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1 of 3

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C

WAR RELOCATION AUTHORITY

Office of the Solicitor

WASHINGTON

DEC 17 1942

AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Donald:

Jerry has sent me your weekly report of December 5, 1942, together with his reply thereto. I shall add to Jerry's comments on a few items.

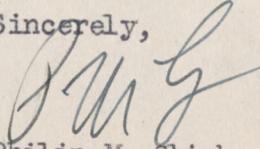
1. The Social Security Board has promised to take up with the California Unemployment Compensation Commission the question of paying unemployment insurance to California evacuees. I recently checked to find out about the present status of the matter. They are still working on the problem, and promised to let me know as soon as something definite develops.

6. I see no objection to assisting evacuees in making wills.

7. Let me know of the results of your discussion with Mr. Gordon, the local county attorney, about mental cases that require commitment.

8. The "Victory Tax" is provided for by the Revenue Act of 1942, and it will be applicable to evacuee workers at the centers. However, each evacuee will have an exemption of \$624.00. This means that few evacuees will earn enough to pay the tax unless subsistence is regarded as income for tax purposes. The question whether subsistence given to evacuees is income to the evacuees for income tax purposes has been submitted to the Bureau of Internal Revenue. We have not yet received a ruling from the Bureau, but it has been informally indicated to us that subsistence furnished evacuees will not be regarded as income for income tax purposes.

Sincerely,

  
Philip M. Glick  
Solicitor

cc-All Project Attorneys  
Edgar Bernhard  
Maurice Walk

*375*  
*19.*  
*47.75*  
*23.75 for dependents*  
*copy to Reid Humm*

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

DEC 18 1942

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

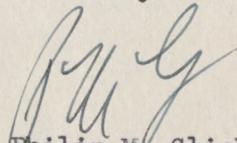
Dear Don:

Item 3 of your letter of December 11, 1942 asks whether evacuees employed at the Center by the Government are entitled to benefits under the United States Employees' Compensation Act.

The First Supplemental National Defense Appropriation Act, 1943 (Public Law No. 678, 77th Congress) which makes appropriation for the Authority, provides that the Act of February 15, 1934, as amended, shall apply to evacuees who perform work for the Authority. The effect of this provision is to make the Compensation Act of September 7, 1916, as modified by the Act of February 14, 1934, applicable to the evacuees who perform work for the Authority in connection with the relocation program.

The Director will issue an administrative instruction in the near future which will prescribe the procedure for handling claims by the evacuees arising under the Compensation Act.

Sincerely

  
Philip M. Glick  
Solicitor

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

*Income tax*

JAN 16 1943

AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

B

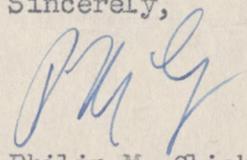
Dear Don:

This will reply to your letter of December 24, 1942, in which you ask whether subsistence furnished to evacuees at the centers is to be regarded as income for income tax purposes.

The question was submitted to the Treasury Department for decision and a ruling has been received. An Administrative Instruction is being prepared at the present time which will set forth the substance of this ruling. Briefly, wages and cash clothing allowances paid to employed evacuees are income for income tax purposes. Subsistence furnished evacuees (including food, housing, medical care, and education) is not. Unemployment compensation and clothing allowances paid evacuees who are involuntarily unemployed and public assistance grants are not income for income tax purposes.

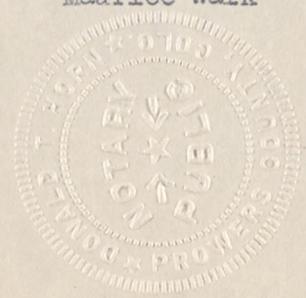
We have already sent you a copy of "Your Income Tax" by J. K. Lasser. I think that this will take care of your needs in giving advice to evacuees on their income tax. If you find it doesn't, let me know.

Sincerely,



Philip M. Glick  
Solicitor

cc - All Project Attorneys  
Edgar Bernhard  
Maurice Walk



WAR RELOCATION AUTHORITY

Office of the Solicitor

Washington

January 22, 1943

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

Your telegram dated January 18, 1942, asked whether the Granada cooperative should incorporate under Chapter 41, Article 16 of the Colorado Statutes Annotated and whether the cooperative should sell as many as two hundred of its shares to one person. We discussed these questions with Mr. Richardson and Mr. Rossman, and they recommended that the cooperative proceed with its plans to incorporate under the Colorado law. They also recommended that the cooperative sell not more than \$200 worth of stock to any individual. On January 20, we sent you a telegram advising you of their recommendations.

Mr. Richardson has recommended, in most instances, that the cooperatives at the several relocation centers incorporate under the District of Columbia Cooperative Association Act. It is doubtful, however, that the Granada cooperative could incorporate under the District of Columbia law. The District of Columbia law provides that the word "cooperative" shall appear in the names of corporations organized under it and the Colorado Agricultural and Livestock Cooperative Act (ch. 41, art. 16, sec. 217) prohibits the use of the word "cooperative" by corporations that are not organized under that act.

We believe the Colorado law under which the Granada cooperative proposes to incorporate will be adequate. It permits corporations organized under it to distribute their earnings on a patronage basis. The principle of permitting each member to have only one vote in the conduct of the affairs of the cooperative can also be obtained by inserting appropriate provisions in the articles of incorporation and by-laws. Moreover, the law does not impose many burdensome restrictions.

