

August 17

The Community Enterprises paid its third profit dividends.

The dividends covers the period from October 1, 1943<sup>3</sup> to December 31, 1943. The rate is about 12 % of the gross purchase amounts.

#####

JL. 15 B

I

August 5

#####

Rumors are rife that the grocery store of Block 21 (Cf: August 2, page 5) grossed about \$4,000 in four or five days. (No doubt that this is an exaggeration.) Another rumor reported that one gallon of Shoyu was sold for <sup>six</sup>~~seven~~ dollars and fifty cents. The buyer gave ~~out~~<sup>a</sup> ten dollar bill, as the rumor puts it, and received changes which he did not count. After he reached home, he examined the changes and he was surprised that he had only three dollars and a half. He thought sure that it was a mistake. He returned to the store and inquired <sup>of</sup><sub>1</sub> the owner if he had not made a mistake. The owner said that the price was six dollars and fifty cents, <sup>the price charged by</sup> and that was not too high in comparison with <sub>1</sub> the store in Unit II, where <sup>and</sup><sub>1</sub> seven dollars fifty cents are charged for one gallon.

Corn  
Enter

AUGUST 5 -- (3)

The store was selling the same brand of Shoyu for four dollars a few days previously, but as soon as the owners heard that the Unit II store was charging a higher price, they hiked up the price to six dollars and fifty cents a gallon. (Before the war one gallon of the best grade of Shoyu sold for about one dollar and fifty cents.) *check*



AUGUST 2 (5)

A store was opened secretly in Block 21 several days ago. It is selling canned goods, the left-over merchandises of a Japanese grocery in Stanton, Calif. The former owners of the grocery are operating it to dispose of their Japanese canned goods. This is usually a sort of private enterprise that people would keep quiet about, were it not charging exorbitant prices. The buyers who were stugg there are complaining to the Administrative agencies asking that something be done. One of the buyers complained that he paid eighty-five cents for a can of Tekenoko (Bamboo sprouts), which would cost about eighteen cents in the pre-war days.

*Arm  
Enter*

Nagai of the Executive Board sent a warning in writing to the owners of <sup>the</sup> illegitimate sotre.

July 18

The Cooperative Enterprises requested those leaving Poston on indefinite leave to turn in their "Certificates of Indebtness" (the promisory notes issued last year covering the unpaid portion of the first profit dividends). The organization promised that they would be paid by cash as soon after they leave Poston as possible. Sagara in charge of the profit dividends stated that those who turned <sup>in</sup> their certificates prior to March 31 were being paid one by one at present.



Local Council  
Meeting  
July 19

Okamoto reported that the Community Enterprises as reported by the Poston Chronicle (in its July 18th issue) decided to donate \$4800 to the community through the Community Council. It was a wish of the Community Enterprises that no longer was it to be bothered by several requests from various organizations for donations. (In addition, the Community Enterprises passed the "hot potato" over to the Community Council; that is, the selection and operations of weekly movie shows.) Regarding the selection of film, Okamoto said, the <sup>Community</sup> Council would discuss it tomorrow. His idea was to form an/over-all committee from the three units for this purpose. (\$3,600 of the \$4,800 would be expended for the films annually if the present rate of showings was maintained.)

June 19

#####

Because of criticisms of mismanagement and incompetence General Manager Kato resigned from the Cooperative Enterprises as of June 15. Many key leaders of the Coop followed Kato's action and resigned from the organization. Those who left include Ben Yabuno, the Assistant General Manager, Masaru Kawashima, the



JUNE 19 -- (5)

Executive Secretary, Nishino, the Supervisor, and the key secretaries in the Accounting Department. The Board of Trustees held a series of meetings and endeavored to name the successors in vain. There seemed to be no one who <sup>was</sup> ~~were~~ willing to take over the key positions in the Cooperative Enterprises because of vulnerability of the positions to attacks and criticisms. "Why should I work head off and get bumped all time, because there are many jobs much easier that pay nineteen dollars a month," one of those approached by the Trustees commented.

After several attempts failed, the Board of Trustees selected one from each Unit from its members to manage<sup>a</sup> the organization until permanent successors could be selected. At present, it is run by M. J. Noda of Unit I, Sakamoto of Unit II, and Hayakawa of Unit III. They are all key members of the Board of Trustees.

