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Study of Economic Losses Suffered by the
Japanese Community Due to the Evacuation

by

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The purpose of my study has been to determine the actual economic loss incurred by the Japanese communities as a direct result of the evacuation of 1942. In order to do this properly, it was necessary to attempt to reconstruct these communities as they existed immediately prior to the evacuation.

The first step in community reconstruction involved a name-by-name search through all available community records to determine the names, location and type of residence, the location and type of business (if any), and the income-producing occupation of each individual of Japanese ancestry residing in the community. The cities for which such data has been gathered include: Los Angeles, Long Beach, Gardena, El Monte, Buena Park, Brea, Yorba Linda, Anaheim, Stanton, Fullerton, Atwood, Seal Beach, Huntington Beach, Garden Grove, Westminster, Santa Ana, Costa Mesa, Laguna, Balboa, Irvine, Corona Del Mar, Orange, Tustin, and San Juan Capistrano. The locational data obtained from these searches is then transferred to 1942-era maps and checked against census tract maps to determine the degree of concentration or dispersion of the identified population.

Data thus obtained was the first which challenged the official government position on evacuee losses. The often-quoted figure of \$400,000,000 was supported by the statement that Japanese communities were unassimilated, ethnic enclaves. Thus their businesses would be totally dependent upon a small, financially unsuccessful group for patronage. Since such establishments could be neither financially successful nor competitive with the larger group, it would be justifiable to assume a small economic loss from their destruction.

Contrary to the statement that there were "Little Tokyos" in every city on the West Coast, in 23 of the 24 cities studied there was neither a geographic nor a percentage concentration of Japanese residents. Residences,

businesses and farms were dispersed throughout the area occupied by the majority population. In Los Angeles, which is the only city which presents an obvious picture of geographic concentration, the Japanese residents achieved only a 38% majority within the most densely Japanese-populated census tracts. What this means is that even Los Angeles could not possibly be perceived to be an ethnic enclave, and that the majority of the local retail businesses had to service a population that was 62% non-Japanese. (An actual survey of businesses and occupations supported by individual oral histories indicates that Los Angeles served as an economic hub supplying wholesale to businesses in outlying areas, much as the L. A. business district does today for the majority community.)

For the purpose of an in-depth investigation, I chose the city of Long Beach, which with a Japanese population of ⁶⁹⁶~~959~~, provided a sample that would not be so large as to represent an isolated case nor so small as to provide an inadequate picture of the Japanese communities. The 1940 population figures for Long Beach provide the following information about the resident Japanese:

L.B. Pop.	Japa-		%	%	#	%	#	%
<u>Total</u>	<u>nese</u>	<u>%</u>	<u>Issei</u>	<u>citizen</u>	<u>male</u>	<u>ml.</u>	<u>female</u>	<u>fml.</u>
164,277	696	.4	35	65	394	56	302	42

Additional notes:

65% of the Japanese citizens' group were 21 years old or older.

98% of the Issei were 21 years old or older.

.1% of the Long Beach voting population was Japanese.

Using community directories and telephone books and property tax rolls, I have located and identified 264 Japanese residential groups within the city limits. Plotting these on a map indicates that the Japanese were spread throughout the city from Belmont Shore in the south to the Stephens

Jr. High School area in the East up to Paramount city limits in the north. Due to the pattern of Japanese movement within the city, the residences and businesses are rather evenly distributed. The only visible concentrations occur in the majority business district, which also encompassed the main tourist area for the business establishments, and in a few rental districts for the minority of the group (25%) who were not classified as homeowners. These locations were also plotted on analytical maps published by the city of Long Beach, and prove conclusively that the Japanese in Long Beach lived in areas that were predominantly white and that their businesses were set up in areas which could only provide majority group patronage.

Further comparison indicates that in those areas in which the Japanese were renters they occupied the higher-rent buildings or blocks. Population density maps indicate that the Japanese were not in isolated pockets of low density population, but rather sharing space with numerous caucasian neighbors. The types of dwellings occupied by the Japanese were found to be comparable to those of the majority community. The sources for this information come from annual Fire Department reports, which provide a visual description, as well as original building permits which indicate original value as well as improvements over time (These are available on microfiche in City Hall.). Also consulted were the tract maps available in the archive room in the County Hall of Records (These allow, among other things, the comparison of one piece of property to all of those in a given area.). The picture which emerges is one of a middle- or upper-class community, residentially indistinguishable from the majority. In fact, many Japanese homeowners enjoyed a probability of extra income from their homes, since many managed to build one-bedroom rental units on the rear of

their property. (That this was fairly common practice is evidenced by the frequent appearance of newspaper advertisements for firms specializing in this type of addition.)

