

VADER REPORTS
ON OFFICE OPERATIONS

CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL
INVESTIGATIVE SECTION

FEDERAL RESERVE BANK

REFERRED BY MR. EVERSON

TO MR. *[Signature]*

San Francisco, California

Field Office at

David F. Scott

Report of Agent

Date

July 16, 1942

Report No.

SF 9-421

Respectfully forwarded APPROVED:

M. A. ZIMMERMAN, Acting Supervising Agent

SUBJECT:

THE EVACUEE PROPERTY DEPARTMENT
Federal Reserve Bank of San Francisco
Seattle, Washington

REFERENCE:

Wire No. W-3 of March 30, 1942 from Mr. J. W. Pehle to Mr. William W. Hale, vice-president of the Federal Reserve Bank of San Francisco, requesting, in item No. 3 thereof, an investigation by this office of the consultants of the subject for possible irregularities and to spot check interview sheets.

SYNOPSIS:

A spot check was made of the interview sheets of the subject and they were found to be complete and in good order. Information obtained as a result of the spot check and the interviews conducted by the undersigned failed to disclose any evidence of personal favoritism or irregularities on the part of employees of the subject.

12
24
36



..... Answered

..... Ansd. by Routine Advice

..... No Answer Required

Directed to File

By
Surname

FILE ONLY WHEN SIGNED

(FURTHER REPRODUCTION NOT AUTHORIZED)

On May 5, 1942 and succeeding days the undersigned visited the office of the Federal Reserve Bank of San Francisco, Seattle Branch, and the Evacuee Property Department of the above bank in its temporary office at 808 Second Street, Seattle, Washington where the records of the department and the interview sheets were examined. Information and statistics were obtained from Mr. Ronald T. Symms, Assistant Manager of the Federal Reserve Bank, and Mr. F. Ralph Amode, Manager of the Evacuee Property Department. The following officers and employees of the Seattle First National Bank were also contacted: Mr. C. L. LeSourd, Vice-President; Mr. W. C. Phillips, Assistant Vice-President; Mr. C. L. Johnson, Manager of the International Branch; and Mr. E. T. Morisse, member of the Foreign Department.

On May 8, 1942 the undersigned obtained an interview with the following members of the Japanese-American Citizens League at the Maryknoll School, 1603 E. Jefferson, Seattle, Washington: Mr. Tom Hume, Vice-President; Mr. James I. Sakamoto; Mr. William Hosokawa; and Mr. Richard Setoada. Additional information was obtained from Mr. Harry E. Wilson of John Davis & Company, Real Estate Brokers, and Mr. Robert A. Banks of Henry Broderick, Inc., Property Managers.

ORGANIZATION AND FUNCTIONS OF THE DEPARTMENT

The Seattle office of the Evacuee Property Department was opened at 808 Second Avenue on March 12, 1942 under the immediate supervision of Mr. F. Ralph Amode. The responsibility for the work of the Evacuee Property Department in the State of Washington was in the hands of Mr. Ronald T. Symms, Assistant Manager of the Seattle Branch, Federal Reserve Bank of San Francisco.

The Seattle office was fortunate in securing employees well versed in financial and business affairs. The local banks co-operated with the Federal Reserve Bank by giving certain employees who possessed the necessary qualifications a temporary leave of absence to serve as consultants. Experienced men were also secured from among those in retirement who were formerly active in local financial circles.

The purpose of the Evacuee Property Department was to assist the Japanese in conforming to evacuation orders with a minimum of confusion and economic loss. The services of the department were not mandatory but were available to all evacuees who wished to use them.

In most cases the assistance rendered to the evacuees was in the form of advice and counsel regarding the sale or rental

of their homes, personal property, and business interests. The Japanese were urged to make their own arrangements and to otherwise conclude the best deal possible without the aid of the department. If the negotiations did reach such a point where the assistance of the Evacuee Property Department was desirable, the department would render all assistance possible until a satisfactory solution could be found.

For a considerable period of time after the evacuation program had been announced, the Japanese failed to prepare themselves for the impending evacuation. This can be attributed to the fact that the Japanese did not believe that the evacuation would actually take place, at least not in the near future. There was also a noticeable mistrust of the military and civilian agencies delegated to assist the Japanese evacuees. To break down this doubt on the one hand and fear on the other it was necessary for the department to assume the initiative. Once the program was in operation, the Japanese were grateful for the assistance made available to them.

Methods of Operation:

Because of the number and geographical location of the Japanese, it was necessary to use a number of different methods to make the services of the department available to all who wished to use them.

In areas heavily populated by Japanese, the Evacuee Property Department opened branch offices. As the various dates for evacuation were announced for each district, additional employees would be sent from the head office in Seattle to adequately staff the local offices. The following is a list of these local offices, together with a tabulation of the work performed by each up to and including May 22, 1942:

<u>Location of Office</u>	<u>Persons</u>		<u>Cases Closed</u>	<u>Pending</u>	
	<u>Interviewed</u>	<u>affected</u>			
808-2nd Avenue Seattle, Washington	1435	4470	623	621	2
*406 First Street Raymond, Washington	23	43	18	17	1
112 So. 12th Street Tacoma, Washington	64	587	38	37	1
*103 So. First Street Yakima, Washington	112	432	60	58	2
	<u>1634</u>	<u>5532</u>	<u>739</u>	<u>733</u>	<u>6</u>

*Areas not evacuated as of May 22, 1942

Itinerant crews visited seven communities which, because of their size, did not warrant a local office. These consultants interviewed 175 Japanese involving 116 cases. Prior to May 22, 99 of these cases were considered closed and 17 were listed as pending.

To supplement the work of the local offices and the itinerant crews, a representative of the Evacuee Property Department was placed in each of the 14 Civil Control Stations which were opened in each district as it was evacuated.

Classification of Cases:

An appreciation of the nature and extent of the work done by the Evacuee Property Department is to be gained from a study of the types of cases handled. The following information was compiled on May 22, 1942:

Type	Number
Apartments	98
Beauticians	23
Churches	8
Cleaners	158
Dry Goods	10
*Farms & Orchards	152
Florists	19
Garages	43
Groceries	112
Hotels	209
Laundries	52
Liquor Dealers	11
Markets	110
Newspapers	4
Novalty Stores	5
Residences	168
Restaurants	86
All Other	<u>161</u>
Total	1429

* Referred to Farm Security Administration

The department was very successful in handling all types of problems by which it was confronted. Mr. Asende, manager of the Seattle office, said that in his opinion the Japanese received approximately 20% to 30% more for their property than they would have obtained without the assistance of the department.