Mr. Richardson and Mr. Rossman also recommended that the cooperative should not permit any individual to own as many as two hundred of its shares. If the cooperative finds that it cannot raise



enough capital by restricting to a relatively small number the shares that a single member may own, it may borrow from any of the evacuees who have money that they wish to invest in the cooperative. One of the basic reasons for encouraging the organization of cooperatives is that the cooperative device makes possible the democratic control of the consumer enterprises. If a small number of evacuees own most of the cooperative's shares, this purpose would probably be defeated because the people who owned large numbers of shares would tend to control the policies of the cooperative even though their voting rights were limited. For this reason, the administrative people believe that all of the evacuees should be encouraged to buy shares so that the ownership of the shares will be as widely dispersed as possible. Furthermore, the cooperative can repay borrowed money with less procedural difficulty than it can retire the outstanding shares.

An additional reason why it would be undesirable for the cooperative to sell large numbers of shares is that its income tax liability would be increased to some extent. The cooperative, in computing its net income, may deduct earnings that are distributed on the basis of patronage but it may not deduct earnings that are distributed on the basis of share holdings. Cooperatives which are not exempt from Federal income taxes are in the same status as other corporations in this respect, and are entitled only to the credits to which other corporations are entitled with respect to their income tax liability. The cooperative could deduct as an expense the interest which it would be required to pay on borrowed money.

Mr. Rossman asked us to mention again the benefits which the Granada cooperative would realize by establishing a fiscal year which would permit it to come within the principles of the ruling by the Commissioner of Internal Revenue dated December 22, 1942. You will recall that I discussed the ruling in my letter to all project attorneys dated December 29, 1942.

The cooperative at Heart Mountain may wish to incorporate under the Colorado law. If it does, we shall probably assist Jerry Housel in preparing articles of incorporation, by-laws and other necessary instruments. Will you please send us a copy of your draft of the Granada articles and by-laws as soon as they are available. Your drafts will be very helpful to us in assisting Jerry with the articles and by-laws for the Heart Mountain cooperative. I hope you will send them as soon as possible. If we have any comments,

we shall let you know within a very short time after they are received in this office.

Sincerely,

Lewis A. Sigler  
Acting Solicitor

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

February 10, 1943

Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

On February 9, 1943, I sent you the following telegram suggesting some changes in the draft articles of incorporation for the Granada cooperative:

"Re articles of incorporation, agree that name should be changed. Suggest word "non-profit" be inserted before words "cooperative corporation" in third line first page and before words "membership corporation" in Article VIII to provide evidence for exempting corporation from Blue Sky Law. Suggest that Article VII be changed to give the number of directors as required by chapter 41, section 6, subsection 5 and that Article XIII on dissolution be deleted. Add to Article XI "cumulative voting shall not be permitted in the election of directors" to comply with chapter 41, section 6, subsection 12. Administrative people recommend that Article X be changed to permit members to own only one membership and that Article XII be changed to permit members to adopt by-laws. Letter follows."

Your telegram dated February 6, 1943 indicated that the articles were not filed as you thought they would be when I discussed them with you in Denver.

I agree that the name of the cooperative should be changed so that it will not contain the word "cooperative". The Agricultural and Livestock Association Act forbids the use of the word "cooperative" in the name of any corporation which is not organized under that act.

My telegram suggested that the word "non-profit" be inserted in the third line of the first page and also in Article VIII. The Colorado Blue Sky Law (ch. 148, Colorado Statutes Annotated) specifically exempts "domestic non-profit corporations" and, unless the Granada cooperative comes within this exemption, it may be required to comply with the law. The Arizona Blue Sky Law has a similar exemption and the Attorney General has ruled that the cooperatives at Gila River and Colorado River Relocation Centers will be regarded as non-profit corporations if they are organized with articles of incorporation and by-laws similar to the ones that we have recommended. A recital in the certificate of incorporation that the Granada

cooperative is non-profit in character, while not controlling, would probably be helpful in obtaining a ruling from the Colorado people that the Granada cooperative is a non-profit corporation within the meaning of the Colorado Blue Sky Law.

Section 214 of Chapter 41 of the Colorado Statutes is very ambiguous but it apparently makes all provisions of the general incorporation laws of the State of Colorado applicable to cooperatives organized under sections 210 to 214 except the provisions that are modified or changed thereby. If section 214 does make the general incorporation laws applicable, the articles should give the number of directors to comply with subsection 5 of section 6 and section 27. Also, the articles should state whether cumulative voting will be permitted in the election of directors to comply with subsection 12 of section 6.

My telegram suggested that Article XIII on dissolution be deleted. I am not sure that it is consistent with section 65 of chapter 41 which provides that on dissolution the proceeds of the sale of the assets of a corporation "shall be distributed pro rata among the stockholders of said corporation". It could be argued that section 210 which provides that the savings may be distributed on a patronage basis would also permit the distribution of the assets on a patronage basis when the corporation is dissolved. However, this is not clear and I suggest that the matter be explored a bit further. We have found no provisions in the statutes requiring the rights of the members on dissolution to be spelled out in the articles and, while inserting such a provision in the articles may be desirable, I think it can probably be taken care of by an appropriate provision in the by-laws.

