

FEDERAL RESERVE BANK OF SAN FRANCISCO

March 9, 1942

Dear Marriner:

You may know by this time how long it took us to get out to Los Angeles--to be exact, it was 21 hours. On the plane to Los Angeles were four representatives of the Treasury, one from their Law Department, Mr. Luxford, one from their Investigation Department, Mr. May, and Mr. Pehle's Assistant, Mr. Stewart. Heading up the Treasury delegation, of course, was Mr. Pehle.

From the War Department was Assistant Secretary of War McCloy and a Colonel who handles public relations for the War Department; I don't remember his name. Of course, the Assistant Secretary had his right-hand man with him--Mr. Tate.

Also present on the plane was Eisenhower of Agriculture. He apparently has been designated, or will be designated, to take charge of the resettlement of the evacuees. He is here to study the problem and will return to Washington to prepare the President's Order creating the agency for the resettlement of the evacuees.

When we arrived at Los Angeles, we found that Mr. Tom Clark, on the Justice payroll, Anti-Trust Division, has been giving out many press releases. He was named to the position of Chairman of the Committee on Civilian Evacuation by General DeWitt (an elderly man) and apparently has General Dewitt's absolute confidence. However, he appears to be a man who talks out of turn, presumes a great deal, assumes more, and has every appearance of a politician. I may be wrong, but this is the impression that has been expressed by many others.

The clippings from the Los Angeles newspaper were sent to Mr. Morrill.

We didn't do very much in Los Angeles. Assistant Secretary McCloy contacted the local military authorities and the Treasury man and I contacted Ambrose and Craft of the Los Angeles Branch.

We left Los Angeles yesterday afternoon about five. We arrived at San Francisco about 7:30. We landed

at Hamilton Field and were met by General DeWitt and his staff. From Hamilton Field we proceeded to the Presidio and there we engaged in a discussion of the problem. From the Presidio we were driven to the Yacht Club for dinner. Up to this point the discussions were informal and quite general. As we were leaving the Yacht Club, we agreed upon a meeting Monday morning at 9:30 at the Presidio.

This morning at eight o'clock we met in the Federal Reserve Bank (the Treasury representatives and the Federal Reserve Bank officials) and discussed the problem of handling the property of the evacuees on a voluntary basis. Several questions of law and procedure were discussed but nothing definite was decided upon.

We then proceeded to the Presidio. The Federal Reserve Bank was represented by Mr. Day, Mr. Clerk, Mr. Hale, and Mr. Agnew. The Treasury was represented by Mr. Pehle, Mr. Luxford, and Mr. Lawlor (from the Treasury Law Department), and Mr. May.

Mr. Eisenhower was present; also present, of course, was the Assistant Secretary of War McCloy and Colonel Bendetson, and others of General DeWitt's staff. It is needless to say that Tom Clark was also present.

There were others present from the Military and from the press of the Military.

General DeWitt stated the problem. He pointed to the fact that there was no immediate intention of a forced evacuation, that if such a condition arose it would be dealt with at the time. He stated further that it was the intention of the military authorities to give the evacuees sufficient time to make voluntary disposition of their property holdings by selling, leasing or giving power of attorney through the Federal Reserve Bank of San Francisco, its branches and such offices as it may establish, principally in the sections of Los Angeles, the surrounding area, San Francisco, Portland, and Seattle. His whole discussion was along the line of voluntary appeal on the part of the evacuees to the Federal Reserve Bank to assist them in making disposition of their property. There were various questions raised as to procedure, but the general outline of the discussion was that a statement be issued by the Federal Reserve Bank through General DeWitt, advising the evacuees of the readiness on the part of the Federal Reserve Bank to

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assist them to the fullest extent possible. It was pointed out, however, that cases may arise where forced action may be necessary. It was further pointed out that developments may require quick action. None of these is contemplated at this time.

In answer to a question that I put to the General as to the Federal Reserve Bank's contact with the military authorities, he answered that Tom Clark would be the man to contact. He stated further that Colonel Bendetson would be another contact on another side of this same question. Just what that would be, however, was not definitely determined. He pointed out further that Mr. Eisenhower would be the third contact on the question of resettlement.

It was further agreed that the various governmental agencies, such as the Social Security, the Department of Agriculture, and others, would also be of assistance, and representatives would be contacted from time to time.

Everyone present had an opportunity to ask questions and so far as possible the General answered questions, but the discussion was more or less general because either the military authority was not in a position to disclose its plans or didn't have any definite plans at this time. All of which was perfectly agreeable to us because it provided the Federal Reserve Bank with sufficient time to set up its offices, make its announcement, and proceed to work out the property problem on a voluntary basis.

Mr. Hale has been designated by the Federal Reserve Bank of San Francisco to represent the bank, and this was announced to General DeWitt at the meeting. Mr. Hale immediately established relations with Tom Clark, Colonel Bendetson, and Mr. Eisenhower.