Gossip mongers are busy now claiming that the set up could not last peacefully too long. They say that the organization will crack from within soon. Beltt, the WRA representative in the Enterprises, expressed his disgust for the recent events which culminated in the resignations of Kato and the others and said that he would attempt to ask for transfer to some other project as soon as opportunity arises.

#####

April 6

#####

It is rumored today that Oye -- the deposed member of the Board of Trustees of the Cooperative Enterprises --- issued circulars attacking the present key members of the Enterprises --- Kato, Tazawa, etc. (I have not seen this paper yet.) He made specific charges of misappropriation of fund and mismanagement. His attacks were aimed at the "pleasure trips" by the members. (At present four members --- Kato, Tazawa, Ben Yabuno, and Mas Kawashima --- are attending the conference of the co-ops of the various centers in Granada.)

#####



Local Council  
Meeting  
July 5

Sasaki and Okabe, the newly elected Treasurers of the Local Council, reported that there was a discrepancy of some one thousand dollars between the balance reported by Nomura and that reported by the Community Enterprises, where the money was deposited. According to the books turned over by Nomura the balance of the Council fund should show as follows:

General Fund	\$2,046.24
Emergency Fund	869.08
Donated to P. T.A.	300.00
Total	<u>\$3,215.42</u>

The investigation <sup>by</sup> Sasaki and Okabe with the Community Enterprises showed that the balance was somewhere around \$2,000. The organization had a complicated set of books and could not find the <sup>a</sup> balance until after about two hours' search through the books. It did not have a ledger showing the debits and credits for the account of the Local Council. The explanations of the accountants there were not dependable and without authority. They pointed out that some twelve thousand dollars had been paid out to the blocks as refunds out of the fund entrusted to the organization by the Committee of Friends of George Fujii. In spite of the explanation the books showed that the twelve thousand dollars had been debited both from the account of the Local Council and from the account of the Friends of George Fujii. Okabe was irritated and argued loudly that he could not assume the treasurership of such an account. Other Councilmen explained that the two accounts were entirely different, one drawable only by Nomura and the other by Okamoto. There was no question that there were errors in the Enterprises' books and <sup>the errors</sup> could be straightened out when Okamoto returned from Manzanar. The matter was carried over



JULY 5 -- (3)

to the next meeting of the Council. (Cf: June 19, page 3)

The Committee on the Trading Post appealed to the body whether the weekly business of the enterprise could be suspended during the summer months. The Committee members reported that due to the intense heat the trading has slackened and the profits therefrom were not sufficient to continue. The earnings and profits were announced as follows:

Date the Post was operated	Gross Sales	Net Profit
June 4	\$201.35	\$20.60
June 11	96.45	7.83
June 18	144.05	13.70
June 25	205.35	18.87
July 2	116.65	9.74
Excess in change		8
		<hr/> 70.82

As it was established that the records were poor, the Councilmen agreed to discontinue the Trading Post until the fall months. (The Poston Chronicle of July 3 reported that Unit III had agreed to hold Trading Post once a month.)

Yoshikawa of the Community Activities appealed to the Council to donate <sup>each</sup> month the wage to hire a janitor for the areas where the movies are shown. (Cf: July 4, page 6) He explained what the Block Managers had agreed upon. After a discussion somewhat travelling in the same vein as <sup>that of</sup> the Managers, Sakai, now the chief of the Project Employment Section, suggested that it might be able to obtain a project work card for the janitor from the quota of some unfilled section. With the joy, "If the WRA could pay the wages, that is the best solution. Nothing could be better," the Council requested Sakai to work along the idea he had suggested.

The meeting was adjourned at 11 A. M.

#####



Block Mgr  
Meeting  
July 4

Yanamoto of Block 11 contended that the Community Enterprises would soon be donating some 4,000 dollars to be used by the various Local Councils for public service. Such wage for the man, he argued, should be paid out of this fund. Other Managers retorted that the problem was immediate and must be taken care of right now.

Sakon of Block 59 argued that were the blocks not willing to clean up the area (specifically aimed at Blocks 21, 22, 28, and

JULY 4 -- (7)

28) no movie should be shown there until the Council voted the fund for the janitor. The ~~movies~~ should be taken only to those blocks which would be willing to clean up the places where they had been shown.

