

officers disobeyed orders from superiors and confronted rioters, few arrests were made. This fact is critical in understanding the ethnic conflagration that had not yet started. By midnight, the violence against people had died down as the mob turned most of its attention to looting and burning. It was at this point that some Hispanics, mostly illegal immigrants, joined the theft and destruction.

These rioters had been frustrated by decades of death and destruction in El Salvador and Guatemala, by a lifetime of economic and political degradation at the hands of Mexico's oligarchs. Their anger had been compounded by disappointment when they discovered that getting by in the United States was a struggle, contrary to the tales of instant affluence they had heard. They joined disaffected blacks in burning stores and apartments owned by outsiders—wealthy Anglos, long-gone black landlords, and established Mexican-Americans.

**R**ioters burned and looted as many as 1,000 Hispanic-owned businesses in South-Central and other areas, such as the heavily Central American Pico-Union neighborhood. They did so even when the businesses were painted with the words "Latin Owned" or guarded by Hispanic owners. The mob swept their own businesspeople aside to grab and steal what they could. Later their friends and apologists in myriad refugee centers would blame it all on poverty.

The numbers, however, tell a different story. In Los Angeles, 1.3 million people are classified as poor. But 1.3 million people didn't riot, loot, and burn. Of the 3.3 million Hispanics in Los Angeles County, only 2,764 managed to get themselves ar-

rested for riot-related crimes. Of these, 1,500 were suspected of being in the country illegally. Two weeks after the riots, 700 of these illegals had been deported.

Although the riots were more widespread in 1992 than in 1965, nothing much happened in East L.A., in the San Fernando Valley, or in the San Gabriel Valley. These areas contain the bulk of L.A.'s Hispanic population, and they were quiet. This does not mean that the residents of these neighborhoods have no serious problems: In East L.A., good jobs are in short supply, the poverty rate hovers around 25 percent, high-school dropouts are common, and kids get involved with drugs and gangs.

But the Hispanics in these areas have a strong attachment to Los Angeles. Many blacks and whites who live in L.A. look to cities elsewhere in the country, in the South and East, for their roots. Mexican-Americans are less ambivalent about calling L.A. their home. They have no memories of civil war and government/rebel massacres in faraway countries, but they recognize that many of the world's people are far poorer than they are. And they see no sense in destroying their own home and their own people.

Only one incident of looting occurred in East L.A., at a Sears department store. Shortly after it was looted the culprits returned the stolen merchandise. They did not act out of shame. East L.A. Mexican gangs, which have stronger roots in their community than the Crips or the Bloods have in South-Central L.A., had passed the word: "Not in our neighborhood." ■

*Raoul Lowery Contreras is a syndicated columnist living in San Diego.*

## TWICE BURNED

*Riot victims may have to fight City Hall.*

BY CRAIG M. COLLINS

**A** few days after the rioting had ended, a *Los Angeles Times* reporter asked Jin Hyuk Chang if he planned to rebuild his liquor store, which rioters had burned to the ground. "It's hard to say right now," he said. "I would like to return, but I don't know if it is safe."

Along with safety, businesspeople like Chang have to worry about inadequate insurance coverage and the difficulty of getting a bank loan in a high-risk area. But those who want to return, and who can find the money to rebuild, will face an even more formidable obstacle: City Hall.

City planners want to take advantage of last spring's destruc-

tion. They don't want merely to restore the ravaged, low-income areas of South Los Angeles to pre-riot conditions. They want to make them better than before. In late May, residents of South L.A. got their first indication of what this means: The City Council adopted an ordinance aimed at reducing the number of gun shops, grocery/liquor stores, car-repair shops, and outlets selling second-hand goods.

The council specifically excluded these four categories of commerce from an emergency ordinance designed to slash the red tape that would otherwise hinder the rebuilding of destroyed businesses. For businesses that may have a negative impact on

the neighborhood, the city normally holds public hearings and invites anyone who might be affected to suggest conditions that the business should meet. This process, which can take six months or longer, still applies to the four excluded categories. Many entrepreneurs who saw their businesses go up in flames may never get permission to rebuild.

