

10/26/99

Wall Street Journal

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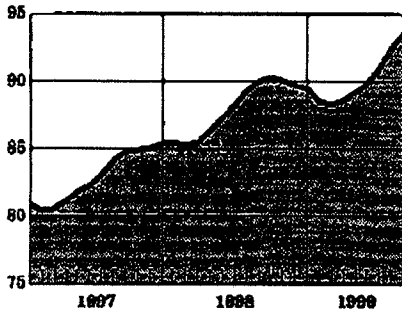
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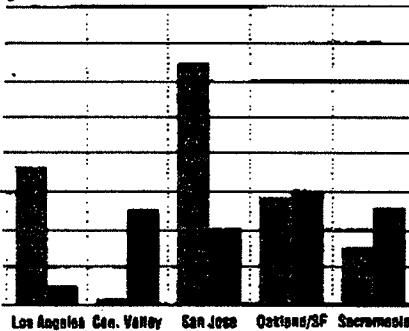
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IFORNIA 10/27/99

Home Price Index
Six-month moving average of the California Home Price Index (1990 = 100)



sting home price index from year-earlier period
August '99



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gal petition with the U.S. Bureau of Alcohol, Tobacco and Firearms, asking it to clarify what they say is a "loophole" that allows wineries to use the coveted varietal identification on products containing less than 100% wine.

The farmers do concede that part of the fault for the surplus is their own. According to the state Agricultural Statistics Service, the 1999 harvest is expected to bring in 2.9 million tons, up 13% from 1998. Forty thousand new acres came into production this year, and an additional 122,000 acres should begin bearing fruit in the next three years, says an Aug. 23

Suit Will Test State Law On War Labor

By SHIRLEY LEUNG

Staff Reporter of THE WALL STREET JOURNAL
LOS ANGELES—Jae Won Jeong was 23 years old, a college student studying economics, when he defied the orders of the Japanese Empire.

It was 1944 and, with the fortunes of war beginning to turn against Japan, the government started drafting Korean nationals studying at Japanese universities. When Mr. Jeong refused, he was sent for nearly two years to toil in an alleged slave-labor camp run by Onoda Cement Co., then based in Onoda, Japan.

Meanwhile, back in California, California Portland Cement Co., founded in 1891 in Colton, was selling cement and concrete, helping support the U.S. war effort on its way to becoming one of the biggest players in the Southern California market. The company's cement can be found in such Los Angeles landmarks as City Hall, the Santa Monica Freeway and the new Staples Center.

Today, thanks to the twists of political and corporate history, Mr. Jeong and California Portland find themselves reflighting a World War II battle—this time, in Los Angeles Superior Court.

In 1990, Onoda—now known as Taiheyo Cement Corp. of Tokyo—acquired California Portland. And, earlier this month, Mr. Jeong filed suit against Taiheyo and its U.S. subsidiaries under a new state law that allows survivors and their heirs to seek compensation from companies that exploited slave labor during World War II. (Also named is another Taiheyo acquisition, Lone Star Northwest, a Seattle concrete firm.)

Taiheyo and its subsidiaries haven't yet decided how to respond to the suit, says John Reminger, the general counsel for California Portland, now based in Glendora.

Mr. Jeong, now 77 and believed to be the first Korean-American civilian to file suit under the new California law, says he simply wants an apology and back pay for his labor. "I was a personal witness to what kind of cruelty was done against humankind and human beings," Mr. Jeong says through an interpreter and his lawyer, Haewon Shin. "Those need to be declared to the world, even though so much time has lapsed."

California is the first U.S. state to allow
Please Turn to Page CA4, Column 1

Incubating Biotech

A survey indicates how life-science companies distinguish between regions in the U.S. The scores are based on a scale from 1 to 8, with 8 being the perceptions of California regions.

Resource Infrastructure

Those qualities that tend to appeal to fledgling bioscience companies.

	BAY AREA	L.A./ORANGE COUNTY	SAN DIEGO	S.F.
Available Financing	3	4	6	2
Quality of Life	4	7	1	2
OVERALL	3	5	4	2

Operational Sustal

Those qualities that tend to appeal to established bioscience companies.