I assume that you have considered whether the Colorado law permits the organization of a non-stock, membership corporation and concluded that it does. The general incorporation laws refer only to corporations with capital stock, but sections 210 to 214 might be interpreted to permit a non-stock corporation. Article XI of the certificate of incorporation provides that a member may own as many as 20 "memberships" and provides for the payment of a return on investments in membership interests. I believe that these provisions give the memberships all of the characteristics of stock. If the administrative people at the project or the evacuees wish to permit the members to own more than one share in the cooperative, you might consider the advisability of providing for some form of capital stock. The administrative people have recommended that membership certificates should be limited to one for each member.

If section 65 of chapter 41, discussed above, is applicable to the cooperative on dissolution, it would presumably require that the assets be distributed on a pro rata basis and that the amount each person received be determined by the number of membership certificates that he owned. This would, no doubt, result in many inequities, in view of the short term existence contemplated for the cooperatives at the relocation centers, unless Article XI of the certificate is changed.

Article XII of the certificate of incorporation provides that the directors shall have authority to adopt by-laws. Section 15 of chapter 41 provides that the stockholders or the directors, if the articles so provide, shall have authority to adopt by-laws. The administrative people have recommended that the members should be permitted to adopt the by-laws since it permits more widespread participation in the conduct of the affairs of the cooperative.

I have several comments concerning the by-laws which you may consider:

(1) Section 1 of Article III bars blocked nationals from membership. The Director has asked the Secretary of the Treasury to remove all restrictions on participation of blocked nations in the cooperatives in the relocation centers and I understand that the Secretary of the Treasury plans to do so within a short time. The members of the cooperative may wish to amend this provision of the articles ~~as soon~~ as the restriction has been removed.

(2) If Article X of the certificate of incorporation is changed, it will be necessary to revise section 2 of Article III. Sections 3, 4, and 7 of Article IV should also be changed accordingly.

(3) Section 7 of Article III which provides that a person who has been a member for six months shall be entitled to inspect the books and other records of the association does not appear to be consistent with chapter 41, section 32. This statutory provision authorizes stockholders to inspect certain records without regard to length of time during which they have been members.

(4) Administrative Instruction No. 26 recommends that a cooperative set aside 10% of its savings in a reserve fund until the reserve fund equals at least 30% of the total capital assets of the cooperative. Article VI Section 1(a) of the draft by-laws provides for a reserve fund "equal to the amount of the paid-in membership certificates." The reserve fund provided for in the by-laws may not be as adequate as the reserve fund recommended in the Administrative Instruction.

(5) I believe there is a question whether the cooperative could legally use all of its savings "for social purposes", as provided in Article VI, Section 1, unless the certificate of incorporation is amended to take this proposal into account. Use of the corporate funds in this manner might be ultra vires. Moreover, savings used "collectively for social purposes" would not be deductible in computing net income for income tax purposes.

I suggest that the provision relating to the educational fund be appropriately amended to authorize some expenditures for social purposes and that the provision in Section 1(c) of Article VI be stricken.

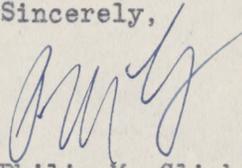
(6) Unless Article XII of the certificate of incorporation is changed to permit the members to adopt by-laws, Section 6 of Article VIII and Section 3 of Article X of the by-laws which provide for adoption of amendments to the by-laws by the members should probably be changed. If Article XII of the certificate of incorporation is changed, it will be unnecessary to change the by-law provisions relating to amendments.

(7) Revision of section 6 of Article X of the by-laws, relating to dissolution, should be considered in the light of our discussion above of the corresponding Article XIII of the certificate of incorporation.

Your preparing the draft articles of incorporation and by-laws for the Granada Cooperative has been very helpful. Some of the suggestions that we have made with respect to the drafts involve interpretations of some of the Colorado statutes with which you may be more familiar than we are. We have found no court decisions on most of these points and it is possible that our suggestions are not in accord with the interpretation given by the Colorado people. If you find this to be true, do not hesitate to let us know.

We are sending Jerry a copy of your drafts and a copy of our comments and we are recommending that the Colorado law be used by the Heart Mountain cooperative. Jerry may ask you for some help in completing his work for the cooperative at Heart Mountain.

Sincerely,



Philip M. Glick  
Solicitor

WAR RELOCATION AUTHORITY

Office of the Solicitor

WASHINGTON

APR 24 1943

AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Donald:

This will reply belatedly to your letter of December 31, 1942, in which you asked us to advise you what disposition might be made of \$179 which is in the possession of project officials as the result of a gambling raid at the Center.

Of this \$179, \$89 is a part of the "evidence" seized at the raid. I assume that the county is authorized to retain "evidence" thus seized. I think it is a safe assumption, however, that county officials do not have authority to dispose of the "evidence." Therefore, when \$89 of the amount taken into custody at the raid was returned to project officials, the county officials, in effect, elected not to treat this amount as having been seized. Also, I know of no authorization under which WRA officials can seize money as evidence at a gambling raid and retain it or use it for project purposes. The facts then are that the money originally belonged to the gamblers; the county officials elected not to seize this particular \$89; and project officials had no authority to seize it. It follows that it still belongs to the gamblers.

