

MEMORANDUM OF GENERAL PRINCIPLES GOVERNING THE OPERATIONS
OF RESERVE BANK UNDER AUTHORITY GRANTED BY WIRE OF MARCH 7
FROM SECRETARY OF TREASURY IN CONNECTION WITH THE PROGRAM
OF DEALING WITH THE PROPERTY OF EVACUEES FROM
PACIFIC COAST MILITARY AREAS

(1) The controlling principles to be followed are those outlined in the "Suggested Program for the Federal Reserve Bank of San Francisco and Other Public Agencies to Deal with Property of Evacuees of Pacific Coast Military Areas" referred to in the telegram of March 7 from the Secretary of the Treasury delegating authority to the Federal Reserve Bank of San Francisco.

(2) All available sources, including the press, radio, appropriate federal agencies, banking institutions etc. will be employed by the Federal Reserve Bank of San Francisco in the dissemination of information to evacuees with respect to the protection of their property interests. The evacuees will be encouraged to consult with the institutions with which they have been dealing and in which they have confidence, such as their local banking connections, attorneys, real estate agents, etc. in order to obtain information and work out satisfactory arrangements with respect to the disposition or maintenance of their property holdings. It will be made clear to the evacuees that the services of the Federal Reserve Bank and its branches and offices are freely available to them to see that they are not taken advantage of. Where the evacuee is unable to make other arrangements satisfactory to him, the Federal Reserve Bank of San Francisco will undertake to act as agent for the evacuee, reserving the right to decline to act if no useful purpose will be served.

(3) It is understood that no decision has been made that evacuees may not return after the war. Accordingly, while emphasis will be on liquidation, the evacuee may retain the ownership of property which he leaves behind, making appropriate arrangements with the Federal Reserve Bank or otherwise for its care and preservation.

(4) In addition to its branches in Los Angeles, Seattle, and Portland, the Federal Reserve Bank expects to establish offices in such other communities as may be necessary to furnish adequate service to the evacuees. It is recognized, however, that the Federal Reserve Bank may, in cases where it has accepted a power of attorney to act on behalf of an evacuee, appoint as its agent any bank or other appropriate agency or person which it may designate.

(5) It is understood that in protecting evacuees from unscrupulous action on the part of creditors, the Federal Reserve Bank may invoke the freezing powers and the other powers in Section 5(b) of the Trading with the Enemy Act. Thus evacuees threatened by creditors will be encouraged to come to the Federal Reserve offices and discuss their problems. These offices will be prepared to call in the creditor and attempt to negotiate

a reasonable settlement. If it appears that the creditor is not willing to deal fairly, the Federal Reserve office will make use of its delegated powers. It will block all or the relevant part of the evacuee's assets and freeze them against any attempt of the creditor to seize or attach them. The creditor will be granted permission to pursue his remedies only when the Federal Reserve office is satisfied that adequate protection has been accorded the evacuee. Usually the knowledge that the Federal Reserve office is prepared to act will be more than adequate to remedy the situation.

(6) It is understood in carrying out this program that the Federal Reserve Bank of San Francisco will not exercise the powers under Section 5(b) of Trading with the Enemy Act as Amended by Title III of First War Powers Act to vest title to any alien property without prior consultation and agreement of the Treasury Department.

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MEMORANDUM OF GENERAL PRINCIPLES GOVERNING THE OPERATIONS
OF RESERVE BANK UNDER AUTHORITY GRANTED BY WIRE OF JANUARY 7
FROM SECRETARY OF TREASURY IN CONNECTION WITH THE PROGRAM
OF DEALING WITH THE PROPERTY OF EVACUEES FROM
PACIFIC COAST MILITARY AREAS

(1) All actions will be taken in the light of the administration's express policy of giving every protection to evacuees and affording them all assistance possible in the handling of their affairs.

(2) Federal Reserve Bank of San Francisco will utilize every available source, such as the press, radio, federal agencies, banking institutions, etc., in the dissemination of information which will be helpful to evacuee.

(3) Broadly, the program contemplates suggesting to affected persons that, if properties cannot be satisfactorily disposed of by sale or lease prior to evacuation, power of attorney be vested with someone of the evacuee's own selection.

(4) If the evacuee desires to do so, Federal Reserve Bank of San Francisco will itself give consideration to the acceptance of a power of attorney, but it is understood that the bank reserves the right to review the situation of the evacuee and decline such service if, in its judgment, no useful purpose could be served by the acceptance of such power of attorney.

(5) The program at present contemplates that evacuees may possibly return after the duration of the war and that, therefore, no objection will be raised, if the circumstances seem to warrant it, to the evacuee retaining properties and, in connection therewith, making arrangements for their care and preservation.

(6) In addition to its presently existing branches at Los Angeles, Seattle, and Portland, the Reserve Bank expects and stands ready to establish offices or have representatives located in other communities if conditions appear to warrant.

(7) The Federal Reserve Bank of San Francisco understands as one of its aims the protection of evacuees from unscrupulous action on the part of creditors and, in this connection, that it has the right as a last resort to invoke the freezing power as an aid to this end.

(8) Federal Reserve Bank of San Francisco recognizes that the War Department, through the Western Defense Command and Fourth Army (General DeWitt) has over-all supervision of the entire program and that its efforts should be directed to be of the utmost assistance to the military authorities.

(9) It is the understanding of the Federal Reserve Bank that it will have available to it and proper liaison will be established with other federal agencies, such as the Department of Agriculture, Federal Security Administration, Farm Credit Administration, etc.