All other business owners can reopen immediately (even in temporary structures) and operate for up to one year, as long as the city zoning czar determines that their businesses "will not be materially detrimental to the character of development in the immediate neighborhood" and will "contribute in a positive fashion to the reconstruction and recovery." After one year these businesses will need permanent approval.

In the arcane law of vested property rights and zoning, someone who opens a legal business can (speaking very generally) continue it forever—no matter how much neighbors complain, no matter how much the character of the area changes. But once a particular use of the property ends for any reason, the owner can reopen only after complying with current zoning law, including any hearing requirements. Many of the destroyed businesses in South-Central L.A. were created prior to the 1980s, when the city really got aggressive in applying its zoning power. Now the City Council has an opportunity to kill the businesses it doesn't like by imposing expensive requirements—for example, a full-time security guard or lighting in the parking lot.

The City Council apparently does not believe that gun shops "contribute in a positive fashion" to the neighborhood. Business owners who had to fend off rioters without the help of the police would probably disagree. But the attempt to winnow out stores that sell firearms is consistent with the council's general support for gun control.

The City Council's motivation in targeting liquor stores is more complicated. It seems to be a combination of paternalistic concerns about alcohol abuse, ill will toward the Korean-Americans who own many of the stores, and economic ignorance. Community leaders in South-Central L.A., like inner-city leaders throughout the country, often rail against the alcohol trade in their neighborhoods. They complain that beer, wine, and liquor are too readily available. It's true enough that

liquor licenses abound: The state Department of Beverage Control estimates there are 728 liquor licenses—more than Rhode Island's total—in roughly 70 square miles of South Los Angeles. That's one liquor outlet for every 686 residents.

As anyone living in Los Angeles knows, however, pure liquor stores are rare. The South-Central landscape is replete with grocery/liquor bodegas, sort of imitation 7-Elevens with tall racks of pint-sized bottles of liquor, hand-painted cardboard signs, single cigarettes selling for 25 cents each in a drinking glass on the counter, and obscure ethnic food (such as dried shark fin) on the shelves along with the Ritz crackers, peanut butter, diapers, and aspirin.

Many of these stores have been around since before the Watts riots in 1965. After the riots, the owners, many of whom were Jewish, sold their stores to blacks. In the '80s, blacks sold the businesses to Koreans.

The Koreans who currently own the stores have an uneasy relationship with their black and Hispanic clientele. Residents feel "gouged" by high prices and resent being watched suspiciously for shoplifting. The Korean storeowners, on the other hand, feel they deserve every penny they make from working 16-hour days. They see themselves as helping the community by providing goods in an area abandoned by

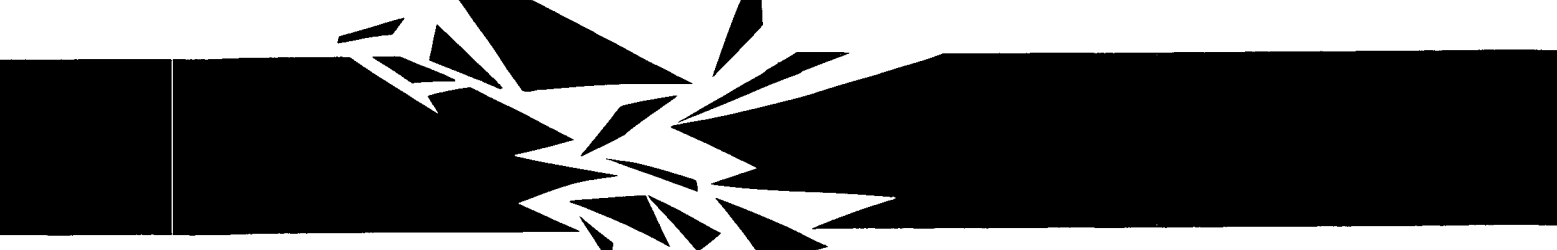
everyone else, including the major supermarket chains.

Neighbors complain that the stores attract dangerous-looking degenerates who panhandle until they have enough money to buy single cans of beer. The stores also have become one-stop robbery centers. With the wave of a gun, criminals can get food, booze, and cash—except that storeowners often shoot back. Neighbors worry about the crossfire.