One of the contributing factors for this favorable situation is the fact that Seattle and vicinity constitute a vital defense area. This means that practically everything the Japanese had to sell or lease was in demand. The hotels and apartments, however, while they were in demand, were still somewhat of a problem.

The hotel situation in Seattle was unique in the fact that the Japanese operated 209 of the 325 hotels in Seattle, or roughly two-thirds of the total. For the most part the Japanese operated second and third class hotels averaging 60 rooms each which were largely occupied by transients and laborers.

The chief problems in selling or leasing these hotel properties were the same as encountered in the Portland area. The Japanese family operated the hotel with a minimum of outside help and on a very narrow margin of profit. The necessary services rendered to the hotel, such as the hotel laundry, were done by Japanese who could underbid the white man doing the same type of work. The other difficulty encountered pertained to the rent control laws which fixed the rates to be charged by the hotels.

The combination of these two factors, namely, an advance in the cost of labor and supplies and the fixed rate of income, has made the position of the white operator very uncertain. A large number of hotels are at present being operated by property management companies and they readily admit that the question of successful operation is still to be determined.

The Interview Sheets:

A spot check was made of the interview sheets and nothing was found to indicate that the consultants had used their position for personal gain or to enhance the financial position of their friends. Their reports on cases involving conferences between the Japanese and the new purchasers or lessees indicated that the advice given was fair and unbiased.

The interview sheets were used again by the department at the time of actual evacuation. As each district was designated for evacuation all the interview sheets originating in that district were sorted together alphabetically. As the evacuees presented themselves at the Civil Control Stations, they were questioned by a representative of the department concerning the subject of previous interviews. Any problems found to be still outstanding were given further consideration by the Evacuee Property Department.

THE JAPANESE AND THE EVACUEE PROPERTY DEPARTMENT

The Japanese on the whole are satisfied with the results they have obtained in the disposition of their property prior to their evacuation. Mr. James Y. Sakamoto, past president of the Japanese-American Citizens League, stated that in his opinion the various government agencies had done just about all that it was in their power to do to assist the Japanese. The Farm Security Administration, however, did come in for some criticism for the manner in which they handled the farm situation.

Prior to the establishment of the Evacuee Property Department and the Government announcement that Japanese interests would be protected, there were some cases reported of undue losses by the Japanese because of quick sales of their assets. During the course of the interview by the undersigned with representatives of the Japanese-American Citizens League, the opposite situation was reported. They readily admitted, however, that those individuals who waited until the last minute to dispose of their property were solely to blame for their plight.

In spite of the fact that the Japanese have had several months in which to dispose of their property, they feel that time has worked against them. They maintain, and it is a logical contention, that the prospective buyers have stood by until the approaching time for evacuation and then presented a low bid which the Japanese felt there was no alternative but to accept.

In this regard the Japanese were critical of the fact that the Federal Reserve Bank did not make more extensive use of its right to accept a power of attorney for property that could be stored or locked up until a more desirable time for liquidation. This, of course, would not apply to hotels, etc. and they were quick to acknowledge that fact.

PUBLIC APPRAISAL OF THE WORK OF THE EVACUEE PROPERTY DEPT.

The general public was not familiar with the work of the Evacuee Property Department. However, the members of the banking and real estate firms contacted felt that the Japanese had benefited greatly by the work of the department. Mr. C. L. LeSourd, vice-president of the Seattle First National Bank, noted a marked improvement in the general situation after the establishment of the Evacuee Property Department.

The banks have co-operated wherever possible in the evacuation program. Mr. LeSourd cited one case where the Japanese hotel operator was the intended victim of a "squeeze play" by a prospective buyer. Instead of obtaining the hotel as a going concern, it was the intended plan to first secure the lease for the hotel property from the bank and then obtain the furniture from the Japanese for its salvage value. When the bank became aware of this situation, it insisted that the prospective purchaser make a deal with the Japanese for his furniture before the lease would be considered.

A question frequently raised was how far a landlord should go in asserting his legal rights during the evacuation period. Mr. Robert A. Banks, of Henry Broderick Inc., stated that the Federal Reserve Bank had cautioned landlords and their attorneys against unwarranted assertion of their legal rights. While perhaps in isolated cases this caused some hardship, it was the opinion of all concerned that it was a sound policy and merited their support. The opinion of Mr. Banks, as well as that of Mr. Harry E. Wilson of John Davis & Company Real Estate Brokers, regarding the work of the Evacuee Property Department was favorable.

David F. Scott
DAVID F. SCOTT, Investigator

DVE:HA

Distribution:

Orig. and 4 copies, FPC, Washington
cc: Federal Reserve Bank, S. F.

CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL
INVESTIGATIVE SECTION

FEDERAL RESERVE BANK

REFERRED BY MR. EVANSON

TO MR. *Armstrong*

Field Office at **San Francisco, California**

Date **July 11, 1942**

Report of Agent **David F. Scott**

Report No. **SF 9-422**

Respectfully forwarded APPROVED:

(Signature and title)

MURRAY A. ZIMMERMAN, Acting Supervising Agent.

SUBJECT: THE EVACUEE PROPERTY DEPARTMENT
Federal Reserve Bank of San Francisco
Portland, Oregon

REFERENCE: Wire No. W 3 of March 30, 1942 from Mr. J. W. Pehle to Mr. William W. Hale, vice-president of the Federal Reserve Bank of San Francisco, requesting in item No. 3 thereof, an investigation by this office of the consultants for possible irregularities, and to spot check interview sheets of the subject.

SYNOPSIS: A spot check of the interview sheets was made, and they were found to be complete and in order. There was no indication of favoritism or personal interest influencing the personnel of the Evacuee Property Department in their work with the Japanese.

..... Answered

..... Ans'd. by Routine Advice

..... No Answer Required

Directed to File

By

Surname

FILE ONLY WHEN SIGNED

(FURTHER REPRODUCTION NOT AUTHORIZED)



On June 9, 1942 and succeeding days the undersigned visited the office of the Evacuee Property Department of the Portland Branch, Federal Reserve Bank of San Francisco, located at 317 S. W. 6th Avenue, Portland, Oregon, and conducted a spot check of the interview sheets of the department. Additional information was obtained from Mr. D. Lyle Davis, Managing Director and Mr. E. V. Risberg, employee, of the Federal Reserve Bank. Information was obtained from other sources which are mentioned in the report.

ORGANIZATION OF THE EVACUEE PROPERTY DEPARTMENT

The Evacuee Property Department of the Federal Reserve Bank of San Francisco was established March 9, 1942. The Portland office of the Evacuee Property Department was opened on March 13, 1942 at 317 S. W. 6th Avenue, Portland, Oregon.

