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Folder Title:
Asian-American Dinner 5/29/92 [OA 7576] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	22	5	6

KOREA OR KOREATOWN/W10 RIOT!/W10 PROPERTY DAMAGE AND BUSINESSES/10 DISASTER
 ASSISTANCE OR SMALL BUSINESS LOANS AND DATE AFT 4/29/92
 AND REBUILDING OR STARTING OVER/W10 FEDERAL ASSISTANCE OR AID

Note: Two-digit year numbers are assumed to be years between 1900 and 1999.

Your search request has found 1 STORY through Level 1.
 To DISPLAY this STORY press either the KWIC, FULL, CITE or SEGMENTS key.
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LEVEL 1 - 2 OF 27 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 7, 1992, Thursday, Home Edition

SECTION: Part A; Page 1; Column 6; Metro Desk

LENGTH: 3476 words

HEADLINE: BUSH ARRIVES IN L.A., CALLS FOR HEALING

BYLINE: By DOUGLAS JEHL and FREDERICK M. MUIR, TIMES STAFF WRITERS

... large cities.

Seeking to seize the initiative from Bush, House Democrats introduced emergency legislation to provide \$500 million in small business loans and \$300 million for other aid, both for Los Angeles and for Chicago, which has been hurt by floods. The legislation would ...

... Angeles, meanwhile, the Rev. Cecil Murray of the First AME Church met with a fact-finding political delegation from South Korea. Dubbed "Operation

LEVEL 1 - 5 OF 27 STORIES

Copyright 1992 Toronto Star Newspapers, Ltd.
The Toronto Star

May 4, 1992, Monday, METRO EDITION

SECTION: NEWS; Pg. A12

LENGTH: 1005 words

HEADLINE: For Koreans, L.A. violence ruined dreams and business

BYLINE: BY LINDA DIEBEL TORONTO STAR

DATELINE: LOS ANGELES

KEYWORD: UNITED STATES DEMONSTRATION

... it is a real shame," he said. "We came through the Korean War. We know what the black soldiers did. So many of them went to Korea and lost their lives. We were such good friends with the black soldiers back then, but it is all gone now."

The Toronto Star, May 4, 1992

what the black soldiers did. So many of them went to Korea and lost their lives. We were such good friends with the black soldiers back then, but it is all gone now."

Across from Lee's store, which was boarded up but still standing, was the smoking remnant of the Korean-owned Rex Drug Store and Shoe World. On another corner, Gum Bok Jewellery and Kim's Acupuncture and Herbs were badly damaged.

It's estimated that 850 Korean-owned businesses were either fire-bombed or looted, or both, with damages put at a minimum of \$ 500 million.

"Damage was more than physical - but the collapse of the American Dream," South Korea's parliamentary Speaker Park Jyun Kyu said yesterday in Seoul after it was announced that his government is seeking damages for Korean-Americans.

A delegation was to arrive here today to meet with, among others, Los Angeles Mayor Tom Bradley. Yesterday, California Governor Pete Wilson met with community leaders at the South Korean consulate.

South Korean students chanted anti-American slogans outside the U.S. embassy in Seoul today, demanding that Korean residents in Los Angeles be compensated

The Toronto Star, May 4, 1992

The tensions almost came to a head last November when a Korean grocery shop owner, Soon Ja Du, got probation in the March, 1991, shooting of a 15-year-old black girl, Latasha Harlins. It was over the alleged attempted theft of a bottle of orange drink.

"It was murder. It's okay to kill black people," said Juan Walker, protesting on the weekend in front of the First African AME Church here.

"She was just defending her store," said Korean store owner Lee of Soon.

"Why Us/ Why Korean?" said a sign carried in Saturday's Korean peace march.

"I don't understand at all what is happening. We came from so far away just to work hard. Nobody's looking for any trouble," 65-year-old Hung Kim said yesterday. He was standing guard in the barber shop of his friend, 60-year-old Heung Bak Kim.

"We stay here. We have no choice. Where we go?"

There were, however, a few scattered stories of good relations between Koreans and blacks who have lived so long together here.

The Toronto Star, May 4, 1992

Yong Kyupak told the Los Angeles Times that his dry cleaning store was saved by a black neighbor.

"That was a black man, not Hispanic, not white, not Korean either," he said. "A black man did it. The black community must know we love each other - not hate."

CNN Transcripts, May 4, 1992

BODY:

JONATHAN MANN, Anchor: Many people believe it'll take years, if not decades, to restore hope among blacks in Los Angeles and across the country. Race relations have suffered a major setback in the wake of the recent unrest, but it's not just between blacks and whites. Also hurt have been already rocky relations between blacks and Koreans as CNN's Charles Jaco reports.

CHARLES JACO, Correspondent: Don Cho tried to stop looters by parking two vans in front of his laundry. It didn't work. Now his old customers offer their support.

LAUNDRY CUSTOMER: When you rebuild, I'll continue to bring my laundry.

DON CHO, Businessman: Okay. Thanks so-

LAUNDRY CUSTOMER: And I'm so, so sorry.

JACO: Cho says he will rebuild the dry cleaners he started 12 years ago, and he says the looters who burned him out were jealous of his success as a Korean.

CNN Transcripts, May 4, 1992

[interviewing] Do you think some people are jealous because you worked so hard and managed to build a business?

Mr. CHO: Yes. That's correct.

JACO: Anything that can be done about that?

Mr. CHO: I don't know.

JACO: George Hwang bought property on this corner 23 years ago. Now his building is gone. He's bitter toward the black people he says torched his store.

GEORGE HWANG, Businessman: I don't know why black people jealous. You know, I don't know that- that point I don't know. But the Korean - very generous to people and are nice people and are working hard.

JACO: But to many in the black community, the 30,000 Korean business owners in Los Angeles County are insensitive.

1st AFRICAN-AMERICAN: That's why you see these Koreans and everybody else who are burned down. It's because there was no respect here.

LEVEL 3 - 1 OF 1 STORY

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 7, 1992, Thursday, Home Edition

SECTION: Part A; Page 1; Column 6; Metro Desk

LENGTH: 3476 words

HEADLINE: BUSH ARRIVES IN L.A., CALLS FOR HEALING

BYLINE: By DOUGLAS JEHL and FREDERICK M. MUIR, TIMES STAFF WRITERS

... a stop in Koreatown.

Congress, meanwhile, began moving toward enactment of a package designed to provide emergency aid for the riot-torn sections of Los Angeles and added money for inner-city neighborhoods in other large cities.

Seeking to seize the initiative from Bush, House Democrats introduced emergency legislation to provide \$500 million in small business loans and \$300 million for other aid, both for Los Angeles and for Chicago, which has been

Los Angeles Times, May 7, 1992

The President's itinerary is likely to include an early morning tour of a neighborhood damaged by the riot, a church service and a series of community meetings, including a stop in Koreatown.

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Seeking to seize the initiative from Bush, House Democrats introduced emergency legislation to provide \$500 million in small business loans and \$300 million for other aid, both for Los Angeles and for Chicago, which has been hurt by floods. The legislation would provide funds already committed -- but not budgeted -- by the White House.

Closer to home, Gov. Pete Wilson urged the state Legislature to approve a measure that could provide \$20 million in job training funds to aid 4,000 of the residents left jobless by last week's rioting.

Wilson, who said he does not intend to raise taxes to pay for riot relief, said he was optimistic that the federal government will match the state funds.

Los Angeles Times, May 7, 1992

Bradley took his first walking tour of the devastation Wednesday. At the Boys Market in the Martin Luther King Shopping Center -- built on East 103rd Street at the site where the Watts riot began 27 years ago -- Bradley recalled how hard it had been to persuade a supermarket chain to locate a store there.

"Every other supermarket in the western United States turned me down," Bradley said as he stood near the market's looted aisles. "To have (this) destroyed by vandals and hoods pains me deeply."

Joe Arciniega, whose tax preparation office was badly damaged, was one of several shopkeepers and developers who reassured Bradley, telling him they had no plans to relocate and would try to reopen soon.

"We're part of the community," said Arciniega, 70. "I haven't long to go, so I might as well finish it out here."

In Koreatown, Bradley embraced Richard Park, owner of Park's Wilshire Jewelers, which was ransacked by armed intruders who also shot and wounded Park's brother and his brother's sister-in-law. Walking gingerly across a floor strewn with debris and broken glass, Bradley shook his head.

Los Angeles Times, May 7, 1992

"We're going to do everything we can to provide support in rebuilding," he said, lamenting what he called the LAPD's "lack of responsiveness" that left people "to fend for themselves."

Bradley rejected suggestions that his own soured relationship with Police Chief Daryl F. Gates might be partly to blame for last week's chaos. And the majority of those he encountered on the street seemed not to blame the mayor either, saying they thought he'd done all he could.

Michael Lawrence Dickerson, however, called Bradley's tour "bogus."

"He's not down here because he loves us," said Dickerson, who lived near the shopping center. "As far as the mayor is concerned, it's just a show. Mayor Tom specializes in going to all the meetings. Bottom line is for the last 20 years things have been degenerating, and he hasn't done anything to stop it."

At the Korean Chamber of Commerce, a group of Korean-American business leaders said the LAPD had let Koreatown down.

"Why did it take so long to get the police out here?" said David Kim, chamber vice president. "In some cases it took them more than two hours to respond. It seems pretty obvious that there were quicker responses to businesses in other

Los Angeles Times, May 7, 1992

areas."

In South Los Angeles, meanwhile, the Rev. Cecil Murray of the First AME Church met with a fact-finding political delegation from South Korea. Dubbed "Operation Bridge," the prayerful meeting was part of an effort to ease tensions between blacks and Korean-Americans.

Seated near the altar, Dong Gil Kim, one of South Korea's presidential candidates, asked Murray to suggest how his country could help ease tensions.

"We are not a helpless people," Murray replied. "Enhance your understanding of us. . . . If you can make sound investments in the African-American community, come do that. But the owners of those business are going to be black. . . ."

Life Goes On

Bit by bit, the city continued the slow process of healing.

The first day of a city-sponsored shuttle service for shoppers ran spottily. Despite City Councilwoman Ruth Galanter's hopes for the program, few residents seemed aware that they could catch a free ride to shops outside their Crenshaw

Los Angeles Times, May 7, 1992

In the empty hallway, Brian Norris, 26, walked slowly toward a nearly deserted court clerk's office to pay a traffic ticket.

"I came here today," he said, "because I knew everybody would be gone."

This story was written by Times staff writer Amy Wallace.

Also contributing to today's coverage were Leslie Berger, Greg Braxton, Stephanie Chavez, David Ferrell, Mathis Chazanov, Frank Clifford, Paul Dean, Kenneth J. Garcia, James Gerstenzang, Nieson Himmel, Victor Merina, Psyche Pascual, Art Pine, Jim Newton, John Schwada, Ron Russell, David Savage, Richard Simon, Kenneth Reich, Claire Spiegel and Eric Young.

The Toll

As of 6 p.m. Wednesday authorities reported the following:

Deaths: 58.

Injuries: 2,383, including 227 critical.

Fires: 5,383 structure fire calls.

Arrests: 15,249 including 2,628 felonies.

Damage estimate: \$785 million, including Long Beach.



L.A. Back on the



Swap Meet

A native of Seoul, Young Jin Kim bought his store in 1987 and turned it into a lively flea market called Sunny Swap Meet. His mostly Korean tenants sold everything from clothes to snacks to toys at indoor stalls. Looting and fire left it a tangle of charred wood and metal.

Pioneer Chicken

The eight-year-old Pioneer franchise was plagued by frequent robberies and drug deals. But profits from fried-chicken sales kept Julia Harris in business and let her live in a middle-class neighborhood. Fire gutted the store; Harris plans to rebuild.

The intersection of Vernon and Vermont avenues was one of the first blocks hit by rioters. It was a neighborhood of Korean merchants and black shop owners; an area of high crime but also of hard work and opportunity. Here, NEWSWEEK's close-up look at life and death on one city block.

Before Doomsday, The Block pulsed with life. Palm trees shaded the tidy little houses that stretched off and away from the intersection of Vermont and Vernon avenues. Behind waist-high fences, old folks pattered in their gardens. Kids played in scruffy yards. Around the corner, "Fish Man" Taylor was flipping catfish at the All Seas fish shop; and the smell of fried chicken wafted out of Julia Harris's fast-food place. Posters offering nickel-and-dime bargains filled the giant display windows at the ABC Supermarket. Farther on, the chatter of Korean peddlers hawking everything from nachos to gold chains spilled out of the Sunny Swap Meet, mixing

with a lilt of reggae from Sea Blize Records. Surveying this funky empire, Willie, the homeless man, peered out from a vacant TV-repair shop. The landlord had given him a key in return for odd jobs. Willie kept an eye on things—kept the peace.

Now—the AFTER shot. "They're robbing the market!" The news seared along The Block. A hundred manic looters surged past Vermont Square Shopping Center. Some swung axes, others crowbars; some had lock cutters. They smashed the windows at the ABC Supermarket. They snapped the lock at Sunny Swap Meet. They piled into a pickup and tried to bash through the steel shutter at the Best Discount housewares store. Then they plunged into Tong's Tropical Fish store and ran out with boa constrictors,

fish—even the turtles. When it was all over, Willie, eyes glinting, walked up to a Korean merchant studying the ruins. "Get out of here, motherf—," he shouted. "I'll burn your motherf— ass. I'll bring 'em back to burn your ass a second time!"

What possessed everyone? With the shudder of a worn-out furnace, The Block transformed itself. People cut loose, scaring everyone, including themselves. The center didn't hold. At the peak of the frenzy, there was one certainty: this catastrophe didn't just happen.

To begin with the numbers, The Block lay within one of the country's worst zones of crime and economic blight. In the neighborhood of Vermont and Vernon last year, there was about one murder every other

The Block

TONG'S TROPICAL FISH & PETS

Aetna Cleaners

Originally a black-owned business, Aetna's proprietors vacated the premises several months back. The Moradi brothers, owners of the adjacent discount store, picked up the lease and planned to expand their business into the former coin-op laundry.

Best Discounts

A thriving discount department store, Best was run by the Iranian-born Moradi brothers; they chose Vermont Square because it seemed like a good financial bet. The Moradis lost more than \$80,000 in merchandise to looting and fire damage.

Tong's Fish

A 14-year-old Taiwanese mom-and-pop store, Tong's was the most successful business on the strip, say neighbors. Angelenos came from miles around for the selection of exotic fish and birds. It escaped the fire, but looters made off with much of the stock.

day, along with 655 robberies each year, and 255 rapes. The median income was \$17,410, a gasp above the official U.S. poverty line. In the area of South-Central, where The Block resides, almost 44 percent of black teens are unemployed. Still, if The Block offered hardship to its residents, it offered an opportunity, of sorts, to its small business people. "All the talk about ghettos not having any money is a myth," says Wendell Ryan, a partner in a shopping strip that included the Pioneer Chicken franchise and Sea Blize Records. "As soon as somebody moves out, we have three or four people waiting to get in."

Ryan's waiting list was a tribute to a spirit of rugged entrepreneurship that persisted in spite of the odds. Eight years ago

Julia Harris spent 12 weeks negotiating a \$100,000 small-business loan, which she put together with \$50,000 of her own to buy the Pioneer Chicken franchise. She paid \$1,540 each month in rent and turned over one fifth of her take to the Pioneer chain; but she made enough to live outside the neighborhood on the more prosperous black turf of Baldwin Hills. For this, she paid the price The Block regularly exacted: punks robbed Pioneer Chicken 14 times; in 1985 they hit her shop four times in one week. At one point, crack dealers used her restaurant tables to cut their coke.

While the working woman behind the fast fry was an African-American, Robert Castillo, who owned the All Seas fish shop, came from Mexico. He came to the

United States in 1973, worked for years as store manager, saved his pay and bought the place for \$350,000 five years ago—\$40,000 down and \$3,100 a month for mortgage. He hired four black countermen, put up a photograph of Martin Luther King Jr., commissioned a mural showing a dark-skinned cowboy riding a huge fish across a lake. He worked hard, doubled the store's take. To succeed, he told friends, you had to get along with the community. When two Korean businessmen offered him \$500,000 for All Seas, he turned them down. "I told them to get the hell out of there," he recalls. "If I sold to them I'd make money, but all my family would be out of work—they don't hire Hispanics."

No security: The fires of race superheated the pressures of class. The Koreans weren't all rich. When Byongkok Kim, 57, arrived in America six years ago, he had a family but no security for any loans. He used \$10,000 in savings, scratched up \$35,000 from Korean moneylenders, at 30 percent interest, and bought the C & C Market on Vermont and Vernon. By working seven days a week, 14 hours a day, he and his family made \$6,000 a month.

Far above them stood Young Jin Kim, whom The Block called "a ghetto merchant"—a prince of poverty. Kim moved from Seoul to Los Angeles eight years ago. He worked 18-hour days, splitting his time among a liquor store, a gas station and a tennis club. With his savings and family money, he bought a clothing boutique in downtown Los Angeles. The business prospered. In 1987 he put together \$120,000 in family money and a \$200,000 loan from the California Korea Bank, the state's largest Korean-owned lender, to buy a building on Vermont Square from a Jewish landlord. He turned the building into a bazaar, subletting stands to 28 small dealers who paid him between \$500 and \$1,000 a month in rent. After meeting his mortgage payment, his utility bills and the payroll for his security guards, he still made a tidy profit.

Relations between the Koreans and the rest of The Block were uneasy. Although the stands in the Sunny Swap Meet changed hands every year or two, local blacks didn't have the \$10,000 to \$15,000 needed to start up. Kim says none ever applied for a stall. New renters were predominantly Koreans. Kim did hire four African-Americans as security guards and



PHOTOS BY LESTER SLOAN—NEWSWEEK

sweepers. But the mom-and-pop stands were small and poor; they gave no jobs to anyone from The Block.

Subterranean forces started building. The Block's drug and crime rates surged upward. Koreans, suspicious, padded down the aisles after blacks as they shopped. "The Swap Meet was one of the best businesses around," remembers Harris. "But I tried to tell the Koreans all the time, 'You can't think you're better than we are.' They ignored her. They would sit in Pioneer Chicken, take up all the tables for a meeting—and order one Coke. Tensions escalated last year when a Korean shopkeeper shot and killed Latasha Harlins, a 15-year-old black girl whom she had accused of shoplifting. A judge sentenced the shopkeeper to probation. The Block swelled with rage. "It was like a bubble filling with water," says Pupa Curley, a Belizean dance-hall singer who ekes out a living running Sea Blize Records. "Pretty soon, it burst."

Then a jury acquitted four white policemen of stomping Rodney King. On Vermont Avenue, just across from the supermarket and Sunny Swap Meet, people were home watching TV when the verdict was announced. They poured into the street. Brad Long, 24, heard teens screaming. "We're not gonna take this!" "Before long, everybody was outside," he says. "Babies, mothers—it was like some kind of revolution."

On The Block, a spirit of rugged entrepreneurship persisted in spite of the odds: (Clockwise, from left) Pupa Curley of Sea Blize Records; Ko Jae Bong, a local merchant, surveys the damage; chef Pedro Hortiz of Marianna's Taco shop, which survived the riots



PETER TURNLEY FOR NEWSWEEK

Long saw Louis Watson, 18, a popular graffiti artist, lead some friends down the street toward the ABC Supermarket. Eyewitnesses say Watson was standing in the shattered window frame of the market passing out food and Pampers to women from The Block, when three shots rang out. One struck him in the head. Watson's friends threw him into a car and drove him to a hospital, where he died. Dwight (Fish Man) Taylor, 42, staggered into Michael Bell's car with bullets in his chest and neck. Bell raced

him through the burning streets to a firehouse. "Whenever he talked, blood came out of his mouth," Bell remembers. "The last thing I heard him say was that he loved his wife—and he wouldn't be seeing us anymore."

Kim was home in Glendale Wednesday night when he switched on the TV news around 8 o'clock. "And then," he said, "I see my building go up in flames." Not far away, Harris made for her door, dodging shots fired by looters. "Get your black ass out of here!" shouted one. A fire toppled the back wall of her restaurant, burning \$6,200 in cash she'd left on her desk. When Castillo saw the smoke and flames, he closed the fish market early and "got the hell out of there." He didn't return from his home in Norwalk till Friday. Then he discovered to his amazement that the All Seas hadn't been touched.

Starting over: A week later Jeeps filled with M-16-toting troops were cruising The Block. Next door to the Swap Meet, Harris stood in the waterlogged ruins of Pioneer Chicken with plastic bags wrapped around her feet. "This is a hard place," she said, clutching a flashlight in the blackness of her burned-out store. "But I'm staying." Kim surveyed the enormous pile of tangled metal, charred two-by-fours and melted plastic that had once been the Sunny Swap Meet. "Now I have to start over again," he said bleakly. He thought his insurance would recover some of the \$2 million value of the Swap Meet; he was talking to his bank about a six-month moratorium on payments. His shopkeepers weren't as lucky: none could afford the \$300 a month it would have cost for insurance.

The C & C liquor store didn't burn that night. But the Kim family lost \$85,000 in stolen merchandise and structural damage. The psychic damage was worse. John Kim, a son, said, "We were good to the people here. We had friends. We gave them credit." As he spoke, his mother bent down in the rubble to pick up a piece of dirty paper. She used it to wipe her eyes. "We won't come back here," he said. "We are going back to Korea or another state like Hawaii, where there is justice for all." Anywhere but The Block.

JOSHUA HAMMER with DONNA FOOTE and HOWARD MANLY in Los Angeles

Rethinking Race and Crime in America

Newsweek

**Beyond
Black &
White**



keep it from burning down.
"He's more important to me than any old restaurant," she said.

Attempts to steer the conversation back to Clinton's visit were thwarted when a woman named Jean padded into the restaurant and plopped down onto a sofa with a sigh.

"I've been waiting up at the post office for two hours," she said. "I finally got my check, but I had to fight like hell to get it."

A few blocks away, the Arkansas governor in the green golfing shirt was winding up a conversation with Rep. Maxine Waters (D-Los Angeles) and area activists at Waters' home on 82nd Street. A neighbor who declined to be quoted by name said the problems began when the young people drifted away from their families, gave up on getting an education and the few jobs that were available in the area.

"I really think, in my heart, that this is the beginning of God's judgment," said the woman, who has lived in the same house for 35 years.

"These businesses used to be all black, and some Jewish," he said. But suddenly—and mysteriously, he thought—they were taken over by Korean-American proprietors.

"You never knew it was for sale. You never knew there was an opportunity to invest in your neighborhood. They have some kind of invisible inside line on it," Gordon said.

"These new people don't know how to communicate," Gordon complained. "The Jewish people at least knew enough to act like they respected you, whether they did or not."

As for Clinton's appearance, Gordon said, "It's a farce. It's ludicrous."

Another skeptic was Henry Stewart, a UCLA maintenance man, who said he doubted Clinton's visit would make much of a difference.

"If he wasn't running for office, he wouldn't be here, right? There's just nothing he can do."

next president should give high priority to the problems of poor people than to the problems of middle-income people.

By a much smaller margin, Clinton also was viewed as the candidate who could best deal with problems of the middle class.

The respondents held fairly strong views on social issues that Clinton has emphasized in his campaign. Eight of 10 agreed with the statement, "It's really true that the rich just get richer while the poor get poorer." And nine of 10 agreed that "our society should do what is necessary to make sure that everyone has an equal opportunity to succeed."

A little more than half agreed that "the government should help more needy people, even if it means going deeper in debt."

Clinton's unfavorable rating remained high—43%, compared with Bush's 42%—and he drew support from only 56% of Democrats. Twenty-eight percent of Democrats said they would vote for Perot if he is on the ballot. Among independents Perot led Clinton 37% to 23%.

Given the choice, 41% of the respondents said they would like the Democrats to nominate Clinton.

said former California Gov. Jerry Brown, "other candidates

D: Loans, Investments Pledged to Riot Area

disclosed a \$25-million program aimed at financing the rebuilding of small businesses. The bank said it would spend up to \$100,000 per business and consider becoming an equity partner with some of those businesses affected.

Union Bank Vice Chairman Richard C. Hartnack, meanwhile, said his bank is considering three immediate responses: boosting its Small Business Administration-related loan programs, offering below-market mortgages for people whose homes were destroyed and offering below-market home improvement loans for people whose homes were damaged.

At the same time, Magic Johnson announced the formation of his investment group, which is to include other wealthy sports and entertainment figures, to build new businesses and employ young people in the community, said Lon Rosen, Johnson's agent.

For the most part, however, Los Angeles businesses said it was too early to say how much financial help they would be able to offer, and added that they would wait for direction from Ueberroth or city officials.

While leaders talked, companies concentrated their early efforts on disaster relief. Utility companies

such as Southern California Gas Co. and Pacific Telesis were offering discounted rates and emergency service to displaced residents.

Emergency food relief was available from several supermarket chains, such as Food 4 Less Supermarkets Inc., which operates Alpha Beta, The Boys, ABC, Viva and Food 4 Less supermarkets. But the company declined to say whether it would rebuild all of the 40 or so stores burned or looted in the rioting.

Atlantic Richfield Co., meanwhile, said it would rebuild five of 11 Arco service stations burned during the rioting.

In the affected communities, three black-owned financial institutions—Broadway Federal Savings & Loan, Family Savings Bank and Founders National Bank—announced plans to cooperate to provide loans to rebuild old businesses and finance new ones, said Wayne-Kent Bradshaw, president of Family Savings.

"We can get more leverage by combining some of our resources," Bradshaw said. "Whatever we can do—while maintaining a certain level of safety and financial soundness—we will do."

Lance E. Drummond, the black chief executive officer of the Eco-

nomics Resources Corp. near Watts, and other black venture capitalists said they sense a lot more interest among African-American and some pension fund investors in investing in minority communities.

