

# FEDERAL RESERVE BANK OF SAN FRANCISCO

FISCAL AGENT OF THE UNITED STATES

March 18, 1942

Evacuee Property Department

Circular No. 1

To Banks, Bankers, Trust Companies, and Others Concerned,  
in the Twelfth Federal Reserve District.

DEAR SIRS:

There has been issued the following regulation of March 18, 1942:

Code of Federal Regulations  
Title 31 Money and Finance: Treasury  
Chapter 1—Monetary Offices,  
Department of the Treasury,  
Part 130.

**Special Regulation No. 1, Under Executive Order No. 8389, April 10, 1940, as Amended, and Section 5(b) of the Trading with the Enemy Act, as Amended by the First War Powers Act, 1941, Relating to Transactions in Special Blocked Property.\***

By virtue of the authority vested in the Federal Reserve Bank of San Francisco, Fiscal Agent of the United States, pursuant to Section 5(b) of the Trading with the Enemy Act as amended by the First War Powers Act, by virtue of the authority vested in such bank by the Commanding General of the Western Defense Command and Fourth Army, and by virtue of all other authority vested in such bank, the following special regulations are hereby prescribed:

- (1) The acquisition, disposition or transfer of, or other dealing in, or exercising any right, power, or privilege with respect to, any property hereafter designated as Special Blocked Property is prohibited except as authorized by license expressly referring to this regulation.
- (2) Applications for any such license may be filed on Form TFE-1 by any person with the nearest office of the Federal Reserve Bank of San Francisco. Such applications should set forth (a) the interest, if any, of the applicant in the property; (b) the details of the transaction for which a license is requested, including the terms of any proposed settlement; (c) the manner in which the interest of the evacuee national in the property is being protected; and (d) whether or not the evacuee national is in agreement with the proposed settlement.
- (3) As used in this special regulation and in any ruling, license, instruction, etc.:
  - (a) The term "evacuee national" shall mean any Japanese, German, or Italian alien, or any person of Japanese ancestry, resident on or since December 7, 1941 in Military Area No. 1 or in specified zones in other Military Areas prescribed in or pursuant to public proclamations issued by Lieutenant General J. L. DeWitt, Commanding General of the Western Defense Command and Fourth Army. For the purpose of this regulation all evacuee nationals are nationals of a foreign country.
  - (b) The term "Special Blocked Property" shall mean property in which an evacuee national has an interest and which has been designated as Special Blocked Property by the Federal Reserve Bank of San Francisco in one or more of the following ways:
    - (i) There is posted on or reasonably near such property an official Federal Reserve Bank of San Francisco notice that such property is Special Blocked Property.
    - (ii) The person holding such property or having possession or custody thereof has been

\*Part 130.—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress; Executive Order 8389, April 10, 1940, as amended by Executive Order 8785, June 14, 1941, Executive Order 8832, July 26, 1941, Executive Order 8963, December 9, 1941, Executive Order 8998, December 26, 1941, Executive Order 9066, February 19, 1942, Executive Order 9095, March 11, 1942.

[OVER]

notified by the Federal Reserve Bank of San Francisco that such property is Special Blocked Property.

- (iii) One or more persons having an interest in such property have been notified by the Federal Reserve Bank of San Francisco that such property is Special Blocked Property.

Federal Reserve Bank of San Francisco,  
Fiscal Agent of the United States

By WM. A. DAY,  
*President.*

For your information the following statement to the press was released March 17, 1942.

"In order to protect Japanese and other evacuees, the Federal Reserve Bank of San Francisco, as Fiscal Agent of the United States, today issued regulations designed to bring about equitable settlements between creditors and West Coast evacuees.

The new regulations are intended to forestall unfair action by unscrupulous creditors which would be detrimental to the interests of the evacuee and to minimize his losses in connection with the disposition of his property.

It is anticipated that this will be accomplished to a large extent by direct appeal to the creditors' sense of fair play and the obvious necessity for complete cooperation in the administration of the evacuation program.

'We want any Japanese or other evacuee who finds that he has difficulty in reaching an equitable settlement with his creditors to come to the nearest office of the Evacuee Property Department of the Federal Reserve Bank. At the bank we can discuss his case and take the necessary steps to protect the evacuee from unjust losses,' William A. Day, President of the Federal Reserve Bank, stated.

Bank officials warned that the initiative under the new regulations will rest with the evacuee. After the evacuee has attempted to make an equitable settlement with his creditors and has failed, he should go to the nearest office of the Evacuee Property Department of the Federal Reserve Bank and lay all the facts before one of its representatives.

The bank will call in the creditor and hear his side of the case and make every effort to bring about an amicable settlement of the matter. If the creditor is unreasonable and insists on taking unfair advantage of the evacuee, the Federal Reserve Bank may freeze the evacuee's property by designating it as Special Blocked Property.

Following this step the bank will either post a notice on or near the property of the evacuee, stating that the property described in the notice is Special Blocked Property, or will notify the person holding or having possession of the property, or persons having an interest in it, that such property is Special Blocked Property. Federal Reserve Bank officials stated that persons dealing with evacuees may assume that their property is not Special Blocked Property unless they are affirmatively on notice to the contrary.

After the property has been declared Special Blocked Property, any acquisition, disposition, or transfer of that property is subject to a license issued by the Federal Reserve Bank. Applications for such licenses may be filed with the nearest office of the bank.

Because the bank wishes to protect the evacuee not only in transactions involving real property but also in those involving all kinds of personal property, the regulations make it possible for any kind of property to be designated as Special Blocked Property.

By these broad provisions the regulations enable the bank to protect the evacuee in such typical transactions as conditional sales, instalment purchases, or any other type of dealing in any kind of property, if the evacuee will first undertake the simple step of petitioning the bank to declare his property Special Blocked Property.

The bank made clear that it will be on guard for any attempt on the part of evacuees to avoid the payment of reasonable creditors' claims through today's regulations."

Yours very truly,



*President.*