Tension between the black and Korean communities peaked last November, when Korea-born storeowner Soon Ja Du was sentenced to probation and community service for killing Latasha Harlins, a black teenager. The store's security camera showed in grainy black-and-white an altercation between the merchant and the girl, whom she suspected of shoplifting. The girl clearly struck the storeowner but was walking out of the store by the time Soon Ja Du fired her pistol, hitting Harlins in the back of the head.

The light sentence outraged the black community. It cocked

**MANY  
ENTREPRENEURS  
WHO SAW  
THEIR BUSINESSES  
GO UP IN FLAMES  
MAY NEVER GET  
THE CITY'S  
PERMISSION  
TO REBUILD.**



the hammer of racial tension; the Rodney King verdict pulled the trigger. Much of the arson and looting following the King verdict seemed random, but it was clear that Korean businesses were deliberately targeted. Mobs streamed northward along Western Avenue into Koreatown, burning and looting businesses. Korean-owned stores located in South-Central L.A. were also hit hard. As in the biblical story of Passover, black storeowners tried to avoid harm by placing signs in their windows announcing, "Black Owned Business." (One storeowner added earnestly in smaller letters: "I'm pissed too.")

This social context suggests the political pressures that black City Councilwoman Rita Walters may be responding to in supporting the effort to keep liquor stores from reopening. Walters's district encompasses South-Central Los Angeles. The city building department estimates the structural damage caused by the riot in her district amounts to \$194 million—more than twice as much damage as any other City Council district suffered. The entire City Council approved the anti-liquor-store measure, but Walters had the most at stake. An unwritten rule of protocol on the City Council is that each member runs his or her own district. The other members agree to cooperate in return for reciprocal favors when their districts are most affected. Walters's support for reducing the number of grocery/liquor stores may in part reflect her constituents' animosity toward Korean merchants.

Certainly many Korean storeowners believe they are being targeted. In May a group of them announced that they plan to challenge the emergency ordinance in court, arguing that it is discriminatory. The perception of anti-Korean bias is confirmed by efforts on the part of community activists to deny it. "It is not a matter of race or ethnicity, it is a matter of greed," the Rev. Frank Higgins, president of the Baptist Ministers Conference of Los Angeles, told a local news service. "They [shop owners] don't do anything for the community with their profits. They just pack up at night and leave the city and leave us with our problems."

If Walters were trying to flush out the Korean storeowners, the ordinance would be a good way to go about it. Business-interruption insurance that would compensate merchants for their lost profits is prohibitively expensive in high-risk areas such as South-Central L.A., as is property insurance. Even

if storeowners had the money to rebuild, they would face a delay of six months or longer before they could even begin.

Walters spokesperson Howard Gantman says the South-Central district has a "dire need" for major grocery stores. He notes that major stores in other parts of the city offer larger selections and lower prices. "People in South L.A. are deprived of stores that other people take for granted," Gantman says.

If eliminating small stores in South-Central L.A. is an effort to make the area more attractive to large stores, it's based on curious economic analysis. It's hardly plausible that large stores are avoiding the area because they're afraid of competing with smaller stores that charge higher prices. Departing small stores may be replaced not with major stores but with nothing.

While the targeting of liquor stores and gun shops at least suggests a concern about health and safety, other provisions of the emergency ordinance indicate that the City Council is trying to reshape South-Central Los Angeles in the image of the affluent Westside. The wholesale destruction caused by the riots gives city planners a legal excuse to weed out "undesirable" businesses such as swap meets and auto-repair shops.

"Swap meets have been proliferating in a really amazing way," says Gantman. He doesn't mean it as a tribute to flourishing enterprise in an otherwise bleak economy. He says it the way a doctor


might describe the spread of an epidemic.

Swap meets are indoor, ongoing flea markets where merchants sell inexpensive merchandise from folding tables and second-hand clothing from mobile racks. They pose no real threat to the people of South-Central L.A., although they are not welcomed by retail merchants. True, swap meets generally are ugly and slipshod operations. They operate beyond "consumer protection" laws, in true caveat-emptor fashion. Middle-class shoppers may refuse the risks of patronizing this type of business. But poorer shoppers happily endure them to clothe and shoe their children at rock-bottom prices.

Similarly, although hulks of scrap metal surrounded by iron gates and razor wire may offend a city planner's sensibilities, auto-repair shops provide important services to local residents. Getting rid of them will force people to travel farther and pay more to get their cars fixed.