At the Los Angeles office of the New York investment house of Bear, Stearns & Co., broker Lemuel Daniels said he is getting calls from African-American professionals interested in investing in enterprises that serve minority communities.

The Korean-American business community, meanwhile, rallied to its redevelopment challenge: aiding businesses, including hundreds of members of the Korean American Grocers Assn., which were destroyed by looters and vandals.

David Kim, president of the grocers group, has helped established an emergency relief organization to help merchants in various industries and others who suffered losses during the disturbances.

Late Monday afternoon, the heads of both locally based and Korea-based banks serving the Korean-American community met to assess the situation of their customers, but most said they were still gathering information on what kind of help the small merchants will need.

John Britt, president of United Citizens National Bank, an institution founded three years ago by local Korean businessmen, said his bank will be willing to defer interest and principal payments on outstanding loans for six months or more, depending on need.

Several African-American business leaders raised concerns about the direction of the redevelopment efforts called similar promises made in the wake of the 1980 Liberty City riots in Miami, when the local business community sought to pull together a public-private economic development response for the inner city.

While committees were formed and some small development projects begun, the area's woes were not seriously addressed. Miami was hit by other riots in the 1980s.

Community leaders called for fewer liquor stores and shopping centers and more investments in manufacturing and other enterprises that would create meaningful jobs and economic opportunities for local entrepreneurs.

Times staff writers James Bates, Susan Moffat, Michael Parrish, Jonathan Peterson, James Risen and George White contributed to this report.

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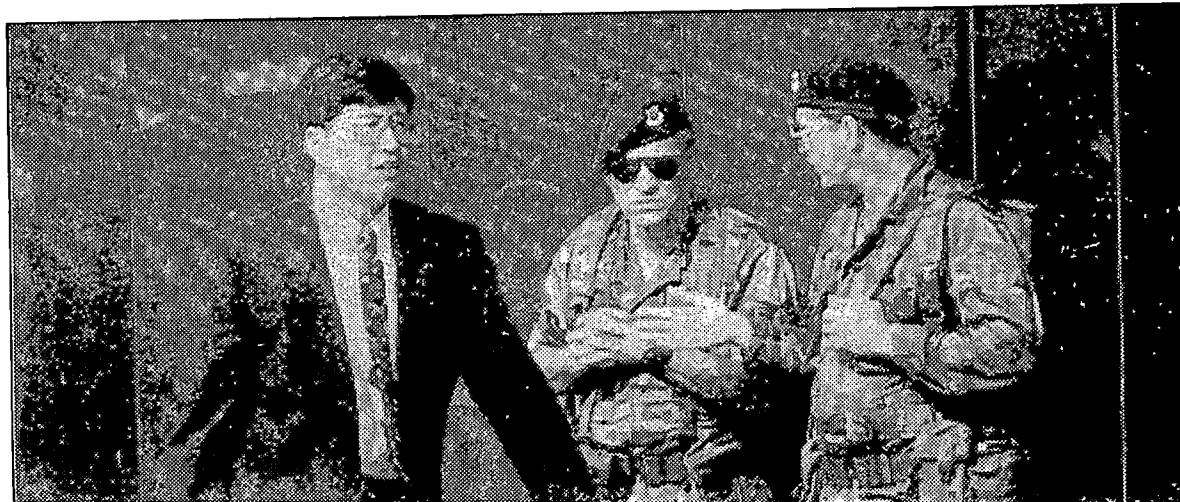
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Returns to Work, School

of Race ric of L.A.

■ A woman who adopted this city as a student sees its myths unmasked. And she knows the rebuilding must be of the soul as well



■ **Recovery:** Freeways and buses are once again crowded as the day appears to go smoothly. Bush announces loans and grants for rebuilding.

By STEPHEN BRAUN
and SHERYL STOLBERG
TIMES STAFF WRITERS

With their street corners still guarded by rifle-toting soldiers and their nerves less jittery but still frayed, Los Angeles residents went back to work and school Monday as officials grappled with how to rebuild the city—both

LEVEL 1 - 1 OF 11 STORIES

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U.S. News & World Report

May 18, 1992

SECTION: U.S. NEWS; Vol. 112, No. 19; Pg. 34

LENGTH: 731 words

HEADLINE: Fighting over the dream

SERIES: Crisis in the cities

BYLINE: By Emily MacFarquhar

... groups. A Korean presidential candidate, the Korean ambassador to the United States and a Foreign Ministry team all got to riot-wrecked Koreatown days before Bill Clinton and George Bush.

Despite their considerable progress, the Korean economic experience in the United States is ...

Los Angeles Times, May 10, 1992

The rally, which was held in the parking lot of the Kyung Dong Plaza, a shopping center in the heart of Koreatown, drew mostly Korean-Americans. They waved small American or Korean flags and carried placards reading, "Korean-Americans Will Not Take Injustice," "Justice for All Races" and "We Want Peace."

The Korean-American population in Orange County has tripled in the past decade and is concentrated in Garden Grove. Many have moved from Los Angeles and some continue to conduct business there, but almost all have relatives and friends who felt effects of the violence.

"I have friends, and friends of friends, who were affected by the riots," said Hee Sung Chough, 54, of Anaheim. "We're all connected somewhere along the line."

According to Korean-American leaders, the damage to Korean-owned businesses is as much as \$300 million, and more than 850 businesses throughout Los Angeles were destroyed or damaged in the violence. The Koreatown area in Los Angeles was one of the hardest hit in the city.

Several speakers, representing different ethnic groups, expressed sympathy and support for the Korean-American community and urged all Americans to work

LEVEL 1 - 4 OF 11 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 10, 1992, Sunday, Orange County Edition

SECTION: Part A; Page 1; Column 5; Metro Desk

LENGTH: 960 words

HEADLINE: O.C. KOREATOWN RALLY SUPPORTS VICTIMS OF RIOT

BYLINE: By ROSE KIM, TIMES STAFF WRITER

DATELINE: GARDEN GROVE

BODY:

Under a leaden sky, about 2,000 people gathered Saturday in the heart of Koreatown to appeal for racial harmony and vent anger at government officials who failed to quell the deadly Los Angeles riots.

The boisterous demonstrators, who broke often into cheers and chants, were silenced only when they bowed their heads in prayer for Edward Song Lee, an

LEVEL 1 - 5 OF 11 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 7, 1992, Thursday, Home Edition

SECTION: San Gabriel Valley; Part J; Page 1; Column 2

LENGTH: 364 words

HEADLINE: KOREAN MERCHANTS PROTECTED THEIR OWN

BYLINE: By IRENE CHANG, TIMES STAFF WRITER

DATELINE: EAST SAN GABRIEL VALLEY

BODY:

East of the 605 Freeway, in Diamond Bar, Hacienda Heights and Walnut, Korean-American merchants watched nervously as businesses in Koreatown and South Los Angeles went up in flames in the wake of the Rodney G. King verdicts.

Unconfirmed media reports that Korean stores were being targeted by looters and arsonists prompted Korean community leaders to assemble a force of about

LEVEL 1 - 8 OF 11 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 3, 1992, Sunday, Southland Edition

SECTION: Part A; Page 1; Column 5; Metro Desk

LENGTH: 819 words

HEADLINE: 30,000 MARCH IN KOREATOWN SHOW OF SUPPORT

BYLINE: By IRENE CHANG and GREG KRIKORIAN, TIMES STAFF WRITERS

BODY:

An estimated 30,000 people marched through Los Angeles' Koreatown in a show of support for beleaguered merchants Saturday while, in Seoul, the speaker of the South Korean Parliament said the U.S. government should compensate Korean-Americans for riot damage.

The marchers -- some wearing white headbands of mourning, some carrying brooms and plastic garbage bags -- came from such areas as San Diego, Laguna Niguel, Santa Monica and the South Bay in response to appeals from

LEVEL 2 - 6 OF 11 STORIES

Copyright 1992 International Herald Tribune
International Herald Tribune

May 4, 1992

SECTION: NEWS

LENGTH: 2040 words

HEADLINE: Heavy Patrols Enforce Calm in L.A., Mayor Says Curfew Is to Be Lifted
U.S. Forces Will Stay On, Cleanup Starts

BYLINE: Compiled by Our Staff From Dispatches

DATELINE: LOS ANGELES

... Tom Bradley announced Sunday that a dusk-to-dawn curfew would be lifted Monday.

The mayor made the announcement as city residents and business owners continued to clean up south-central Los Angeles, where the worst American riot in 75 years left ...

International Herald Tribune, May 4, 1992

... Wilson offered a broad prescription for avoiding such riots in the future, saying new investment was needed in jobs and small-business development in inner cities. But he also said part of the problem could be traced to the breakdown of "family values."

The mood in most of the city appeared more relaxed Sunday. Troops in Koreatown, which was hard hit by the riots, were smiling and in some places posted without weapons or helmets.

Elsewhere in the United States, cities were calm after ...

... same," he said.

At a farmers' market along the Walk of Fame on Hollywood Boulevard, Brian Cox did brisk business in honey and eggs, but said the crowd was the smallest since the winter rains.

"I think people would like to be able to be ...

LEVEL 2 - 7 OF 11 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 4, 1992, Monday, Home Edition

SECTION: Part A; Page 6; Column 4; Metro Desk

LENGTH: 646 words

HEADLINE: A CITY IN CRISIS: HOPE AND PRAYER AMID THE ASHES;
SOUTH KOREA WILL SEEK REPARATIONS FOR RIOT DAMAGES;
DIPLOMACY: THE GOVERNMENT HAS SENT A DELEGATION TO LOS ANGELES TO SEEK
COMPENSATION FOR HUNDREDS OF STORE OWNERS WHO SUFFERED LOSSES.

BYLINE: By KENNETH J. GARCIA, TIMES STAFF WRITER

... Minister Ho Seung would meet today with Mayor Tom Bradley and other officials to discuss compensation for Korean-owned businesses that were destroyed or crippled by the violence.

Los Angeles officials have not yet broken down damage figures for city ...

Los Angeles Times, May 4, 1992

... by the South Korean delegation, saying that they will welcome any effort to provide relief to the estimated 850 Korean-owned businesses that suffered damage or were destroyed in the rampage.

"I think we can safely say that the Korean-American community suffered the most," said Robert Park, vice president of the coalition. "We realize lots of other communities suffered, but if an American business community in another country suffered, I'm sure they would want their government to help them.

"But our main priority is working with the U.S. government agencies. We're Americans after all, and we expect that they will help us out because I'm sure most (business owners) will want to rebuild."

The South Korean delegation is also scheduled to attend funeral services for a 19-year- ...

... Gov. Pete Wilson met with local Korean officials Sunday at the South Korean Consulate to discuss what could be done to help business owners rebuild. Wilson aide Bill Livingstone said the governor told them that the state would provide initial loans and disaster assistance to speed the recovery.

Los Angeles Times, May 3, 1992

The marchers -- who proceeded along Olympic Boulevard, Western Avenue, 3rd Street and Vermont Avenue -- were led by friends and ...

... an unofficial survey by Radio Korea (AM-1580), \$350 million in damage was done to as many as 1,000 businesses during the rioting. The Korean-American community in Los Angeles numbers an estimated 145,000, according to the 1990 census.

There was speculation during the march that the attacks during the rioting reflected a resentment by blacks of the success of many Korean-American businesses in poor minority neighborhoods.

"They say, 'You guys take our money out of our community, and you never put anything back in,' " ...

... marchers spoke of reconciliation, many could not hide their resentment over the lack of police deployment in South Los Angeles and Koreatown during the first two days of the rioting.

"We were not helped on time," said marcher Cindy Chun, 23, of Gardena. "We felt we were abandoned. The most humiliating thing was to see the police just standing there as businesses were burning. I knew there was a buildup (of

LEVEL 3 - 3 STORIES

1. Los Angeles Times, May 10, 1992, Sunday, Orange County Edition, Part A; Page 1; Column 5; Metro Desk, 960 words, O.C. KOREATOWN RALLY SUPPORTS VICTIMS OF RIOT, By ROSE KIM, TIMES STAFF WRITER, GARDEN GROVE
2. Los Angeles Times, May 7, 1992, Thursday, Home Edition, San Gabriel Valley; Part J; Page 1; Column 2, 364 words, KOREAN MERCHANTS PROTECTED THEIR OWN, By IRENE CHANG, TIMES STAFF WRITER, EAST SAN GABRIEL VALLEY
3. Los Angeles Times, May 4, 1992, Monday, Home Edition, Part A; Page 6; Column 4; Metro Desk, 646 words, A CITY IN CRISIS: HOPE AND PRAYER AMID THE ASHES; SOUTH KOREA WILL SEEK REPARATIONS FOR RIOT DAMAGES; DIPLOMACY: THE GOVERNMENT HAS SENT A DELEGATION TO LOS ANGELES TO SEEK COMPENSATION FOR HUNDREDS OF STORE OWNERS WHO SUFFERED LOSSES., By KENNETH J. GARCIA, TIMES STAFF WRITER

LEVEL 3 - 2 OF 3 STORIES

Copyright 1992 The Times Mirror Company
Los Angeles Times

May 7, 1992, Thursday, Home Edition

SECTION: San Gabriel Valley; Part J; Page 1; Column 2

LENGTH: 364 words

HEADLINE: KOREAN MERCHANTS PROTECTED THEIR OWN

BYLINE: By IRENE CHANG, TIMES STAFF WRITER

DATELINE: EAST SAN GABRIEL VALLEY

East of the 605 Freeway, in Diamond Bar, Hacienda Heights and Walnut, Korean-American merchants watched nervously as businesses in Koreatown and South Los Angeles went up in flames in the wake of the Rodney G. King verdicts.

Unconfirmed media reports that Korean stores were ...

Los Angeles Times, May 7, 1992

Korean-American merchants watched nervously as businesses in Koreatown and South Los Angeles went up in flames in the wake of the Rodney G. King verdicts.

Unconfirmed media reports that Korean stores were being targeted by looters and arsonists prompted Korean community leaders to assemble a force of about 120 volunteers to guard swap meets, markets and banks in the east San Gabriel Valley over the weekend.

The community leaders said the group might be reactivated if potential danger arises in the future.

"We have to protect our property ourselves," said Jung Moon Lee, a Diamond Bar dentist and president of the Korean American Federation of Eastern Los Angeles. "Don't rely on somebody else's help."

After getting frantic calls from merchants desperate for protection, Koreans working at the Community Service Center in Rowland Heights dispatched college students, church pastors and others to businesses from Hacienda Heights east to Montclair. The volunteers were unarmed, but some carried sticks, Lee said.

Los Angeles Times, May 7, 1992

Unlike the bloody confrontations between Koreatown and South Los Angeles merchants and rioters, however, the east San Gabriel Valley weekend vigil was peaceful. With few exceptions, such as two smashed windows and a trash fire in the 18500 block of Colima Road in Rowland Heights, the area was barely touched by the violence that swept Los Angeles.

Sgt. Michael Muravez of the Walnut sheriff's station said deputies also were watching local Korean-owned businesses. Close networking enabled the Korean community to organize quickly and could serve as a model for other businesses, he said.

"We like to have eyes and ears out in the community," Muravez said. "If they're interested in protecting businesses, we're willing to help make that work."

Tuesday, with rioting virtually over in Los Angeles, Lee said he was worried that looters would fan out. "There are rumors that maybe they will try to come out not only to East Los Angeles but also Glendale and other suburban areas," he said. "We will still ask individual merchants to protect their property as much as they can."



FAX MEMO

FROM: STEVEN CLEMONS
JAPAN AMERICA SOCIETY OF SOUTHERN CALIFORNIA
213-627-1353 FAX or 213-289-8437 FAX
213-627-6217 JASSC PHONE

TO: GARY GERSHOWITZ
OFFICE OF THE PRESIDENT
202-456-6218

19 May 1992

Dear Gary:

I really enjoyed speaking with you yesterday and look forward to the opportunity of showing you around here when you visit Los Angeles. I am interested in your own work/writing for the screen. Presently, I have a project at MCA and another at 20th Century Fox which are very interesting consulting situations.

I have asked some friends to fax you hard data on Japanese investment and job creation in the country. You should be receiving these faxes some time Tuesday morning (LA Time).

I also want to leave you the number of Joel Kotkin, literally a walking library of data, who fundamentally believes that the U.S. is reaping huge long-term gains from the Asian presence, not only in capital but work ethic, etc. His number is (213) 650-9054. (His area code may have just changed to 310. I am not sure.)

The statistics that most use when referring to Japanese investment is that Japanese companies now employ more than 400,000 Americans in the U.S. The Japan Business Association of Southern California, for example, is a league of 700 Japanese firms that employ more than 60,000 Americans in Southern California. Overall, Japanese firms employ about 70,000 Americans in Southern California (the latter figure represents non-JBA members).

I have been to several Asian American Heritage dinners which tribute the accomplishments and sacrifice of individuals who have either dedicated themselves to some aspect of the Asian American community and given of themselves to help others or have set an example, have served as a role model, for other Asian-Americans. Therefore, those in social service, in business, in the arts, in media and government can be recognized. I hope that this material is somewhat useful.

I will check in with you from Colorado. Good luck on this project.

Sincerely,

Steven C. Clemons
Executive Director

To: Gary Gershowitz, Speechwriter
From: Borders Consulting Inc.

Date: 5-18-92
Page 1 of 1

May 18, 1992

TO: Mr. Gary Gershowitz
Office of Speech Writing
The White House

FROM: Jeff A. Borders, Supervisor
Federal Information Center
Sacramento Office

RE: Statistical Information Requested From Pam Bila, Information
Specialist

Ms. Bila researched your questions regarding the Asian population in Monterey Park City, Los Angeles County.

Question: Can you verify whether or not Monterey Park has the largest percentage of Asians in the Greater Los Angeles Area?

Answer: Ms. Bila contacted George Malone, (213-974-6476) of the Los Angeles County Department of Regional Planning. He verified the population numbers (60,738 & 34,898) and percentage of Asians (57.5%) and stated that to the best of his knowledge that Monterey Park possessed the largest percentage of Asian-Americans in the Greater L.A. area.

Question: Is this the most current data available?

Answer: Mr. Malone also confirmed that the 1990 U.S. Census data was latest and most accurate data available.

If you have any further questions, please do not hesitate to call the Mr. Malone at the above number or the Federal Information Center.

Beth -

5 Southeast Asian oriented
DPOs (3 in California + 2
others.) Moon Rhee will
be in L.A. to accept an
award at the time of the
visit. He is Korean &
might make a good
reference. Please
call if you have
questions.

Mich

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

March 17, 1992

The President today recognized Jhoon Rhee of Arlington, Virginia, as the 721st Daily Point of Light for the Nation. Mr. Rhee, a long-time martial arts instructor, helps Washington-area youth develop good character and values.

Mr. Rhee, 60, has been a martial arts instructor in the United States for over 30 years. Although his methods are similar to most tae kwan do and karate masters, his style and objectives are unique. As a philosopher and teacher, Mr. Rhee volunteers two hours a week at seven area elementary schools, promoting and teaching the basic elements of martial arts: concentration, respect, and discipline. Adhering to these qualities helps young people become better students.

Mr. Rhee sees martial arts as a means to an end, which is to instill in young people self-confidence, strong values, and good habits. By teaching them to develop positive attitudes, to motivate themselves, to make responsible choices, and to concentrate on learning, he helps them become more accountable for their actions and more respectful of themselves, their parents, teachers, and friends.

Mr. Rhee's instruction focuses initially on the physical, mental, and emotional fitness of first grade students. It then follows their progress through elementary school, fostering individual growth and development. Mr. Rhee has shared his knowledge and philosophy with youngsters attending Amidon, Bowen, Wilkinson, Brookland, Clark, Ft. Lincoln, and Raymond elementary schools.

The President salutes Jhoon Rhee for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Miah Homstad
(202) 456-6266

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

October 30, 1990

The President today named Yong Kay Moua and Houa Vue Moua, of Eau Claire, Wisconsin, as the 287th "Daily Point of Light" on this First Annual Refugee Day. After arriving in the United States in 1976, the Moua family began helping other refugees become accustomed to their new home.

The Moua family was one of the first Hmong families to arrive in Eau Claire through the help of a sponsoring church. Originally from Laos, the Mouas share their experiences with many other refugees in our country. As the only Hmong able to communicate with refugee sponsors, Kay Moua began translating for other refugees when he first arrived in the country.

In 1979, he was elected as president of the Hmong community of Eau Claire. As their leader, Kay speaks about the need for higher education, urging Hmongs to learn English and continue their education. In 1983, he urged the local university to offer an evening class for Hmong. He also encouraged radio and television stations to broadcast educational programs about the Hmong culture, helping the residents of Wisconsin understand and accept their new neighbors. He is also available 24 hours a day, helping Hmong families deal with child abuse, marital problems, and emergency hospital visits. This year, he established a Boy Scout troupe for Hmong children.

Mr. Houa's wife, Houa, tutors elderly refugees in English and assists her husband with his many community service projects. In addition, the Mouas encourage other refugees to become involved in improving their community.

The President salutes the Kay Moua and Houa Moua as the 287th "Daily Point of Light." Daily Point of Light recognition is intended to call every individual, group, and organization in America to claim society's problems as their own by taking direct and consequential action; to identify, enlarge, and multiply successful initiatives, like the efforts of the Moua's; and to discover, encourage, and develop new leaders in community service, reflecting the President's conviction that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Jill Chodorov

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

SEPTEMBER 3 1991

The President today named the volunteers of Donaldina Cameron House of San Francisco, California, as the 552nd Daily Point of Light for the Nation. From its inception in 1874, Cameron House has served as a sanctuary to ease the transition of Asian immigrants in their new homeland.

After a century as a fixture in the Chinatown section of San Francisco, Cameron House continues its tradition of service to the Chinese community by providing counseling, referrals, language courses, and recreational and educational programs. Over the past decade, the project has expanded its focus to offer aid and legal advice to victims of domestic violence through the Battered Women Assistance Program. The program's volunteers, including attorneys and other professionals, provide legal consultations, locate emergency shelter, and serve as translators and mediators in court.

Cameron House has also spawned the establishment of the Bilingual Youth Council which promotes the development of youth leadership skills. The Council has become involved in a number of community activities. Most recently, the group has assumed responsibility for renovating a vacant hotel for use as a homeless shelter.

Cameron House relies on the strength and support of its 200 volunteers who work as counselors in the youth programs and tutors for the Bilingual After School Program. Sixty-five percent of the programs' participants are monolingual, with proficiency only in their native language. In order to better meet the needs of the participants, all volunteers must be multilingual with fluency in English, Cantonese, Shanghainese and Mandarin. Volunteer recruitment is encouraged through the summer "Live-in" program. Fifteen volunteer youth leaders are selected from across the country to live and serve at Cameron House during the summer months.

The President salutes the volunteers of Donaldina Cameron House for their volunteer efforts and for demonstrating his belief that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Jill Chodorov
(202) 456-6266

THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED FOR RELEASE ON
April 7, 1990

April 6, 1990

The President today named Ai Yokota of Sacramento, California as the one hundred and eleventh "Daily Point of Light." After suffering from breast cancer and undergoing surgery, Ms. Yokota dedicates her life to helping other cancer patients.

Ms. Yokota has been a volunteer with the American Cancer Society for sixteen years. She has been a Reach to Recovery Volunteer Rehabilitation Visitor, visiting mastectomy patients before surgery to discuss what to expect and after surgery to discuss rehabilitation. The program also aims at informing women of the importance of early detection. She was named Chairperson of the Sacramento/Amador Reach to Recovery program where she is responsible for the overall administration of the program and speaks on its behalf. She is also on the program's state-wide resource team, assisting in training and offering advice.

In addition, she volunteers for the American Cancer Society's Discovery Shop. She helps with selling used clothing, the proceeds of which are donated to the Society. She also serves for other community service initiatives, teaching men and women communication skills so they may better serve their community and enhance their job performance.

The President applauds Ms. Yokota's courage and dedication. Her work exemplifies the President's conviction that, "From now in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Robert Marbut
(202) 456-6266

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

April 4, 1991

The President today named the volunteers of the Anderson Y Center, of Stockton, California, as the 421st "Daily Point of Light." The Anderson Y Center, an off-campus student-organized program of the University of the Pacific (UOP), is the bridge between the private college campus and the community.

Since 1987, the volunteers of the Anderson Y Center have been serving the young people who live in Park Village, a housing complex which is home for over 3,000 Cambodian refugees, 900 of whom are children. Through the center, Cambodian school children are matched with students of UOP, some of whom are Southeast Asian themselves and share the same experiences and dreams. With the help of Cambodian college students serving as translators, more than 20 college students volunteer for "Learning From The Heart," whereby they meet the Cambodian children for weekly study and play sessions, serving as positive role models.

In 1989, after the schoolyard shootings in Stockton, which killed five children and wounded 29, some of whom lived at Park Village, the college students increased their aid to Southeast Asian families. Last summer the students coordinated a six-week day camp for the children. The college students also visit the children in their homes and coordinate a soccer league for the children. In addition, the Anderson Y Center places college students throughout the community to help with local community service efforts, such as recycling efforts and working with children who are disabled.

The President salutes the volunteers of the Anderson Y Center as the 421st "Daily Point of Light." Daily Point of Light recognition is intended to call every individual, group, and organization in America to claim society's problems as their own by taking direct and consequential action; to identify, enlarge, and multiply successful initiatives, like the efforts of the volunteer of the Anderson Y Center; and to discover, encourage, and develop new leaders in community service, reflecting the President's conviction that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Jill Chodorov
(202) 456-6266

(Hinchliffe/Gershowitz)

May 20, 1992 1 p.m.

