

MEMORANDUM TO FILES

March 13, 1942

FROM: W. B. POLLARD

Subject: Evacuee Property Program

This morning several prominent Japanese called upon the Reserve Bank and the Treasury representatives to discuss some of the problems of the Japanese people. The meeting was held in the Reserve Bank in the office provided for Mr. Pehle. I attended the meeting, and the following were present:

Japanese

Saburo Kido, National President,
Japanese American Citizens League
Mike M. Masaoka, National Secretary and Field Executive,
Japanese American Citizens League
Henry Tani, Executive Secretary,
Japanese American Citizens League
Yasuo Wm. Abiko, Editor,
The Japanese American News

Treasury representatives

Mr. Pehle
Mr. Luxford
Mr. Lawler
Mr. Blake

Reserve Bank

Mr. Armstrong

Some very interesting questions were posed and various problems presented. The gist of them is as follows:

The representatives discussed the disposition of different types of personal property. Examples mentioned were beauty parlor equipment and leases of dry cleaners. It was mentioned during the discussion that there were 120 Japanese dry cleaning establishments in the district and that to dump all this equipment on the market at one time would mean that very little would be realized out of it. Another business mentioned was a poultry business upstate, which business has approximately 500,000 hens and from which operation several hundred thousand eggs are shipped to the market daily.

One suggestion which came out during the discussion was that management corporations might be formed for these different businesses, with the stock of the corporations being owned by the Japanese interested, undertaking through such corporations the orderly liquidation of the businesses. The Japanese representatives seemed to be impressed with that thought and are going to see what can be done along that line.

One question in which the representatives were interested was whether or not leases on stores or residences would be automatically cancelled because of the evacuation order. Mr. Luxford, of the Treasury

representatives, said that the Japanese people should not rely upon anything like that happening, that it would be unlikely that the evacuation order could serve as legal grounds for termination of leases, and that it must be remembered by the Japanese people that the landlords too are suffering losses because of the evacuation.

One of the biggest problems seems to be that of providing storage for household furniture or transporting the furniture into the new areas. The Japanese representatives expressed the view that their people are not going to want to sell their furniture, the sales for which would naturally be at sacrifice prices, and with the type of furniture that most of them own they would receive very little for it. The representatives said that they were trying to induce the military authorities to move the furniture for the people and, if that cannot be done, to establish some sort of warehousing for the furniture. The representatives thought that, if facilities could not be made available for the storage of the furniture for the duration of the war, perhaps some facilities might be worked out for storing the furniture for a temporary period until it could be moved to the new area. It was brought out that some furniture had already been stored in churches and other public places, but that after the evacuation this might have to be changed because of having no custodian to look after the stored articles.

A serious problem confronting the Japanese people is that of being able to get fire insurance. The insurance people have quit writing policies covering Japanese risks. The representatives of the Japanese called upon the Insurance Commissioner of the State of California to discuss that matter with him. The Commissioner advised them that there was no way of forcing the insurance companies to write the policies, that it was a business proposition. The representatives attending the session seemed to see the insurance companies' point of view. It was brought out that there were naturally some people who would go to any extreme to do harm to property owned by Japanese and that from a business point of view they were not the best risks. The representatives seemed to be convinced that it was not a question of boycotting the Japanese people by the insurance companies but that it was strictly business.

It developed during these discussions that the most sensible approach would be for the Japanese representatives to prepare memoranda on these different subjects, turn the memoranda over to the Reserve Bank, and they would undertake to help out in every way possible in the solution of the problems presented. As an example as to how such memoranda might be helpful, it was pointed out that one on the insurance problem might be presented to the military authorities and the authorities might be in a position to offer some advice on that situation.