	BAY AREA	L.A./ORANGE COUNTY	SAN DIEGO	S.F.
Available Land for Manufacturing	3	4	6	2
Operating Costs	4	7	1	2
Environmental Regulations	3	5	4	2
OVERALL	3	5	4	2

Source: A.T. Kearney Inc.

San Francisco Tries A Stronger Base for

By SHEILA MUTO

Staff Reporter of THE WALL STREET JOURNAL
SAN FRANCISCO—The University of California's vast medical campus here pumps out scientists and discoveries that fuel the state's burgeoning bioscience industry. So when local business booster groups commissioned a study to poll industry executives for the best place for companies to locate, the result was a clear victory for—San Diego?

Yes. That city offers the best balance of incentives for new outfits to launch and mature companies to test and manufacture their products, according to the study by A.T. Kearney Inc., the management-consulting unit of Electronic Data Systems Corp. San Francisco finished near the bottom because people perceive it lacks space, infrastructure, incentives and a favorable regulatory environment.

If all goes according to plan, however, that will change with the opening of Mission Bay. Stretching for slightly more than 300 acres along the city's eastern waterfront, Mission Bay's centerpiece is a \$1.4 billion satellite campus for UC-San Francisco dedicated to bioscience research. The

43-acre campus is the first phase of nearly three million square feet of halls, laboratories,

Surrounding it are nearly six million square feet of office and many other university facilities. A life-science Medical Center "Gene Valley."

The fact that it has received to be well-known: Monique Moyer, Director of Economic Development, means [Mayor Willie L.] people's awareness of incentive programs.

With Mission Bay, the industry needs a new Partnership, a grant to retain businesses.

The Partnership Council, a business group, commission
Please Turn to

New Suit to Test Law on Seeking War Damages

Continued From Page CA1

suits to recover wages from companies that used slave labor from 1929 to 1945—and currently do business in California.

Written by state Sen. Tom Hayden (D., Los Angeles) and adopted unanimously by the Legislature, the law was intended to help Jews and others enslaved by Germany's Nazi regime, but also applies to victims of other Axis powers. Since the measure took effect in July, at least five suits have been filed; plaintiffs have until Dec. 31, 2010, to make their claims.

Legal experts are unsure, however, how the law will play out in court. Even lawyers for Mr. Jeong, who are seeking class-action status for their claim, have questions: Can their suit include Korean nationals resident overseas, for example? (Ms. Shin, a Los Angeles attorney who specializes in family law, says she's received calls from Korean citizens who say they were enslaved by Onoda.)

What's more, it's unclear to what extent California courts have jurisdiction over war crimes committed overseas by an enemy power—a concern raised in the Senate Judiciary Committee's own analysis of the bill.

"Most people would agree that people who engage in forced labor or slave labor should be held accountable for what they've done," says Jeffrey L. Bleich, who teaches human-rights law at the University of California-Berkeley. "On the other hand, this can create a great deal of fruitless litigation—unless some of these legal requirements can be worked out in advance."

'Does Not Have the Authority'

Another Japanese company, Mitsubishi International, a unit of Tokyo-based Mitsubishi Corp., is facing claims in Orange County Superior Court filed by former American prisoners of war. Mitsubishi attorney Arne Wagner says he is likely to argue that the U.S. government barred any claims by individuals against Japanese companies by signing a postwar agreement with Japan, the Treaty of San Francisco, in 1951.

"The California Legislature does not have the authority to enact legislation that conflicts or undoes a treaty," says Mr. Wagner.

David Casey Jr., the San Diego lawyer representing the American plaintiffs, dis-

agrees. "These claims were not released by any treaty," he says.

The California suits come on the heels of a stream of high-profile cases pursuing reparations for war crimes committed a half-century ago. Some have been successful: Last year, Holocaust survivors and their heirs won a \$1.25 billion settlement from several Swiss banks for allegedly profiting from money taken from Jews during World War II.

But some claims have failed. Plaintiffs in most of the 37 cases filed in Japan—including "comfort women," foreign sex slaves pressed to serve Japanese soldiers—have lost or are appealing the claims against the Japanese government or companies, says Ignatius Ding, spokesman for the Global Alliance for Preserving the History of World War II in Asia, based in Cupertino.