PACIFIC Draft One

**PRESIDENTIAL REMARKS: ASIAN-PACIFIC HERITAGE BREAKFAST
SATURDAY, MAY 30, 1992
LOS ANGELES, CALIFORNIA**

--country mosaic -- what immigrants bring with them -- ethics, experiences, perspectives, dreams

--NAMES: An Wang (Wang Laboratories), I.M. Pei, Seiji Ozawa, Leo Esaki (physiciast), Kristi Yamaguchi, Damon Kanuha who died in Persian Gulf WAR, Henry Tang, vp of Solomon Brothers; late Sen. Spark Matsunaga (find haiku he wrote); Nobel Prize winner Dr. Yuan Lee; astronaut Ellison Onizuka; find social service, business, arts, media, government

-- US Ambassador to Nepal, Julia Chang Bloch
Katherine Chang Dress, Assistant Sec. of Interior

--* Asian-American Cabinet officials, advisors, etc.

--* Articles on Radio-Korea

--* A-A values

--* research team anecdotes

--* examples from GB time in China

--* Bob Nakasone speech (from Clayton)

--Clemons:

--long-term gains -- capital and work ethic

--Japanese companies employ more than 400,000 Americans in U.S.; 70,000 in Southern California;

--tribute accomplishments and sacrifices of individuals --

CLAYTON:

--breakfast at Sharton-Grand Hotel; 800-1,000

--large coalition of Asian-American groups, organized by community, grassroots event, pulling together for AP-Heritage month;

--get 5/6 video

--honor A-A who have contributed to country and economy

--honorees in two categories: business and job creation; and assistance in riots

--Bob Nakasone is great

--theme: American Dream and LA Riots

--Radio Korea (get background, visited, and I was there -- I was moved by stories) -- became Command Central, woman trapped in store, people came and rescued her; minute-by-minute what to watch out for, community service; aftermath -- relief center, food, shelter, clothing, REd Cross, etc., to set up application process; GB visited all that; roundtable broadcast live over RK

--55-65% of disaster applicants Korean (FEMA), biggest center in Koreatown;

--disaster relief -- hired translator -- to expedite claims

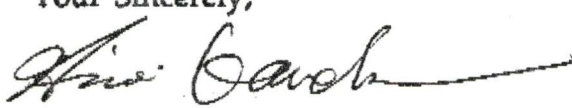
--a lot of this is about economics, and about misperceptions (Japan-bashing)

--overlying theme -- focus on contributions that A-A make to country



JAPAN EXTERNAL TRADE ORGANIZATION 725 S. Figueroa St., Suite 1890, Los Angeles CA 90017

FAX TRANSMISSION COVER SHEET

Date: 92.05.19	Time: 6:24:10 PM	Ref. No:	Page: 1 / 26
To: Mr. Gary Gershowitz Office of the President		From: Hiro Kanda JETRO, Los Angeles Tel: (213) 624-8851 Fax: (213) 629-8127	
Fax:			
SUBJECT:			
MESSAGE: Dear Mr. Gershowitz: I was asked by my friend, Steven Clemons, Executive Director of Japan America Society of Southern California to send you information about Japan's effort to create jobs in the U.S.A.. I am pleased to send you a copy of the press release on Japanese Manufacturing Plants in the U.S.A. and Handy Facts on US-Japan Economic Relations for your reference. I hope this would be of some help to you. Your Sincerely,  Hiro Kanda Executive Director JETRO, Los Angeles			

JETRO NEW YORK
JAPAN EXTERNAL TRADE ORGANIZATION

1221 Avenue of the Americas, New York, N.Y. 10020
Telephone: (212) 997-0400
Facsimile: (212) 997-0464, (212) 302-1581

6 March 1992

For Immediate Release
Call Hiro Sato: 212-997-0418
or Robert Chiappetta: 212-997-0459

**More Than 1,500 Japanese Manufacturing Plants
in the United States
JETRO's Latest Survey Finds**

A total of 1,563 manufacturing plants in the United States were identified as Japanese-affiliated as of September 1991, JETRO's latest annual survey found. The figure represented an increase of 130 factories over the previous year. Today's announcement is based on the 11th annual survey, the first made in 1981, of Japanese-affiliated manufacturing operations in the United States. JETRO (Japan External Trade Organization) is an agency of the Japanese government created to promote international trade and investment.

Among the highlights of the latest survey are:

- * More than 1,500 plants are located in all 50 states, except North Dakota, and in Puerto Rico.
- * Japanese plants are estimated to employ well over 300,000 Americans.
- * The number of Japanese nationals working at these plants is relatively small, less than 7 persons per plant, and the number is decreasing.
- * The local procurement ratio is steadily rising: nearly two thirds of the respondents said they locally bought more than

3/26

70 percent of the parts and materials they used.

- * The number of Japanese plants engaged in R&D in this country is rising fast; in 1990, a total of 368 respondents reported that they carried out R&D in the United States, while in 1991 a total of 460 did.
- * More Japanese-affiliated plants are exporting their products to Japan: 40 percent of the respondents in the latest survey, compared with 30 percent just three years earlier.

California Remains Top Attraction

By state, California continued to lead with a total of 287 plants. It was followed by Ohio, with 121; Illinois, with 112; Michigan, with 87; Georgia, with 81; Washington and Indiana, each with 71; Texas, with 53; Tennessee, with 52; and Kentucky, with 51. These ten states accounted for 63 percent of all the Japanese-affiliated manufacturing plants operating in the United States.

By region, the Pacific Coast had the greatest number, with a total of 432 plants. It was followed by the Midwest and Northeast, with 402, and the South Atlantic Coast, with 217. These three regions accounted for 67 percent of the total.

Decreasing Importance of Proximity to Japan

There have been clear regional shifts. Until the early 70s more than 40 percent of the Japanese manufacturing operations were concentrated in the Pacific Coast region, indicating the importance of geographic proximity in the earlier periods. This percentage decreased to about 30 percent by the 82-86 period, then to less than 20 percent since 1987.

As this happened, the proportion of plants set up in the Midwest, the Northwest, and the Southeast increased. Today two out of every five Japanese-affiliated manufacturers are located in the Midwest and Northeast.

4/26

No. 1 Industry: Electric & Electronics

A total of 1,045 plants responded to the question on 16 industrial breakdowns. Of these, 168, or 16 percent, said they manufactured electric and electronic equipment; 155 said they were in the business of making general machinery, while 142 said chemicals; 141, metal products; and 105, foodstuffs. The manufacturers in these six categories accounted for more than three quarters of the respondents.

When did they come to the United States to manufacture? According to the respondents, those in the leading category of electric and electronic equipment continued to arrive in these states on a steady basis, without notable fluctuations in any period. In contrast, a large portion of companies in foodstuffs and chemicals came during the first half of the 1980s, while a bulk of those in metal products, general machinery, and transportation equipment came during the second half of the same decade.

The Effect of Plaza Accord

The Japanese manufacturing presence in the United States showed the first notable increase in the 1970s and the second in the early 80s; but the increase in the latter half of the 80s was dramatic. Of the total 976 respondents, only 99, or 10 percent, said they began their production sometime during the ten-year period from 1972 to 1981, and 184, or 19 percent, said they did so sometime during the five-year period from 1982 to 1986.

In stark contrast, 528 respondents, or 54 percent of the total, said they started their production after 1987. This clearly shows the dramatic effect of the Plaza Accord worked out by the Group of 5 (later G-7) in September 1985. As may be recalled, the accord forced the dollar to devalue against the yen.

Greater Emphasis on Joint Ventures

Of the 920 plants responding to the question on the share of stock ownership or capital participation, 685, or nearly three out of four, still say

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they are 100 percent owned by Japanese firms. Of the remainder, 175 said the Japanese share was less than 100 percent but more than 50 percent, while 60 said the share was less than 50 percent.

Nevertheless, the trend distinctly favors joint ventures. Of those who said they started their operations here before 1981, only 26, or less than 13 percent, said they were joint ventures. In contrast, of those who started their production during the five-year period from 1982 to 1986, 54 plants, or more than 26 percent, said they were joint ventures with American firms, while of those who started their production after 1987, nearly one third, or 139 plants, said they were working with their American counterparts.

Well Over 300,000 Americans Employed

Among the respondents, 976 provided specific figures on employment, giving a grand total of 300,679 people working for them. This averages out to 308 people per plant. By simple arithmetic extrapolation, it is possible to estimate that as many as 480,000 people were working for the Japanese-affiliated manufacturers in September 1991. The assumption, however, is that non-respondents were much smaller in size, and it is safe to reduce the estimate considerably. Even so, JETRO assesses that today well over 300,000 Americans working to produce goods at Japanese-affiliated manufacturers.

Localization Advances

Contrary to the wide-spread belief, the number of Japanese employees at the Japanese-affiliated manufacturers is relatively small, and is decreasing. A total of 933 respondents provided specific figures on this question, enabling a tally of 6,439 Japanese working at their plants. This averages out to 6.9 persons per plant, or a 18 percent drop from the average of 8.4 persons in the previous survey.

More than two out of every five respondents said they employed four Japanese or less, and one out of four said that five to nine Japanese worked at their plants. This suggests that four out of every five Japanese-affiliated manufacturers employed nine Japanese or less. Indeed,

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reflecting this localization trend, the number of respondents saying they employed no Japanese whatsoever increased by 4 percent, to 102 plants.

Increasing Local Procurements

Another indicator of localization is how much of the materials procured and used is made in the United States. Of the 931 respondents giving figures on this question, 226 plants, or one of every four, said they used nothing but American products, while 352 said they did use materials produced outside the U.S. as well, but more than 70 percent of what they used originated in the United States. When these two categories of respondents are combined, we see that three out of every five manufacturers were using 70 percent or more local materials and parts for their manufacture toward the end of 1991. The combined percentage point was nearly 4 percent higher than the level of the preceding year.

Also, 40 percent of the respondents said they were using a greater proportion of local materials that they had in the previous year, whereas only 10 percent said they were using less.

The efforts made by Japanese-affiliated manufacturers to use more locally produced materials was evident in the fact that more than two thirds of the respondents said that they expected the proportion to go over 70 percent in two or three years.

The trend is even more striking when the responses in the years 1987 and 1991 are compared. In the 1987 survey a little less than 50 percent of those engaged in the production of transportation equipment said that their use of local products exceeded 50 percent, whereas in the 1991 survey the comparable figure exceeded 70 percent.

In all industries, the similar figure increased from 58 percent to 76 percent.

Active Reinvestment

Of the 929 respondents providing information on reinvestment, 730, or nearly 80 percent, said they had reinvested, and of the 939 respondents providing information on reinvestment plans, 705, or three out of every four, said they planned to reinvest their earnings in some form or another.

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Among those with reinvestment plans, 34 percent planned to expand their factories, 43 percent to use their money for modernization or rationalization, and 10 percent to build new factories.

R&D in the United States

Of the 938 plants responding to the question on R&D efforts, 460, or nearly half, said they had R&D capabilities in the United States, either on their own or jointly with American firms. Although immediate comparison is hard because of the varying proportion of respondents from year to year, the absolute number giving an affirmative response has grown from 301 plants in 1989, 368 in 1990, to 460 in 1991.

By industrial category, manufacturers of precision equipment had the highest rate of localized R&D efforts at 70 percent, while those of electric and electronics equipment came second with nearly 60 percent. This indicates high-tech transfer is taking place on a solid basis.

Increasing Exports

Of the 935 Japanese-affiliated manufacturers responding to the question on exports, 578, or more than 60 percent, said they were exporting their products out of the United States, while of those engaged in exports, 273, or two out of every five, said they were specifically exporting to Japan. The percentage of those exporting to Japan was 32 percent in 1989 and 35 percent in 1990.

In addition, nearly 70 percent of those currently exporting to Japan said they expected their exports to grow in the coming years.

Community Participation

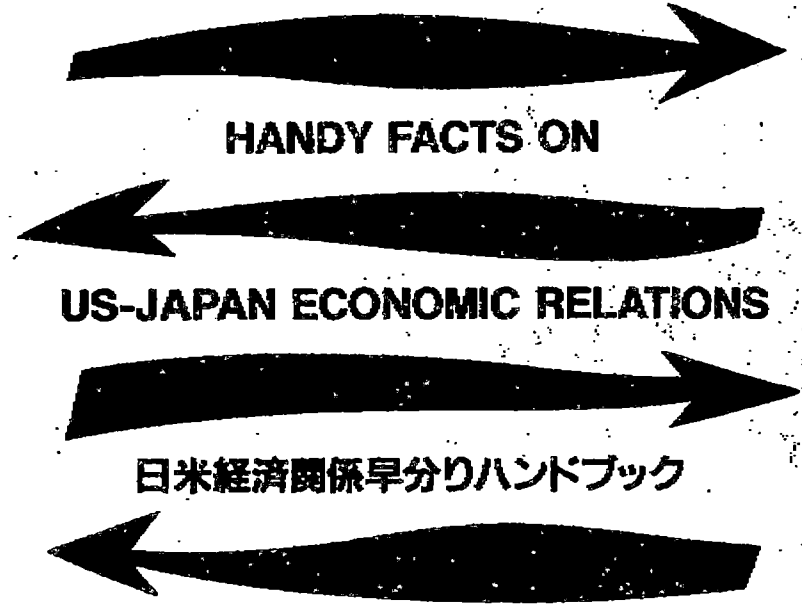
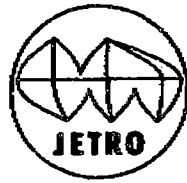
Of the 770 firms responding to the question on community relations, 729, or nearly 95 percent, said they made monetary donations, while a little over half said they contributed to their communities in forms other than monetary.

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Non-monetary contributions were particularly notable in the industrial category of transportation equipment, at 71 percent, and in that of electric and electronics equipment, at 68 percent.

Finally, to our question on the effects of the North American Free Trade Agreement (NAFTA), nearly 90 percent of the respondents said either that they did not expect to move to Mexico or that they could not formulate any answer at this time.

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HANDY FACTS ON

US-JAPAN ECONOMIC RELATIONS

日米経済関係早分りハンドブック

JETRO

JAPAN EXTERNAL TRADE ORGANIZATION

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I US-JAPAN TRADE RELATIONS

日米貿易関係

1 Japan is the number two export market for the US, accounting for 12.3% of total US exports.
日本は、米国にとって第2の輸出市場

① Japan is the second largest market in the world for US exports after Canada, a US neighbor which enjoys a Free Trade Agreement (FTA) with the US.

日本は、米国にとって、自由貿易協定を結んでいる地続きのカナダに次ぐ輸出市場であり、米国の総輸出額の12.3%を輸入

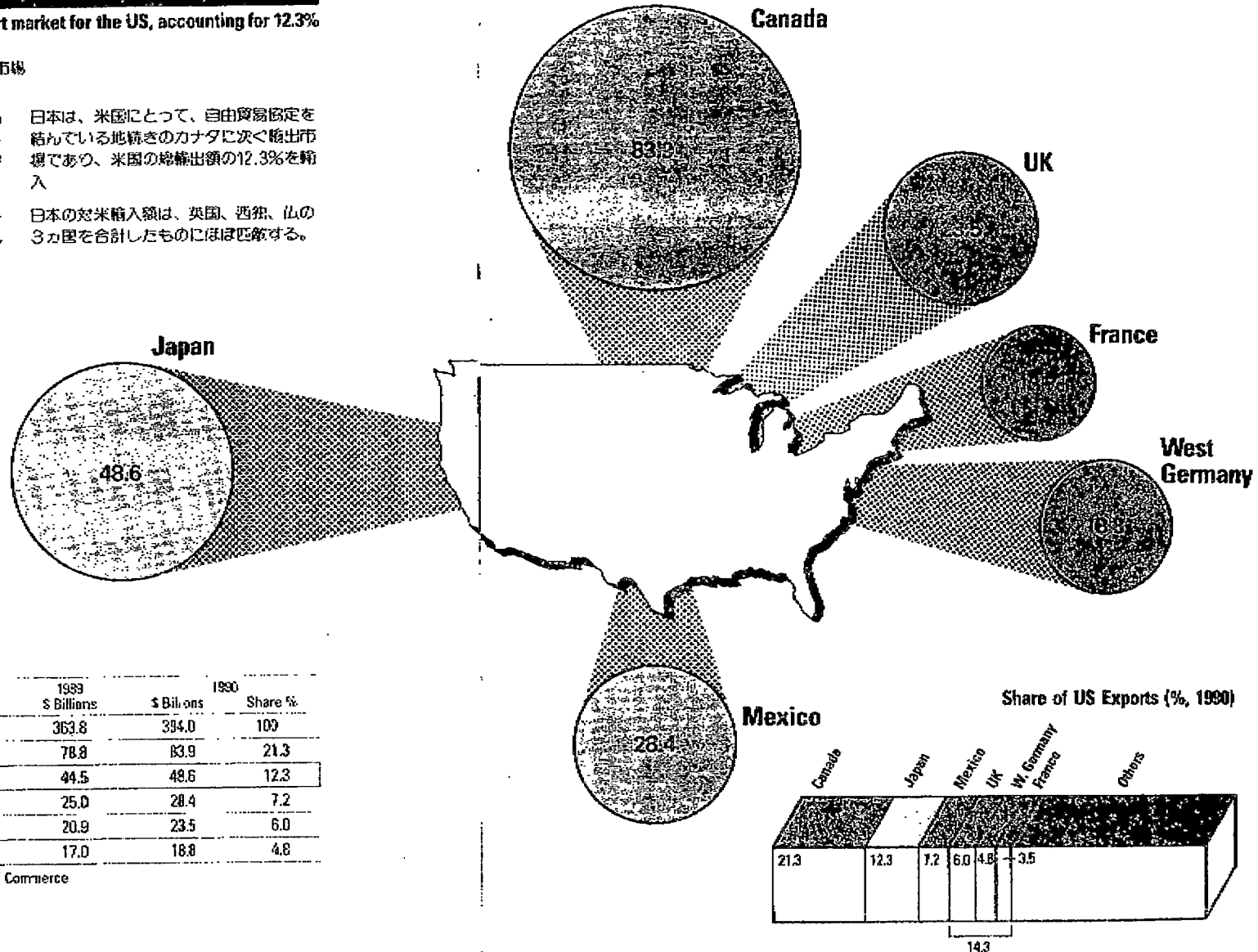
② Japan's purchases from the US nearly equal combined US exports to the UK, West Germany and France.

日本の対米輸入額は、英国、西独、仏の3カ国を合計したものにほぼ匹敵する。

US Export Amounts (1990)
(Unit: \$ Billions)

	1988 \$ Billions	1989 \$ Billions	1990 \$ Billions	Share %
Total US exports	322.4	363.8	394.0	100
1. Canada	71.6	78.8	83.9	21.3
2. Japan	37.7	44.5	48.6	12.3
3. Mexico	20.6	25.0	28.4	7.2
4. UK	18.4	20.9	23.5	6.0
5. West Germany	14.3	17.0	18.8	4.8

Source: Commerce News, US Department of Commerce



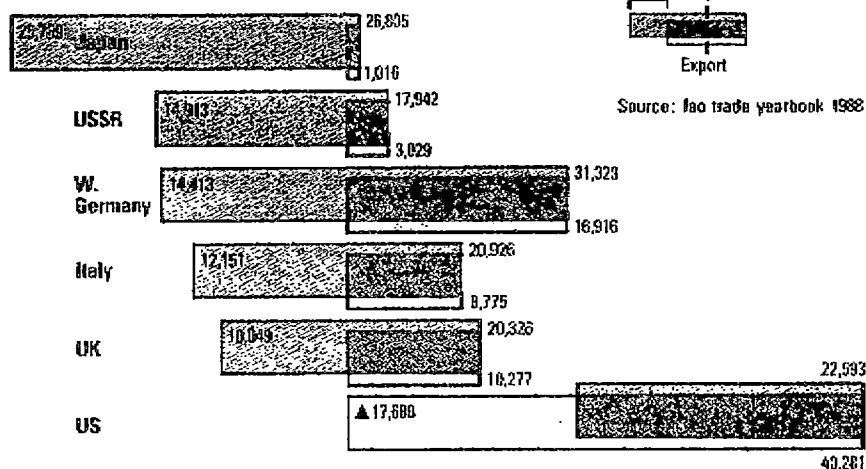
2 Japan is the main export market for US agricultural produce, accounting for about 20% of all US agricultural exports.

日本は、米国農産物の最大の輸出市場（総輸出額の約20%）

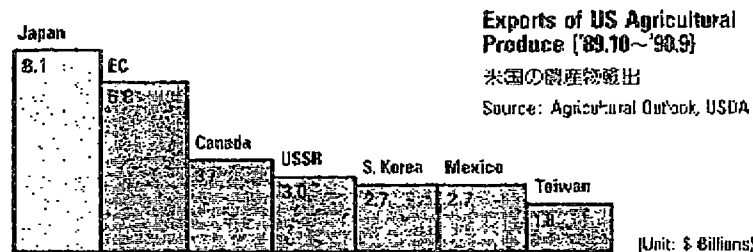
● Japan is the world's largest net importer of agricultural produce, one third of which comes from the United States. 日本は農産物の世界最大の純輸入国（うち対米輸入は3分の1）

Net Import of Agricultural Produce (1988) (Unit: \$ Millions)

農産物の純輸入額



② Approximately 20% of US agricultural product exports goes to Japan. The value of such exports to Japan exceeds the amount exported to the EC. 米国農産物輸出の20%は日本向けであり、EC諸国全体への輸出額を上回っている



③ Japan is the biggest importer of major US agricultural produce. 主要農産物中に見ても、日本は最大の輸入国

Japan's Share and Position with Respect to Major Exported US Agricultural Produce ('89.1~'12)

米国の主要農産物輸出に占める日本シェア(数量ベース)と順位

	Share (%)	Position	Total Exports	Exports to Japan
Beef & Veal	30.0		35	24.5
Pork	5.4		8.5	4.6
Citrus Fruits	16.0		101.2	49.0
Chicken	30.7	1st	46.6	14.3
Soybeans	22.6	1st	1,409.0	323.1
Tobacco	21.7	1st	21.2	4.6
Cotton	22.7	1st	144.1	32.7
Cattle Hides	25.1	2nd	2,630.0	660.0*
Feed Grains	26.0	2nd	6,109.0	1,588.0

Source: Foreign Agricultural Trade of the United States, USDA

(Unit: 10,000 tons
* 10,000 pcs.)

3 Japan's per-capita import of US goods reaches a high level.

日本の一人当たりの対米輸入額は高水準

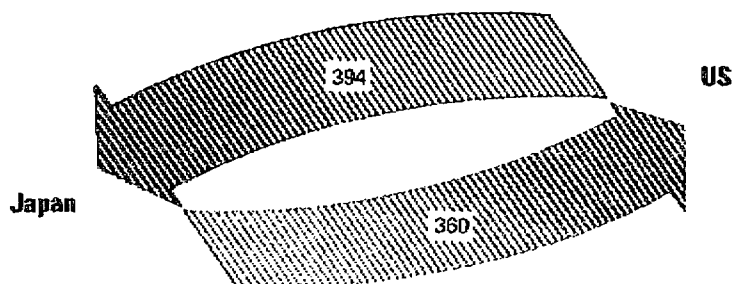
① The value of Japan's per-capita import of US goods is higher than the value of US per-capita import of Japanese goods.

日本人一人当たりの米国からの輸入額の方が、米国人一人当たりの日本からの輸入額より大きい

Comparison of per-capita imports — US and Japan (1990)

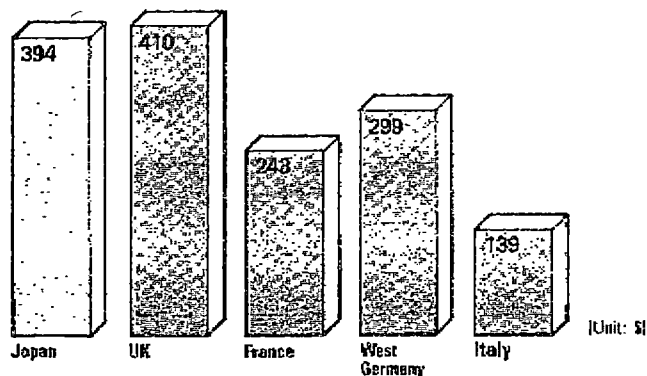
一人当たり日米相互輸入額の比較(1990)

(Unit: \$)



② The value of Japan's per-capita import of US goods reaches high level compared with EC countries.

EC諸国と比べても、日本の一人当たり対米輸入額は高水準。



(Unit: \$)

Source: US Department of Commerce, Eurostatistics — Eurostat, etc.

4 US exports of manufactured goods to Japan are increasing steadily.

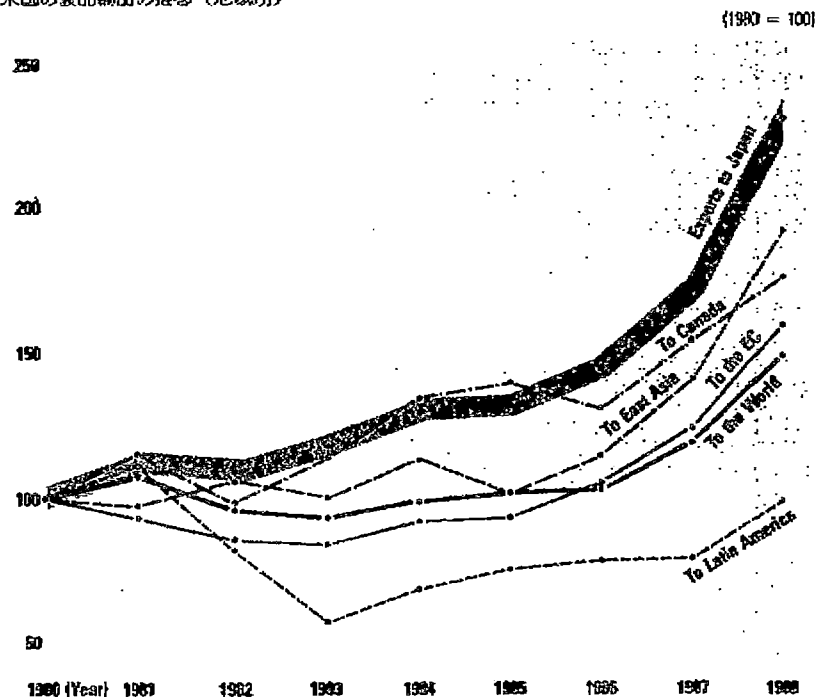
茲実増加する米国の対日製品輸出

① US exports of manufactured goods to Japan are increasing steadily, in contrast to US manufactured exports to other countries.