The department was placed in charge of Mr. D. L. Davis, Managing Director of the Portland Branch, Federal Reserve Bank of San Francisco. The personnel of the Portland office was composed of two regular bank employees, and eleven employees hired especially for the work in prospect. This latter group consisted of four stenographers and seven consultants.

FUNCTIONS OF THE EVACUEE PROPERTY DEPARTMENT

The Evacuee Property Department was created for the purpose of assisting the Japanese to conform to the evacuation orders with the least possible confusion and economic loss. The services of the department were not mandatory but were available to any who wished to use them.

The number and distribution of the Japanese in the State of Oregon was such that only one office was established by the Evacuee Property Department. Frequently requests for assistance would come from outlying districts by mail, or through one of the offices of the United States Employment Service. The means of rendering assistance in such cases would depend upon the nature of the problem, and how it could be most effectively handled. Wherever possible, assistance and advice would be given by telephone or by mail. If this was not deemed adequate, a field representative would be dispatched to handle the case. A total of forty six interviews were made by representatives of the Evacuee Property Department in the field. The number of other interviews by representatives of the department according to location were: the Portland office 1242; Assembly Center 80; and the Civil Control Stations 252. The above figures are for the period of March 13, to May 22, 1942, inclusive.

Types of Problems Presented:

The types and nature of the problems created by the evacuation were many and varied. For the most part the various businesses engaged in by the Japanese may be classified as service occupations, and characterized by the use of family labor. The types and number of cases which sought the advice of the Evacuee Property Department are given below.

Type of Business	Handled	Closed	Pending
Grocery	18	18	0
Markets	12	12	0
Hotels	46	45	1
Restaurants	13	11	2
Greenhouses	6	6	0
Residences	14	13	1
Jewelry Stores	1	1	0
Dry Cleaning and Laundries	15	15	0
Baths	1	1	0
Newspapers	1	1	0
Manufacturing Concerns	1	1	0
Drugstores	2	2	0
Curio Stores	2	2	0
Miscellaneous	53	51	0
	185	181	4

In a great many cases the advice of the Evacuee Property Department was sufficient to enable the Japanese to proceed with the sale or liquidation of their business without further assistance. Where further assistance was needed in bringing the Japanese and the prospective buyer or lessor together, the department would act as a third party to make certain that undue advantage was not taken by either side.

The Japanese owners of all types of businesses did not fare equally well in disposing of their business interests. Of the 96 hotels and apartments owned or leased by Japanese, 73 changed ownership and 23 were left in the hands of managers. 2 of the 23 are for sale, and are holding out for better prices than the current market affords.

The restaurant and greenhouse operators had more trouble in disposing of their businesses. Of the 18 Japanese restaurants in Portland, only 4 were sold outright, the balance closing and storing their fixtures and equipment. There were 6 greenhouses in Portland, and from a monetary standpoint their disposition was not satisfactory. None were sold outright. No difficulty was experienced in renting the homes of the Japanese located on adjacent property, and the new tenants have agreed to act as caretakers for the greenhouses and related equipment.

There are several reasons why the two types of business mentioned above were not disposed of more advantageously. The location, clientele, and the nature of the food served at Japanese restaurants made them of little value to the prospective white operator. In the case of the greenhouses, skilled labor and management were not available to make successful operation possible. It is not unlikely, however, that some of these greenhouses may yet find their way into production again.

Future Problems:

Since the evacuation to the assembly center has been completed, the department has received calls from creditors requesting advice regarding bills for which no arrangements were made by the evacuees. These problems are being taken care of as they are presented, and thus far no difficulty has been encountered.

In some cases the Evacuee Property Department foresees a possible breakdown in the present hotel management arrangements, resulting in changes of ownership. A variety of factors may be responsible for this condition should it materialize. The Japanese operated their hotels largely without the assistance of outside help. The laundry for the hotel was very often done by a Japanese laundry, and this represented a still further reduction in costs of a Japanese operator as compared with a prospective operator. The other factor has grown out of the provisions of the rent control laws. The Japanese were operating on a very small margin of profit under the conditions just described. The prospective white operator has to meet increased costs in labor and supplies, but cannot increase his income by increasing his room rates. Unless some solution to this problem can be found, serious readjustments will have to be made by the present operators.

Records Kept by the Department:

The interview sheets are of special interest because they reveal the nature of the problems presented by the Japanese. If they are complete, they will also indicate what the department has done in regard to each problem submitted.

A spot check was made of the interview sheets of the Portland office, and they were found to be complete and in order. Cases which required continued action by the department were the subject of special reports. No indication was found that personal interest or favoritism had influenced the employees of the department in giving honest and correct advice to the Japanese.

THE JAPANESE AND THE EVACUEE PROPERTY DEPARTMENT

In order to secure first hand the attitude of the Japanese toward the work of the Evacuee Property Department, the undersigned interviewed two of their leaders at the Portland Assembly Center.

Mr. Newton K. Uyesugi and Howard Nomura, President and past President of the Japanese American Citizens League, had nothing but praise for the personnel of the Evacuee Property Department, but were rather critical of some of the policies enunciated by the Federal Reserve Bank.

The chief criticism of the Government and the Federal Reserve Bank was that they did not go far enough in aiding the Japanese, and did not follow through on such things as invoking the freezing order. They stated that this freezing power could have been used in dealing with unreasonable landlords and prospective purchasers. However, they could not name any specific cases to the undersigned where this power could have been used effectively.

The Japanese also made the suggestion that an organization such as the Farm Security Administration should have been established to deal with urban property and business. Upon first consideration this idea appeared to be sound, but after some discussion of the kinds and nature of business engaged in by the Japanese, the value of such an organization was agreed to be doubtful.

It is very often true that the more you do for an individual, the more he requires. This is also true of some groups of Japanese. The younger generation have believed in life insurance, and they are afraid that under present circumstances this type of investment will be lost to them. They feel that if they are deprived of their ability to make a living, that the government should declare a moratorium on the payment of life insurance premiums, or assume them for the Japanese.

PUBLIC REACTION TO THE WORK OF THE EVACUEE PROPERTY DEPARTMENT

On the whole the public reaction to the evacuation program, and the work of the Evacuee Property Department has been favorable. Banks and real estate concerns were the two types of business believed to be most directly concerned in the evacuation program.

The First National Bank of Portland was contacted regarding their association with the evacuation program, but they informed the undersigned that the Japanese did not request their services.

They felt that this, in part at least, was due to the work of the Evacuee Property Department.