This probably creates a problem of distribution for you. If the gamblers will agree that the money may be used for police badges or community welfare purposes as a donation from them to the community (but not to the United States, for it then probably would have to be deposited into the Treasury), this would solve the problem nicely. If it appears, however, that the only solution is to give the money back to the gamblers, it is up to them to agree among themselves how much of the \$89 belongs to each; and, in this event, I suggest that the money be retained until they come to such an agreement among themselves.

The other \$90, under the Colorado law, belongs to Mr. Tomlinson, unless there is a prohibition against an officer of the Federal Government receiving a portion of a fine imposed upon a person against whom he informs in the course of his official duties. In general, Federal officers and employees are prohibited from receiving compensation for

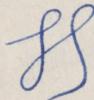
services performed for the United States from a source other than the United States by 5 U. S. C. 66, which reads as follows:

"No Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government of the United States. Any person violating any of the terms of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$1,000 or imprisonment for not less than six months, or by both such fine and imprisonment as the court may determine."

It will be noted that there are two prohibitions in the statute: first, against the receipt of "any salary" on the part of an official or employee of the United States "from any source other than the Government of the United States"; and, secondly, against any "person, association, or corporation" making "any contribution to, or in any way" supplementing "the salary of, any Government official or employee for the services performed by him for the Government of the United States." The \$90 paid to Mr. Tomlinson does not come within the first prohibition, for it is in the nature of a reward rather than a salary.

It may be that the payment does not come within the second prohibition either, because the State or county might not be regarded as a "person, association, or corporation" within the meaning of the statute. However, the \$90 payment at least comes very close to being a "contribution to" Mr. Tomlinson "for the services performed by him for the Government of the United States." Whether or not the payment is technically within the second prohibition as a matter of statutory construction, I think that for Mr. Tomlinson to retain the \$90 would be violative of the spirit of the second prohibition. However, if the money is not used for Mr. Tomlinson's personal benefit but to buy police badges or for other community welfare purposes, there can be no criticism on this account. Since this precisely is what Mr. Tomlinson has proposed to do, this provides a satisfactory solution of the problem.

Sincerely,



Acting Solicitor

cc - All Project Attorneys  
Edgar Bernhard  
Maurice Walk

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

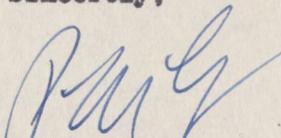
MAY 21 1943

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Donald:

Enclosed is a copy of a letter received from the War Department and copies of the correspondence which was enclosed therewith. Will you tell us about the labor dispute referred to therein? In this connection, it might be well to check to find out whether Mr. Rippe has been complying with the labor provisions of his contract with the War Relocation Authority.

Sincerely,

  
Philip M. Glick  
Solicitor

Enclosures - 5

cc: Mr. Seltzer

*See Mr. O'Rourke  
re: School contract*

*Plumbers quit - weren't paid  
Rel. of news of settlement  
Rippe had been objecting to overtime  
Plumbers walked off job  
Rippe has been complying with all labor  
provisions of contract*

C O P Y

WAR DEPARTMENT

Office of the Chief of Engineers

Washington

Refer to File No. CE 600.1 (Granada Airfield)  
SPEKL

May 13, 1943

War Relocation Authority,  
Room 612, Barr Building,  
Washington, D. C.

Attention: Miss Jensen

Dear Miss Jensen:

Pursuant to telephonic conversation of May 12, 1943, with Mr. Hoekstra of this office there are inclosed copies of correspondence with Mr. Joe Gleason concerning a labor difficulty at the Granada Relocation Center, Pueblo, Colorado.

When the complaint was first received it was assumed by this office that Mr. Rippe held a contract with the Corps of Engineers. Investigation by the Division Engineer at Omaha, Nebraska, later disclosed that the contract was with your agency. The Division Engineer has forwarded a copy of Mr. Gleason's telegram to the WRA Granada office for its information.

For the Chief of Engineers:

Very truly yours,

C. D. BARKER,  
Lt. Col., Corps of Engineers,  
Chief, Labor Relations Branch,  
Construction Division.

4 Inclosures:

- #1. Ltr. to Mr. Gleason,  
dated May 10, 1943.
- #2. Telegram fm. Mr. Gleason  
dated May 11, 1943.
- #3. Ltr. to Mr. Gleason,  
dated May 13, 1943.
- #4. Telegram fm. 5/8/43, fm.  
Mr. Gleason.

C O P Y

CE 600.1(Granada Airfield)  
SPEKL

May 10, 1943

Mr. Joe Gleason, Secretary of the  
Pueblo Building Trades Council,  
Pueblo, Colorado.

Dear Mr. Gleason:

This will acknowledge receipt of your telegram of  
May 8, 1943, concerning a dispute between your organization  
and Mr. Ralph Rippe, Contractor on the Granada Airfield  
project.

An investigation of this matter will be undertaken  
immediately and when additional information is available you  
will be further advised.

For the Chief of Engineers:

Very truly yours,

ROBERT F. JACOBS,  
Major, Corps of Engineers,  
Acting Chief, Labor Relations Branch,  
Construction Division.