米国の対日製品輸出は、他の諸国向けに比べて着実に増加している

Yearly Fluctuations in US Exports of Manufactured Goods, by Region

米国の製品輸出の推移(地域別)



Note 1: Manufactured goods excluding commodities and transactions not classified elsewhere.

Note 2: East Asia includes Asian NIEs and ASEAN countries.

Note 3: The statistical classifications have been changed, so there are no statistics available after 1989.

Source: US Department of Commerce

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② The US holds a large share of Japan's import market for high-tech products.

米国はハイテク製品について、日本の輸入市場で高いシェアを占めている

Main US Products Exported to Japan (1990)

米国の主要対日輸出製品

	\$ Millions	US Share of Japanese Import Market (%)
Computers, etc. コンピュータ及び同部品	3,499	70.1
Integrated Circuits 集積回路 (IC)	1,936	83.9
Apparatus for Measuring, Checking, etc. 計測機器・検査用機器	1,468	64.6
Aircraft, etc. 航空機及び同部品	2,718	95.3
Other Engines and Motors その他原動機	1,060	86.0
Radioactive Chemical Elements 放射性同位素素及び核燃料	831	69.3
Medical Instruments & Apparatus 医療用機器	596	50.2
Telecommunication Equipment 通信用機器	634	67.4
Golf Equipment ゴルフ用具	237	48.1
Antisera and Other Blood Functions 免疫血清及び血液成分物	249	69.6

Source: Ministry of Finance

11 CHANGING JAPANESE TRADE STRUCTURE

変化する日本の貿易構造

5 Japan's trade surplus is declining.

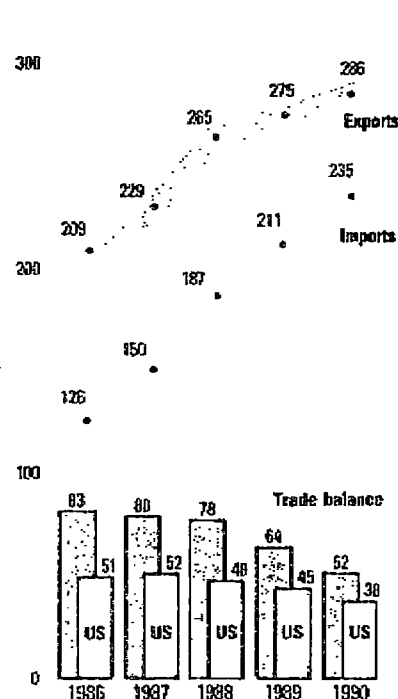
減少する日本の貿易収支黒字

① Japan is lowering its trade surplus. 日本の貿易収支の黒字幅は減少している

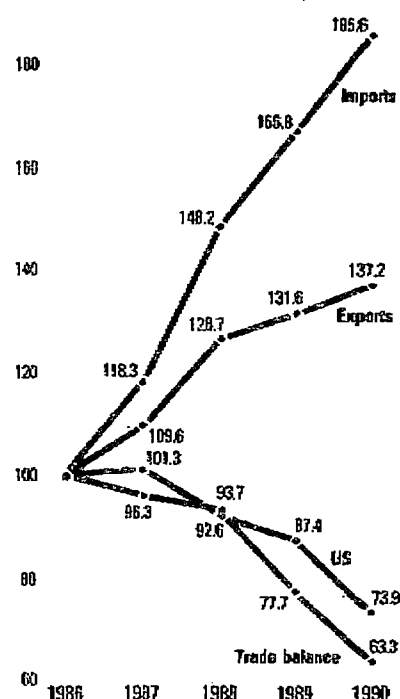
Trade Balance Trend

貿易収支の動向

Dollar-base Value (Unit: \$ Billions)



Dollar-base Changes (1985=100)



Source: Ministry of Finance

6

Japan's import structure is changing.

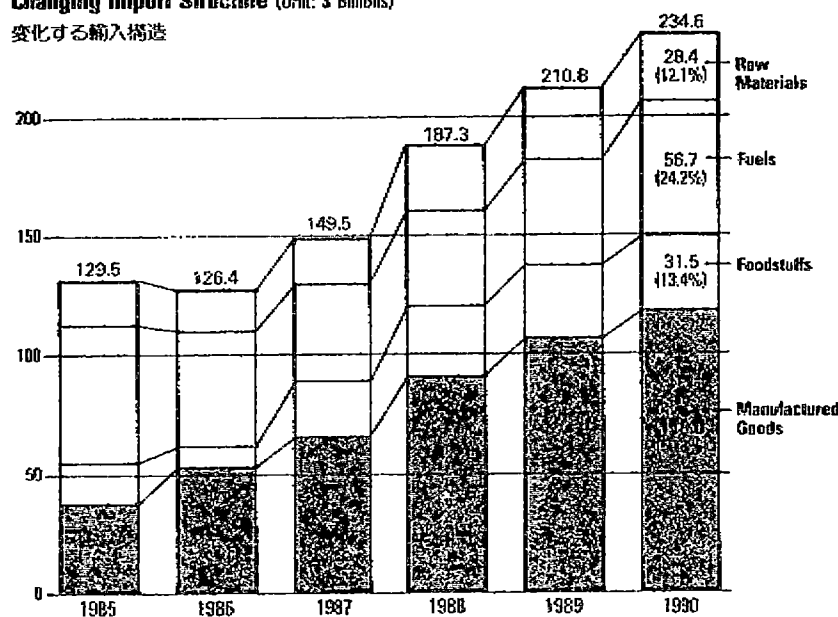
変化する輸入構造

① Imports by Japan are increasing steadily, particularly for manufactured goods. The ratio of manufactured goods among all imports surpassed 50% since 1989.

日本の輸入は製品を中心に着実に増加しており、1989年から製品輸入比率は50%を越えている

Changing Import Structure (Unit: \$ Billions)

変化する輸入構造



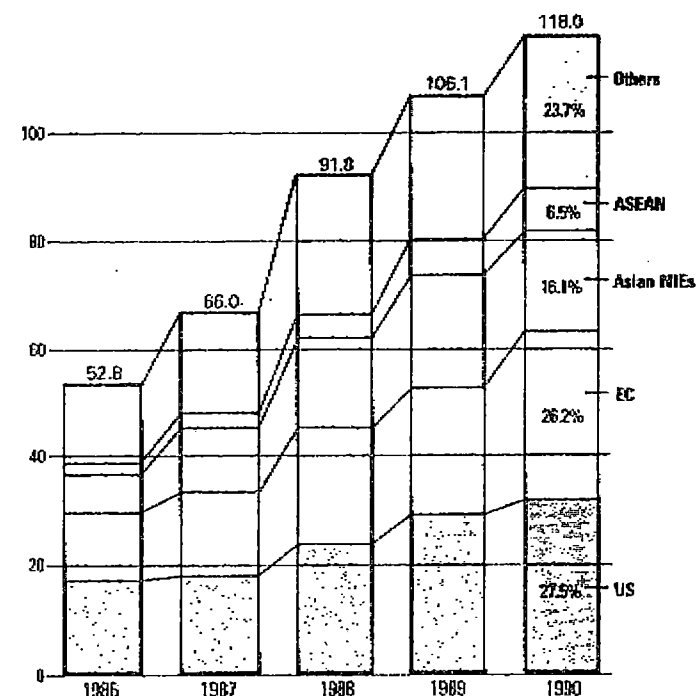
Source: Ministry of Finance

② Japan's import of manufactured goods reached around \$118 billion in 1990, with imports from the US taking the top position, ahead of the EC, Asian NIEs and ASEAN countries.

1990年の日本の製品輸入額は、1180億ドルに達し、特に米国からの輸入はECやアジアNIEs、ASEAN諸国よりも大きい

Japan's Imports of Manufactured Goods (Unit: \$ Billions, %)

日本の製品輸入



	1986	1987	1988	1989	1990
Total	52,781	65,961	91,836	106,110	117,399
US	17,645	17,672	23,540	28,429	32,461
EC	11,956	15,145	20,770	24,233	30,889
Asian NIEs	7,209	11,596	17,047	20,495	19,048
ASEAN	2,086	3,083	4,592	6,649	7,640

Source: Ministry of Finance

(Unit: \$ Millions)

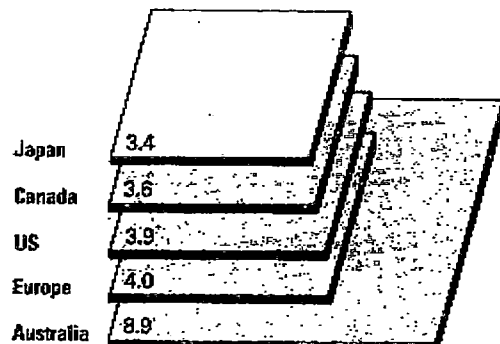
7 Japan's customs tariff rate is the lowest among industrialized nations.

日本の関税負担率は先進国の中で最も低い

Average Tariff Rates (1989)

各国の関税負担率(%)

Note: Average tariff rate
Source: Ministry of Finance

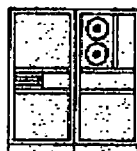


① The tariff rate is zero on the following products, for instance.

例えば、以下の製品の関税はゼロ



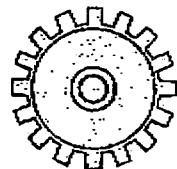
Automobiles



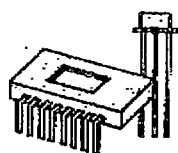
Computers



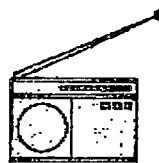
Televisions



Machine Tools



Semi-conductors



Radios and Communications Equipment

III US-JAPAN INVESTMENTS AND INDUSTRIAL COOPERATION

日米の投資交流と産業協力

8 Japan's direct investments overseas are expanding.

拡大する海外直接投資

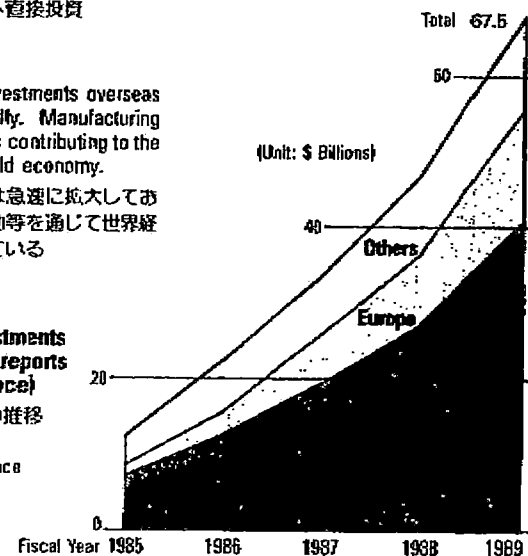
① Japan's direct investments overseas are increasing rapidly. Manufacturing activity in particular is contributing to the vitalization of the world economy.

日本の対外直接投資は急速に拡大しており、海外での生産活動等を通じて世界経済の活性化に寄与している

Japan's Direct Investments Overseas (based on reports to Ministry of Finance)

日本の海外直接投資の推移

Source: Ministry of Finance



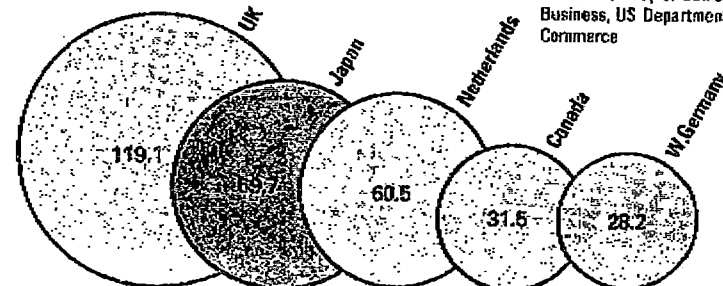
② Direct investments in the US by Japanese companies have seen a steady increase. In 1989, outstanding Japanese investments in the US were second only to the UK. The investment level, however, was about half that of the UK's.

日本企業による対米直接投資は着実に増加しており、1989年末の米国における投資残高は、英国に次いで第2位だが、英国の約半分である

Outstanding Direct Investments in the US at the end of 1989 (Unit: \$ Billions)

主要国の対米直接投資残高(1989年末)

Source: Survey of Current Business, US Department of Commerce

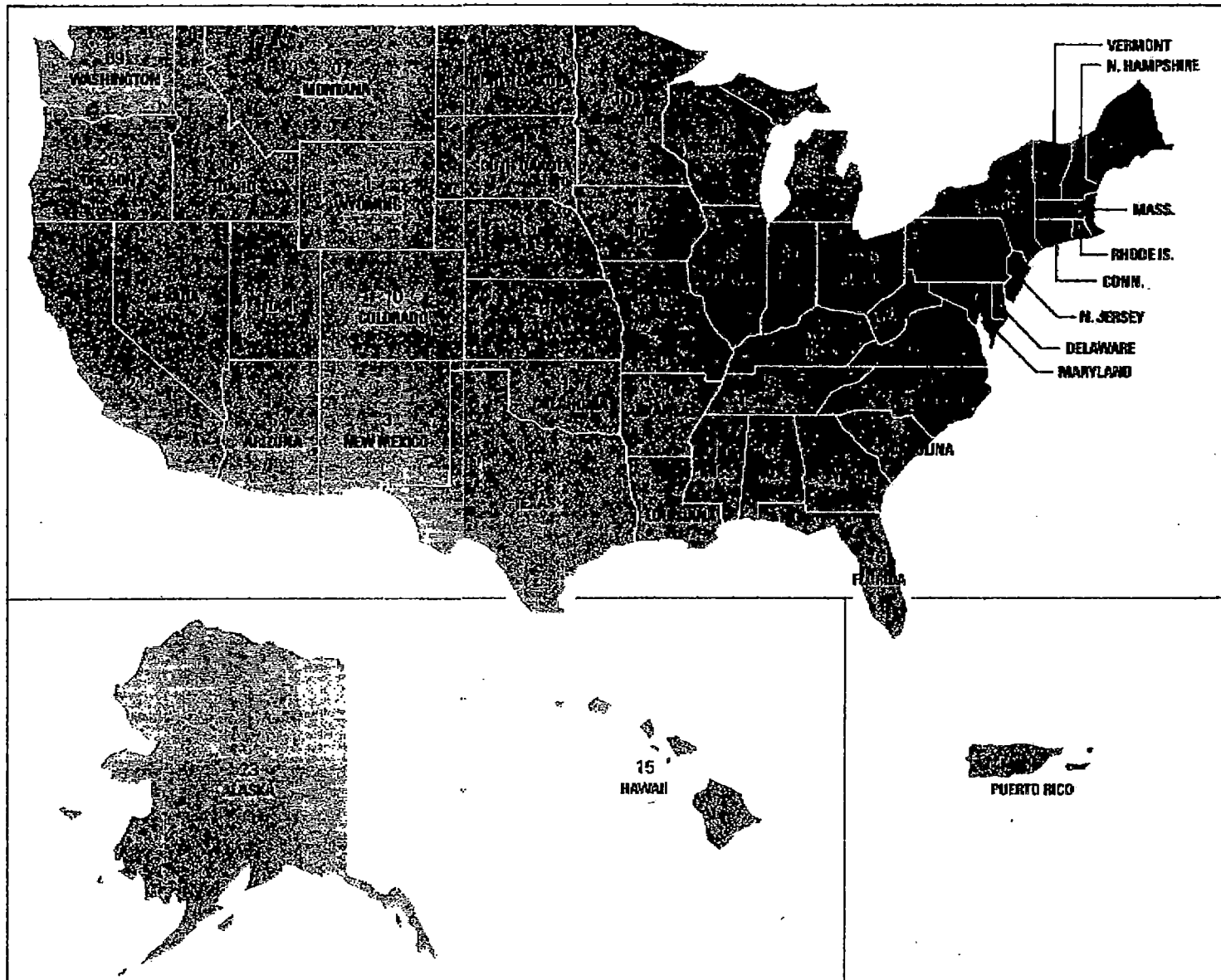


③ Japanese corporations were operating 1,433 plants in the US as of September 1990.

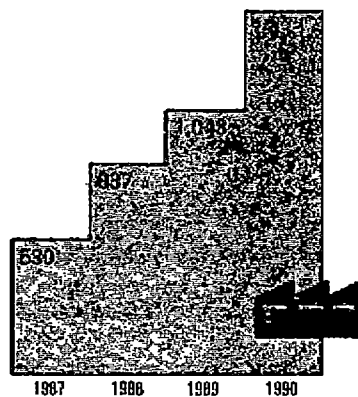
1990年9月現在、米国において日系企業の1,433の工場が稼働している

**Distribution of Japanese Manufacturer's Factory Sites in US
(As of September 1990)**

日系メーカーの米国生産拠点図(1,433工場)
1990年9月現在



**Changes in Number of Plants
工場数の推移**



Source: JETRO Survey

9

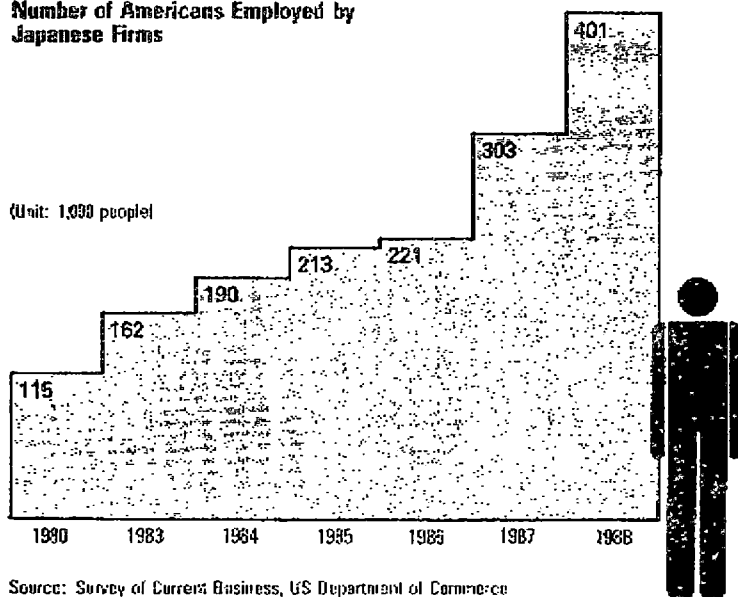
Japanese firms in the US have created 401,000 jobs.

在米日系企業は約40万人の雇用を創出

① The number of people employed by Japanese firms in the US has steadily increased, reaching an estimated 401,000 in 1988.

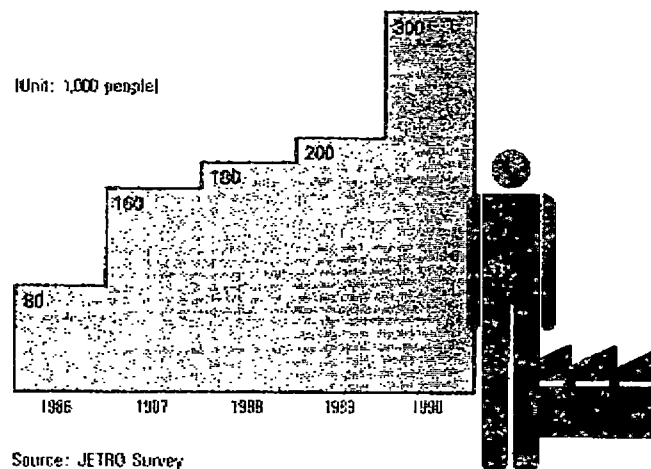
在米日系企業の雇用者数は着実に増加しており、1988年は約40.1万人

Number of Americans Employed by Japanese Firms



② In the manufacturing sector, an estimated 300,000 people were employed at Japanese-owned plants in the US as of September 1990, 3.75 times compared with 1985.

1990年9月の在米日系製造工場の従業員数は約30万人と推定され、1985年に比べ3.75倍に増えている



10

Japanese-owned manufacturing plants contribute to US industry.

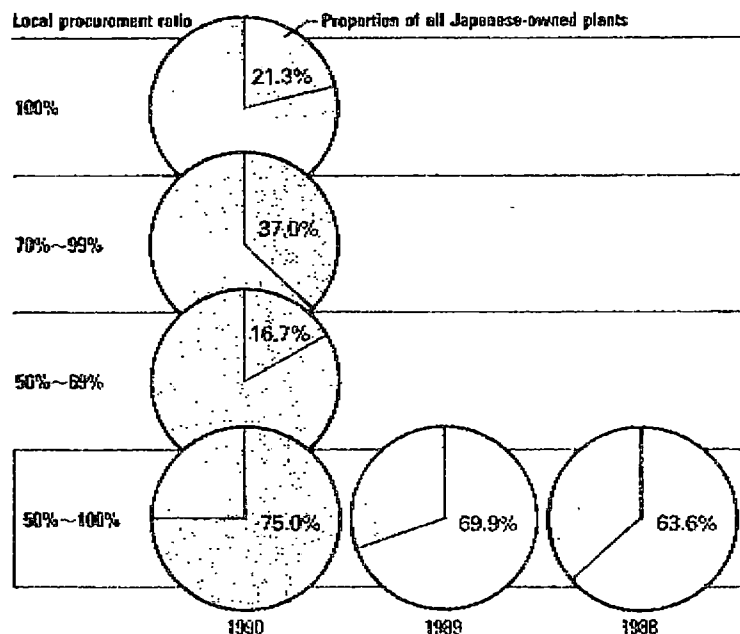
日系製造工場は米国産業に寄与

① Japanese-owned manufacturing plants have improved their local procurement ratios for raw materials and components, thereby contributing to US industry. Of all Japanese plants in the US, 75% have local procurement ratios of higher than 50%.

日系製造工場は、原料・部品の現地調達比率を向上させ、米国産業にも寄与している。現地調達比率が50%以上の工場は75%

Plants with Local Procurement Ratios of 50% or Higher (1990)

現地調達比率が50%以上の工場の推移



Source: JETRO Survey

Note: Local procurement ratio = US-produced portion of raw materials and components used (not including wages).

② Japanese investments help strengthen the US manufacturing sector. Among all foreign direct investment in the US, Japan accounted for 26% of the total in 1998. Moreover, among investment in plants and equipment (establishment of new plants or expansion of existing plants), Japan accounted for more than 90% of all foreign investment.

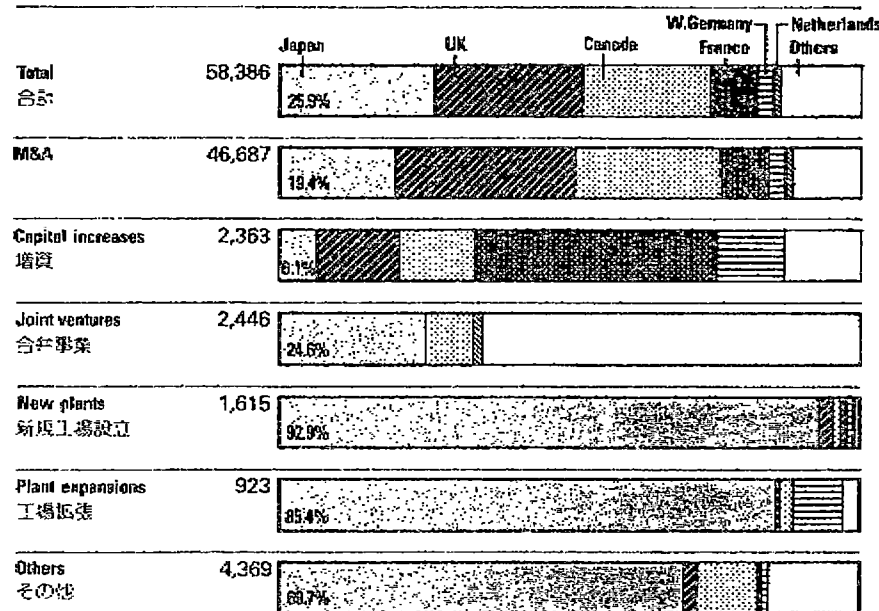
日本は米国製造業の強化に資する投資を行っている。

日本は外国の米国向け直接投資のうち、1998年の年間投資総額では約26%を占めているが、設備投資（新規工場設立、工場拡張）の分野では90%以上を占めている。

Cases of Foreign Direct Investment in the US, by Category and Country

米国における外国直接投資の分野別各国の構成比

(Unit: \$ Millions)



Source: Department of Commerce

11 Japanese affiliates in the US make a substantial contribution to US exports.

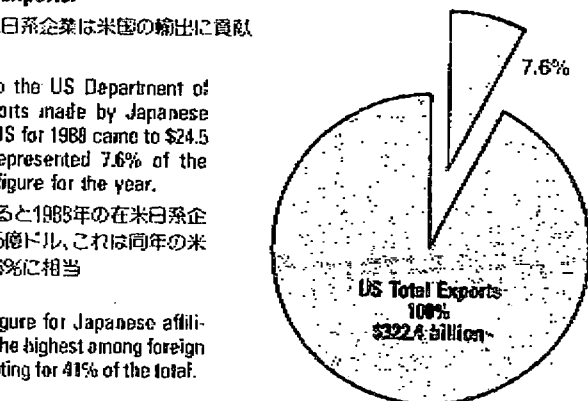
在米日系企業は米国の輸出に貢献

① According to the US Department of Commerce, exports made by Japanese affiliates in the US for 1988 came to \$24.5 billion, which represented 7.6% of the total US export figure for the year.