Mr. H. Jeffery Holbrook, of Commonwealth, Inc., Property Management experts, expressed the view that in some cases the Japanese had been "braced" by the Evacuee Property Department, and therefore they were a little harder to bargain with than they otherwise would have been. This intended criticism is actually a compliment for the work of the department. One of the functions of the Evacuee Property Department was to protect the Japanese from undue sacrifices in disposing of their property. "Bracing", as Mr. Holbrook puts it, is a very effective way to secure the desired result.

Donald L. Woodward, President of Wakefield-Fries & Woodward, Real Estate brokers, said that, based on his knowledge and information of the situation, the Evacuee Property Department had done a very necessary and effective piece of work.

David F. Scott

DAVID F. SCOTT, Investigator

DPS/to

Distributions:

Orig. & 4 copies, FPO, Washington, DC.
cc: FRB, San Francisco.

REFERRED BY MR. EVERSON

TO MR. Schessler

REFERRED BY MR. SCHESSLER

TO MR. Harm

REFERRED BY MR. EVERSON

TO MR. Hate

MAY 6 1942

REFERRED BY MR. EVERSON

TO MR. Everson

MAY 6 1942

May 4, 1942

Investigative Unit
210 Sansome Street
San Francisco, Calif.

John W. Fehle, Esq.
Assistant to the Secretary
Treasury Department
Washington, D. C.

Re: Evacuee Property Department
Federal Reserve Bank of San Francisco
500 California Street
San Francisco, California

Sir:

Reference is made to my letter of April 21 dealing with the above subject. Continued investigation and spot checking by this office has resulted in the following conclusions:

The Evacuee Property Department of the Federal Reserve Bank is continuing to function in a satisfactory manner and corrective action has been taken on their own initiative in the matters of the scope and nature of the advice given by their consultants which was adversely criticized in the previous report.

The consultants are now following up on their interviews and reporting the final disposition of the property under consideration. No case of collusion or unscrupulous dealings on the part of the department's personnel were found and the facts now being reported on their interview sheets indicate that their advice and aid is of great assistance to the evacuees.

All cases are now being reviewed by specially assigned men whose duty it is to check, through a study of the interview sheets, the methods employed and the results obtained by departmental consultants in each case. After the reviewers are satisfied that no further action is contemplated or considered necessary, the cases are closed and referred to the

Answered

Ans. by Routine

No Answer Required

Directed to File

By

Summa

FILE ONLY WHEN SIGNED

-2-

The San Francisco Evacuee Property Department has nineteen outside branches which comprise the so-called "Head Office Zone". In addition to the above there are three "Reporting Zones" (Los Angeles, Seattle, and Portland). The Los Angeles Reporting Zone also includes the state of Arizona. These reporting zones forward weekly statements of work done and other pertinent facts to the San Francisco Head Office, which then compiles and tables these reports into one master report. This system seems to have been very carefully worked out and is functioning very smoothly.

The following summary of cases handled by each zone to April 24, 1942 is indicative of the volume of work accomplished by the Evacuee Property Department:

Persons Interviewed Persons Represented

Head Office Zone	4,915	37,045
Los Angeles Zone	7,793	12,538
Seattle Zone	4,482	8,834
Portland Zone	2,394	1,016
Total--All Zones	19,584	61,433

A special division is maintained for the recording of all cases handled each week. This division also classifies the cases according to the various types of enterprises involved.

One of the greatest obstacles the Evacuee Property Department has had to overcome was the initial distrust and fear on the part of the Japanese, but it is evident from letters on hand and from questioning various individuals that this feeling has been entirely dissipated by the understanding and co-operation of the personnel of the department.

The whole department is operating very efficiently despite the volume of its work and the fact that the personnel was untrained and had not previously worked together. Most of the credit is due to the untiring efforts and organizing ability of Mr. R. E. Iverson and his assistant, Mr. Armstrong.

In my opinion, further spot checking is unnecessary since satisfactory methods of checking the work of the consultants have been instituted by the organization's own officers.

Very truly yours,

RAE V. VADER
Supervising Agent (Acting)

WVV:BA

Orig. and 3 copies: Mr. Fehle

2 copies: F.R.B., San Francisco

cc: Mr. May

REFERRED BY MR. EVERSON
TO MR. *Everson*
REFERRED BY MR. SCHESSLER
TO MR. *McCall*

Investigative Unit
210 Sanson Street
San Francisco, California

April 21, 1942

John W. Pehle, Esq.
Assistant to the Secretary
Treasury Department
Washington, D. C.

Re: Evacuee Property Department,
Federal Reserve Bank of
San Francisco,
500 California Street.,
San Francisco, California

Sirs

Recently this office was requested by the Federal Reserve Bank to make a "spot" check of the records, and especially the interview sheets, of the Evacuee Property Dept. of their bank.

This letter is written to acquaint you with the findings of our investigation, and to inform you of the action taken.

On April 3, 1942 and succeeding days our investigator, David F. Scott, made the spot check requested and the following is a brief summary of his findings.

At the time of his initial visit the Evacuee Property Department was in the process of establishing the present filing system. All of the cases referred to in this report had been placed in files and there was no indication on the interview sheets of any further action being contemplated by the Evacuee Property Department.

The impression received from reviewing some 500 interview sheets was that the consultants were supplying the Japanese with only general information such as they no doubt already possessed, and making very little effort to contact both parties and bring about an equitable settlement. Japanese evacuees involved in financial difficulties with banks, insurance companies, finance companies, etc. were referred back to their creditors with no indication, for the most part, that the creditors were contacted.

-----Answered

-----Ansd. by Routine

-----No Answer Required

Directed to File

By

Signature

FILE ONLY WHEN SIGNED

by a representative of the Evacuee Property Department. Such advice as "advised to see Bank of America concerning auto contract. Sell stock of merchandise to best offer," while not a representative case is nevertheless a sample of some advice rendered.

Certain cases, of which the following is an example, were referred to R. E. Everson, Assistant Cashier, because in view of the present unstable condition of the automobile industry, and the possibility that the Japanese may not be allowed to return to this area the advice given did not appear to be prudent. A Japanese at Woodland, California had the problem of disposing of his trucks which were being purchased under a contract through a local dealer. The evacuee was told "to request the dealer to set up as a credit for the difference (that is, between the present value and the unpaid balance) to be used in a future purchase." The personnel record of the consultant was checked, but it revealed no connection with the automobile firm, either past or present.

A general criticism which applied to almost all of the interview sheets was that insufficient information was given in regard to the action taken by the consultant. This made an appraisal of the case very difficult. Certain cases of this type from Sacramento were called to the attention of Mr. Everson who has assured this office that appropriate action would be taken to prevent a recurrence of this situation.

