

Asian Carpetbaggers Invade Island of Guam

By Mort Rosenblum

AGANA, Guam (AP)—Americans who last saw Guam destroyed by war would never recognize it. The island is bursting with construction. Land prices are soaring. And guess who's back making most of it happen?

Japanese, joined by Taiwan Chinese and South Koreans, are buying heavily into the Pacific U.S. territory which talks of eventual statehood.

Responsible estimates say more than \$200 million—well over half of the new investment—is coming from Asian economies which were helped to post-war health by public and private American capital.

A lot of it is in cash, slipped out of other countries around currency regulations.

IT IS AMERICA'S first real taste of massive foreign investment at home after decades of dominance in other countries, economists say.

The boom is transforming the island from a blend of Oahu and Appalachia into a multilingual Miami Beach.

In one project alone, Japan's Sobu Group is spending more than \$20 million to

push aside jungle and rusted tanks and build a hotel, a 36-hole golf course, country club, marina and apartment complex.

Asian money also is going into neighboring Micronesian islands held in trust by the United States under a U.N. mandate. There it is less obvious, but significant nonetheless.

On Guam, a Singapore-sized island, Chinese and Japanese speculators have bought large chunks of the one-third of land that's available for private ownership.

One unofficial estimate says Asians control three quarters of Guam's non-government land, even though technically no alien is permitted to buy land. Most use local residents as fronts.

KOREAN AND TAIWAN companies, usually with their governments' backing and some with past help by American business, are winning major Navy-and-government construction contracts in open bidding against U.S. competitors.

Of \$78.5 million worth of hotel projects in the works, the overwhelming majority is Japanese. Nationalist Chinese and Japanese groups are developing private housing schemes for a critically short market.

"We're not too nervous yet," said Gov. Carlos G. Camacho in an interview. "... but if control of financing is determined by the foreign investors... they can also control political and social aspects."

Guam's boom is based mainly on Japanese honeymooners who find it the closest tropical paradise to Tokyo and a cheap way of having visited the United States.

Hotel space is so tight some times two couples share a single room on their wedding night.

SOME GUAMANIANs and U.S. mainlanders call the situation healthy and encourage Asian money. Others foresee serious danger of over extending on a shaky base, especially when employers already import more cooks, laborers and supervisors than they can find among the islanders.

More conservative voices say Guam's development from all sides is being pushed out of shape, with utilities, public services, telephones and roads already badly overstretched.

Agana is developing a 10-story skyline after years of depending almost solely on military spending. Land along the beach can cost

more than \$200,000 an acre, many times what it was worth a few years ago.

John D. Gilliam, the Guam government's chief economist, says there are no official estimates of total investment because "the carpetbag type of investment—the money originated in other countries and carried out in suitcases of one kind or another."

It is equally hard to guess what long term effect foreign investment will have on Guam.

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3 Rota Natives Rescued After 35 Days Adrift

TOKYO (AP) — A Japanese fishing boat has rescued three men who drifted 35 days after their motorboat ran out of fuel en route to Guam from Rota in the Marianas, the Maritime Safety Agency said.

The agency said the three Rota natives, whose names were not reported, were picked up about 137 miles northeast of Mindanao in the Philippines by the Kyoroku Maru.

The Japanese boat notified the agency that the three men had run into a storm Oct. 20.

It has taken them to Palau in the Caroline Islands.