商務省調査によると1988年の在米日系企業の輸出額は245億ドル、これは同年の米国全輸出額の7.6%に相当

② The export figure for Japanese affiliates in the US is the highest among foreign affiliates, accounting for 41% of the total.

在米日系企業の輸出額は、在米外国企業中の約41%を占めている



Japanese affiliates

24.5

Exports by Foreign Affiliates in the US (1988)
(Unit: \$ Billions)

在米外国企業の輸出額

Canadian affiliates

French affiliates

West German affiliates

British affiliates

Source: Survey of Current Business, US Department of Commerce

12 US companies actively participate in the Japanese market.

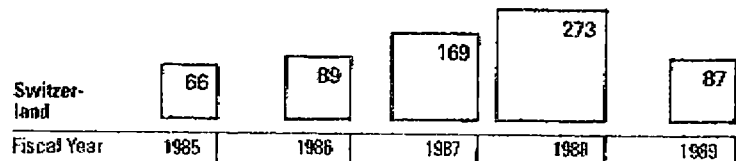
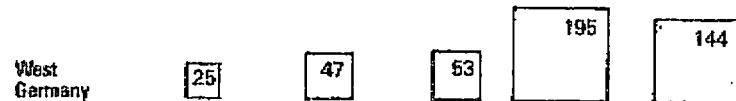
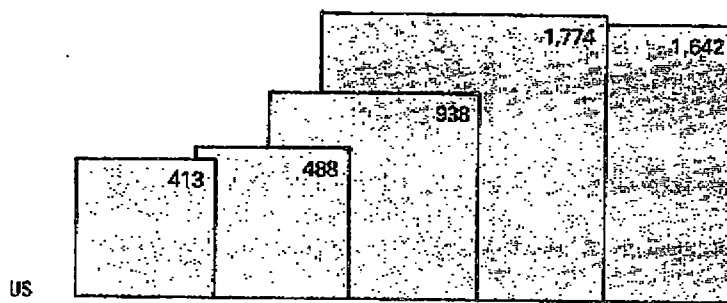
米国企業は日本市場においても活発な活動を展開

① Direct investments by US companies in Japan have been growing fast for several years.

米国企業の対日直接投資はここ数年著しい伸びを示している

Foreign Direct Investments in Japan (Unit: \$ Millions)

諸外国の対日直接投資



Source: Ministry of Finance

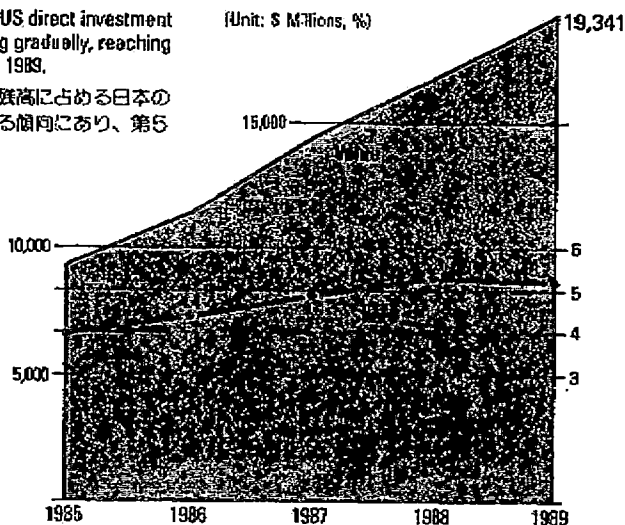
② Japan's share of US direct investment overseas is increasing gradually, reaching the No. 5 position in 1989.

米国の対外直接投資残高に占める日本のシェアは徐々に高まる傾向にあり、第5位となっている

Trends of Outstanding US Direct Investments in Japan and Japan's Share of Outstanding US Direct Investment Overseas (1989)

米国の対日投資残高と日本のシェアの推移(1989年末)

Source: US Department of Commerce



Distribution of Outstanding US Direct Investments Overseas, by Country (1989)

米国の海外直接投資残高の国別シェア(1989年末)

(Unit: %)

① Canada	17.9
② UK	16.2
③ W. Germany	6.2
④ Switzerland	5.3
⑤ Japan	5.2
⑥ Bermuda	4.8
⑦ Netherlands	4.6
⑧ France	3.9
⑨ Brazil	3.9
⑩ Australia	3.9

③ Many top management people of foreign companies in Japan regard the Japanese market as a highly attractive one.

日本を魅力ある市場とする在日外国企業幹部も多い

"The Japanese market is highly competitive and competition is severe. However, the growth rate is high and there is a lot of room for doing business."

(C.R. Gorfield, President, C.R. Gorfield & Co.)

「日本の市場は複雑で競争が激しいが、成長性が高くエキサイティングだ」
(ペリカン日本 C.R.ガーフィールド社長)

"The customs and business practices in Japan differ from those in other countries. However, there is a lot of room for doing business, especially for those who are familiar with the Japanese market."

(John D. Amos, Chairman, American Family Life Insurance)

「日本には米国と異なる習慣・規制があるが、ビジネスの障害になったことはなく、我々にとっては開拓的ではない」
(リーバイ・ストラウス・ジャパン テビッド・エ・シユミット社長)

"In some ways part of the Japanese market is closed, but all in all it is as open as any other country."

(H.J. Sinniger, President, Nestle)

「日本市場は一部に閉鎖的な分野もあるが、一般的な開放度は他国に比べ遜色がない」
(ネスレル社 H.J.シニガー社長)

"Japan isn't a market where you can sell just anything, but it is an extremely lucrative one if you sell goods suited to Japanese needs in a Japanese way."

(John D. Amos, Chairman, American Family Life Insurance)

「日本は何でも売れる市場ではないが、ニーズに合った商品を日本のやり方で売れば非常に有望な市場だ」
(アメリカン・ファミリー生命保険 ジョン・D・エイモス会長)

"In Japan, if products aren't good they won't sell. However, as my company took a lot of time and money to prepare for the Japanese market, our products are selling without trouble."

(Elmer L. Butler, Managing Director for the Far East, Converse Inc.)

「日本では本当に良いものでないと売れない。しかし当社は時間と金をかけ準備したので、トラブルもなく受け入れられている」
(コンバース社 エルマー・L・バター極東地区総支配人)

Quoted from the Mainichi Shinbun (newspaper)

13 US-Japan industrial cooperation, particularly in the high-tech field, is increasing rapidly.

ハイテク分野を中心に日米間の産業協力が急増

① The number of cases of industrial cooperation between the US and Japan was 1,544 in 1990, 1.8 times the number of 867 cases in 1986.

日米間の産業協力事例として、90年に公表された件数は1,544件のみ、86年の867件に比べ1.8倍伸びている

② By type of industry, cooperation in high-tech areas, in which both Japan and the US excel, numbered 403 cases, 26.1% of the total. In the automobile field, the two countries cooperated in 181 cases, 11.7% of the total.

業種別にみると、日米両国が先導を行くハイテク分野での協力事例が403件で(全体の26.1%)、自動車分野が181件(全体の11.7%)を占める

Cases of US-Japan Industrial Cooperation (official announcements in 1990)

日米産業協力件数(1990年公表ベース)

	Joint Development & Exchanges of Technology	Direct Investments			Total
		Total	To the US	To Japan	
Manufacturing	801	549*	501	48	1,150
High-tech	246	157	127	30	403
Electrical	38	64*	62	2	102
Machinery	87	91	87	4	178
Automobiles	74	107	106	1	181
Others	156	130	119	11	286
Finance	28	37	34	3	65
Others	189	140*	129	10	329
Total	818	726	664	61	1,544

Note: Figures with * include cases of mutual investment.
Source: JETRO Survey

IV INCREASING CONTRIBUTIONS TO THE DEVELOPING WORLD

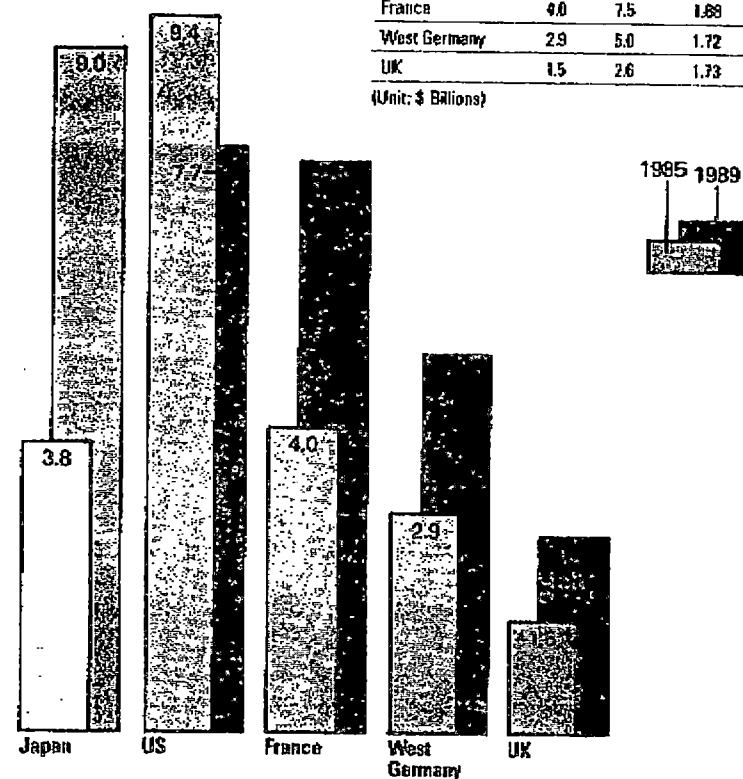
拡大する発展途上国への貢献

14 Official Development Assistance (ODA) of the Japanese Government in 1989 is the largest in the world and has multiplied by 2.4 times in value in four years.

1989年の政府開発援助(ODA)は世界第1位、4年間で約2.4倍

	1985	1989	1989/1985
US	9.4	7.7	0.82
Japan	3.8	9.0	2.37
France	4.0	7.5	1.88
West Germany	2.9	5.0	1.72
UK	1.5	2.6	1.73

(Unit: \$ Billions)



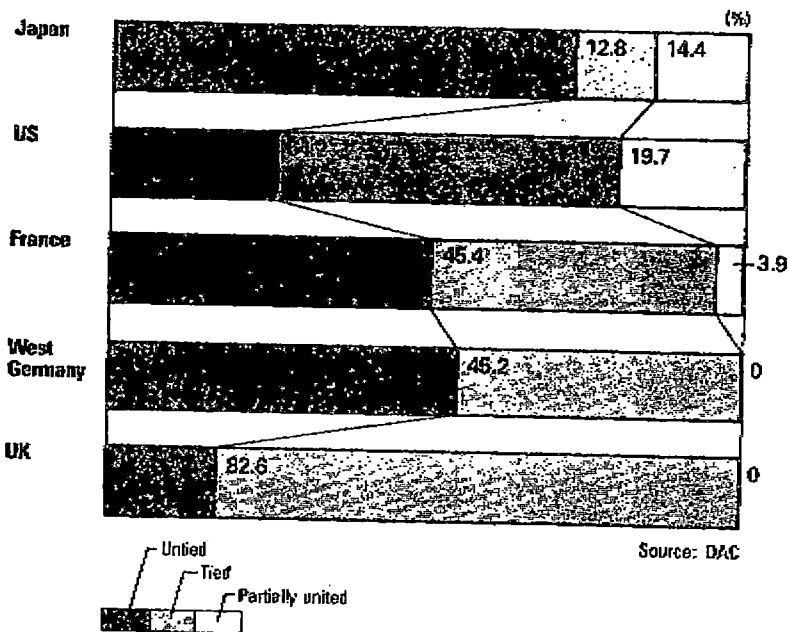
Source: DAC

① The ratio of untied aid in Japan's ODA is at a high level among advanced nations.

日本のODAのアンタイド率は先進国の中でも高いレベルにある

Tied and Untied Aid Ratios Among Major DAC Nations in 1988

1988年におけるDAC主要国のタイイング・ステイタス比較



V INCREASING NUMBERS OF TOURISTS FROM JAPAN

拡大する日本からの観光

15

The US is the major destination for Japanese tourism, accounting for 36% of Japan's travel expense outflow.

米国は日本の観光貿易の最大の相手国であり、日本の旅行支出のうち36%を占める

① US income derived from tourists coming from Japan has been rising steadily, reaching a record high of \$11.9 billion in fiscal 1989. This figure was 14% of Japan's surplus trade balance with the US, and was the largest single source of tourism income for the US.

米国における日本からの観光による収入はこれまで着実に増加し、89年度には119億ドルと過去最高を記録。この額は日本の対米貿易黒字の14%の大きさであり、米国の個別観光収入のうちで最大

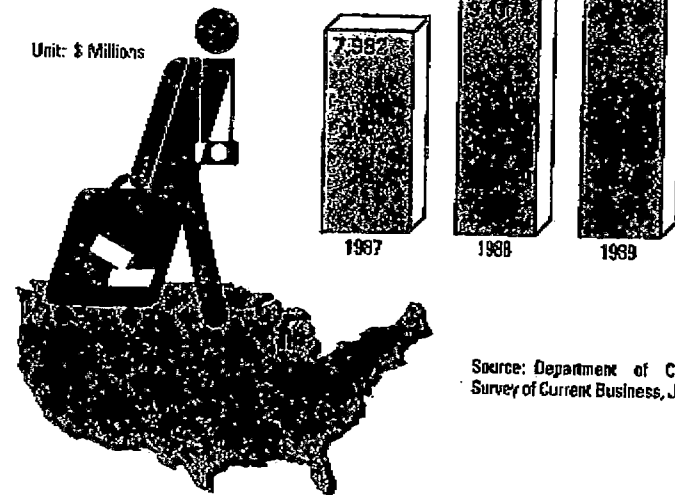
US Income from Japanese Tourism

米国の日本からの観光収入の推移

Income from tourism (a service trade) includes accommodation, air fares and other transportation.

観光収入=サービス貿易のうち、旅行、航空、その他移動の合計

Unit: \$ Millions



US-JAPAN TRADE STRUCTURE 日米貿易の構成

● Japan's Imports from US 日本の対米輸入

Commodity	1989	1990		
	\$ Millions	\$ Millions	Change %	Component ratio %
Foodstuffs	10,310	10,484	101.7	20.1
Meat and Edible Offal	1,929	1,940	100.6	3.7
Fish, Crustaceans, Mollusks	1,828	2,035	111.3	3.9
Corn (animal feed)	1,407	1,041	99.6	2.0
Edible Vegetables, Fruits & Nuts	1,253	1,193	95.2	2.3
Raw Materials	8,146	7,692	94.4	14.7
Textiles	624	640	102.7	1.2
Others	7,522	7,051	93.7	13.5
Mineral Fuels	1,681	1,650	98.4	3.2
Manufactured Products	28,129	32,461	115.4	62.1
Chemicals	5,208	5,154	99.0	9.9
Machinery and Equipment	14,681	17,884	121.8	34.2
Business Machines	3,104	3,532	113.8	6.7
Semiconductors and Other Electrical Parts	1,768	2,009	113.6	3.8
Aircraft	1,450	2,891	199.4	5.5
Other Manufactured Products	8,241	9,423	114.3	18.0
Grand Total	48,246	52,287	108.4	100.0

● Japan's Exports to US 日本の対米輸出

Commodity	1989	1990		
	\$ Millions	\$ Millions	Comparison to previous year %	Component ratio %
Foodstuffs	290	275	94.9	0.3
Textiles and Textile Products	878	770	87.7	0.9
Chemical Goods	2,524	2,473	98.0	2.7
Nonmetallic Mineral Products	889	858	96.4	1.0
Metals and Metal Products	4,489	4,284	95.4	4.7
Iron & Steel	2,359	2,233	94.6	2.5
Machinery and Equipment	77,581	74,789	96.3	82.7
General Machinery	22,755	21,247	93.4	23.5
Business Machines	10,290	10,259	99.7	11.4
Electrical Machinery	20,820	19,434	93.3	21.5
(Video Tape Recorders)	2,355	1,961	83.3	2.2
(Radio Receivers)	941	939	99.8	1.0
(Integrated Circuits)	3,181	2,627	83.1	2.9
Transportation Equipment	29,438	29,595	100.5	32.8
(Passenger Motor Car)	20,357	20,881	102.6	23.1
(Motor Buses and Trucks)	2,733	2,210	80.9	2.4
Precision Instruments	4,570	4,433	97.0	4.9
(Copying Machines)	1,134	1,050	92.5	1.2
Other Manufactured Products	6,536	6,943	106.2	7.7
Grand Total	93,188	90,312	96.9	100.0

TOTAL DIRECT INVESTMENTS BETWEEN US AND JAPAN, BY INDUSTRY (as of Dec. 31 1989) 日米間の業種別直接投資残高(1989年)

	US Investments in Japan		Japanese Investment in US	
	\$ Millions	Component ratio (%)	\$ Million	Component ratio (%)
Mining	*		N.A.	
Petroleum	3,194	16.5	68	0.1
Manufacturing	9,959	51.5	17,255	24.8
Food and Kindred Products	285	1.5	297	0.6
Chemicals and Applied Product	2,508	13.0	2,420	3.5
Primary and Fabricated Products	186	1.0	3,304	4.7
Machinery	2,624	13.8	4,960	7.1
Electric and Electronic Equipment	1,177	6.1	*	
Transportation Equipment	2,313	12.0	*	
Other Manufactured Products	666	4.5	6,173	8.9
Wholesale Trade	3,381	17.5	20,486	29.4
Retail Trade	*		519	0.7
Banking	241	1.1	4,441	6.4
Finance (except banking) Insurance and Real Estate	1,981	10.2	*	
Finance Except Banking	*		5,830	8.4
Insurance	*		N.A.	
Real Estate	*		14,294	20.5
Services	249	1.3	*	
Other Industries	363	1.9	6,397	9.2
All Industries	19,341	100.0	69,693	100.0

N.A. = not available

* = Unclear due to differences in classification

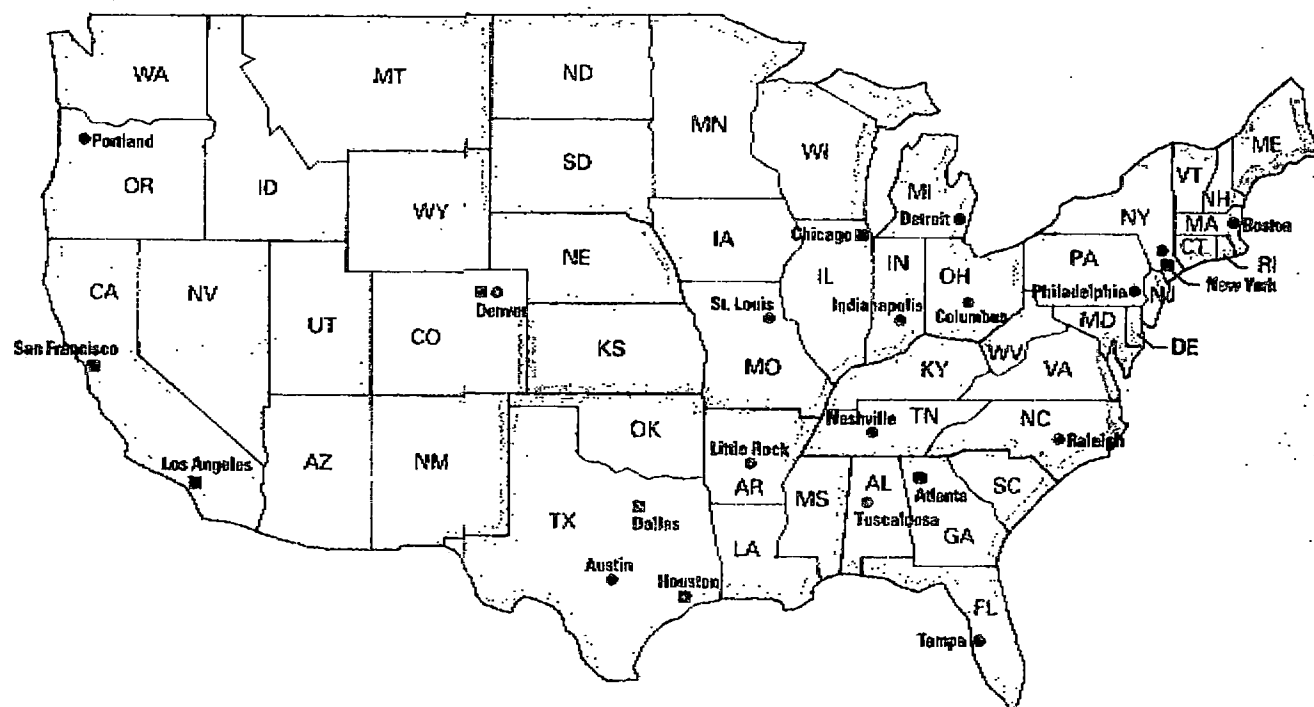
Source: Survey of Current Business, US Department of Commerce

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THE 21ST SURVEY ON JAPANESE BUSINESS ACTIVITIES ABROAD

The Ministry of International Trade and Industry (MITI) conducted a survey on Japanese business activities abroad as of the end of March 1991, covering a total of 3,529 Japanese companies with affiliates abroad. Of Japanese affiliates, the effective response was 78.2%. The aim of this survey was to form a clear picture of business activities of Japanese-affiliated companies abroad.

1. Continued Investment Surge by Japanese Companies

As for manufacturing affiliates located overseas, 1,088 companies or 31.9% of total Japanese affiliates (3,408 companies), were established after fiscal year 1988. Noteworthy is investment in North America, Asia and Europe, since 95.5% of all the companies established after FY 1988 are located in these three areas.

In addition, 52.1% of all the companies were established after FY 1985 with the start of the yen appreciation.

2. Expansion of Foreign Production

The total sales value of Japanese affiliates abroad reached 99.8 trillion yen (705.1 billion dollars) in FY 1990, an increase of 7.1% on a yen basis, or 19.6% on a dollar basis, compared to the previous fiscal year.

Sales of manufacturing affiliates reached 26.2 trillion yen (185.1 billion dollars), an increase of 17.6% on a yen basis, or 31.4% on a dollar basis, compared to the previous fiscal year. Foreign production continued to increase further in FY 1990 as in the previous fiscal year.

Of total sales in Japan, sales of Japanese affiliates abroad made up 55.7% for all industries, and 28.9% in the manufacturing sector. These figures are much higher than those for US affiliates.

The level of Japanese affiliates production to the total production of their parent companies in Japan was 6.4% in FY 1990, a 0.7 point increase over the previous year. Moreover, it is estimated that it will reach 6.9%

in FY 1991.

The level of Japanese affiliates production to the total production of their parent companies in Japan in FY 1990 was highest in the transport machinery industry (12.6%), in the electrical machinery industry (11.4%) and in the general machinery industry (10.6%).

3. Expansion of Reverse Imports

The total amount of exports to Japan by Japanese manufacturing affiliates abroad (reverse imports) was estimated to have reached 1,527 billion yen (10.79 billion dollars) in FY 1990. The amount of exports by Japanese manufacturing affiliates in Asia increased remarkably to 5.99 billion dollars, an increase of 17.6% from the preceding year.

4. High Local Content

The local content of Japanese manufacturing affiliates abroad was 70.6% in FY 1990, on a value added basis. In the three manufacturing industries i.e. petroleum and coal products, lumber and paper pulp, and food, it exceeded 90%, and was over 60% in other manufacturing industries.

By region, local content of Japanese affiliates in Latin America was the highest with 82.4%, and was over 70% in North America, Europe and Oceania.

5. Altering of Profit Situation by Region

Ordinary profits of Japanese affiliates abroad totaled 949.6 billion yen (6.7 billion dollars) in FY 1990, an increase of 5.1% on a yen basis, or an increase of 17.3% on a dollar basis, over the previous year. Although overseas profitability conditions had deteriorated in FY 1989, recovery was indicated in FY 1990. The profit situation altered significantly region by region: profits of Japanese affiliates in Asia and Europe increased remarkably by 72.3% and 67.6% from the preceding year while in North America a decline resulted in a deficit.

6. High Ratio of Retained Profits to Net Income After Taxes

The ratio of retained profits to net income of Japanese affiliates

abroad with plus after-tax profit was 78.9% (78.6% in the manufacturing sector), while the payout ratio was 20.9% (21.1% in the manufacturing sector). Compared to foreign affiliates in Japan with plus after-tax profits for which the payout ratio was 41.2% in all industries and 35.5% in the manufacturing sector, Japanese affiliates abroad recorded a higher ratio of retained profits to net income after taxes.

7. Increased Plant and Equipment Investment

Plant and equipment investment by Japanese affiliates abroad in FY 1990 recorded a large increase accounting for 2,695 billion yen in all industries, a 52.4% increase over FY 1989, and 2,039 billion yen in the manufacturing sector, a 63.4% increase over FY 1989. Looking at plant and equipment investment of manufacturing affiliates by region, investment was active in Europe totaling 320 billion yen, 2.7 times more than in FY 1989.

8. Employment

The number of employees of Japanese affiliates abroad reached 1.55 million at the end of March 1991, an all time high which contributed to an increase in local employment. Particularly noteworthy was employment in Europe which exceeded two-hundred thousand employees recording two-hundred and eighteen thousand, a 72% increase over the previous year.

Among the total employees of Japanese affiliates abroad, thirty-six thousand were dispatched from Japan, a slight increase over the previous year (thirty-five thousand in FY 1989), indicating an overall declining rate of employees dispatched from Japan to 2.3% in FY 1990 from 3.0% in FY 1989. This reveals Japanese affiliates have increased employment of local personnel.

9. Activities of Japanese Affiliates to Assimilate and Contribute to Local Communities

In classifying activities of Japanese affiliates to assimilate and contribute to local communities, 17.4% donated to various organizations; 15.7% participated in various events in the community; and 13.7% donated

to educational and research institutions. The level of these three activities was comparatively higher than for other activities.