Two cases were found that seemed to warrant further investigation by this office. Mrs. Christa Koepfen, a German Alien living in a military area, was forced to move from her home. She reported to the Evacuee Property Department that a real estate agent was defrauding her of about \$1,000.00 in the sale of her home. For the results of our investigation now in progress you are referred to our file SF 9-405, which we are forwarding under separate cover.

Another case investigated and completed by this office is that of Tomiyuki Homawa, file SF 9-402. Information was given to the Evacuee Property Department by the daughter of the above to the effect that her father had been "blackmailed" in the payment of excessive fees to an income tax specialist. The informant in this case was reported to have been evasive and non-committal on the facts and apparently for this reason no action was taken in behalf of the Japanese. It is the opinion of the investigator that this is properly a problem for the Evacuee Property Department and that they should have found ways and means of obtaining further information before closing the case. Had they acted promptly and suggested a "stop-payment" on all the checks paid to the "tax expert" they could have saved the Japanese \$200.00 pending further investigation of the case.

Thus far there is no evidence found of any unscrupulous practices being followed by the personnel of the Evacuee Property Department. The Japanese and others contacted, have reported that

the consultants have taken an impartial attitude towards their problem, and have not attempted to influence them to do business with a firm on terms unacceptable to the evacuee.

This office will continue to make periodic examinations of the records of the Evacuee Property Department until such time as this action appears no longer warranted.

Respectfully

RAE V. VADER
Supervising Agent

DVS/ur

Distributions:

Orig. and 3 to FTO Washington
1 copy to Mr. May
1 copy to FFB



DE 2VH LBVHIC12CO
LEDEHVF BESEHVE SVHK

JMS V6K SA WK 10 24

EDWDS GCVING DEEL
JMS V6K SA

CONFIDENTIAL REPORT

FOREIGN FUNDS CONTROL INVESTIGATIVE SECTION

REFERRED BY MR. EVERSON

TO MR. *Scheele*
To Mr. Everson

Field Office at **San Francisco, Calif.**

Report of Agent **George Barrettoni**

Date **April 28, 1942**
SF 9-428

Report No.

Respectfully forwarded APPROVED:

(Signature and title)
RAN V. YADER, Supervising Agent (Acting)

SUBJECT: Survey conducted in the Sacramento Valley to ascertain the nature of problems confronting Japanese to be evacuated and to determine the manner in which the various Evacuee Property Offices were meeting these problems.

REFERENCE: Wire No. E-3 of March 30, 1942 from Mr. J. E. Noble to Mr. William H. Hale, vice-president Federal Reserve Bank of San Francisco, requesting a report be forwarded relative to the programs made on certain items in connection with the evacuation program. A copy of the wire was forwarded to this office with a request that a report be submitted regarding item No. 3 therein which is quoted:

"Investigation by the Foreign Fund Investigative office in San Francisco of instances in which the Japanese are alleged to have been defrauded and spot checking of interview sheets to make sure that interviewers are not directing evacuees to personal friends, etc."

SYNOPSIS: As a result of the survey conducted throughout the Sacramento Valley, it is the opinion of the investigator that, generally speaking, the problems of the Japanese created by the evacuation program were being handled in a satisfactory manner. The facilities of the Evacuee Property Offices in this area appeared adequate to provide the Japanese with the necessary information, advice, and assistance. There was no evidence of improper action on the part of the personnel of these offices and indications of instances where evacuees have imposed upon

----- Answered

----- And, by Routine Advice

----- No Answer Required

Directed to File

By

Euracio

FILE ONLY WHEN SIGNED

(FURTHER REPRODUCTION NOT AUTHORIZED)

16-26064-1 GPO

the position of the Japanese through the use of unscrupulous methods were relatively few.

The lack of definite information and the prevalence of unfounded rumors among the Japanese at the time the survey was made, was the most obvious and general problem encountered by the investigator. This was especially true in and around the city of Sacramento. Subsequent visits to that area indicated that, as the Japanese increasingly made use of the facilities provided by the Evacuee Property Office, many of the difficulties created by this lack of information have been minimized.

The investigator believes that the multitude of problems arising from the evacuation program, in view of its scope, are being properly and effectively adjusted. With the possible few exceptions mentioned in this report, the activities of the various government agencies and the attitudes of the Japanese and the general public, can be considered satisfactory.

From March 30 through April 7, 1942, a survey was conducted of the Sacramento Valley area regarding the Japanese subject to the evacuation program. Specifically, the survey was made to ascertain the following: Problems for which the Japanese have not been able to obtain satisfactory solution; the manner in which the Evacuee Property Offices in the various localities were being conducted; whether the Japanese were receiving proper instructions and the desired information; the extent to which the Japanese were using the facilities provided by the Evacuee Property Offices and the treatment accorded the Japanese by the white population.

Information was obtained through the Evacuee Property Offices, the local banking institutions and real estate firms, representatives of the canning and packing companies, officials of the Japanese-American Citizens League and other individuals located in the various areas.

SACRAMENTO AND VICINITY

Sacramento and vicinity represents one of the most important areas concerned with the evacuation program as this locality is considered to be the center of Japanese activity in Northern California. Because of the large Japanese population this area provides a greater variety of problems than the other localities visited.

Upon the arrival of the investigator in Sacramento, he contacted Mr. A. J. Reid of the Evacuee Property Office; Dr. G. Muramoto, president of the local chapter of the Japanese-American Citizens League; Mr. Don Wilson of the California Packing Corporation; the local banking institutions and a number of individuals to determine the nature of the problems created by the evacuation program in that particular area.

The principle difficulty encountered was the noticeable lack of information on the part of the Japanese with regards to the evacuation program and the prevalence of many unfounded rumors. At the time the survey was made the Japanese found they were not able to make satisfactory use of the facilities provided by the Evacuee Property Office. These facilities were not adequate from the standpoint of space and personnel to handle the large number of Japanese. A visit to the Evacuee Property Office revealed that in most instances the people had to wait several hours before obtaining an interview. In some instances they were required to return on the following day. Inasmuch as many of

then had to travel considerable distance from their homes this situation was creating a great deal of inconvenience and was the cause of much dissatisfaction.

The existence of this condition was reported to Mr. E. E. Everson, Assistant Cashier of the Federal Reserve Bank of San Francisco, and immediate steps were taken to correct the situation. Visits to Sacramento on subsequent dates revealed that the offices have been enlarged and the personnel increased. As a result the Japanese are now able to receive proper attention and the problems caused by the unsatisfactory situation have been eliminated.