Tanaka of Block 19 and Hiroto of Block 54 argued that the movies must be shown at the Central Swimming Pool area, because it was centrally located in the camp. Should the showing be suspended there, complaints from the community would be great, they reminded others.

Finally, a vote was taken that the blocks would donate fifty cents per month per block for the janitorial service for the movie showings throughout the camp until the Local Council provided the fund to the Community Activities. It was carried by 35 to 1 result, Sakon being the lone dissenting voter.



Mar. 15  
Local  
Council  
Meeting

Yoshikawa approached sometime ago with an idea to make the sewing school classes self-supporting, by charging nominal fees for sewing services to Walter Balderston, who refused to commit himself on the issue. He told Yoshikawa that he was for the plan if the Local Council initiated the proposal, and the Project Director approved it.

Yoshikawa further reported that under the old Issei activities, the Shibai group would be retained with a reduced staff of twelve employees throughout the three units.

Yoshikawa stressed the importance of having some committee appointed by the Council to supervise the income of the various group. One Richardson, a WRA official from Washington, was here recently and proposed to the project to place the sewing services under the Community Enterprises. One day last month <sup>they consulted</sup> General Manager Kato and Secretary Tazawa of the Board of Trustees about the plan. But the representatives of the Enterprises refused on the ground that they did not like to handle anything not profitable. If they made the service profitable to the organization, the residents would not be satisfied.

Okamoto objected to the idea of putting all the incomes in a pool. He questioned how any one could check whether the workers who handle the money were turning in their gross takes honestly. How ~~may~~ one could supervise the incomes of masseurs, chiropractors, etc, he asked. He thought it would be better to make the various activities self-supporting, and those others which could not be

Community  
Enterprises

Jan 19

Okamoto also reported that the Community Council has been studying a plan to establish a bakery here. A Jewish firm in Los Angeles had offered to sell a bakery equipment for \$3,000. It will cost \$2,000 more for other assessories. By employing about 24 evacuees on two shifts it would be possible to produce about 3,000 loaves of bread daily. He explained that the money for purchase <sup>of</sup> the equipment would come out the WRA fund for equipment outlay, and not from the operating budget. Our daily ration of 45¢, therefore, would not be affected; in fact, by producing bread for less the difference might be advantageously used for purchase of other food.



MARCH 15 -- (7)

organized by themselves independently be allowed to operate as  
before surrept<sup>ti</sup>iously.

The Council decided to ~~turn~~ the matter over to a committee  
composed of the members of the Community Activities and the Com-  
munity Enterprises.



Feb 15-  
Blk Mgrs.  
Meeting

Community  
Enterprises

Supervisor Sakai reported that he had consulted with the Community Enterprises for keeping soap in their stock, for residents were inconvenienced in that they must buy them from the

FEBRUARY 15 -- (3)

outside through their friends. According to the representatives of the Community Enterprises, soap was not obtainable in whole-sale lots neither in Los Angeles nor in Phoenix. Only place if soap might be obtained was in Denver. However, soap was brought from Denver, the Community Enterprises would lose 50 cents per case, because of the OPA ceiling price and the cost of transportation. The stores here would sell about 800 cases of soap a month, and would lose about \$400 a month by selling soap. If the members of the Cooperative Enterprises were willing to approve such losses by their stores, they were willing to get soap from Denver to sell here. The Managers argued that the residents would be benefitted by the presence of soap in the stores; and the residents were the members of the Cooperative Enterprises. They proposed that the Community Enterprises should sell soap in their stores, as it would mean<sup>a</sup> decrease of the profit dividends to the members by a negligible amount.

#####

Feb 29

John Powell spoke on the curtailment of employment thus while we were discussing how severely his Community Activities Division would be affected. (His Sewing School would be wiped out after April 1.) "Those students and teachers in the Wood-Carving School, the Toy Shop, etc., should be allowed to sell their products to the Community Enterprises, which in turn will sell them to the residents at nominal profits. I am working along this plan. The trouble in the past was that the artisans did not have confidence in the canteen. They did not trust them."

Community  
Enterprises



JANUARY 19 -- (10)

Kushiyama of the Food Committee expressed his concern that should a bakery<sup>be</sup> established here residents would be compelled to eat more bread instead of rice. The Japanese, he stated, would be able to get along with rice and without bread.