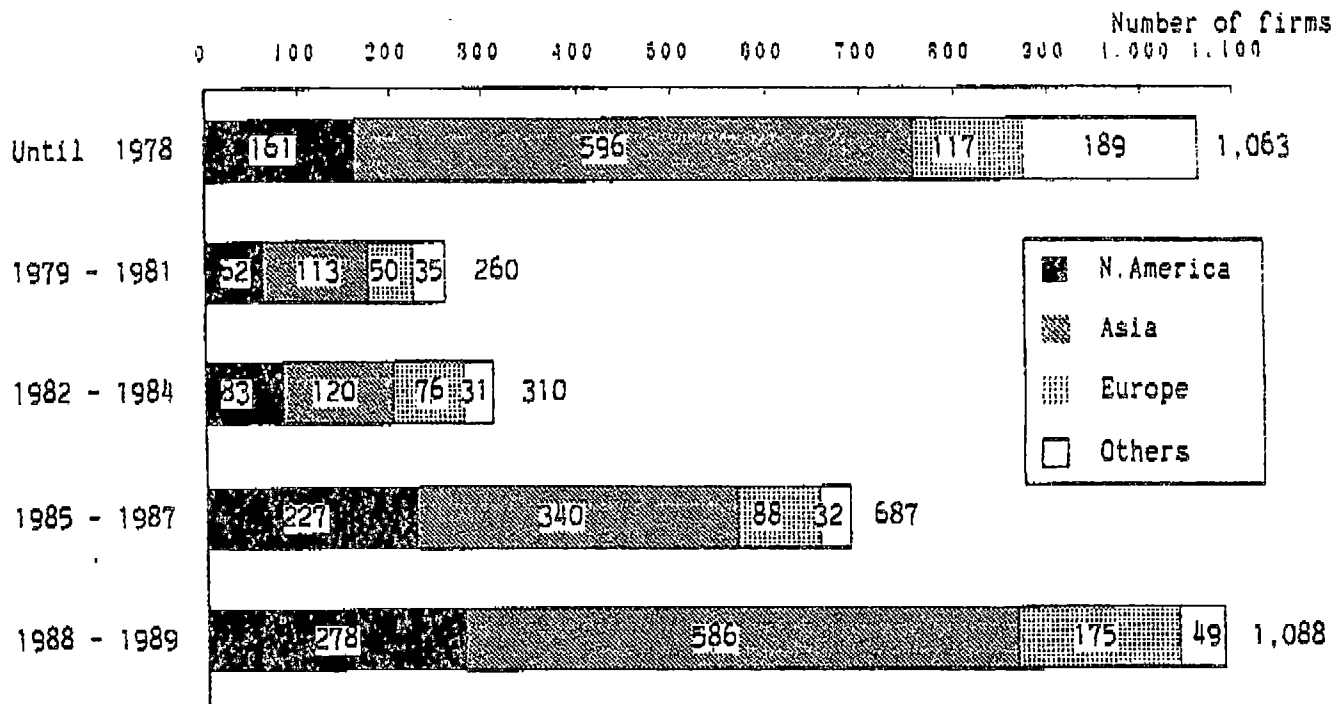
The older and larger the Japanese affiliates were, the higher the level of their activities were to assimilate and contribute to local communities. This tendency remains unchanged.

10. Environmental Issues

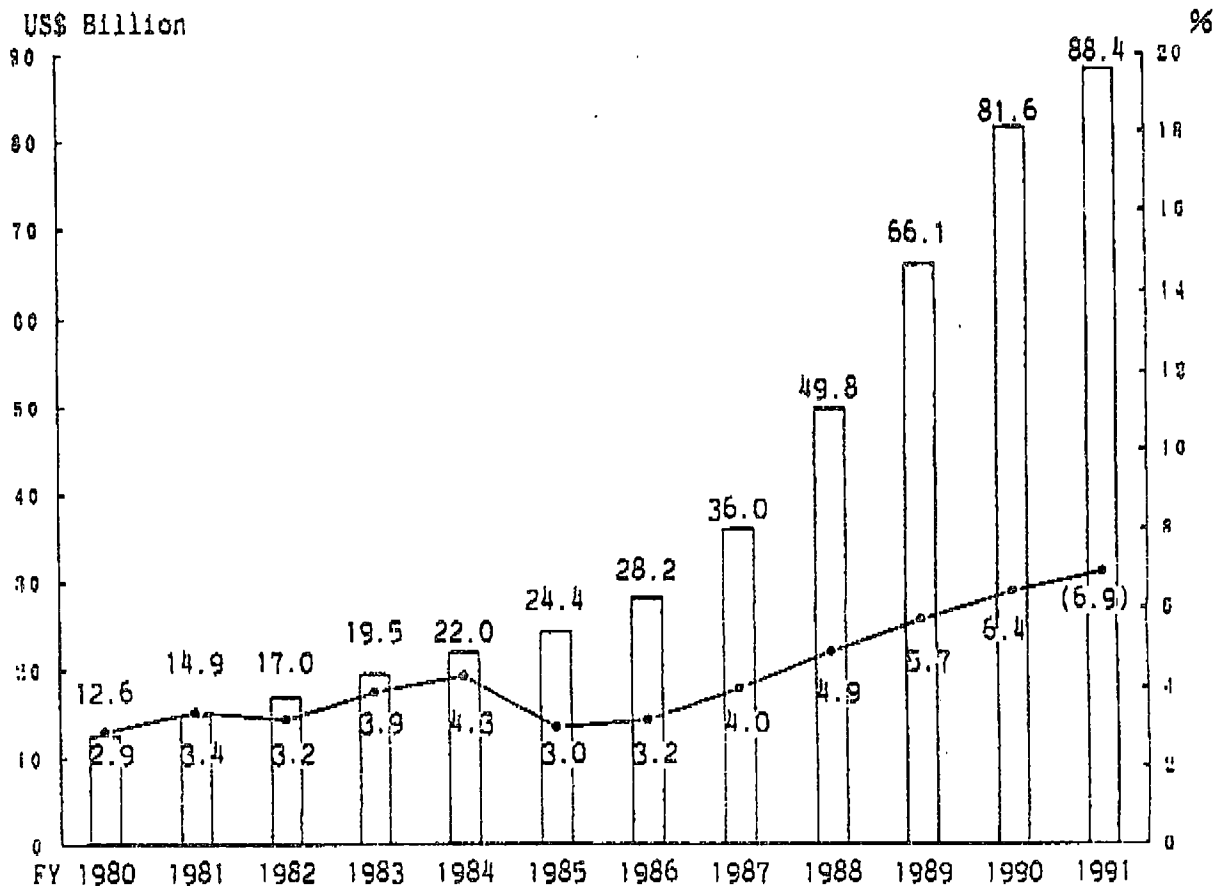
Out of 2,483 Japanese affiliates abroad, 2,222 or 89.5% replied that no actions in particular had been taken by the local authorities concerned with environment issues or communities against their business activities. Of the 261 affiliates in which some action had been taken by the local authorities concerned or communities, 60.5% answered that regulatory advisory guidance had been issued by the local authorities: 14.9% received complaints from local residents concerning their business sites; and 3.4% were sued. By region, in North America, the highest responses among all regions were for regulatory advisory guidance (70.3%) and lawsuits (6.8%) while in Asia, was complaints from local residents (16.7%).

Regarding environmental restrictions of the local authorities, 62.6% of the Japanese affiliates followed the laws and regulations of the investing countries; 7.5% conducted stricter environmental measures than required by the laws and regulations; 11.6% did not take any actions in particular; and 18.3% did not take any actions because their business activities did not relate to environmental issues.

(Chart 1) Japanese Manufacturing Affiliates by Period of Establishment and Region

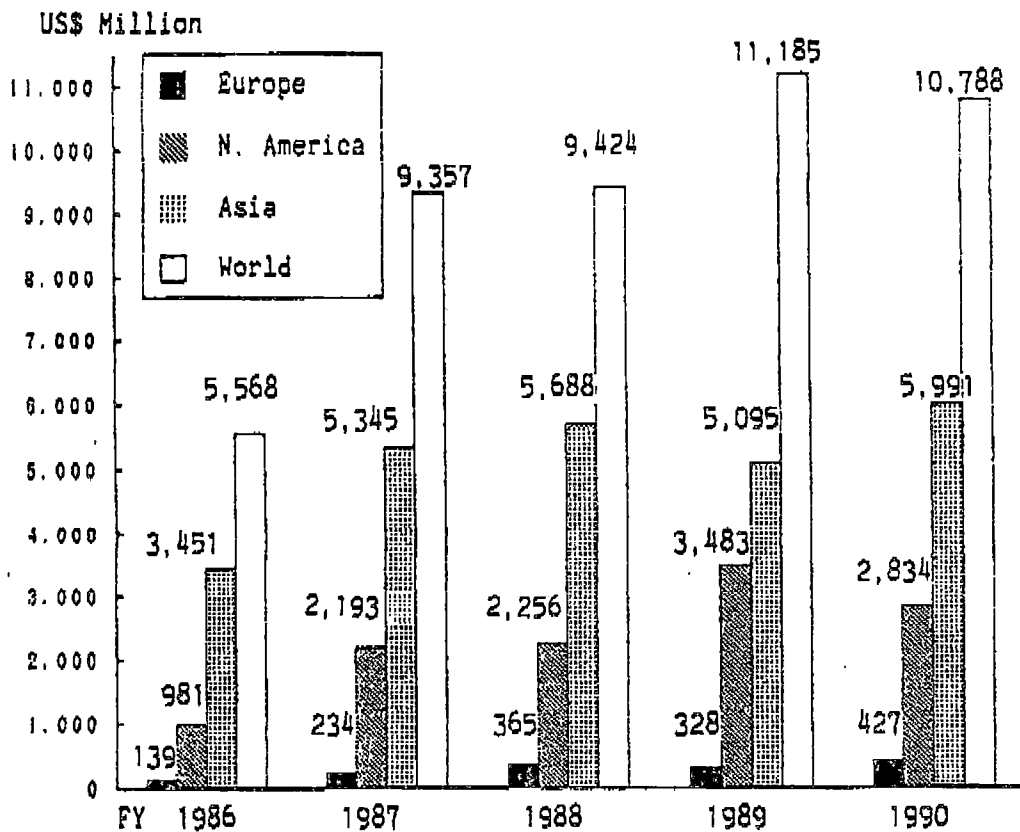


(Chart 2) Level of Production of Japanese Affiliates to Total Production of Their Parent Companies and Cumulative Amount of Japanese Manufacturers' Direct Investment Abroad

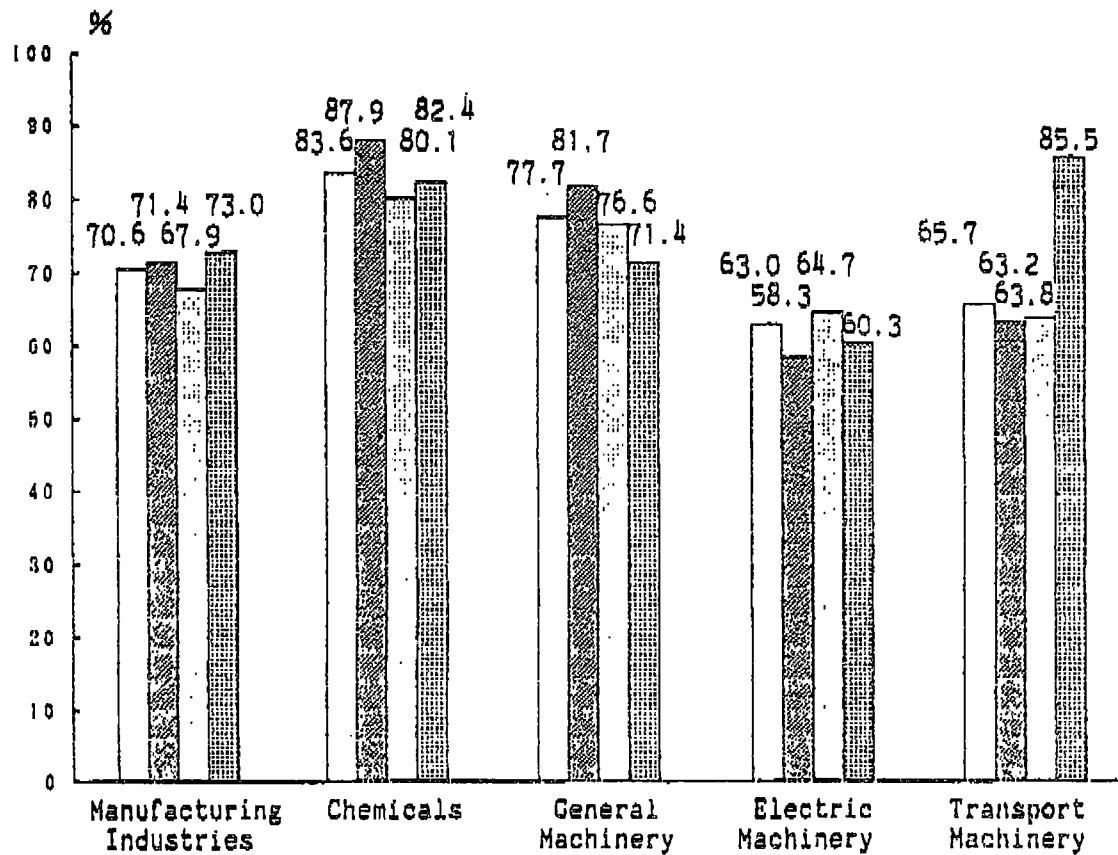


Notes: 1. The cumulative amount at the end of FY 1991 was estimated based on the figure at the end of September 1991.
 2. The level of production of Japanese affiliates to that of their parent companies in FY 1991 was estimated.

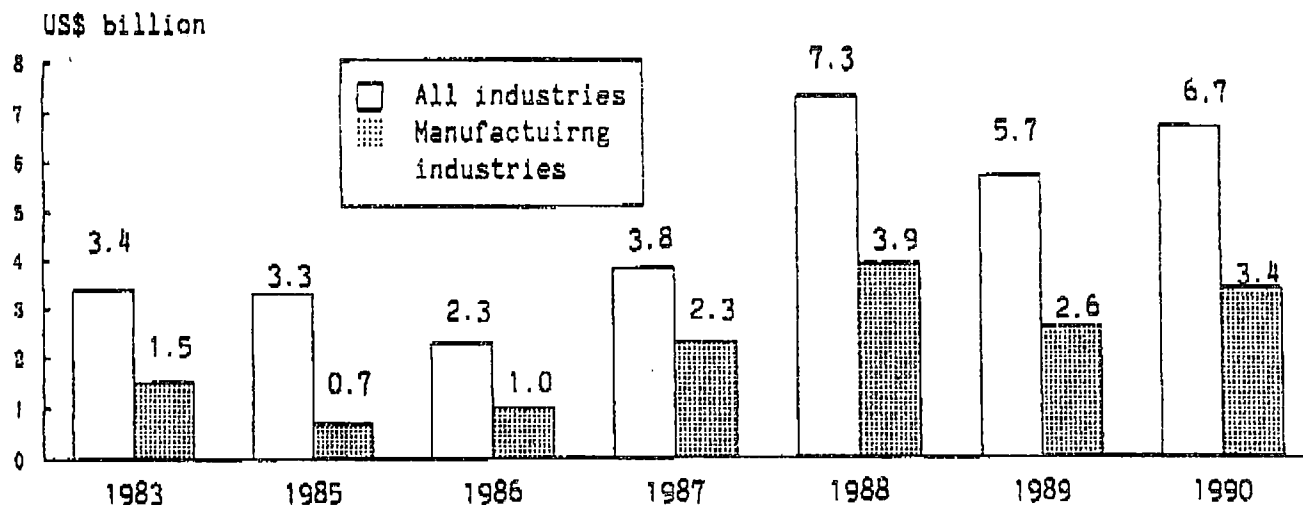
(Chart 3) Exports of Japanese Affiliates to Japan by Region



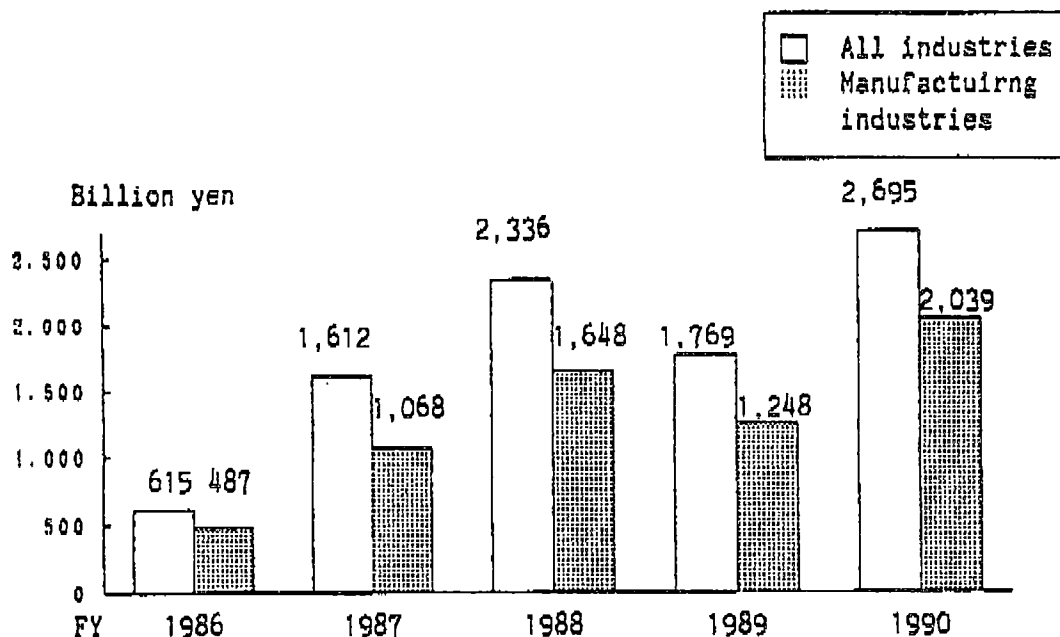
(Chart 4) Local Content of Japanese Affiliates by Industry and Region



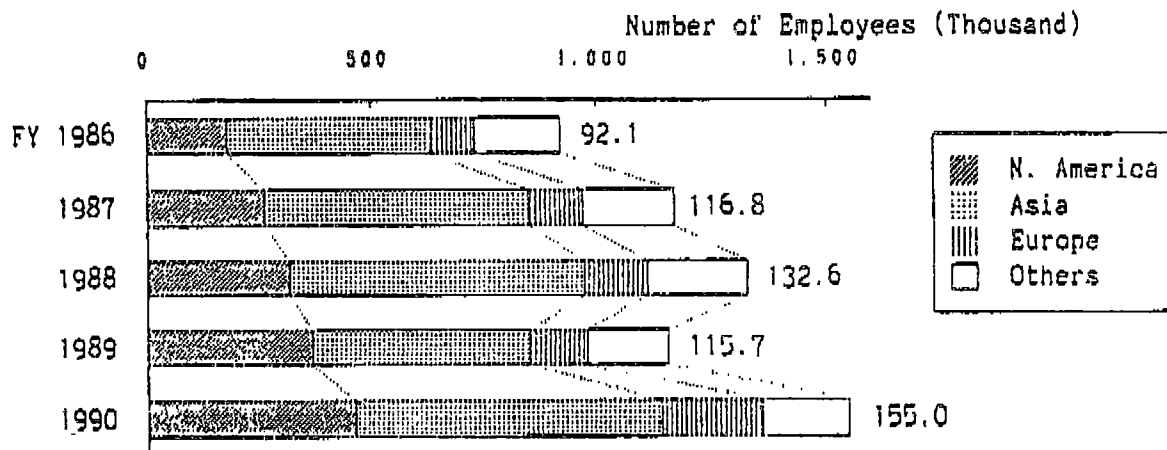
(Chart 5) Ordinary Profit of Japanese Affiliates Trends



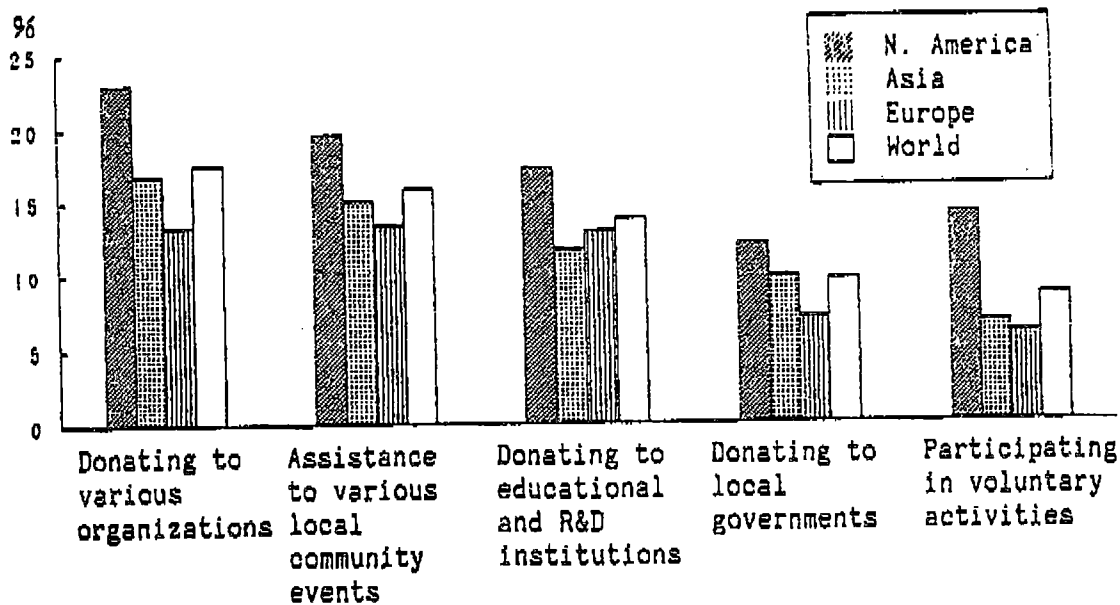
(Chart 6) Fixed Investment Trends



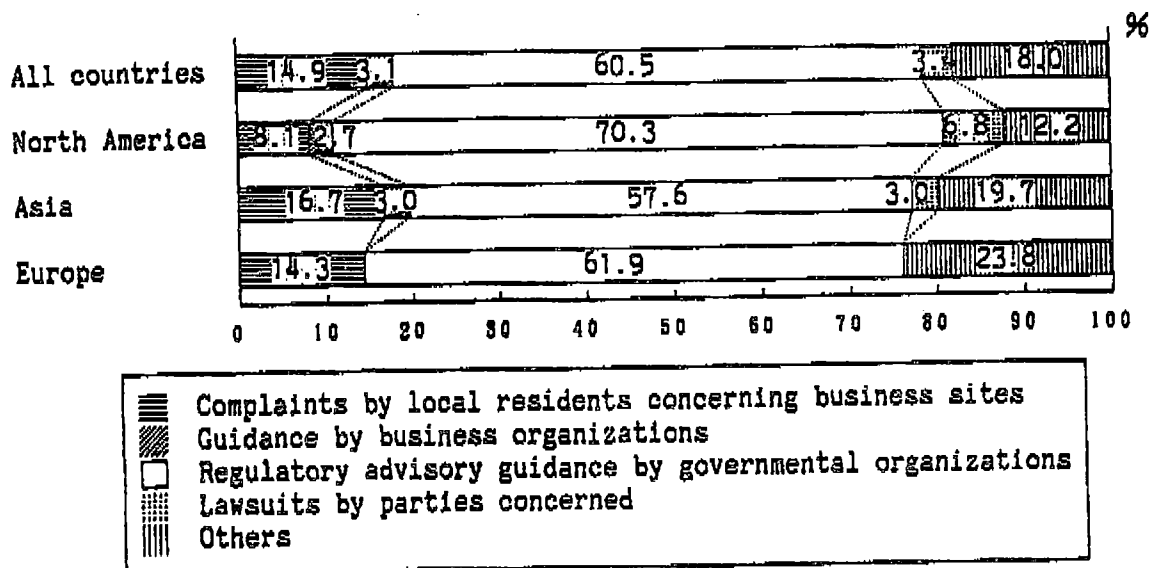
(Chart 7) Employment Trends by Region



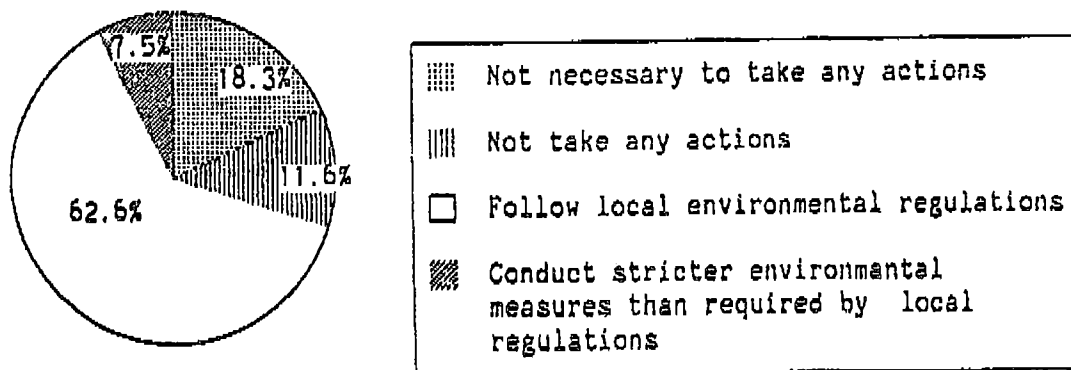
(Chart 8) Activities for Harmonizing with Local Communities by Region



(Chart 9) Environmental Issues



(Chart 10) Addressing to Environmental Issues





FAX MEMO

FROM: STEVEN CLEMONS
JAPAN AMERICA SOCIETY OF SOUTHERN CALIFORNIA
213-627-1353 FAX or 213-289-8437 FAX
213-627-6217 JASSC PHONE

TO: GARY GERSHOWITZ
OFFICE OF THE PRESIDENT
202-456-6218

19 May 1992

Dear Gary:

I really enjoyed speaking with you yesterday and look forward to the opportunity of showing you around here when you visit Los Angeles. I am interested in your own work/writing for the screen. Presently, I have a project at MCA and another at 20th Century Fox which are very interesting consulting situations.