The principal reason for the absence of information was the lack of proper facilities necessary to transmit such information to the people concerned. The newspapers in that area have been of little help, if not a hindrance. They have been inclined to publish unfounded rumors rather than facts and most of the articles appearing in the newspapers were of the human interest, or "sob-story" variety. These articles did not contain the correct information and served only to add to the existing confusion. Because of the manner in which the news regarding the evacuation program was being treated, the officials of Evacuee Property Offices were hesitant about giving information to the newspapers.

The Japanese living within the city of Sacramento and in contact with the Japanese American Citizens League were much better informed than those living in the rural districts as the J.A.C.L. receives its information from its headquarters in San Francisco. However, the Sacramento chapter of this organization is made up of business and professional men and unfortunately does not have any close contacts with the farming element.

With regards to the rural area the principal problem is concerned with making satisfactory arrangements for the disposition of the land and equipment. According to information received from members of the Sacramento Farmers Market, a Japanese co-operative wholesale produce organization, the majority of farms in this area average between 15 and 25 acres in size. It is felt that it would be difficult to obtain persons to assume operations of such small farms. It is believed that because the crops consist of green vegetables and strawberries, which require the use of stooped labor, these farms cannot be successfully operated by persons not accustomed to this type of farming. This situation is especially true in the Florin District where most of the acreage is devoted to the growing of strawberries.

Because of the large number of these small farms there is the increasingly difficult task of disposing of the equipment. It is

felt that if the farms are taken over by the white farmers they will not be used for truck farming. Inasmuch as the equipment cannot be adapted to use for other types of farming the Japanese feel they will not be able to obtain a satisfactory price.

In the city of Sacramento the main problem is concerned with those persons who have liquidated, or are now liquidating, their businesses. Many of these persons now have no income and in most instances only limited available funds. Unless they are evacuated within the near future some provision will have to be made for their maintenance as many will be destitute.

A spot check of the interview sheets of the Evacuee Property Office indicates that the Japanese are being given proper aid and assistance. There was no evidence of improper activity on the part of the personnel. As the result of conversations with various individuals in and around Sacramento the investigator received the impression that the Evacuee Property Office was rendering valuable assistance to the Japanese. Mr. Reid was of the opinion that the attitude of the general public toward the Japanese was favorable. He felt that because of this the Japanese would not encounter any serious difficulties in disposing of their possessions.

MARYSVILLE AND VICINITY

The survey of the Marysville area indicated that the situation there presents no serious difficulty. According to information received from Mr. Brewer, Farm Security Administration representative; Mr. H. Honma, executive secretary of the J.A.C.I.; Mr. Horace Thomas, publisher of the local newspaper; and other individuals, including representatives of local banking institutions, the evacuation had not created any problems of great importance. It was pointed out that approximately 90% of the Japanese farmers in the restricted area were engaged in the growing of peaches. Because of the exceptionally good year in store for the peach farmers the Japanese have had little difficulty in making satisfactory arrangements for the handling of their property.

For those who were not able to make their own arrangements Senator Rich and Mr. J. A. Wilcoxson, two financially and otherwise responsible men in that community, have proposed to set up a corporation for the purpose of operating the farms of the Japanese to be evacuated. While this corporation had not as yet been formed its plan had received the approval of the Farm Security Administration and of many of the Japanese concerned.

The one problem which was creating some concern was the location of the Evacuee Property Office in the city of Marysville. The boundary between the restricted and free zones runs through the center of the city and the fact that the Evacuee Property Office is located in the free zone presented a serious handicap to the Japanese. Mr. Sonna, of the J.A.C.I., sent a telegram to the Army officials in San Francisco asking for clarification of the status of the Japanese who crossed into the free zone for the purpose of visiting the Government office. A reply was received by telegram from Lieutenant-Colonel William A. Roskel, Assistant Provost Marshal Western Defense Command and Fourth Army, stating that Japanese could not travel from the restricted zone into the free zone and those traveling from the free zone into the restricted area would do so at the risk of being detained for evacuation. In order to correct the situation it was suggested by Col. Roskel to the United States Employment Service that facilities be provided on both sides of the boundary line.

That the situation existed was verbally called to the attention of Mr. Armstrong of the Evacuee Property Department in San Francisco. He stated that attempts had been, and were being made, to obtain clarification of the ruling from the Army. Mr. Armstrong also stated that while the situation was confusing it did not seriously hinder the work of the Marysville office as the Japanese were continuing to call there at their own risk. However a clarification on the part of the Army would be desirable as the Japanese are particularly anxious to abide by the existing rules.

A spot check of the interview sheets of the Evacuee Property Department revealed that the functions of this office were being conducted in a satisfactory manner. Mr. Kenyon T. Gregg, Federal Reserve Bank representative, was out of town and information regarding his office was obtained from Mr. Brewer. On the whole the Japanese were satisfied with the activities of the Evacuee Property Office and many have expressed their gratitude that the Government had provided such facilities.

Because of the close co-operation on the part of the local newspaper with the Evacuee Property Office and the Japanese organizations, the general public has been kept well informed. As a result there seems to be a satisfactory understanding by the white population regarding the position of the Japanese.

STOCKTON AND VICINITY

Of the areas visited that of Stockton, considering the number of Japanese involved, is the most free of complications. The

main reason for this can be attributed to the efforts of Mr. E. J. Erich, Chairman of the San Joaquin County United States Department of Agriculture War Board. Prior to the establishment of the U.S. C.A. Office in Stockton, Mr. Erich took it upon himself and his office to keep the Japanese in that area informed of the existing regulations. This was accomplished through the use of newspaper articles, circular letters, and personal contact with the Japanese people. Mr. Erich is well acquainted with the Japanese and their problems in that area.

Since the establishment of the Evacuee Property Office, Mr. Erich has been working in close contact with Mr. L. S. Beck, Federal Reserve Bank Representative, and Mr. David J. Gilhooly, Field Agent of the Evacuee Property Office. As the result of the work of these men and their offices, the Japanese of that area are able to make the satisfactory arrangements for the disposal of their property. This fact was substantiated through conversations with Mr. Ted Ohashi, J.A.C.L., and Mr. J. L. Watters, Manager of the Stockton Office of the American Trust Company. Both of these men were also of the opinion that the Japanese in the area had confidence in the efforts of the Evacuee Property Office and did not hesitate in using the facilities of that office.

A spot check of the interview sheets in the Evacuee Property Department did not reveal any transaction that could be questioned. Mr. Beck gave the information that there had been a few attempts made to take advantage of the position of the Japanese but the instances were reported to the Evacuee Property Department and adequate steps were taken to protect the interests of the Japanese.