Okamoto replied that the Army Quartermasters set a regulation stating so much for flour and so much for rice per person. We would not be able to get more rice even if we cut out bread entirely. The amount of rice to the residents would not be affected at all, *neither increased nor decreased.*

Kushiyama asked Okamoto where he would get sugar for baking loaves of bread. The latter replied that sugar would be gotten for dough extra, besides the sugar gotten under the ration. Kushiyama requested reassurances from Okamoto for his statement about sugar for three times. "You are sure about that?" asked Kushiyama for three times.



#####

*7. Comm. Enterprises  
Jan 12*

The Local Council in its meeting in December passed a resolution on Masaki's motion asking the Community Enterprises to print 1944 calendars and distribute them to the residents free of charge. The Community Enterprises acquiesced to the demand of the Council and agreed to do so.

The Canteen, however, received about 1,000 calendars from a drug

January 12 -- (2)

company with its name printed on them. (Some accused that the calendars had been ordered by the Community Enterprises, while others claimed that they had been sent here by the drug company without their authorization). They sold them for six cents each. But Masaki was angered, because he thought the Community Enterprises had pulled a fast one. He thought that they wanted to make money with the calendars before they would distribute free calendars, which they had promised. Masaki stormed into the office of General Manager Kato and demanded to know how come the free calendars had not arrived here. Kato told Masaki that the calendars had been ordered, but have not been received yet, and that he thought it was all right to sell those calendars which had been shipped by the drug company without his knowledge at a nominal price. Masaki accused that the Community Enterprises had delayed the free calendar business intentionally in order to make some money with selling the calendars in advance of the intended free distribution.

Masaki was not satisfied with Kato's explanation. He went to Pauline Bates Brown, the Reports officer, with a proposition to print calendars at the Chronicle Print Shop for free distribution to the residents. (Masaki works in the Chronicle office as an errant boy, although he is past 65). Brown liked the idea; besides she had an old score to even up with the Community Enterprises. (Oye's accusations against General Manager Kato in the Chronicle. Brown was put on the carpet for the issue). She immediately ordered printing of 5,000 calendars. (It cost the WRA \$230) six days ago.

Masaki distributed these calendars to the blocks today, one to be given to each family. It is a good looking calendar.

#####



7. *Comm Enterprises*  
Nomura reported that 26 blocks out of 32 reported to the fence construction on the first day (Friday) and 29 blocks on the second. On the second day Blocks 14, 22 and 35 failed to send one Block Gardener; blocks 14 and 35 reported the Gardeners had been taken it.

*Jan 11*  
*Blk Mgr*  
*Meeting*  
Nomura also reported that the various blocks have \$5,283 as the balance of their loan to the Community Enterprises for its revolving fund for cashing government checks.



7. Community Enterprises (Place cross reference in 11-a)

JANUARY 5 -- (1)

A regular bi-weekly meeting of the Local Council was held in the conference room of the Unit Administration Building this afternoon. There were 31 present.

Chairman Normura reported that Wade Head had left for Washington last night, and during his absence Moris Burge would act as the Project Director. He also reported that Len Nelson had been appointed as the Assistant Project Director in charge of Administrative Management.

The first business for the day was the erection of barbed wire fence in Section 28. City Manager Okamoto explained that the representatives of the Agricultural Department had been coming to him complaining about stray cows and horses destroying the farm crops. They had threatened to quit the farming, because "there wasn't any use in feeding cows and horses."

At present there are eight young boys building the fence, but their progress is very slow, Okamoto went on with his explanation. ("These boys are lazy and are not working hard.") There are still about three miles of fence to be built.

In Section 28, west of Block 6 and Block 11, the following crops are raised now:

8 acres	Spinach
5 "	Cabbage
5 "	Cabbage, recently planted
10 "	Carrots
5 "	Lettuce
8 "	Barley, to be planted

In the southern half alfalfa will be planted.

Rupkey, the Chief of the Engineering Department, came in during the discussion. He was consulted on the fence construction. The north side of Section 28 is the place whence these cattle are straying in, he reported. The Army was originally to build the fence, but the Army



JANUARY 5 -- (2)

engineers left the project without doing the work. Ten men started the construction about a month ago; it is less than half-way completed. He would like to have at least thirty additional men to do the work. By the addition the work can be completed in two weeks. Nomura inquired Rupkey, "Do you have enough material if we supply those men? Usually we supply men and you run out of material in the middle. I hope it isn't like that this time." Rupkey assured Nomura there is enough material this time.