Upon leaving the Presidio we drove to the Federal Reserve Bank with the Treasury representatives and conferred for considerable time on details of procedure and questions of law. After considerable discussion, it was finally agreed that a small group of three or four proceed to work out the details of authority and immunity and that another small group work on a statement that would be released through General DeWitt to the press. This group is now ready to report and we

are about to approve both plans. The procedure to be followed is to use the branches and the Federal Reserve Bank and to open such additional offices as may be required, and to urge the Japs to avail themselves of these offices whenever they wish to do so on their own interests. To a large extent they may find it possible to call on their bank or on their lawyer or on their real estate agent, or on their friend, if they care to do so. Information will be provided wherever possible in the interest of the protection of their property. We hope to have the press statement ready tomorrow for release by General DeWitt.

The Treasury representatives have contacted Mr. Bernstein (Washington) to make such necessary suggestions to him and obtain his aid in matters of law and obtain interpretation of law and regulations of the Treasury.

I think, on the whole, both the Federal Reserve Bank and the Treasury have a working arrangement such that the Federal Reserve Bank will be in a position to proceed without reference to Washington.

Also, this afternoon Mr. Pollard, who arrived here last night and who has been with me all day today and who attended the conference at the bank but did not attend the conference at the Presidio, attended a meeting of the Japanese-American Council, a national association which was having a meeting here in San Francisco at this time. There were about two hundred delegates at the meeting and were from five states. Colonel McGill was called upon first to make a statement to the group, and he assured them that the military authorities wanted to handle their problem as sympathetically as possible. He told them that the authorities wanted the evacuation on a voluntary basis as far as possible and that they did not want mass evacuation. Tom Clark was then introduced to the meeting and he took occasion to pat himself on the back for developments to date. The Reserve Bank has delegated Mr. Herbert Armstrong, head of the Discount Department, to have immediate supervision of the work. He was introduced next to the group and it is understood that he did an excellent job in presenting the Reserve Bank's position in this work, considering, of course, the fact that we had proceeded with our organization to such a limited extent.

The meeting was then thrown open to questions. Apparently the questions had been handed in by the various delegates, and a delegate from Pasadena propounded the questions to Colonel McGill, Mr. Clark and Mr. Armstrong. Those questions revealed the magnitude of this problem and some of the personal problems which the individuals have to face. Mr. Clark undertook to answer most of them, and he did a very poor job at it. Not only that, but it is understood that he did quite a bit of wise-cracking and did not give the indication of taking the problems very seriously.

This meeting would have afforded a wonderful opportunity of disseminating information but, unfortunately, it was in session before we had our plans worked out. Tomorrow is the last day of the meeting, and we hope to have someone from the Reserve Bank go back and talk with them again when they will be alone.

We plan to meet again tonight informally to look over the day's work and see what we have to do tomorrow. It is our purpose to put on the finishing touches tomorrow between the Treasury and Federal Reserve Bank so that there will be no question as to procedure and authority and as to the Federal Reserve Bank's part in the general program of evacuation.

There will be a meeting of the Directors at the Bank tomorrow morning which I have planned to attend. Hope to have an opportunity to talk to Henry Grady about the vacancy on the Board and discuss with him his proposed trip to India as well as the problem at hand--the handling of the property of the evacuees by the Federal Reserve Bank of San Francisco.

It appears now that I shall leave here Wednesday morning for Seattle where there may be an early and quick evacuation of about 300 Japs and where there are apparently no property questions at this time, at least not on the basis of our present plans.

Hope to see Assistant Secretary of War McCloy in Seattle. He is leaving here tomorrow. I plan to discuss with him and Eisenhower the question of relationship and further procedure.

After Seattle shall proceed down to Portland for a day or perhaps two days. From there down to San Francisco again for another day or two and then finally down to Los

Angeles where the problem assumes large proportions. By that time I shall know whether I shall return to Washington or return to San Francisco.

It goes without saying that I shall keep you advised. In case there is any direction that you wish to give this matter, let me hear from you by telephone.

Present in San Francisco were, in addition to the officers of the Bank, the Managers of Seattle, Portland and Assistant Manager of Los Angeles Bold. They have attended all conferences held at the Federal Reserve Bank. The Federal Reserve Bank, of course, has been working on this matter from the very outset and jumped right into it without hesitation.

I don't know how long I shall have to be away. The job is immense.

Very truly yours,

Matt
M. S. Szymczak

Mr. Marriner S. Eccles
Chairman, Board of Governors of the
Federal Reserve System
Washington, D. C.

P.S. Discussions between Treasury men and Fed. Bank men - became tense - on one or two occasions - on questions of use of private banks by the Fed. and on questions of legal authority - Ira Clark became very angry at one point - and told Treasury they ^(Treasury) could do for themselves - but soon things quieted down - and everybody was happy to cooperate.