It is the opinion of the investigator that the activities of the Evacuee Property Office are being well conducted and it is felt that the problems created by the evacuation are being satisfactorily handled by the government agencies, the Japanese, and the general public.

PITTSBURG AND VICINITY

There has been no great problem in the Pittsburg area due to the scarcity of Japanese. For this reason the Pittsburg office of the Evacuee Property Department has been concerned chiefly with the problems of other aliens.

A conversation with Mr. E. B. Veale, Federal Reserve Bank representative, and a spot check of the interview records at his office, revealed that the problems of the Japanese were being handled in a satisfactory manner. This fact was substantiated

by Mr. Terazawa of Concord, who is the local president of the Japanese-American Citizens League. Mr. Terazawa informed the investigator that the Japanese in this area were grateful for the co-operation received from the government and the general public in settling their problems.

SPECIAL INVESTIGATIONS

Investigations were made in the following instances where information was received that Japanese had been defrauded or forced to dispose of their property through the use of unscrupulous methods.

Clarence L. King and Clarence Vollman

An investigation of the activities of these two men was made pursuant to information given Mr. A. J. Reid, Sacramento Office Evacuee Property Department, by Miss Grace Sakata, President of Highland Investment Company, Fourth and L. Streets, Sacramento. This information was submitted in a letter of March 23 in which Miss Sakata stated that on March 21, 1942 a Mr. Clarence King called on her and asked that she give him the power of attorney to operate the business. Mr. King said that he was acquainted with Miss Sakata's father, who is interned in Montana, and during the conversation gave the impression that he had been appointed by the Government to supervise the farms of alien Japanese. When Miss Sakata told him that the business was already being operated under Treasury supervision Mr. King seemed quite surprised and stated he would return later to discuss the matter with her. However, he did not return.

Mr. Reid, in his reply to Miss Sakata's letter, advised her that Mr. King was not connected with the W.C.C.A. office and certainly not with the Federal Reserve Bank. At that time Mr. Reid reported the activity of Mr. King to the Federal Bureau of Investigation. Copies of Miss Sakata's letter and Mr. Reid's reply are attached hereto. Also attached is a copy of a letter to Mr. King by Mr. Wayne L. Phelps, Sacramento representative of the War Security Administration.

Further investigation reveals that King and a Mr. Clarence Vollman had contacted other Japanese in that area. According to Mr. A. V. Chargin, Cashier, Bank of Alex Brown in Walnut Grove, it was generally understood by the people of that community that both King and Vollman were representatives of the Government. As these two men are well known in that area and enjoy anything but a good reputation, it was difficult for these people to understand why the Government would appoint men of King and Vollman's character. This was the first indication that the investigator had that

these two men were working together. The whereabouts of King and Vollman could not be determined.

The investigator then contacted Mr. J. C. Campbell of Sacramento office of the F. B. I. to determine what action on this matter had been taken by his office. Mr. Campbell stated that the activities of King and Vollman had been investigated by his office and there was little doubt in his mind that they have been giving the impression that they were representing the Government. However, inasmuch as he was unable to find any instances where transactions were completed as the result of misrepresentations he felt that it was not possible to take any direct action against these two men. Mr. Campbell informed King and Vollman that unless they refrained from making such representations in the future further action would be taken by his department.

Since Mr. Campbell warned King and Vollman, there has been no further reports regarding such activities on the part of these two men. They have apparently ceased their misrepresentations, and it is believed they will not be the source of further trouble in the future.

Ralph L. Dunham and H. Tanai.

While in Sacramento the investigator received information from Mr. Don Wilson of the local plant of the California Packing Corporation, that a certain Japanese tomato farmer near Woodland had to relinquish his lease on some land and it was Mr. Wilson's opinion that the circumstances surrounding this transaction warranted investigation. On April 4, 1942 the investigator visited the farm of the Tanai's to ascertain the facts regarding the transaction.

Mrs. Maruyo Tanai is an American citizen of Japanese ancestry but her husband, though reared in this country, is a Japanese alien. In December 1940 a lease was made between Mrs. Tanai and Ralph L. Dunham covering approximately 67 acres of land located seven miles north of Woodland, California. This land was to be used to raise tomatoes. The terms of the lease called for rental payments of \$1400 per year, of which \$700 was to be paid in advance, and the remaining amount of \$700 to be paid at the rate of \$5.00 per ton as the tomatoes were harvested. The lease was renewed on November 22, 1941 to cover the crop year of 1942.

On or about December 9, 1941 Mr. Dunham visited the Tanai home and asked Mrs. Tanai if she intended to continue farming. Mrs. Tanai replied that if other Japanese were going to continue

she would also. Mr. Dunham returned on two other occasions and asked the same question. When the evacuation zone was established, Dunham again called on the Imai's and told them that the Japanese would have to evacuate within two months. He had a copy of a newspaper with him which was supposed to have contained this information. Mrs. Imai told Dunham that if her husband had to move, she, as an American citizen, would continue to farm and that she and Dunham would be partners in the tomato crop. Dunham replied that he did not want to raise tomatoes and that if she could not make arrangements to pay the balance of the rent he wanted the land back. The Imai's wanted to continue the farming of tomatoes and in the event of evacuation they would assign the lease to the California Packing Corporation who would harvest the crop and remit the balance to them. However, Dunham, whose consent was necessary, refused to give the required permission to transfer the lease. Dunham then offered, and the Imai's accepted, \$500 for the cancellation of the lease and the return of the receipt for the \$700 given by Imai to Dunham as half payment of the rent. According to Imai this represented a loss of about \$380 as \$120 had been spent in the preparation of the land for the planting of tomatoes. Dunham, however, claimed that he was going to plant sugar beets and could not make allowance for the work already on the land. The \$200, which was the difference between the \$700 given by Imai and the \$500 returned by Dunham, was figured by the latter on the basis that the land was returned to him at such a late stage that this additional amount would be required by him in preparing the land for sugar beets.

The Imai's expressed the desire to the investigator that nothing further be done with regard to the transaction. They felt that, inasmuch as Dunham was permitting them to live on the farm until they were evacuated and making it possible for them to dispose of their tomato beds, it would be better for them to accept the \$500 rather than to have any further dealings with Dunham. They were informed by the investigator that they should contact the Evacuee Property Office in Sacramento and attempt to receive a fair value for the lease. They stated, however, that they would do nothing more about it and did not wish to have Dunham know that they had given this information to a Government representative. In accordance with the desire of the subject nothing further was done.