Okamoto moved that each block would furnish one man from the crew of Block Gardeners for the duration of the work. (All blocks, except five, have two or more Block Gardeners). It was passed unanimously. The new crew will commence on the fence on Friday morning.



SEPTEMBER 15 -- (1)

56.15B 1

The Board of Trustees of the Community Enterprises has long planned to close some of the canteens now operated, for the center population has gradually decreased and the business volume has concomitantly diminished. Until recently, the attempt has been frustrated by the delegates from Unit III, who were antagonistic to the Kato (the former General Manager) administration. With the change in the management and with the difficulty of replacing the canteen workers, who left the project, due to labor shortage, the trustees have become united in seeing the necessity of closing the smaller canteens. This trend <sup>has been</sup> ~~was~~ further strengthened by two other factors: viz., first, the WRA instruction called the attention of the management that the Community Enterprises at Jerome lost some \$15,000 in liquidating their stocks and fixtures when the center was closed; and second, a recent report by the auditor warned the Trustees that the inventory was far in excess of the business transacted.

The instruction from the WRA Washington office warned the Community Enterprises that relocation centers might be closed before long, and the organization should be prepared for the day of liquidation. It specifically advised the management to retrench its program and to reduce its stocks on hand in order to minimize losses at the time of liquidation.

(According to the financial statement for the month of June, as of June 30, 1944, the following data are given:

Merchandise Inventory	Stores	\$113,475.26
	Whse	43,499.95
		<hr/> \$156,955.21
Sales		76,996.89
Net Income		8,689.42



SEPTEMBER 15 -- (2)

The auditor believed that stocks of about \$80,000 were enough to carry the present volume of business.)

The auditor's report reads as follows:

REPORT OF AUDIT PERFORMED BY

C. C. Hofacre and E. Greer

The report was given by Mr. Hofacre to Auditing Committee and Personnel of Poston Community Enterprises, August 21, 1944, at Main Office in Unit I, 3; 30 P. M.

Mr. Hofacre:

"The results from operations have been altered by some \$3000 from those reports which you have been getting from your accounting department. Now, the changes that were made consist of providing for the auditing expense which is estimated in this amount at \$600, and then we adjusted the insurance expense by \$178. Office supplies which were being carried on your books as inventory amounting to \$1118 were charged to expense. The reason for that is that your office supplies at the time of liquidation would not be worth very much money. It would be worth that much if you were a going concern, but we have to think now of the time when you will be liquidating your assets and the money from them so all of the assets that would show on your records we want to be sure are 100% as near as possible. Therefore, we feel we should consider any office supplies purchased as a direct expense even though you have not used them up entirely. Most of them are peculiar to your set up, and you would not be able to realize cash for them at the time you liquidate. That charge of \$1118 is made.

Merchandise Inventory

"Then, the merchandise inventories again were figured on a little bit different basis than your accounting department. There were some transfers in April amounting to some \$9000 which were not taken into consideration in their calculation, and, the, my calculation is based upon a year's operation so that merchandise inventories were lowered by \$1848; makes a total reduction of \$737.45. And a reduction of that was made by charging a loss on La Vida cases which could be charged to prior year's operations, \$560 and some patronage refunds that were paid for prior period, \$4.82. So that reduction was then lowered to \$3184.

Net Earnings as Compared to Prior Period

"The income for your last six months' period amounted to \$45,474. That is 10.6% of your sales and services volume for that period. The income for the prior six months amounted to \$61,878 and that was 12.53% of your sales for that period. I think that the main reason for that reduction is the fact that your gross margin for the last six months has been reduced and then, perhaps, your operating expense has been practically the same as the first six months. Operating expense for the full year amounted to 10.16%;



SEPTEMBER 15 -- (3)

10.65% for the first ten months. The reduction for the net earnings for the last six months was due to lowering of your gross margin. The total earnings for the year for those two amounts added together is \$107,350. That, very briefly, is your results from operations for the year.