I have asked some friends to fax you hard data on Japanese investment and job creation in the country. You should be receiving these faxes some time Tuesday morning (LA Time).

I also want to leave you the number of Joel Kotkin, literally a walking library of data, who fundamentally believes that the U.S. is reaping huge long-term gains from the Asian presence, not only in capital but work ethic, etc. His number is (213) 650-9054. (His area code may have just changed to 310. I am not sure.)

The statistics that most use when referring to Japanese investment is that Japanese companies now employ more than 400,000 Americans in the U.S. The Japan Business Association of Southern California, for example, is a league of 700 Japanese firms that employ more than 60,000 Americans in Southern California. Overall, Japanese firms employ about 70,000 Americans in Southern California (the latter figure represents non-JBA members).

I have been to several Asian American Heritage dinners which tribute the accomplishments and sacrifice of individuals who have either dedicated themselves to some aspect of the Asian American community and given of themselves to help others or have set an example, have served as a role model, for other Asian-Americans. Therefore, those in social service, in business, in the arts, in media and government can be recognized. I hope that this material is somewhat useful.

I will check in with you from Colorado. Good luck on this project.

Sincerely,

Steven C. Clemons
Executive Director

The Rubicon Group

INTERNATIONAL

120 Village Square

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FAX TRANSMITTAL

May 19, 1992

To: Mr. Gary Gershowitz *Researcher* cc: Jane Fujishige
White House, Speech ~~Writer~~ Asian Business League
Los Angeles

From: Mark L. Feldman, Ph.D.
Managing Director

Re: The President's remarks on the Asian community

of Pages Including Cover Sheet:

Dear Mr. Gershowitz:

Ms. Jane Fujishige urged me to contact you regarding the preparation of President Bush's remarks on Asian contributions to the Southern California community.

My firm has recently completed a survey of 110 Asian/American acquisitions and joint ventures. Though the survey does not highlight specific Asian contributions to the community, the following items are worth noting:

1. Electronics, computer and biotechnology companies (which make up 50% of the survey respondents) are driven by new technology. This requires extensive and high cost development. However, bank credit is tight in the U.S. and venture capitalists have become increasingly risk averse. When the VCs finally decide to invest, they require an excessive percentage of equity in the company. Consequently, increasing numbers of high technology firms are turning to Asian companies and Asian investment funds.
2. These Asian companies are making cash available on favorable terms and promising their U.S. partners *quid pro quo* on access to their distribution channels and manufacturing capacity.
3. Additionally, Asian governments have increasingly supported and encouraged direct investment in U.S. businesses, technology and markets by using trade surpluses to help finance these ventures. In other words, some percentage of the Asian trade surplus is, in fact, coming back to the U.S. as investment.
4. These Asian investments are creating jobs in the U.S. They are also advancing the development of new technologies, driving the creation of derivative and next

Mr. Gary Gershowitz
May 19, 1992
Page 2

generation products and providing inroads to Asian markets. Moreover, companies like Formosa Rubber (Taiwan) have made a practice of buying and turning around failing American companies in non-glamorous, but essential industries. And, Taiwan Aerospace may be the last best chance McDonnell Douglas has of surviving.

Hundreds of millions of dollars are being invested in the U.S. -- especially in California and technology. This of course helps to prop up and drive other sectors of the economy. I submit that without Asian investment, the recession would have had a far more disastrous effect on California's economy.

5. Though many of the investments have been disappointing (as the *Asian/American Ventures* survey indicates), Asian companies have persevered and continued to invest long after many American firms would have walked away. (Westinghouse has divested nearly 80 companies in the past ten years.) Its unfortunate that Asian commitment and perseverance is not emulated and appreciated more widely.

Mr. Gershowitz, I hope you find this useful. Call, if you have questions.

Very truly yours,



Mark L. Feldman, Ph.D.
Managing Director

TOURISM AND THE RESORT INDUSTRY IN SOUTHEAST ASIA

EXECUTIVE SUMMARY REPORT 1992



I. INTRODUCTION

Kenneth Leventhal & Company recently completed a comprehensive analysis of tourism and the resort industry in selected international destinations. The objectives of the study were to gain a full understanding of resort development and investment trends in the targeted areas, to identify mature as well as emerging markets, to comment on changes in underlying market conditions that may cause each destination to experience improving, stabilizing or declining competitive market positions, and to identify future opportunities for investment, whether through resort acquisition, repositioning or development.

Kenneth Leventhal & Company has conducted additional research in various Asian markets and in this report presents an overview of trends in tourism and the resort industry in selected Southeast Asian markets, one of the fastest-growing regions in the world.

II. SOUTHEAST ASIAN MARKET OVERVIEW

The countries of Southeast Asia in recent years have experienced dramatic growth in their economies, as a result of investments from Japan as well as intraregional investments from the other "Tigers of Asia," namely, Taiwan, South Korea, Hong Kong and Singapore. The economies of the less developed countries such as Malaysia, Thailand, and Indonesia have been traditionally based on agriculture. In recent years, however, these three countries have been the recipients of major foreign investment and are expected to join the ranks of Hong Kong and Singapore as the Newly Industrialized Countries of Southeast Asia.

Hong Kong and Singapore are considered mature tourist destinations, but because of the lack of available land, they are not prime targets for resort development. Although both countries have experienced continued growth in visitor arrivals, their growth has not been as rapid as that of the emerging markets during the past few years.

Much of the real estate activity has been a result of the relaxing of land ownership laws and increased foreign investment incentives by various local governments. In the larger cities of Tokyo, Taipei, Seoul, Hong Kong, Singapore, Bangkok and Jakarta, mixed-use

office, retail and hotel developments are a common trend. In the outlying mountain and beach areas of Malaysia, Thailand, and Indonesia, the focus of tourism developments appears to be in master-planned, mixed-use destination resorts, similar to those in Hawaii. These master-planned destination resorts generally comprise residential, hotel, golf and related recreational amenities and some retail components.

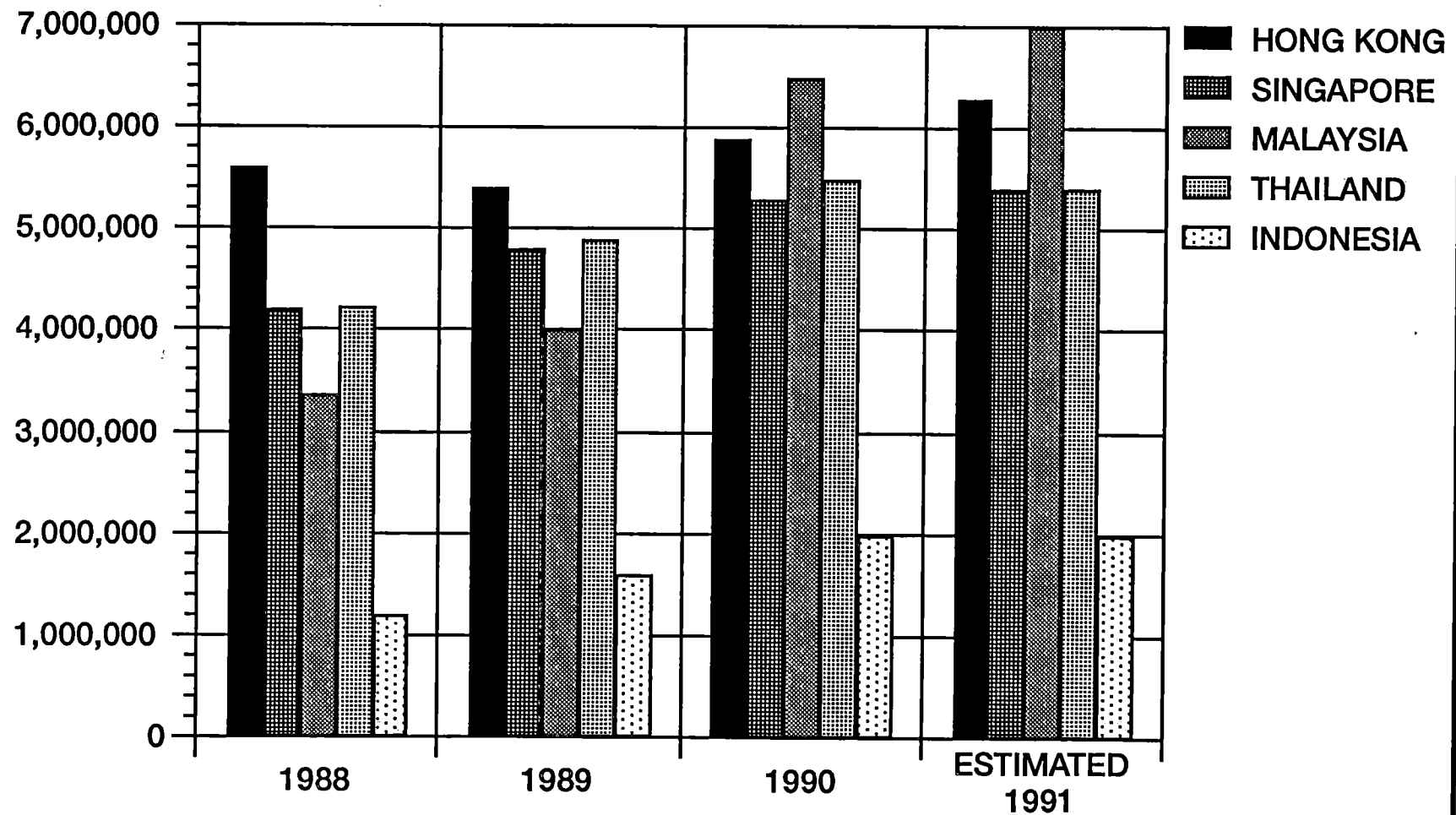
Table 1 and the graph on the following pages present visitor arrival statistics for selected countries during the past four years. In 1991, the Persian Gulf War, recession in the United States, and Japanese financial crises all had a negative impact on the overall lodging market as reflected in the moderate increases in visitor arrivals to the various Asian countries.

TABLE 1
VISITOR ARRIVALS TO MAJOR ASIAN MARKETS

	1988	1989	1990	Estimated 1991	Average Annual Compound Growth 1988 - 1991
Hong Kong	5,600,000	5,400,000	5,900,000	6,300,000	4.0%
Singapore	4,200,000	4,800,000	5,300,000	5,400,000	8.7
Malaysia	3,374,000	4,000,000	6,500,000	7,000,000	27.5
Thailand	4,230,800	4,900,000	5,500,000	5,400,000	8.5
Indonesia	1,200,000	1,600,000	2,000,000	2,000,000	18.6

Source: Kenneth Leventhal & Company

VISITOR ARRIVALS TO MAJOR ASIAN MARKETS



Malaysia, Thailand and Indonesia combined have seen an increase in visitor arrivals of approximately 64 percent over 1988 levels. This represents an average annual compound growth of 18 percent from 1988 to 1991.

Several factors have contributed to the growth of these countries as major resort destinations. They are:

- The shift from an agriculture-base economy to a more industrial base.
- The growing affluence of the surrounding industrialized countries.
- Increased accessibility to the outlying resort areas as airports at the gateway cities are upgraded.

The demand in Southeast Asian cities and for resort destinations emanates from four primary sources. They are intraregional Asian markets, Europe, North America and the South Pacific. Depending on the destination, the major feeder markets will vary. The growing affluence of Asian travelers is increasing intraregional travel significantly, to the extent that many of the newer resort developments are specifically targeting potential customers from the affluent Asian nations such as Japan, Taiwan, Hong Kong and Singapore. The European market has been a traditional source of demand, primarily as a result of the colonial influence in many of these countries. Australia and New Zealand, by virtue of their proximity to Southeast Asia, are also considered traditional feeder markets. In recent years, competitive airfares and the opening of new air routes between the United States and major Asian cities have contributed to increased awareness of Southeast Asia as a potential tourist destination among Americans. Accordingly, North America has emerged as a growing source of demand for the region.

Compared to other international cities and resort destinations, Southeast Asia offers a variety of inexpensive vacation alternatives and lodging accommodations. The four-year lodging trends for selected Asian markets are presented in Table 2.

TABLE 2
SELECTED SOUTHEAST ASIAN MARKETS
FOUR-YEAR LODGING TRENDS

	1988		1989		1990		1991	
	Occupancy	Average Daily Rate	Occupancy	Average Daily Rate	Occupancy	Average Daily Rate	Occupancy	Average Daily Rate
Hong Kong	92%	\$ 90	79%	\$ 105	78%	\$ 115	74%	\$ 130
Singapore	67	60	82	80	84	95	75	110
Malaysia Kuala Lumpur	59	40	72	50	73	65	71	75
Thailand Bangkok	70	45	73	55	74	63	60	68
Phuket	89	74	87	101	83	123	71	126
Indonesia Jakarta	69	70	78	80	80	85	70	80
Bali	72	50	76	64	77	68	55	72

Source: Kenneth Leventhal & Company

Most of the major international and regional hotel chains are represented in Asia. The recent trend has been the entrance into the region of midpriced lodging chains such as Days Inn, Accor (Novotel) and Choice Hotels (Comfort Inns). Days Inn and Choice Hotels have signed master franchises to develop hotels throughout the region. As intraregional travel increases, the demand for good-quality, midpriced facilities is expected to increase because they are more affordable. The deluxe and luxury hotels are perceived as offering good value for international visitors because of the exchange rates, particularly for the European and U.S. markets. Accordingly, the major deluxe and luxury chains such as Sheraton, Holiday Inn, Hyatt, Regent and Shangri-la continue with expansion plans in the region. Given the variety of lodging facilities, the Southeast Asian countries have the potential to target the varying segments of demand from their diverse feeder markets.

The resort industry for the region as a whole can still be considered in its infancy. Malaysia, Thailand, and Indonesia are generally considered the strongest of the emerging markets with significant resort potential and concurrent investment activity. The resort areas of these countries, such as Penang in Malaysia, Phuket in Thailand and Bali in Indonesia, have traditionally catered to budget-conscious travelers and accommodations were generally rustic chalets. However, in recent years, there has been a trend toward the development of more luxurious lodging facilities, and correspondingly, the supply of and demand for higher-quality resort facilities has grown.

III. EMERGING RESORT MARKETS

Malaysia, Thailand and Indonesia with their abundant natural resources and available land for resort developments are currently the most rapidly emerging resort markets of the region. This section discusses current trends and the potential of the resort industry in selected areas of these countries.

MALAYSIA

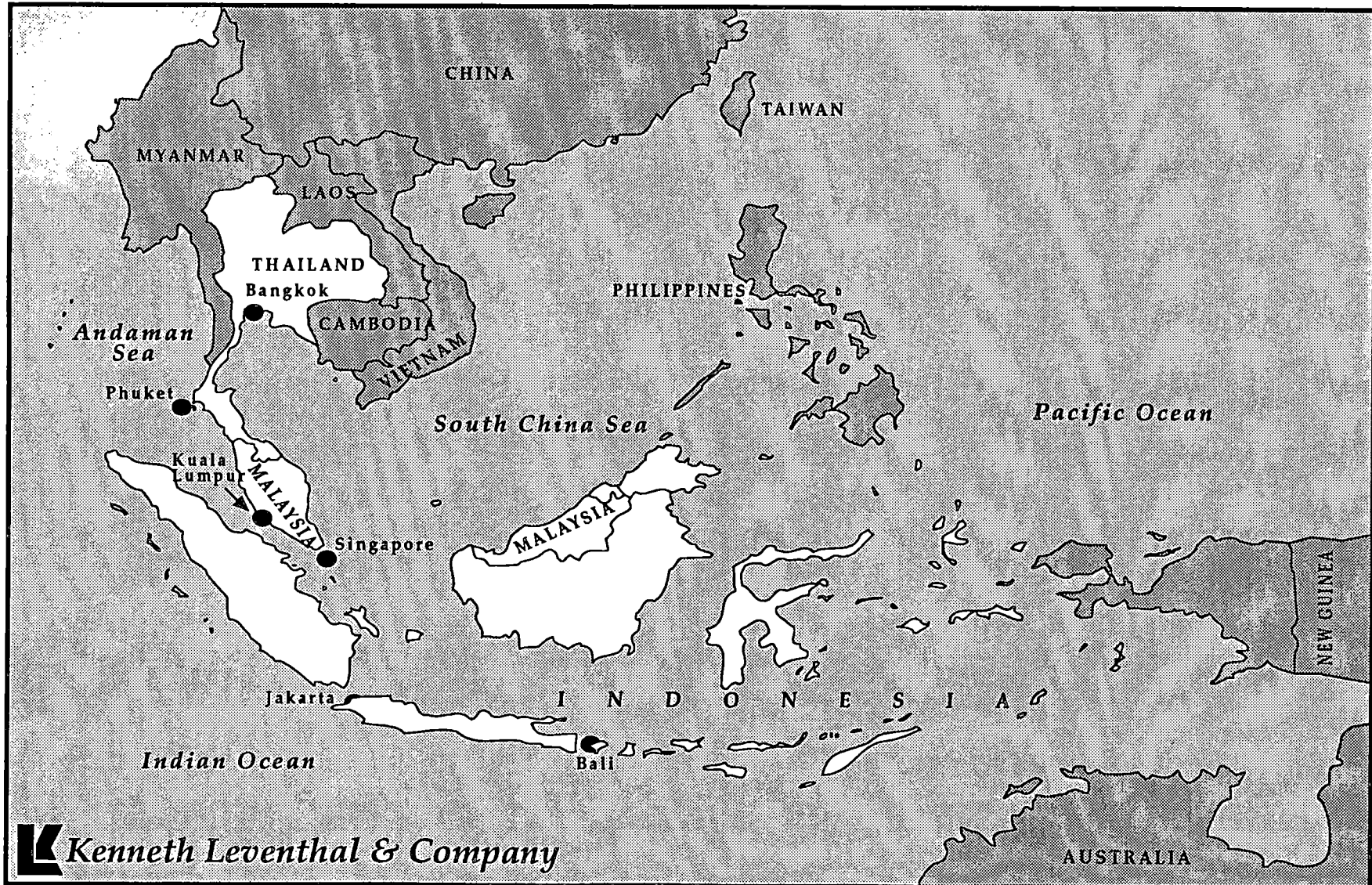
Malaysia in recent years has become the most popular Southeast Asian tourist destination, surpassing Hong Kong, Singapore and Thailand in terms of annual visitor arrivals. Malaysia embarked on an aggressive tourism campaign, "Visit Malaysia Year," in 1990 in an attempt to boost its presence as a destination in the region. In 1990, visitor arrivals increased by 63 percent over 1989 levels and in 1991 reached the seven million mark. The major feeder markets to Malaysia are the Southeast Asian countries (with Singapore as the top producer), Hong Kong, Taiwan, Japan and Australia. The growing affluence of Singaporeans has resulted in an increase in shorter but more frequent and luxurious vacations to Malaysia. Because of the proximity of the two countries, many Singaporeans

are using Malaysia as a weekend getaway and are willing to spend more for quality lodging facilities offering resort-style amenities. Accordingly, many of the new resort developments are targeted toward the Singapore market, especially the resort developments in the southern state of Johor.

Kuala Lumpur, the capital of Malaysia and primary port of entry, is growing quickly into a dominant city in Southeast Asia. The lodging market has experienced rapid growth in recent years because of the increase in business activity. Occupancy levels for the city average approximately 59 percent in 1988, and, in 1991, it is estimated to average approximately 71 percent. The average daily room rate has increased from approximately \$40 to \$75, representing a compound annual growth of 23 percent. Compared to those of the other major cities of the region, the hotels in Kuala Lumpur offer more competitive room rates and a good price/value relationship. Many of the city's older hotels have been purchased by foreign investors (primarily from Singapore and Hong Kong) and are in the process of being renovated or completely reconstructed to deluxe and luxury levels. The lodging demand in Kuala Lumpur consists primarily of the commercial segment because of the city's role as the financial and administrative center for the country.

The major beach resort areas of Malaysia are located along the east and west coasts. Lodging facilities range from international-quality resorts to limited-facility chalets and long houses. Recessionary economies in key feeder markets and the Persian Gulf War had a negative impact on occupancy levels and average daily room rates in all segments of the market. It is estimated that in 1991 the overall occupancy for the beach resorts was 60 percent and the average daily room rate was \$45. This represents a 5 percent decrease in occupancy from 1990 levels with average daily room rates remaining flat.

EMERGING MARKETS IN SOUTHEAST ASIA



The established beach resort in Malaysia is Penang, which is located off the west coast of Malaysia. In recent years, Penang's competitive position has declined as other beach resorts in Malaysia have become more established and accessible. Penang's growth as a major industrial, manufacturing and commercial center has also made the island less attractive as a resort destination. **Langkawi, Pangkor and Tioman** islands are emerging as the newer beach resort destinations of Malaysia. These islands have been targeted for major destination resort developments because of their natural beauty and increased ease of access. In the last two years, several hotels of international standards have opened on these islands, providing more luxurious accommodations for the growing demand.

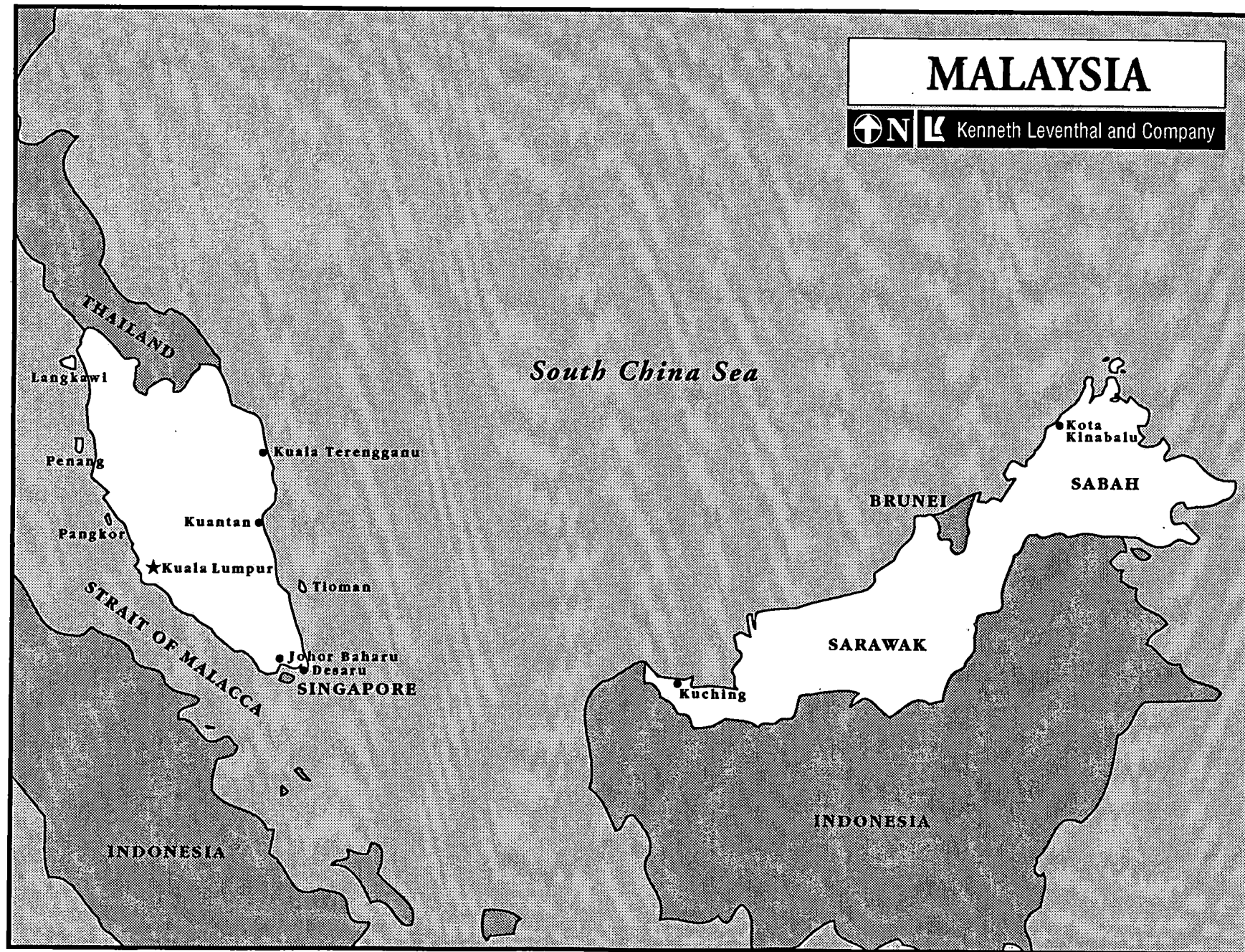
Outlook

While the potential for Malaysia's continued growth as a major resort destination exists, there is concern over the number and scope of proposed projects. The proposed projects are typically large-scale, involving significant infrastructure development, land planning and design. The local governments in each of the states are actively pursuing and supporting such developments in an effort to boost state recognition and revenues. As with most of the other countries in the region, infrastructure constraints are the issues that must be resolved first. Malaysia has the competitive advantage of a more stable political and economic climate, which countries like Thailand, Indonesia, Philippines and even Hong Kong lack. Compared to all its neighbors, Malaysia appears to have the natural resources, economic muscle and political will to enable it to carefully plan and develop its resort industry.