Mr. Ding believes the Holocaust case made headway because the plaintiffs filed in a U.S. court, as opposed to a potentially unfriendly court overseas. "Why did these companies change their minds after 50 years?" says Mr. Ding. "It's not because all of a sudden they have a conscience. They know if they don't, they will lose."

Barry Fisher, a Los Angeles attorney who has worked on both the Swiss bank cases and suits in Japan, says the California law, though untested, will attract many litigants; with the number of survivors dwindling due to the passage of time, many will seek what could be a last chance for justice. (One historian estimates that the Japanese conscripted one million Korean citizens during World War II.)

"There is an enormous amount of interest nationally in the last battles of the Second World War being fought out in California courts," says Mr. Fisher.

Memories of Hardship

In Los Angeles, Mr. Jeong, a broad-shouldered man, sits sullenly in a conference room in his lawyer's Koreatown office, as he recounts in rapid Korean the details of his forced labor: long days of breaking rocks with sledgehammers with little food. Then there were days of being kicked by Japanese soldiers, and then days when he was ordered to lick their boots.

Once an aspiring banker, Mr. Jeong says the cruelty he endured and witnessed sucked the life out of him. He never finished college and became a high-school teacher in Seoul. "I lost 60% to 70% of myself," he says. "The only thing I dreamed of was to live a decent human life with dignity."

Asked why he didn't press for reparations right after the war, Mr. Jeong says: "So many people died, so many people disappeared. ... If [one] survived, it was everything one could think about."

After his four grown children immigrated to the U.S., Mr. Jeong followed in 1989. And after learning about the California law through a Korea Times newspaper story, Mr. Jeong decided to press ahead.

"Based on this, the current and future generations will learn something," he says. "Justice will be restored."



Joe Won Jeong

HOLIDAY SHOPPING

By St

Halloween No Boo-Boo for Retailers

You think Christmas is the only holiday that will spook your checkbook? Add Halloween.

Santa Monica's Macerich Co., which owns and operates 56 malls nationwide, conducted a "Boo-ology" survey of Halloween shopping habits of some 4,000 consumers and found that in terms of spending, the ghoulish holiday ranks right behind Christmas.

"By far, it's taken over Easter for purchases," says Susan Valentine, Macerich's senior vice president of marketing. "Easter moves around so much, and according to weather ... if you have any type of snowstorm, that affects clothing sales. Halloween is the same type of wear every year, with all the parties and trick-or-treat."

Ms. Valentine also believes the holiday haunts many because they want to hark back

to simpler times.

"It's a trend back to the traditions they had as kids,"

Ninety percent of the 1 surveyed say they'll shop for products this year. That's a centage points behind the n

Most Californians will sh on costumes, with 44% of to transform themselves in the popular video g; Meanwhile, 40.9% of adults the shagadelic look of Br Austin Powers, or don a re

The Macerich survey, cc week of September, interv Arden Fair in Sacramento; East in Antioch; and Los Ce

Ninety percent of shoppers say they'll buy Halloween-related items. Here's what they plan to spend it on:

ITEM	CALIFORNIA	REST OF U.S.
Candy	20.6	22.9
Decorations	3.5	4.7
Combination of the above	33.6	35.8

Here's a breakdown of what buying costumes plan to do

ITEM	CALIFORNIA
Buy costumes	44.2
Shop around for each piece	31.3
Make my own	11.7
Rent	9.1
Use same one from last year	1.3
Order online	1.1

Children's Costume

ITEM	CALIFORNIA	REST OF U.S.
Star Wars	23.7	29.6
Monster	6.4	7.6
Witch	4.3	5.2

Adult Costume

ITEM	CALIFORNIA
Austin Powers	40.5
Period costume	14.1
Horror movie	14.1
Character	13.1
Vampire	13.1
Celebrity	9.1
Political figure	6.1

Favorite Treat

ITEM	CALIFORNIA	REST OF U.S.
Bananas	8.7	9.0
Candy Corn	6.5	7.5
Other	11.1	12.1

Eighty-eight percent say I treating—here's where th

ITEM	CALIFORNIA
My neighborhood	4
Different neighborhood	1
Do not plan to go	1
Church	

Source: Macerich Co.