#### Retail Control

"The matter of your retail control. We find that for the full year, there is a loss in your retail control of \$4878. Now, during your last six months' period, you have had reports coming from your accounting department indicating losses and gains, but the losses have been very much greater than gains. In fact, over the last six months' period with this \$4878 loss for the full period amount, taking into consideration the fact that you had a gain indicated in the first six months of \$850, you would show then a loss for the last six months for some \$5700. That is very nearly \$1000 a month and it is getting back to that condition which prompted you to ask Mr. Rector over here a year ago or so to make a detailed check on your inventories. It would be my suggestion, you gentlemen consider very strongly checking this up. That is, checking it up by yourselves. I think that you can find where these leaks are and correct them yourselves as long as you have the information coming in to you. Don't take these reports lightly that your accounting department is giving you because they are devised for your help and so that you will be able to see how things are running. If you take the reports and don't do anything about them, and they indicate these differences cropping up, then, you might just as well not have the reports coming to you. They are of no value to you unless you use them. So that in these various stores which indicate shortages and differences, some step should be made to find out the reason for these shortages and differences and also corrective measures should be taken to stop them. That is one of the weaknesses as I see it in your operations and should bear your careful consideration.

#### Slow Moving Merchandise

"Another point in your operations that I would like to draw your attention to is your inventories. We again have to consider that this is only a temporary operation and that the time is going to come when it will be necessary for you to liquidate these inventories. I have some comments from Tule Lake where I had the pleasure of meeting Mr. Rossman who had completed the liquidation of Jerome. He told me that over there they suffered a loss of inventories and fixed assets of approximately \$15,000 when they liquidated there. They have a much smaller operation than you do and they are liquidated at a time when it would be much easier for them to liquidate. Then the time for you folks comes, it would be my suggestion that you folks here be very careful in your inventories. Any dead stock that you have on hand, it would be much better to get rid of them now than to wait until you have to sell it at liquidation time in a short period of time. You might well conceive of an example like this. You could probably sell some your merchandise for fifty or seventy-five cents on a dollar now. If you wait until the time you want to close down your operations, it might bring you thirty or forty cents. It might be much better to clean out your dead stock



SEPTEMBER 15 -- (4)

out of your inventory, That is just a little something that you have to consider over and above what an ordinary cooperative would have to think about. At Tule Lake where they are situated a little bit differently than you, they do not have quite so many stores as you do, they serve probably six or seven thousand more people than you do. Their sales are very nearly twice as much as you folks have. They are now operating on a basis where they will do practically \$2,000,000 a year business and they are doing that with an inventory which is about five or six thousand dollars less than your inventory. They have less than \$150,000 of inventory. Also, that \$150,000 they think is too much, and they are trying to cut that down to around \$125,000 or \$130,000, so that you can see that they are thinking of that time when they will have to dispose of that inventory.

#### Concentration of Shops and Stores

"Now, it might be a little bit difficult to operate with much less inventory than this. However, I think it would be well for you consider starting to retrench a little bit now in making available the services as close to home as they are now. By that I mean it might be well to consider closing down one or two stores in each camp. Operate, for instance, one dry goods store and maybe, if at all possible, one other canteen. I don't know whether you will be able to cut it down to one store but perhaps down to two. That would cut out three of the stores you have now in operation and would eliminate the necessity of carrying the stock of goods in those stores. As your population decreases, you should try to accordingly decrease your inventory. In the regular audit the table of stock turn overs at your various stores will be made, but they will indicate that you may be operating very near the standard that you would expect to if you were outside. But, for instance, your clothing turn overs. At Camp I, clothing store showed 4.65 times; at Camp II, the store showed a turn over of three times; and at Camp III, it showed a turn over of about 3 1/3 times. Now, that is even a little bit less than we expected, I think, for the outside. Here, I would say as we have said in the previous report, you should try to turn your stock of merchandise in your clothing and dry goods department as much as eight times a year. That would mean that you would be working on a small stock, no doubt, but it would also mean at the end when you try to liquidate, it would be much easier to get your money from it. I don't want to discourage you. I just want to point out these points for you to consider.