Although the City Council may label them as undesirable,

**THE WHOLESALE  
DESTRUCTION  
CAUSED BY  
THE RIOTS  
GIVES CITY PLANNERS  
A LEGAL EXCUSE  
TO WEED OUT  
"UNDESIRABLE"  
BUSINESSES.**



the very existence of these businesses suggests otherwise. When the council hurts business owners, it also hurts the employees of those businesses. It hurts the landlords of the properties the businesses occupy. It hurts the lenders who have made loans in areas other lenders shun. Most of all,

it hurts the customers, whose patronage shows they want these businesses, no matter what the city planners say. ■

*Craig M. Collins, formerly assistant editor of REASON, is an attorney in Santa Monica, California, specializing in land-use law.*

# RECONSTRUCTION

*The power of imagination*

BY VIRGINIA I. POSTREL

**P**olice Chief Daryl Gates spent the first evening of the Los Angeles riots at a political fundraiser in Brentwood. People who honestly want to rebuild L.A. might want to spend some time there, too.

To Angelenos, this advice will sound strange. Brentwood is far from South Los Angeles—in miles and in money. On its fringes, you can buy a plain two-bedroom condo for a shade under \$300,000. In its heart, home prices stretch into seven figures. The people of Brentwood are wealthy, and they are mostly white.

There are no factories in Brentwood. Shops, yes; restaurants, yes; banks and hairdressers and gas stations, yes. But no factories or movie studios or big law firms. Brentwood looks like a very upscale version of South L.A. before the riots. It has “no jobs.”

And the problem with most plans to help the inner cities is that they can't explain why Brentwood isn't poor. From Jack Kemp's enterprise zones, to separatist schemes to “recycle black dollars,” to socialist dreams of city-owned rail-car factories, these plans all share a single premise: that the way to make neighborhoods prosper is to put businesses in them.

This vision sounds great. Self-reliance is, after all, a respected virtue in America—and a stark contrast to welfare dependency. Entrepreneurship is inspiring. Ethnic solidarity has provided capital, labor, and upward mobility for countless immigrants. Community self-help has a nice ring.

But with or without investment from the outside, these plans all assume one thing. They assume that South Central will remain a ghetto.

And in a free society, economically thriving ghettos just aren't stable. If new enterprise does spring up in South-Central L.A., if neighborhood entrepreneurs start making big bucks and neighborhood workers steady wages, one of two things will happen. Most likely, the newly affluent and the newly middle class will do what their counterparts elsewhere have done. They will get the hell out of South Central. They will use their money

to buy safety for their families, and they will commute. Eventually, they will find jobs closer to their new homes. And South Central will remain “the inner city.”

But suppose that doesn't happen. Suppose well-to-do residents decide to stay. Suppose they clean up the neighborhood, invest in it, improve it. Suppose by dint of community spirit, political pressure, and hard work, they manage to make South Central once again safe and prosperous. Their investment will pay off. Property values will go up. They will attract more people like themselves. And the neighborhood will gentrify. It will no longer be “the inner city.” It will become expensive. And the people who made it a poor neighborhood, the desirable and the undesirable alike, will have to go elsewhere.

**T**he truth is, poor neighborhoods aren't poor because the neighborhoods don't have jobs. They are poor because the people who live in them don't have jobs. The problem of the inner cities is not a problem of place. It is a problem of people.

On one level, that makes it an easier problem to solve. South Central is a risky place to put a business; even without company-destroying riots, crime defines the inner city. It's hard to overcome the threat of bullets with the promise of tax breaks. It should be simpler to bring the people to the jobs than the jobs to the people. After all, all over the world, poor people travel vast distances in search of work. From Los Angeles alone millions of dollars flow back to Latin America and Asia, retracing the journeys of those who earned them.

But the policy makers concocting ways to “save our cities” ignore this pattern. In Los Angeles, neither Anglo social planners nor black community leaders seem able to imagine how a native-born Angeleno—the child or grandchild of people who crossed the continent to find better work—could take the bus to a job across town. In this city of commuters, no one can imagine a commute from South Central.

This failure of imagination has several sources. One is the