MALAYSIA



Kenneth Leventhal and Company



THAILAND

Thailand has traditionally catered to budget travelers, particularly from Europe, looking for a taste of exotic Asia. In recent years, the trend toward more upscale travelers is evidenced by the change in the quality of lodging facilities. Old hotels have been torn down and a variety of new projects in all price categories are being built.

Bangkok is the administrative/financial center and gateway to Thailand. In previous years, Bangkok had experienced increasing occupancy levels. However, since 1988 occupancy levels have declined because of increasing supply and competition from other Thai destinations. Visitors are spending fewer days in Bangkok and more time in other resort destinations. In 1991, the Persian Gulf War, a government coup, recession in key feeder markets and continued increases in lodging supply had a significant impact on hotel occupancy levels. Occupancy levels declined to an all-time low of 71 percent in 1991 compared to a high of 89 percent in 1988. The lodging facilities that are being added range from midprice facilities to major luxury chains, catering to both the commercial and tourist segments. Average daily room rates have increased from \$74 to \$126 from 1988 to 1991, which has earned Bangkok a reputation as one of the most expensive cities in the region.

The traditional beach resort area of Thailand is **Pattaya** while the mountain resort areas are in the north in the cities of **Chiang Mai** and **Chiang Rai**. Pattaya's reputation as a popular beach resort has declined significantly in recent years as a result of increased pollution, congestion and crime. Chiang Mai and Chiang Rai have traditionally been rustic mountain retreats but are now being targeted for development as highland resort destinations. Access to these northern territories is less convenient than to **Phuket**, the emerging beach resort of Thailand that is anticipated to develop into a major destination of its own.

During the past few years, Phuket has enjoyed healthy occupancy rates and achieved moderate average daily room rates relative to other beach resorts in Southeast Asia. This can be attributed to the upgrading of existing facilities and new properties of international quality rather than the budget chalets and bungalows typical of Phuket in the past. As in all other markets, Phuket's occupancy and average daily room rates suffered in 1991 as a result of the domestic and global crises. The overall occupancy level for Phuket in 1991 was 60 percent and average daily room rate was \$68. This represents an approximate decrease of 14 points in occupancy and a moderate increase of 8 percent in average room rate. The increase in room rate can be attributed to the opening of new luxury lodging facilities and the repositioning of existing facilities to deluxe quality.

The development of new integrated destination resort projects is expected to further enhance Phuket's reputation as an upscale destination. The concentrated development of high-quality resort hotels in northwestern Phuket (Surin Beach, Bang Tao Bay) should help differentiate the area from the lower-quality southwestern resort locations (Patong, Karon/Kata). The development of international-quality integrated destination resorts with a wide variety of facilities to cater to small and medium-sized group meetings should help enhance Phuket's attractiveness as a pre- and post-convention destination from other major cities in Asia.

Outlook

Thailand is one of the markets in Asia that is experiencing an unprecedented increase in hotel/resort development. It is anticipated that the total lodging supply will grow at a compound annual rate of 15 percent through 1995. The availability of resort land in both coastal and mountain locations should position Thailand as a premier destination in the region, offering a variety of vacation experiences. Its major port of entry, Bangkok, is strategically located and easily accessible from its major feeder markets. However, basic infrastructure issues relating to airport and transportation facilities, labor, telecommunication, and pollution must be resolved first. Compounding these problems is the lack of available raw materials for the excessive development currently occurring throughout

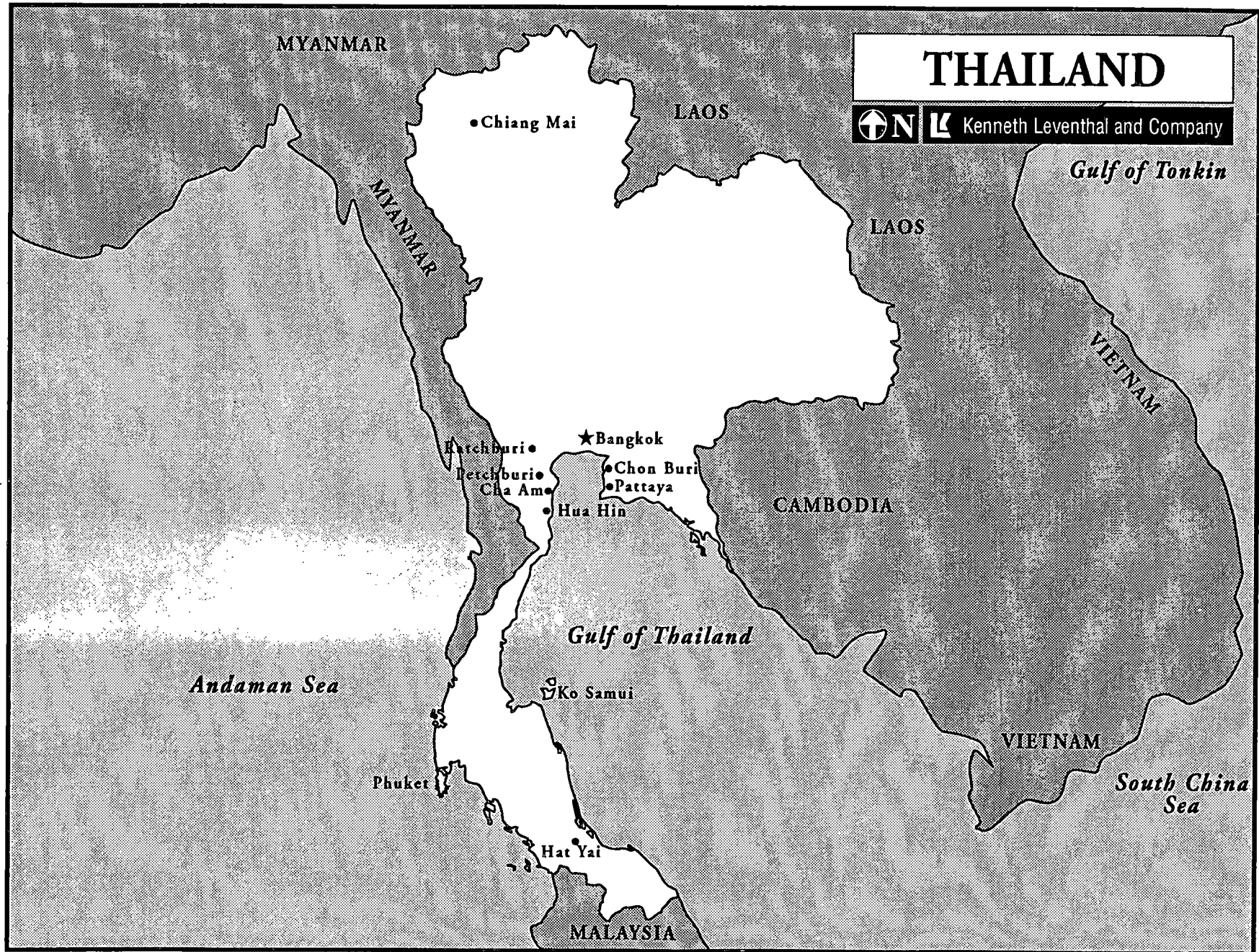
the major cities and resort areas. In some ways, this is a blessing in disguise because many of the proposed projects have been put on hold, thereby allowing the market some time to stabilize and absorb projects that have already been completed.

INDONESIA

Indonesia is a growing destination in Southeast Asia and, like Thailand, has significant resort potential, since it is the largest land mass and most populated country in Southeast Asia.

The city of Jakarta is the financial, commercial and administrative center for the country and it is also the most populated city. The secondary cities of Surabaya, Bandung, and Yogyakarta function primarily as the commercial outlets for the surrounding rural areas; they are far from being major financial and commercial centers with a well-developed infrastructure. The resort areas are still in their very early stages of development, except for those in Bali, which enjoys the reputation of being the premier resort destination in the region. Accordingly, the lodging industry in Indonesia can be considered in its infancy.

Jakarta has seen rapid growth in lodging demand, primarily due to its recovery from the oil glut of the 1980s. The government of Indonesia has aggressively sought foreign investment and thereby has spurred the development of Jakarta as a major business center. The trend has been toward the development of deluxe and luxury lodging facilities to cater to the increase in foreign businesses. Occupancy levels in Jakarta increased from 70 percent in 1988 to approximately 80 percent in 1990, with average daily room rates also increasing from \$60 to \$85. The "Visit Indonesia Year" campaign in 1991 produced disappointing results for the lodging market because of the Persian Gulf War, recession in the United States and economic crisis in Japan. In 1991, occupancy levels dropped to 70 percent, with average daily room rates not changing from the previous year's rates.



Bali is an established resort market that is considered to be the premier resort destination in Southeast Asia. It is a multidimensional destination, offering sand-and-surf, mountains, the Balinese culture and a variety of retail shops containing local arts and crafts.

Traditionally Bali has been a budget destination, especially for the Australian market. **Kuta** is the most popular beach resort area in Bali and is well known for its inexpensive accommodations and retail, surfing and nightlife activities.

Sanur Beach on the southeastern coast of Bali was the most upscale resort area in Bali until recently. The atmosphere in Sanur is more subdued than in Kuta and the clientele is generally older and more affluent. **Nusa Dua** is currently the most upscale resort in Bali and the largest existing fully integrated resort in Southeast Asia. Developed by the Indonesian government-supported Bali Tourism Development Corporation, Nusa Dua is the prototype for fully integrated destination resorts in Indonesia. Currently, there are eight hotels providing approximately 3,566 rooms of international-standard facilities, with four more sites planned for additional deluxe and luxury hotels. Four of the eight hotels opened in 1991. An 18-hole championship golf course, a small luxury resort, large retail center and 300-unit condominium development are now under construction and should be completed by mid-1992.

During the past few years, Bali has enjoyed healthy occupancy levels and average daily rates. In 1991, the Persian Gulf War, recession in the feeder markets, and the addition of approximately 1,440 deluxe rooms to the market had a significant negative impact on occupancy levels. Overall occupancy and average daily room rates were 51 percent and \$72, respectively. This represents a significant decline in occupancy level of approximately 22 points and a moderate \$4 increase in average daily room rates from 1990 levels.

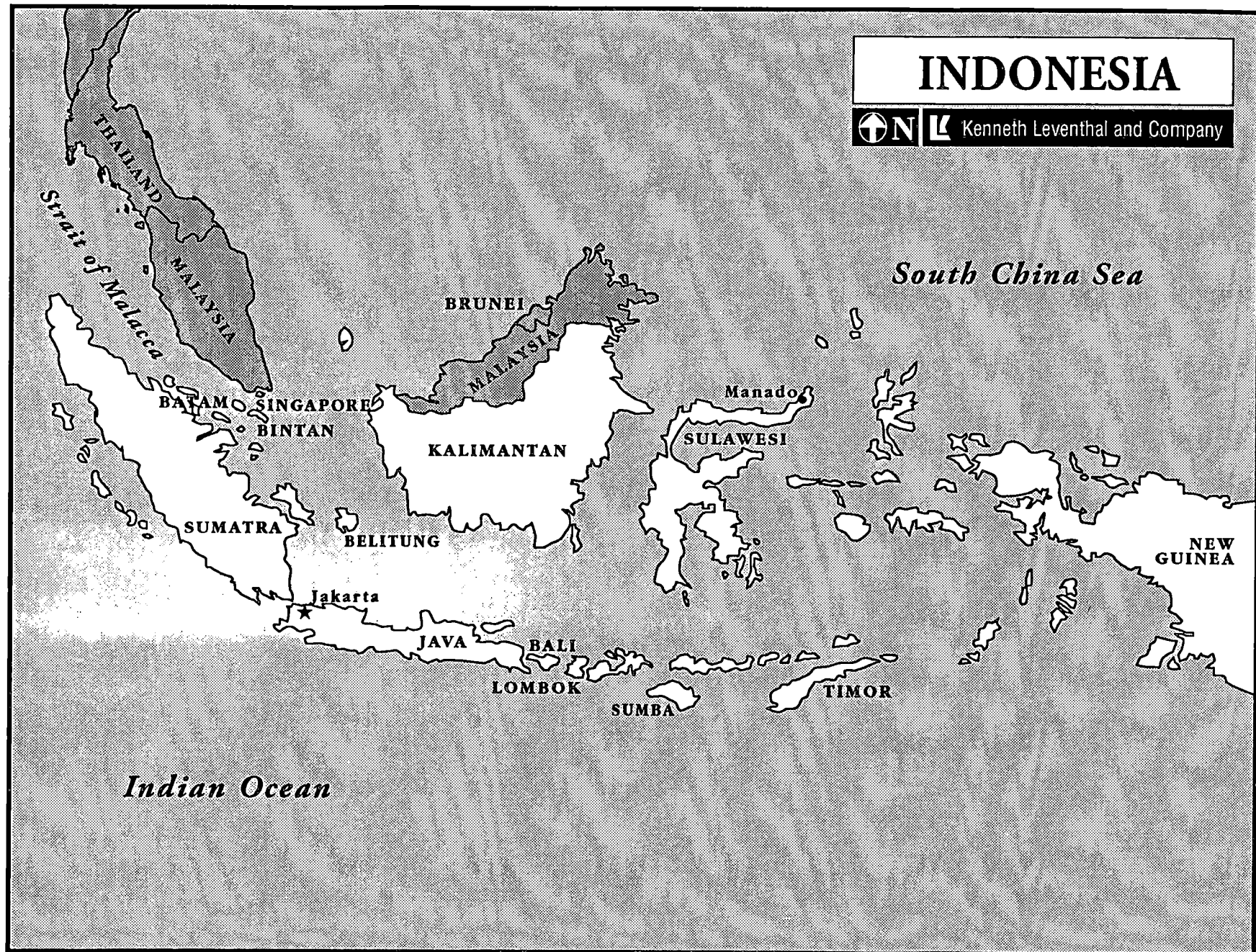
Outlook

Indonesia's lodging market has perhaps one of the greatest resort potentials in the region. The many islands that make up the archipelago are geographically and culturally distinct and could offer a variety of resort and vacation experiences.

The Indonesian government has targeted a number of areas for the development of fully integrated master-planned destination resorts, including the islands of Lombok, Belitung, North Sulawesi, Batam, and Bintan. Most of the proposed resort projects are still in the preliminary planning stages, but it is expected that the total lodging supply could grow at a compound annual rate of approximately 15 percent through 1995. The government and many private sector entities are very supportive of and enthusiastic about developing hotels and resorts throughout Indonesia; however, infrastructure issues and the basic socioeconomic problems of the country are significant challenges that must be dealt with before the industry is fully developed. In the meantime, the existing and established resort areas of Bali and cities such as Jakarta need time to absorb the recent spurt of hotel development.

INDONESIA

 **N**  Kenneth Leventhal and Company



IV. OPPORTUNITIES AND CHALLENGES

The significant growth in the economies of the Asian nations has stimulated new lodging development to such an extent that in the major markets of Hong Kong, Singapore, Malaysia, Thailand and Indonesia, an estimated \$5 billion will be spent on new hotel and resort projects during the next several years. On an aggregate basis, the total supply of international-standard hotel rooms is projected to increase approximately 50 percent, from 85,000 in 1991 to over 125,000 by 1995.

The majority of the new resort projects are located in Malaysia, Thailand, and Indonesia. The opportunity appears to be in the development of fully integrated destination resorts in beachfront or mountain locations, with golf and related recreational amenities, deluxe and luxury lodging facilities, health spas, residential units, marinas and even theme park attractions. Such resorts could potentially position Southeast Asia as a destination with a cutting edge over the more traditional resort destinations of the world, and are expected to attract the affluent markets of the developed countries in the region such as Japan, Taiwan, Hong Kong and Singapore as well as international markets such as the United States, Europe and Australia.

The number of proposed resort developments in the emerging markets continues to grow, and based on our recent survey, it is anticipated that by 1995, there could be an additional 21 new resort developments in the region. In terms of the number of additional hotel rooms, a conservative estimate is approximately 13,000. Table 3 on the following page presents a summary of selected existing and proposed master-plan destination resorts in emerging resort markets. Given this momentum, there is an overriding concern that some basic infrastructure problems must be overcome.

For the most part, the infrastructure in the region can be considered undeveloped with the exception of Singapore's, which is highly sophisticated. Some of the other countries lack adequate infrastructure to support the high level of new developments. Most sewage facilities are operating at or near capacity in the major cities and, in the outlying areas, are sometimes nonexistent. In many of the major cities and resort areas, telecommunications systems are inefficient and inadequate. The major cities are congested and traffic is a significant problem because the road systems are not well developed or planned.

The primary cities of Bangkok, Kuala Lumpur and Jakarta, which are also gateways to the rest of their respective countries, are congested, and their airports are operating at capacity. There are plans for expansion or construction of new airports but they will not be ready in the near term, and transportation across rural highways to the resort destinations is often an adventure in itself. Accordingly, while the outlying islands and coastal and mountain areas appear to have the natural resources for resort development, the lack of easy access to them could hinder the success of some of these proposed resorts.

TABLE 3
SELECTED SOUTHEAST ASIAN DESTINATION RESORTS

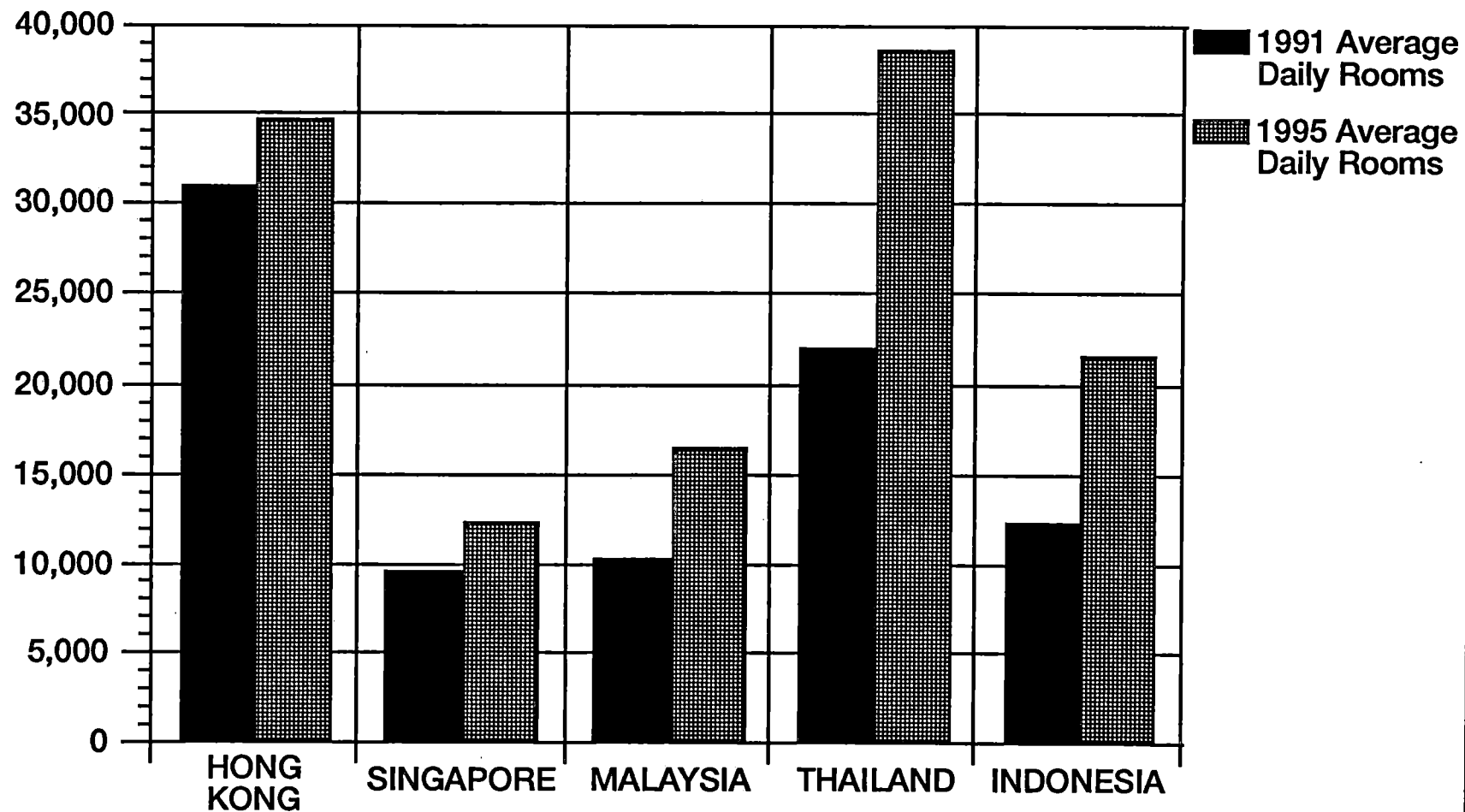
	Malaysia			Thailand		Indonesia	
	Langkawi	East Coast	Johore	Phuket	Other	Bali	Other
Number of integrated resorts							
Existing	-	-	-	1	-	1	-
Proposed	1	3	2	7	2	-	5
Number of resort hotels ⁽¹⁾							
Existing	-	-	-	2	-	9	-
Proposed	6	8	5	7	5	4	35
Number of resort hotel rooms							
Existing	-	-	-	497	-	3,616	-
Proposed ⁽²⁾	2,000	580	900	1,465	1,525	1,309	5,000
Number of resort golf courses ⁽¹⁾							
Existing	-	-	-	-	-	-	-
Proposed	1	5	6	7	2	1	19

⁽¹⁾ Located within an integrated resort.

⁽²⁾ Does not necessarily include rooms for all proposed projects because the plans of some are so preliminary that the number of rooms has not been determined.

Source: Kenneth Leventhal & Company

ADDITIONS TO SUPPLY FOR SELECTED SOUTHEAST ASIAN MARKETS (1991 & 1995)



Although labor is abundant and inexpensive, the availability of qualified labor in reasonable proximity to some of the resort destinations is limited. This is true at all levels of resort operations, ranging from the nonmanagerial to the executive levels. The culture of the region is inherently service-oriented, which is an asset for resort development, but basic language skills and education are lacking among most of the population. Accordingly, significant training and education are required. At the managerial and executive levels, there is an even greater lack of human resources. This would be confined not only to resort operations but also to the development, project administration and marketing of the proposed resorts.

The major international feeder markets such as the United States and Europe are sensitive to the political climate of the region. Political changes that may be an ordinary occurrence in Asia may be perceived as potential dangers to visitors as well as investors. While the effect on investment sentiment from the China crisis in June 1989 was negative and most investments stopped temporarily in China and Hong Kong, other Southeast Asian countries benefited from the diversion of funds. The impact on Hong Kong's reversion to Chinese territory in 1997 has been the cause of much political and economic speculation. The general sentiment is one of practicality, and although some corporations have pulled out of Hong Kong, many have hedged their investment but will continue to operate in Hong Kong until they see what happens in 1997. Of greater significance is the brain drain that is occurring from the emigration of professionals, which accentuates the lack of qualified labor. Bangkok suffered a decrease in visitor arrivals as a result of the coup in 1991. The current problems of the Aquino regime and the declining economy of the Philippines have had a negative impact on the investment climate for that country. Although there has not been significant outflow of capital, new investments have largely been put on hold. In Southeast Asia, Singapore is considered to have the most favorable investment climate, primarily because of its stable political environment. The tourist industry in the region as a whole is also sensitive to the global economy and to major feeder markets such as the United States. The current recession and recent Persian Gulf War have negatively affected the level of visitor arrivals throughout the region. Accordingly, despite significant growth in lodging demand during the last few years, it is

anticipated that the region will not sustain double-digit growth rates. Considering the expected increases in lodging supply, hotel occupancy levels are expected to decline from the 70 percent range in 1991 to the low 60 percent range by 1995.

Given the recent economic and political events in the region, coupled with existing infrastructure limitations, many proposed projects have been put on hold. Existing operating entities could face increasing financial difficulties and possible debt restructuring because of the decline in current and projected future operating performance as a result of an overbuilt market. Some resorts are already in need of repositioning to keep up with the burgeoning competition.

A second wave of opportunity for hotel and resort developments in the region comes from the countries of Indochina (Vietnam, Cambodia and Laos), the Peoples Republic of China and Myanmar (formerly Burma). These countries are probably ten years away from any kind of significant hotel and resort developments, but they have the advantage of available land and a large labor pool.

The current governments of these countries have begun an open-door policy for investments and are eager to attract foreign capital to stimulate trade and foreign exchange. The more industrialized nations of Hong Kong, Taiwan, and Singapore have shown keen interest in investment in these countries. China and Vietnam have been the most aggressive in seeking foreign investments. It is expected that China could gain a boost in its tourism industry particularly when Hong Kong reverts to Chinese territory in 1997. In the interim, the Chinese government has recently endorsed the construction of the new Chek Lap Kok airport in Hong Kong at Northern Lantau Island. This endorsement has revitalized economic and business confidence in Hong Kong and has provided the hotel and tourism industry of Hong Kong and China with a clear directional focus for the next decade. In Vietnam, Pullman International Hotels has started renovating the Thong Nhat Hotel in Hanoi. In Myanmar, The Strand Hotel in Yangon (formerly Rangoon) was purchased by Adrian Zecca of Indonesia, who has begun a major renovation and refurbishment. The Myanmar Hotels and Tourism

Services together with Austrian investors has committed to developing hotels in Yangon, Mandalay and Pagan at a cost of approximately \$110 million.

The significant growth in development of the lodging market in Southeast Asia has clearly been spurred by the immense economic growth over the last few years. However, caution should be exercised in anticipating that this level of growth will continue at the same pace as in recent years, particularly given some of the economic, infrastructure and political hurdles that some of the countries in the region must overcome. The opportunity is clearly available for continued growth and investment in Southeast Asia considering its plentiful resources. However, for the near term, because a majority of the countries are still in various stages of development, it is important to approach hotel investment and resort development opportunities with caution because of the sensitive political and socioeconomic issues.