-4-42