Probably one of the most serious problems facing the Japanese people is in connection with the farming population. The Japanese representatives said that if their farming people did not undertake to produce on the farms they were regarded as saboteurs, and that actually the problem with lots of them to produce is serious. The banks have about stopped financing the Japanese farmers, and these representatives said they could

see the banks' point of view, that so far as they know the Japanese people will be evacuated within a short time and their chances of collecting the moneys advanced will be endangered. Another difficulty facing the farmers is the attitude on the part of some of the cooperatives handling farm products. The Japanese representatives said that one of these organizations, the Associated Farmers, had actually passed a resolution that they would not handle Japanese products. The representatives said that that was true of other cooperatives and that up in the Northwest some of the large canning factories had refused to handle Japanese products.

This is another matter which is to be fully covered in a memorandum from the Japanese organizations, and it was brought out that, with the problem being presented intelligently to the Reserve Bank, the Reserve Bank in turn would be in a position to undertake getting these organizations to take a more realistic view of the situation.

The Japanese representatives asked whether or not the Reserve Bank would serve as conservator in certain cases if it was determined that the business involved could not be sold on a fair basis. This situation was discussed at some length. It was pointed out to the Japanese representatives that the Reserve Bank could hardly be expected to be proficient in supervising all types of business, and it was emphasized in the discussion that oftentimes the difference between success and failure lay in the personal interest in the particular business and that with some outsider undertaking to operate the business that personal interest could not be there, resulting inevitably in the failure of the business.

The Japanese representatives wanted to know whether or not the Reserve Bank would be in a position to furnish credit information on prospective agencies whom the Japanese people might be considering to handle their properties. Mr. Armstrong made it clear in this connection that the Reserve Bank could hardly afford to divulge information which they considered confidential, but that he doubted that this problem would be involved very many times, that in most instances people were well known and their reputation would be sufficient to rely upon.

The Japanese representatives said they would like to feel that after the evacuation has been completed their people could feel free to call upon the Reserve Bank for advice just as they are doing at this time, and they were assured that this would be done. They wanted to know, for instance, if some individual were considering the sale of a piece of property and had certain offers, whether he could feel free to write the Reserve Bank for its advice as to whether the proposition should be accepted or rejected.

The suggestion was offered by the Japanese people that it would be very helpful if the Reserve Bank would establish offices out in the Japanese section on Bush Street. It was pointed out that there are a number of Japanese people who hesitate to come to the downtown office, and that they would feel much freer to talk with the Reserve Bank representatives if they had offices out in the district. It was also pointed out in this connection that in some of the areas it was going to be necessary to have offices scattered about because the Japanese are forbidden

to travel more than five miles from their homes. This is another matter which is going to be covered in a memorandum, and an effort will be made to permit the Japanese to travel more freely if they are on a mission regarding the disposition of their properties.

These Japanese men who came into the Reserve Bank for this discussion seemed to be very intelligent and to be fair minded. They talked freely and did not give any evidence of resentment. They expressed appreciation for the Government's interest in their problems and said that that would go a long way toward getting their people in the proper frame of mind. They expressed appreciation for what the Reserve Bank was doing, and from all appearances Mr. Armstrong has their confidence.

During the discussion Mike Masaoka, the National Secretary, said that frankly the big difficulty in getting his people to start work on their plans for evacuation was that the Japanese people are still not convinced that they are going to have to move, and that they still hope that this will not be necessary. There is talk in some sections of getting out petitions to permit different classes to remain, such as the farmers.

These representatives were also frank in saying that the Reserve Bank was going to get the very worst cases to handle, that the easy cases would be handled without having to call upon the Reserve Bank for help.

One particular statement made by Masaoka impressed me that he was trying to be fair. He said that he wanted it understood in connection with the preparation of these memoranda on their various problems that the picture might be overdrawn a bit, that they would naturally be biased and could not help but make a strong plea for their position. He said that this would have to be weighed carefully in the consideration of their various requests. He added that they hoped they would not be accused of being unreasonable but that human nature was the same with the Japanese people as with the American people and that naturally they wanted to avail themselves fully of all the facilities which were being offered them.