#### Balance Sheet

"There is not very much on your balance sheet. They would be, of course, effected by those entries which I mentioned before that changed your income. The total of your current assets amounts to \$242,867 and that compares to your total current liabilities of \$86,604 which is 2.78 to 1 of current assets over current liabilities. At the beginning of the year, you had 1.96 of current assets to current liabilities, and at the last report for the first six months, that would be December 31, 1943, your current assets were



SEPTEMBER 15 -- (45)

2.56 to 1 of current liabilities. So that you have shown a steady improvement in that line and are close to the desired 3 to 1 ratio that the WRA wishes you to carry. Your total assets are \$255,203 and that compares to the total assets at the beginning of the year \$211,778 or approximately \$55,000 more current assets than you had at the beginning of the year. In regard to your balance sheet, there are two counts which I do not balance with the records. That is, the subsidiary records do not balance with the control records. They are Accounts Payable which are off in the amount of \$1550 at this time. That is, the subsidiary records call for \$1550 more than your control calls for. The checks held for collection amount to \$93.21 more than the cash on hand indicated at the end of the year, and I guess those are the only two that should be checked out. The accounting department says that they will check those out and reconcile them rather than to have us do that. It could be done just as well by the accounting department. Any changes that might affect your income for this year should be taken into consideration before your final distribution is made. When these accounts are finally checked out, they should be adjusted and any adjustments necessary would be taken into this year's operation before the final distribution of earnings is made."

As reported in the Poston Chronicle of the September 12th edition, the Board of Trustees finally decided to close some of the canteens. It should, however, be noticed that the organization is reporting to the public that the canteens<sup>7</sup> would be closed due to the labor shortage and in order to save expenses. It is not reporting that the move is in preparation for the time of liquidation.



AUGUST 23 -- (k)

March 4, 1943

MEMORANDUM TO: W. J. Jamieson,  
Post Master  
U.S. Post Office  
Phoenix, Arizona

FROM: Franklyn Sugiyama, Chairman TCC I

SUBJECT: Civil Service Provisions for Poston Evacuee Postal Employees

*Com Sugiyama*  
I am inviting your attention to the following facts concerning the Poston office of your department, which is rated as a branch of your post office. Poston is doing approximately \$100,000 business monthly. It has five regular Caucasian employees and twenty-seven Japanese evacuees who are paid the regular WRA monthly advance of \$16.00 per month. The evacuees are sorting, delivering, gathering mail daily, handling registered, insured, COD mail, selling money orders and, in general, doing the routine post office work since May, 1942.

It is our belief that in this state, only Phoenix and Tucson exceed our office in postal receipts. We are entitled to an independent post office with a second class rating, with branches in Unit 2 and 3, employing a total of twenty-five or thirty regular civil service employees.

We are now faced by a man power shortage due to several reasons: exodus to outside employment through regular leave clearances, Army enlistments, and the advent of the camouflage factory which will employ a complement of 500 workers from Unit 1 alone.

It would seem a practical solution to this whole problem to allow our Japanese employees here to qualify for their positions through civil service examinations. The evacuees have informed me of their willingness to take these examinations. Evidently these Japanese evacuees must be capable, efficient and honest or their services with your department would have long since been terminated.

It is highly discriminatory to permit these evacuees to work in the routine post office tasks when they are not recognized or protected by the broad provisions of the Civil Service Act. In the interest of fair play, I ask that these evacuees be given equal treatment as the other post office employees in the United States.

The evacuee employees have requested me to communicate with you about their prospects of being included in Civil Service. I would appreciate it very much if we could talk this matter over on Monday, March 15, 1943, in my office here as I am not allowed to travel outside. If that date does not meet with your approval, I trust that you can set a convenient time near that day because this situation should be cleared up definitely. I am awaiting an early reply.

Very truly yours,

/s/ Franklyn S. Sugiyama



September 21

#####

J6.15 B 1

As his first impressions of the Poston Community Enterprises, Runcorn reported to Burge thus:

1. He did not like the looks of the Community Enterprises here. Community leaders are not participating in the Co-op. The people are not interested in what is happening in the Enterprises. He wants to do something about this indifference.

2. He wants to prohibit dealings with ~~the~~ Black Market on the outside. The Community Enterprises <sup>have</sup> frequently traded with organizations for illegal merchandises.

3. There are too many private enterprises carried <sup>on</sup> here without restriction.

Burge commented that it was a mistake of the WRA to encourage the Co-op system in an unstable, abnormal community such as this.