C O P Y

NBR 593 MISSOURI RIVER DIVN OMAHA NEBR MAY 11

OCE

ATTN LABOR RELATIONS BRANCH

REURTT SPEKL 5477. MAJOR CONSTRUCTION GRANADA RELOCATION CENTER  
COMPLETED DECEMBER 1942 AND ACCEPTED BY WRA. REPAIRS AND UTILITIES  
WORK UNDER POST ENGINEER, LA JANTA, CONFINED TO MILITARY POLICE  
QUARTERS. DISPUTE CONCERNS SUBCONTRACTING. WORK IN QUESTION  
PERFORMED BY RIPPE UNDER CONTRACT WITH WRA. CORPS OF ENGINEERS NOT  
INVOLVED. TT FWD TO WRA GRANADA FOR THEIR INFORMATION. END SPEKL  
OL-V 593

PICK DIVN ENGR

1955Z

C O P Y

CE 600.1(Granada Airfield)  
SPEKL

May 13, 1943

Mr. Joe Gleason, Secretary of the  
Pueblo Building Trades Council,  
Pueblo, Colorado

Dear Mr. Gleason:

Further reference is made to your telegram of May 8, 1943, concerning a dispute between your organization and Mr. Ralph Rippe, a contractor on the Granada project.

You are advised that the major construction work at the Granada Relocation Center performed under jurisdiction of this office was completed in December, 1942, and was accepted by the War Relocation Authority. The work now being performed by Mr. Rippe is under contract with WRA rather than with the Corps of Engineers.

A copy of your telegram has been forwarded to the Granada Office of WRA for its information.

For the Chief of Engineers:

Very truly yours,

C. D. BARKER,  
Lt. Col., Corps of Engineers,  
Chief, Labor Relations Branch  
Construction Division.

C O P Y

WAR 232 37 1 EX

PUEBLO MAY 8 1943 911A

LT. COL BARKER LABOR RELATIONS BRANCH CONSTN

DIVN OFC CHM OF ENGRS WAR DEPT

PUEBLO BLDG TRADES COUNCIL DECLARED RALPH RIPPE UNFAIR ON  
GRANADA JOB WE HAVE TRIED TO SETTLE THIS TROUBLE BUT HAVE BEEN  
UNABLE TO WE ARE ASKING THE STATE FEDERATION OF LABOR TO  
CONCUR IN THIS ACTION

JOE GLEASON SECY PUEBLO BLDG TRADES COUNCIL

1638Z

COPY OF COPY

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

JUN 3 RECD

May 26, 1943

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

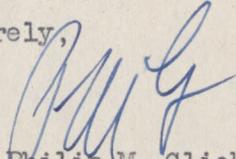
Dear Don:

This will reply to your letter of May 13, 1943, in which you refer to ownership of yen certificates by evacuees, these certificates having been pledged as collateral on loans held by various West Coast banks.

General trading in yen or yen certificates is definitely barred in this country. I cannot even conceive of there being a "black market" in them. As to purchase by the State Department, for purposes of currency leverage over foreign countries, we have made inquiries which reveal that the State Department does not maintain an active bureau for this purpose. Mr. Donald W. Smith of the Special Division of the Department of State indicates, however, that if the yen certificates are in the form of Japanese currency, they might be interested in purchasing some of them to be taken along on the Gripsholm to be exchanged with evacuees for dollar currency at the proper time. They have no use, however, for Japanese bonds or other similar obligations. He indicated that he did not know exactly what a "yen certificate" was, but he rather thought that it was a bond rather than currency. If so, he knows of no market for such certificates.

If currency is involved, however, he suggests that we let him know what amounts are available so that further negotiations may be undertaken.

Sincerely,

  
Philip M. Glick  
Solicitor

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

June 15, 1943

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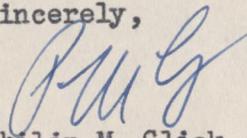
Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

Maurice Silverman's letter dated June 4, 1943, refers to the fact that our appropriation bill now pending in Congress contains language that will authorize us to lease lands that have been acquired for the program but that are temporarily not being used by the Authority. Maurice is correct in his belief that the language in the appropriation bill will not permit us to lease land on a share-crop basis. There is a general statute to the effect that Government property shall be leased for a money consideration only. This statute has been generally construed by various Federal agencies, including the Department of Agriculture, to preclude leases upon a share-crop basis.

Since the appropriation bill has already been introduced and since the House Appropriation Subcommittee has already held its hearings, I do not believe it feasible to attempt to get the language of the bill changed. May I suggest that an adequate alternative would be to prepare a lease requiring the payment of a money consideration, but making the amount of money due depend upon the value of a share of the crop grown each year. This device was used by the Department of Agriculture in connection with the use of some land acquired for some of its conservation programs. Will you please discuss the matter with Mr. John Spencer and let us know whether you wish us to prepare a draft lease form for this purpose.

Sincerely,



Philip M. Glick  
Solicitor

WAR RELOCATION AUTHORITY

Office of the Solicitor

WASHINGTON

June 21, 1943

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

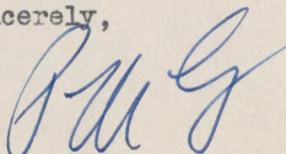
This will reply to Maurice's letter dated June 4, 1943, in which he makes certain inquiries about the handling of ration books issued to evacuees. I am sorry that the original of Maurice's letter never reached this office. We did not know about the letter until the carbon copy was found among the attachments to his last report. That fact explains our delay in replying.

The attached memorandum which was sent out by the Director to all Project Directors a short time ago gives most of the information which Maurice asked for. It constitutes a WRA regulation and also cites the pertinent sections of OPA regulations under which evacuees are required to turn in their ration books.