Since there was no geographic concentration, it is important here to mention what community supports were available. These are most obvious in the many organizations which served the community. There was a Japanese Association and a branch of the Japanese-American Citizens League, whose president was Frank Ishii, a prominent Long Beach businessman. Municipal records indicate that the J.A.C.L. held a three-day convention in Long Beach from July 30 to August 1, 1941, at a cost of \$11,016, with an attendance of 459. In operation also were a Businessmen's Association, a Produce Market Association, and various produce growers associations. One of these, a cucumber-growers association, was reported in a column by Walter H. Case to have operated its own packing house and to have shipped 150 boxcars of 1200 crates each of cucumbers which reached market three weeks before any others, thus demanding the highest prices. The Japanese community boasted two churches, church service organizations, and a Japanese language school. The Japanese Presbyterian Church was desecrated after the evacuation and turned into a Long Beach Boys' Club. (There was reportedly great difficulty in reacquiring the church many years after the evacuation was ended.) There were two high school-based Japanese student clubs, a Finance Association, and several Prefectural associations. The community was also served by the representatives of five Japanese-oriented newspapers. These supports, strengthened by traditional Japanese attitudes of community conduct, provided the cohesiveness that did not need geographic concentration.

The Long Beach Japanese community was primarily a business-oriented community. There were 213 separate businesses operating within the city

limits that were owned and/or operated by Japanese. A comparison of businesses to family heads would result in an astonishing figure of 80% of the community involved directly in business. However, since several family heads operated more than one business, and several operators of the stalls in the municipal market were living outside the city limits, the actual business involvement for the Japanese community was 51.5%, as compared to a census figure of 25% for the caucasian community of Long Beach. On a percentage basis, more than twice as many Japanese were operating businesses in Long Beach as Whites. These differences are more pronounced in the area of retail produce. Of the 70 produce markets in Long Beach in 1942, Japanese operated 60 of them, or 86%, and in the municipal market the Japanese operated 78% of the stalls. In this area the Japanese were not just competitive, they were in the superior economic position. The other Japanese enterprises encompass almost every facet of retailing (a complete list is furnished), and have been important enough to the majority community to be included in the Chamber of Commerce reports. Touted as tourist attractions in municipal pamphlets (particularly Japanese art stores on the Pike and the municipal market, where the city boasted the highest quality and best selection of produce), as well as appearing in newspaper articles (such as Case's) and being noted as historically important in publicity maps of the period.

We now know that Japanese businesses were important, numerous, varied, and successful. However, since success does not always mean competition, it was decided to follow the businesses through time to determine their fate after the evacuation. The theory was that if the businesses were not a competitive threat they would simply cease to exist when the Japanese community ceased to exist. What in fact happened is astonishing. 98% of all Japanese businesses were immediately taken over by caucasians, and

continued to operate as viable enterprises throughout the evacuation period and beyond. Of the remaining 2%, the city took some of these addresses during the urban facelift of 1943-1944, and a small number of restaurants were taken over by individuals of Chinese or Mexican descent.

Actual economic loss to the community was in the millions of dollars. Loss in the retail area was \$3,266,727 in 1942 alone in expected sales. (See pg. 7) (This includes minimal amounts for good will and lease values.) The loss in residences (of which 198 were homes) was \$1,287,000 computed at median values during the inflationary period of evacuation (1942-1948). Losses in farm property were computed only for those well-documented farms within the municipal area, and they come to \$91,000 (This is for seven farms; Japanese sources indicate that there were 34 farms in the Long Beach area. This would yield a total of \$442,000.). Wages expected to be earned during 1942 by the Japanese population would have come to \$1,846,416, while personal property losses would yield \$696,000, computed at a ridiculously low level of \$1,000 per person. These figures would indicate an economic loss of \$7,187,742 for the Japanese community in Long Beach in 1942 alone. Since the Long Beach community represented only .5% of the evacuated population, the loss for the entire population would have been \$1,437,548,400 for 1942 alone.