GB:RA

GEORGE BRUNTONI, Investigator

Enclosures:

Letter to Mr. C. King from WCCA office
Letter to FRB from Highland Investment Co.
Letter to Highland Investment Co from FRB

Distributions:

Orig. and 3 copies, FFC Washington
1 Copy F.R.B. San Francisco

Report cross-indexed under:

Mr. G. Muramoto	Mr. H. Hanna
Mr. Don Wilson	Senator Rich
Mr. J. A. Wilcoxon	Mr. W.J. Erich
Mr. Ted Ohashi	Mr. Terutatsu
Clarence L. King	Clarence Vollores
H. Tami	Ralph L. Dunham

W.C.C.A.
Sacramento, California

WLP

Mr. Clarence King
Box 85
Courtland, California

Dear Sir: -

Confirming the subject of our interview today, March 23rd, I thought it best to state the text of our conversation so that you might have more clearly in mind our exact position in this disposition of Japanese land.

The Army established the W.C.C.A. to assist Japanese nationals, Japanese American citizens, who are subject to evacuation from prohibited and restricted areas. The W.C.C.A. has established service centers at the U.S.E.S. offices; these service centers have been established to assist the Japanese and others subject to evacuation with immediate problems arising from the evacuation order. This evacuation is entirely on a voluntary basis. There has been no evacuation date set - we have not, at any time, ever indicated to any person any evacuation date. We have not given authority to any person to go out and say that they have been chosen by this service center to assist the Japanese farmers as an agent or otherwise.

I indicated to you that if you knew of any Japanese farmers and they wanted to rent or sell their ranch to you - for them to come in and see me and I would be glad to go over their problem with them. Other than that - no commitment has been made from this office.

Sincerely yours,

Wayne L. Phelps
Field Agent

COPY

Sumitomo Bank Building, Room 21
4th & L Streets
Sacramento, California
Telephone No. 2-3791
March 23, 1942

Albert J. Reid
Federal Reserve Bank Representative
1330 J Street
Sacramento, California

Dear Mr. Reid:

As I know that you were appointed to assist the Aliens and Japanese Citizens with our evacuation, I thought this bit of information would be of some help to you in getting rid of those that are taking advantages of this situation in a very dishonest manner.

First of all I want you to know who and what I am. I am the President of the Highland Investment Company, Sumitomo Bank Building, Sacramento, California, operating under the Treasury Department License No. S.F. 22056, supervised by a Treasury Department Representative.

On the Saturday afternoon of March 21st, 1942, an American of about fifty five (55) years old with a heavy set physique who calls himself Mr. King, came to see me at my home. He knew that father was interned in Montana. He first told me that he was an old friend and neighbor of father's, and he wanted to help us supervise our farm and to keep our equipments in good shape so that we will be able to find them all in good shape when we return. He stated other person would be careless and ruin them all, and he has had experience in farming and knows Holland district very well.

Mr. King stated that Mr. Phelps had called himself and other big farmers to a meeting asking them to assist supervise Japanese farms, and that Mr. Phelps said that every single Japanese will have to evacuate within two (2) weeks. Mr. King gave me the impression of being appointed by the Enemy Alien Custodian to supervise aliens farms. He also told me to watch Sacramento Bee closely and see what Mr. Phelps says about the meeting. I may be wrong but personally, I think he looked quite suspicious.

When I told him about our company being under the supervision of Mr. Walker and Mr. Dunlop, representatives from the Treasury Department, he looked quite surprised saying that he didn't know of it. He didn't know what the Treasury Department was or what it was doing here. After mentioning of the U. S. Government, he seemed quite taken back and didn't seem as friendly as before. I asked him to come to our office and see Mr. Dunlop Monday morning to which he agreed but he hasn't appeared.

I found out that he approached one of my relatives about supervising and that his name is Clarence E. King.

Will you please let me know whether Mr. Phelps has held a meeting or not and whether he knows Mr. Clarence E. King or not.

Thanking you for your attention in advance.

Respectfully yours,
HIGHLAND INVESTMENT CO.

Grace Sakata, President

GS:SI

FEDERAL RESERVE BANK OF SAN FRANCISCO
Fiscal Agent of the United States

W. C. C. A.
SACRAMENTO, CALIFORNIA

March 24, 1942

Miss Grace Sakata, Pres.
Highland Investment Co.
Sumitomo Bank Bldg.
Room No. 21
4th & L Streets
Sacramento, California

Dear Madam: -

In reference to your letter of the 23rd instant, wherein you have made statements with reference to one Clarence E. King, who stated that he was a Government Agent. Wish to advise you that Mr. King is not in any way connected, as far as we know, with the W.C.C.A. and we know positively that he is not connected with the Federal Reserve Bank of San Francisco.

Inasmuch as you have mentioned Mr. Phelps in your letter - I have taken this matter up with him and I have seen a copy of letter addressed to Mr. Clarence King denying in any way the statements made as coming from Mr. Phelps. I have also seen a copy of letter addressed to the Program Chief of Mr. Phelps' Division, in which Mr. Phelps calls to the attention of the Program Chief, the seriousness of the acquisition as stated by you as coming from Mr. King.

For your further information - we have taken this matter up with the Federal Bureau of Investigation and no doubt they will contact this gentleman.

We trust that this is the information that you are seeking.

Very truly yours,

By A. J. Reid (Signed)
Field Representative

AJR:CEZ

SUPPLEMENTAL

Some of the more pressing problems of the Japanese people in the Sacramento Valley brought about by the anticipated evacuation are as follows:

1. The desire for an official expression and a definite date for this evacuation. Many have completed, or are in the process of completing, the liquidation of their businesses and personal affairs. Concern is now being expressed that many will be without means of providing the basic necessities of life. Particularly, people who normally depend on seasonal day labor and are denied work because of the uncertainty of their being able to complete a task.
2. Assurance that if an individual is not able to provide adequate facilities for the conservation of his assets, that the government will provide means. The liquidation of farm machinery will entail large losses on a forced sale. Some plan should be forthcoming to enable these people to conserve this machinery or enable them to replace it after the war. There seems to be no concern over the loss of income but only that they may be able to start farming again.

The general attitude of the vast majority seems to be exceptionally good, but a prolonged delay in the final evacuation will bring about many problems and an expression that the needy or destitute will be cared for will build morale. The vast majority if they know the date for evacuation can solve their own problems. If, however, they must be ready on a moment's notice to leave and this order does not come for 30 or 60 days it presents a much more complex problem.

Respectfully,

PAUL Y. REED

Assistant Examiner Office of
the Comptroller of the Currency

1945 JUN 21 AM 2 01
SF 9-408A

RECORDED
INDEXED