

MEMORANDUM TO FILES

March 9, 1942

FROM: W. B. POLLARD

Subject: Japanese Evacuation Program
on West Coast

I came to San Francisco to assist Governor Szymczak in connection with the organization work handling the Japanese evacuation program. It was the intention that I not only assist Governor Szymczak in any way possible but that I also try to familiarize myself with as much of the details of preparing for this work as possible, with the thought that the information and experience gained here might be useful elsewhere if it became necessary.

I arrived in San Francisco Sunday evening about 10:30, March 8, making the trip from Washington by plane. My plane was delayed about seven hours in Little Rock on account of weather conditions.

This morning Governor Szymczak and I attended a meeting at the Reserve Bank of Treasury representatives who had come out for this job and Reserve Bank officials. The meeting was called at eight o'clock. The Treasury representatives and Reserve Bank officials present were as follows:

Treasury Department

Mr. Pehle, Assistant Secretary
Mr. Stewart, Mr. Pehle's administrative assistant
Mr. Lawlor) of the Legal
Mr. Luxford) Division
Mr. May, one of the special investigators

Federal Reserve Bank

Mr. Day, President
Mr. Clerk, First Vice President
Mr. Hale, Vice President
Mr. Agnew, General Counsel
Mr. Everson, Assistant Cashier
Mr. Armstrong, Head, Discount Department
Mr. Shaw, Managing Director, Seattle Branch
Mr. Davis, Managing Director, Portland Branch
Mr. Bold, Assistant Manager, Los Angeles Branch

Mr. Day was a little late arriving at the meeting, and Mr. Clerk presided. He announced that Mr. Hale would be in charge of the Reserve Bank's work in connection with the evacuation program and that immediate supervision of the department organized to handle the work would be in charge of Mr. Herbert Armstrong.

Governor Szymczak made a few opening remarks outlining to some extent how the Reserve Bank happened to be called into the picture and what was going to be expected of the Reserve Bank. Mr. Clerk assured the representatives of the Treasury as to the seriousness with which the Federal Reserve Bank was undertaking this task and discussed some of the preparations which have been made up to now for the handling of the work. A department has been organized and quarters secured in the N. Y. K. offices, the former

offices of the N. Y. K. Steamship Company, a Japanese concern, which were under the control of the Government. Later on during the day I visited these quarters with Mr. Armstrong, and it seems to be an ideal arrangement. There are about thirty desks and a counter running lengthwise of the office. The telephones were in process of being installed, and arrangements have been made to transfer several employees from the bank to look after various parts of the work.

About nine o'clock Governor Szymczak, Messrs. Day, Clerk, Hale, and Agnew of the Reserve Bank, and Messrs. Pehle, Luxford, Lawlor, and May of the Treasury left for a meeting scheduled at 9:30 with the military authorities at the Presidio. At about eleven o'clock these men returned from the Presidio, and we resumed our meeting. There was first a review of the meeting at the Presidio for the benefit of those who did not attend. The following observations concerning the meeting at the Presidio were expressed:

1. There is not to be any forced evacuation yet.
2. There is no effective registration of the Japanese population.
3. Up to this time very few Japanese have moved. (It was said that, in answer to a direct question on this point, the military authorities stated that the number who had moved was "amazingly" few.)
4. There should be and probably will be an Army liaison at all offices established by the Reserve Bank.
5. The General will give the Reserve Bank at least a week's notice before evacuation is to be begun in any particular area.

There was some little misunderstanding between Mr. Pehle and Mr. Clerk as to the use of banks in the handling of property for the evacuees. Mr. Pehle had apparently gained the impression that the Reserve Bank intended rather large scale appointments of banks over the District to act as agents for the Reserve Bank. It was made clear to Mr. Pehle that no such plans were in mind; that they would use banks in individual cases when it was determined that a bank was the logical organization to handle that case, just as a real estate agent might be used in some cases, or a lawyer; that it was intended to do the very best for the individual concerned in each particular case. This, of course, was satisfactory to Mr. Pehle. He had misunderstood the intentions of the Reserve Bank.

It was agreed that the banks in the District would be ideal instrumentalities for the dissemination of information to the Japanese, and it was thought likely that in a large number of cases the Japanese would voluntarily seek the advice of their local bankers. Mr. Agnew expressed the view that it would be in a relatively few cases that the Reserve Bank would, on its own initiative, call upon some bank to handle the problems.

The Reserve Bank officials impressed upon the Treasury representatives the need for adequate authority and immunity. The point was made during the discussion that it would be after the war, when transactions would be viewed from a cold business standpoint, that we would likely have trouble, and that the Reserve Bank wanted to be relieved of any financial responsibility in connection with the handling of the work.

It was agreed that there would be cases when the Reserve Bank would not accept appointment as agent for an evacuee, such as a case where the individual seems to be hopelessly insolvent, and that the Reserve Bank should reserve the right to resign as agent in cases where it is determined that no useful purpose would be served. It was also agreed in this connection that in all probability the cases which the Reserve Bank would be called upon to handle would consist largely of the bad cases, that most cases where the apparent difficulties were at a minimum would be handled by the local bank or some local individual.

It was understood that the Reserve Bank would do its best to protect the evacuees against unscrupulous action on the part of creditors and that, in doing so, the Reserve Bank can invoke the freezing powers and other powers under the authority granted to prevent a creditor from repossessing articles which may have been purchased on conditional sales contracts and which have not been paid for in full. It was thought that there might be quite a bit of work to do in that field.

Paragraph (6) of General License No. 68A reads as follows:

"This general license shall not authorize any transaction which, directly or indirectly, substantially diminishes or imperils the assets within the continental United States of any national of Japan or otherwise prejudicially affects the financial position of such national within the continental United States."

It was brought out in the meeting that the provisions of this paragraph acted as a prohibition against the accomplishment of the very thing which was being undertaken. Mr. Pehle stated that that paragraph would have to be either relaxed or eliminated entirely.*

* The announcement was made on March 10 that this paragraph had been eliminated from the License.