#####



NOVEMBER 4 -- (1)

IG 15 B

I

Comm  
Ext

G. Kato, the former General Manager of the Community Enterprises who had been offered the chairmanship of the new Executive Board, interviewed John Powell, the Assistant Project Director, yesterday to ascertain the role of the Board in the administrative set up of Unit I. Powell, as other Caucasian members and evacuees, knew very little about the duties and the past accomplishments of the Board, and decided to call a conference with Sumida and Nishimoto in Mills' office this morning. It was understood that Kato wanted to define the sphere of actions for the Board, if he decided to accept the chairmanship. He wanted a clear cut field where he would have no intervention from any other group of evacuees. He also asked for a right to appeal and consult with the Project Director directly.

In the conference this morning, Nishimoto gave a brief history of trends in Unit I. He traced the early organizational relationships of Unit Administrators (John Evans and Len Nelson) with the various groups such as the Local Council and the Block Managers body. Then he traced the changes that took place when these Caucasian Administrators were replaced by evacuees. He emphasized that until about four months ago each of the evacuee groups was handling various problems arising in the Unit independently of others. This practice had many drawbacks, because it created conflicts between the various groups or it caused the groups to struggle for a dominant position. He cited, as an example, the case of "theft" of a cooler by the Fire Department. In this case, the "City Hall Gang" worked to get a cooler for the Department without letting other groups know what they were doing. Therefore, when they got in difficulty with the Internal Security Office, the other groups refused to come to their aid. Nishimoto also cited



NOVEMBER 4 -- (2)

the ouster move of Dr. Pressman by the Community Council. The Council attempted to get rid of the doctor from Poston without getting any understanding from other groups, and found itself holding a bag when it met an opposition from the project administration.

As a recent trend, Nishimoto pointed out several committees such as the Recreation Hall Committee, Sewing Center Trust Committee, etc. In these committees all important groups in the Unit administration are represented; what these committee decide are easily put into effect because of the wide representation. Nishimoto, then, explained the settlement of the crisis in the Subsistence warehouse (the Camouflage Net Plant warehouse), which occurred about one week ago. The settlement was effected by constant conferences between Okamoto, Sumida, and Nishimoto, whereby all the resources available to the Local Council, the Block Managers, and other administrative organizations were pooled together smoothly.

Nishimoto explained why the Executive Board had become ineffective. He stated that M. Nagai, the former chairman, was responsible greatly for the doubtful existence. Nagai was afraid to take a part in many activities or was afraid to summon the aids of others. Soon people in difficulty or trouble found that it was no use to appeal to Nagai for aid. In another aspect, Nagai was a poor diplomat. Whenever some criticisms came in his way, he accused the others who had worked with him as being responsible to take the blame. In this way, he lost confidence of his associates, and <sup>his friends</sup> became afraid to participate in activities with him. His friends would say of him, "If a thing goes well, he would say that he is the one who has done the thing. If it is criticized by some (which is more likely than not), he



NOVEMBER 4 -- (3)

would say that he is not responsible, and that so and so did it against his advise. He is likely to double cross his friends for his political prestige. Nishimoto told those present that all evacuees must work together harmoniously and unselfishly without minding the criticisms of the uninformed or the irresponsible. Once they have worked together, they must take praise or blame jointly.

As a conclusion, Nishimoto stated that many problems arise everyday, but it is almost impossible often to say that this problem belongs to the Local Council and that problem belongs to the Executive Board or the Block Managers or the Unit Administrator. As an example, he cited the Noodle Factory controversy. No one knew exactly who was to handle the matter. The controversy, probably should have come to the Unit Administrator or to the Executive Board at the inception, but instead it went to the Food Committee of the Community Council, which muddled the matter and appealed to the other organizations too late. "A lot of griefs could be avoided here by consulting constantly with others from the beginning." Because it is difficult to find clear cut demarkations for duties of the various organizations (the Council often carries out administrative duties through its committees.), it is better to have a joint participation of, at least, Okamoto, Sumida, Nishimoto, and now Kato, if he accepts the position.

Kato was receptive to the idea of working together and showed an <sup>indication</sup> ~~intention~~ that he might accept.

Later on, Kato asked Nishimoto privately as to how powerful Okamoto and his "City Hall Gang" is right now. Kato is an old enemy of Okamoto since the day of the Issei Advisory Board. Nishimoto assured him that their star had fallen and their power is



NOVEMBER 4 -- (4)

nil in the Poston I politics.