As to the penalties which may be imposed for failure to turn in ration books in accordance with OPA regulations, the fronts of the ration books themselves indicate what the penalties are. On the front of War Ration Book One appears these words: "Punishments ranging as high as Ten Years' imprisonment or \$10,000 Fine, or Both, may be imposed under United States Statutes for violation thereof arising out of infractions of Rationing Orders and Regulations." On the front of War Ration Book Two the following words appear: "Persons who violate rationing regulations are subject to \$10,000 fine or imprisonment, or both".

The source of authority for these criminal penalties appears in the Second War Powers Act which is Public Law 507 of March 27, 1942 in Title 3, section 301 thereof. The statute also appears as 56 Stat. 177 and 50 App. U. S. C. A. sec. 633.

Sincerely,



Philip M. Glick  
Solicitor

Enclosure

C  
O  
P  
Y

May 1, 1943

TO: All Project Directors

SUBJECT: War Ration Books

Circular Letter No. 64 and Supplement A, released by the San Francisco Regional Office to the six Western projects and our letters dated March 31 and April 5 to Granada, Heart Mountain, Jerome and Rohwer, concerning the surrendering of ration books by evacuees and administrative personnel, are revised as follows:

Sections 1407.70 (b) and 1407.76 of Rationing Order No. 3 have been revoked.

The Regulation regarding disposition of ration books is now contained in General Ration Order No. 5. FOOD RATIONING FOR INSTITUTIONAL USERS. Institutional user establishments are divided into three groups by this Order:

1. A "pooled book" group, called Group I
2. An "involuntary confinement" group, called Group II
3. A "general" group, called Group III

The War Relocation Authority has been registered as a Group II establishment.

Quoted below is the Section of General Ration Order No. 5 applicable to W.R.A. Centers:

"Sec. 17.1. A person who lives in Group II or III institutional user establishment must give up his war ration books. (a) A person who lives in any Group II or III Institutional User establishment (or in premises maintained in connection with it) for seven consecutive days or more, and who takes eight or more meals a week there, must turn over all his war ration books containing stamps designated for the acquisition of any rationed food, to the institutional user who operates the establishment. If he makes arrangements in advance to live there for seven consecutive days or more and to take eight or more meals a week, he must turn over the books before the week begins. Otherwise he must turn them over as soon as he has lived there for seven consecutive days and has eaten, during that period, eight or more meals.

"(d) An Institutional User who operates a Group II or a Group III establishment in which fifty or more people live, must accept and hold war ration books which are turned over to him by persons who live there.

"(d) An Institutional User in Group II or III must remove from any War Ration Book One turned over to him sugar and coffee stamps which expire while he has them. He must also remove from any War Ration Book Two eleven points (as nearly as possible) of currently valid blue stamps and fourteen points (as nearly as possible) of currently valid red stamps for each week during which the person who turned over the book lives in his establishment (or in premises maintained in connection with it) for seven consecutive days and takes eight or more meals there. He must surrender to his board all stamps so removed, at the time of his next application for an allotment and, in any event, not later than five days after the beginning of the next allotment period. He must not use those stamps for any purpose, nor may he deposit them in any ration bank account.

"(e) A war ration book shall be returned, temporarily, to the person from whom it was received for use in acquiring any rationed product other than a rationed food product, or for use in obtaining another war ration book.

"(f) The war ration books, with stamps detached as required above, must be returned to the person from whom they were received when he leaves the establishment or stops taking eight or more meals a week there."

Director

J. Gilbert:mg  
MCH:June 19, 1943.

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

SEP 11 1943

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AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

This will reply to your letter of September 4, 1943, about the permittee who has not been farming his land properly.

Under the terms of the permit, the right of the Government to terminate it upon giving 10 days' written notice to the permittee is clear. In the event of such termination, the rights of the parties are governed by the following provision:

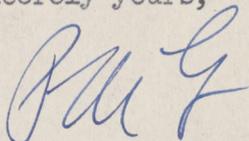
"In the event of termination of this permit before any of the crops planted by the permittee are harvested, the permittee shall not be obligated to make any payments which come due after the effective date of such termination. In the event of termination of this permit before all but after some of the crops planted by the permittee are harvested, the permittee shall not be obligated to make any payments for cropping privileges which come due after the effective date of such termination and which are attributable to the acreage which has not been harvested. In the event of partial termination of the permittee's privileges pursuant hereto, the permittee shall not be obligated to make any payments which come due after the effective date of such termination and which are attributable to the privileges so terminated. The payments attributable to such acreage or privileges shall be determined on an equitable basis by the Project Director."

On its face, this provision applies regardless of the reason for the termination; and I think it would be very difficult to construe the provision to be inapplicable to a termination for failure to practice good husbandry and make such a construction stick. I am afraid, therefore, that it is a choice between protecting the Government-owned

land by cancelling the permit or protecting the Government's right to the delayed rental payments by refraining from cancelling the permit. Which of these courses should be followed is a matter for the Project Director's determination. If the prospects for collecting the delayed rental payments are remote even though the permittee is allowed to continue to occupy the land until the permit expires, this may properly be considered by the Project Director.

If we make lands available next year to private operators by lease or permit, we ought to include a provision which will expressly deal with this sort of situation.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'P. M. Glick', written in a cursive style.