This figure is staggering enough, but the evacuation effects lasted much longer than one year. In Long Beach the effects continued through 1948. In 1948, only 4% business recovery was realized, and only 15% of the population had been able to return. There are no listings for Japanese in Long Beach before 1948; in other areas this is the case until 1950. However, using the period of 1942 to 1948 as the primary loss period, and adjusting

business	sales(1942)
18 restaurants	\$301333.00
60 fruit stores	\$443374.00
3 laundry	\$ 16776.00
3 grocery	\$476305.00
4 florist	\$ 27742.00
1 gas sta/gar,	\$ 21364.00
1 oil comp	\$ 34667.00
1 insurance comp	\$ 6934.00
1 radio shop	\$ 22837.00
1 parking lot	\$ 4320.00
1 photo studio	\$ 41085.00
1 liquor store	\$ 17174.00
1 nursery	\$ 18587.00
5 art stores	\$479346.00
1 wholesale prod.	\$181994.00
2 fish mkt.	\$ 44267.00
2 dressmaker	\$ 5940.00
1 barber	\$ 2970.00
2 beauty shop	\$ 12424.00
7 farms	\$ 58765.00
15 gardeners	\$153789.00
79 fruit satlls	\$584434.00
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total	\$2,957,427.00
Goodwill	\$ 213,000.00
leases	\$ 96,300.00
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total	\$3,266,727.00

for inflation and increased sales volume, the sales loss alone would be \$2,256,336,400. Combining this with the other previously-calculated losses, and allowing for no increases in wages (There was a 37% increase.), as well as no increase in personal property values, the loss figure becomes \$3,102,399,400 for the evacuation period. This figure is almost certainly low, for it includes only those items that are verifiable independent of the community. It does not include claims for losses that any court in the land would allow today: wrongful imprisonment, wrongful death, or mental and emotional distress caused by the physical destruction of one's family and community. It does not include the 261% rise in agricultural land and crop values that occurred between 1942 and 1948. It does not include the tremendous increase in lease values during this period. (An example would be a wholesale lease in the Los Angeles produce market which sold for \$1,000 in 1942, but sold for \$50,000 in 1948.) Further, it does not include the rate at which the Japanese business community had been growing just prior to the outbreak of war. It is feasible, indeed probable, that the evacuation cost the Japanese communities from six to eight billion dollars in losses immediately attributable to their forcible removal.

Since I have been doing this study for two years, I have acquired much more information than could be presented here, including sources for my data. I will be happy to assist this commission in any way I can. I can be contacted through N.C.R.R., or the Asian American Studies office at California State University, Long Beach.

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Pacific Dry Goods Company, import, wholesale and retail business in Chinatown.

Ino Merchandise, with three branch stores on Grant Avenue and one on Market Street.

Daibutsu; Pagoda; Kisen; Nikko; Kajiwara, retail stores.

Nippon Trading Company.

Nippon Dry Goods Company, largest wholesale firm, doing an annual gross business of about \$500,000.

It is estimated that the approximate total annual business of Japanese art goods stores, including retail and wholesale, was over \$3,000,000.

None of the Grant Avenue merchants owned their store buildings. They rented space on either a month-to-month or year-to-year basis. A few had a 5-year lease. A few Nisei art dealers owned homes in the (Japanese?) residential district.

Relations with Other Races. Some Grant Avenue merchants were very active socially with Caucasian business associates. A few of the younger businessmen joined in numerous sukiyaki dinners and night club parties. "Grant Avenue merchants established numerous business connections with various firms in San Francisco and other states. These business connections might be helpful in their future business dealings." There was no competition in the wholesale art goods business, as none but Japanese imported made-in-Japan goods. Some business people and politicians complained loudly that cheap made-in-Japan goods were being dumped on the American market. However, this charge pertained more to articles of everyday use than to art objects and trinkets. "Japanese merchants' relations with other American firms remained very favorable." In the general art-goods field, there was constant competition between Oriental and Caucasian dealers.

In the retail trade, there was not much competition between Japanese shops and the art departments of large department stores as the latter sold principally to local people and the Japanese sold to tourists. However, there was keen competition and some ill feeling between Chinese and Japanese because of the latter's expansion in Chinatown. Actually, businesses of both groups went bankrupt in the Depression. Yet it seems to have been true that the Japanese were more aggressive and were taking the better locations on Grant Avenue. The Chinese Chamber of Commerce and the Six Companies appealed to city officials to rid Chinatown of the Japanese and boys picketed Japanese stores without damage to the latter's business.

Evacuation. The close connection with Japan of some of these businesses caused their capital to be frozen. In others, losses were heavy because the time allowed for disposing of many small items of merchandise and store equipment, such as an art store contains, was short. One man, for example, claims that he sold his entire equipment in haste for less than 30% of its true value. The total loss in the trade has not been estimated. A few stored their goods. Some property (what kind?) was sold to the U. S. Government after evacuation.

Besides importers of art goods, there were importers of Japanese manufactured products and foods, whose business collapsed after Pearl Harbor. Because some of these importers had catered to the Japanese population only, they had no competitors outside their own nationality.