

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM**Office Correspondence**Date March 12, 1942.To Chairman EcclesSubject: Executive Order establishingFrom Mr. Wyatt, General Counsel.Office of Alien Property Custodian.

There is attached a copy of an Executive Order issued late yesterday afternoon establishing an Office of Alien Property Custodian and transferring to the Alien Property Custodian much of the power previously vested in the Secretary of the Treasury under section 5(b) of the Trading with the Enemy Act.

This protects the Board's position with respect to Regulation W but may seriously affect the work which the Federal Reserve Bank of San Francisco is doing with respect to the protection of property of persons being evacuated from military areas.

The position of the Federal Reserve Bank seems to be protected for the time being; but the ultimate effect would appear to depend upon the policies which the Alien Property Custodian chooses to adopt.

I am to confer with counsel of the Treasury Department on this problem today and will report the results of this conference later.

Respectfully,

*Walter Wyatt*  
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Walter Wyatt,  
General Counsel.

**Attachment**

Identical memoranda sent to Governors Draper, McKee and Ransom, and Mr. Morrill, Mr. Thurston and Mr. Clayton