Philip M. Glick  
Solicitor

WAR RELOCATION AUTHORITY  
WASHINGTON

*B*  
JAN 8 1944

AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Mr. Horn:

We are sending you herewith a copy of the program for the forthcoming conference on property problems at San Francisco. Please note that your name appears on the program. This does not mean that you are expected to prepare a speech or speeches but only that you are to be conversant with the topic assigned to you and be prepared to lead discussion on that topic.

Sincerely,

*Leland Barrows*

Leland Barrows  
Assistant Director

Enclosure



Conference on Evacuee Property Problems

Date: January 18, 19, and 20, 1944

Place: WRA offices, Whitecomb Hotel Building, San Francisco

A G E N D A

January 18, 1944

9:30 A. M.

Dillon S. Myer, Presiding

General Organization and Program of the Property Division

1. Introduction of personnel
2. General objectives of meeting; general objectives of the Evacuee Property Program; relation to other WRA activities -- D. S. Myer
3. Background of Evacuee Property Program:
  - a. History of program
  - b. Structure of organization for program -- Russell T. Robinson
4. Fundamental policies of WRA Property Program -- Victor L. Furth

NOON RECESS

General group discussion is contemplated on the problems listed for the following sessions. The person assigned on the program to the particular topic should give a brief outline of the problems involved, as a means of opening discussion. He may, if he prefers, merely raise the questions which need to be discussed and leave it to the group generally to join in the discussion. Other relevant problems not listed on the program may be brought in for discussion and topics not completed at the session for which they are listed may be completed at the following sessions.

January 19, 1944

1:30 P. M.

Robert B. Cozzens, Presiding

Functions and Interrelations of Offices Engaged in Evacuee Property Work.

1. San Francisco Office
  - a. General Property Work -- Russell T. Robinson and Victor L. Furth

- b. Transportation -- S. A. Dunsay
- 2. Evacuee Property Supervisors in the Field -- Sheldon H. Hagen
- 3. Field Transportation Offices -- Robert A. Walling
- 4. Project Evacuee Property Offices and Project Attorneys Office -- Earl Barton and Donald T. Horn
- 5. Washington Office -- Leland Barrows

subtopics:

- 1. Collaboration between the Evacuee Property Officer and Project Attorney -- Donald T. Horn and J. Sheldon Lowery
- 2. Coordination between Project and Field Property Officers -- Jack S. Curtis and Earl S. Schmidt
- 3. Visits to evacuated areas on property problems by:
  - a. Evacuee Property Officers
  - b. Project Attorneys -- A. F. Chamberlin, J. Benson Saks and Harry Oakley
- 4. How supervisors and San Francisco staff can assist Property Officers on specific cases -- G. B. Wilt and G. F. Castleberry

January 19, 1944

9:00 A. M.

Russell T. Robinson, Presiding

Specific Evacuee Property Problems

- 1. Public relations in evacuated areas; effect on property work -- Edward M. Joyce and J. Benson Saks
- 2. Information to evacuees as to what the Property Program is and how it can help them:
  - a. Evacuees in Centers -- G. V. Morris and Kent Silverthorne
  - b. Relocated Evacuees -- Clyde W. Linville and Ted Heas
- 3. Return of evacuees to evacuated areas in connection with property work -- Earl Schmidt and Philip J. Webster
- 4. Requisitioning of farm equipment -- Representative from California State War Board, Harry Oakley and Ulys. A. Lovell
- 5. Problems in selling or leasing particular types of property:
  - a. Farm property problems -- Wayne L. Phelps
  - b. Urban residence and commercial realty -- L. F. Sloan
  - c. Cars, truck and similar personalty -- Claude G. Walker

NOON RECESS

January 19, 1944

1:30 P. M.  
Philip J. Webster, Presiding

Specific Evacuee Property Problems -- Cont'd

1. Evaluation of effectiveness of past case work in Property Program -- Russell T. Robinson, Elmer H. Cordes and Ulys. A. Lovell
2. Project requests to field offices for transportation services -- James H. Porter
3. The 500 pound per family limit on free freight shipment -- Irving B. Conner
4. Picking up property in the field -- R. E. Tracy and Harry Simons
5. Who should bear cost of packing evacuee property for storage and transportation - Gilbert Castleberry
6. Handling of carload freight shipments -- H. W. Hendrick
7. Arrangements for removal of automobiles from West Coast to new homes of relocated evacuees - Harvey Burnett
8. Return to evacuees of seized contraband -- Victor L. Furth and John D. Hallowen

January 20, 1944

9:00 A. M.  
Philip M. Glick, Presiding

Specific Evacuee Property Problems - Cont'd

1. Fraud and vandalism committed on evacuee property in evacuated areas:
  - a. Aid to be given in case of property on which WRA has power of attorney
  - b. Other property

-- William deFuniak, Paul Myers and James H. Terry

2. Survey of evacuee property damage probably attributable to evacuation:
  - a. Extent to which WRA and other United States or local agencies have remedied such damage
  - b. Preparation of report for possible presentation to Congress concerning post-war claims by evacuees for reimbursement

-- Robert A. Leflar, Kent Silverthorne and Adam Poli and Minor Bowman.

3. Selection of attorneys - attorney referral system and its most effective use -- Edgar Barnhart and James H. Terry
4. Listing of reliable West Coast real estate agencies -- Chester W. Hatch and R. W. Schmitt

NOON BREAK

January 20, 1944

1:30 P. M.  
Leland Barrows, Presiding

Summary and Conclusions

A Reports and Summary Committee has been appointed, the members being named below. The function of this Committee will be to digest and summarize all the suggestions made during the sessions of the conference, for improvements or developments in the Evacuee Property Program, and to present these during the closing session of the conference so that formal action may, if desired, be taken. Members of this Committee should divide among themselves the task of reporting and digesting the work done at each session of the conference so that one of the Committee members will be assigned to each session of the conference and will have definite responsibility for digesting and reporting the proceedings of that session. The Committee should secure such stenographic assistance as is needed. Members of the conference should be prepared to analyze critically the Committee's reports and recommendations.

Members of the Reports and Summary Committee:

Edwin E. Ferguson, Chairman  
Victor L. Furth  
G. A. Dunsay  
Ralph C. Barnhart  
Dean C. McLean

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

B  
AUG 3 1944

AIR MAIL

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

This will reply to your letter of July 26, 1944, concerning the proposal to declare surplus some of the farm lands at Granada.

Provision for declaring real estate surplus is contained in 40 U.S.C. 304a, the declaration being made to the Federal Works Agency. The Commissioner of Public Buildings, with the approval of the Federal Works Administrator, may (1) assign it to another Federal agency, (2) lease it for a period not in excess of five years pending a sale, or (3) sell it to the highest responsible bidder.

Your letter has been discussed with Ernest Reed, and we have talked to the Public Buildings Administration about the problem informally. Mr. Reed feels that if we will no longer use any lands ourselves, we should not postpone declaring it surplus by reason of having tenants or prospective tenants. He further feels that we should not at this time grant leases for next year on lands we intend to declare surplus. If we do grant permission to tenants to plant fall wheat without giving them a lease for 1945 at the same time, there is no way of assuring the tenants that they will get a lease for 1945, for the Public Buildings Administration, after it acquires responsibility for the land, will take whatever action with respect to the land it deems best in the public interest without feeling obligated to carry out any commitments that may have been made by WRA which are not legally binding. Under the circumstances, the only thing I can suggest is a contract whereby the tenant will agree to plant fall wheat and WRA will agree to make to him a cash payment in the event he cannot be given a lease for the year 1945 on the land involved. Mr. Reed has indicated that the Agricultural Section might agree to approve an arrangement of this sort. (However, this letter does not constitute such approval.) Such a payment could

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.

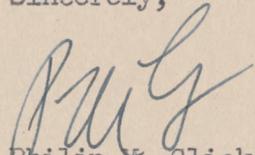
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be justified if it can be shown that the planting of the wheat would operate to prevent deterioration of the quality, and hence the value, of the land; and the Agricultural Section advises me that it will. If contracts of this sort are entered into, they should recite that the Government is interested in the planting of the wheat for the protection of the land in accordance with good husbandry practices.

The inquiry contained in the last two sentences of your penultimate paragraph has been discussed by the Project several times with the Director, Mr. Utz, and others administratively concerned. The policy established in those discussions has never been changed.

Sincerely,



Philip M. Glick  
Solicitor

cc: Ernest Reed



WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

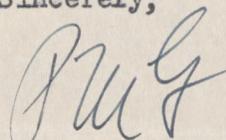
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AUG 8 1944

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

In response to your letter of July 20, 1944, there is attached a carbon copy of Solicitor's Opinion No. 80, on the Alien Land Law of California. The Opinion will be mimeographed and additional copies will be sent to you within a few days.

Sincerely,



Philip M. Glick  
Solicitor

Enclosure

WAR RELOCATION AUTHORITY  
Office of the Solicitor  
WASHINGTON

B

AUG 18 1944

Mr. Donald T. Horn  
Project Attorney  
Granada Relocation Center  
Amache, Colorado

Dear Don:

In response to your letter, dated August 4, 1944, we have discussed with representatives of the Bureau of Internal Revenue the question of whether it is necessary that the Amache Cooperative ascertain before the close of its tax period the amount of patronage refunds to be paid, in order to be entitled to deduct such refunds in computing its net income for tax purposes. The formal decisions that have been issued by the Bureau of Internal Revenue state that the amount of the patronage refunds to be paid to the patrons must be determined prior to the close of the tax period. However, the representatives with whom we talked stated that the tax returns of many cooperatives are audited and no question is raised about the patronage refunds that are paid, even though the amount of the refunds is not determined before the close of the tax year. The representatives with whom we talked stated that it is very probable that the Amache Cooperative could follow the procedure outlined in the letter from the Consumers Cooperative Association without any question being raised on whether the refunds were properly declared.

It is my judgment that the cooperative would be reasonably safe in following the procedure outlined in the Consumers Cooperative Association letter. The Bureau of Internal Revenue probably will not raise any questions about the procedure if the resolution states clearly that refunds will be paid as soon as the precise amount available for refund has been determined and especially if the resolution recites the formula which will be followed in determining the amount of the refunds that will be declared. Nevertheless, I think you should advise the cooperative to apply for an exemption, as recommended in my memorandum for all Project Attorneys, dated March 13, 1944.

Sincerely,

*Ed*

Edwin E. Ferguson  
Acting Solicitor

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381  
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P.S. It might be a good idea to discuss this with the local collector in your district. E.E.F.