

Editorial

✓✓ The End Of Boom.....

Predictions for Guam's economy, ever since the Arab oil embargo, have taken on the general pattern of a roller-coaster.

With every shift in many areas, from military oil, to GORCO, to Japan, we have all felt a dizziness from our rapid changes in posture. Guam, more than most places, is so dependent upon shipping, and air transportation, and the arrival of visitors that we have trouble even trying to catch our breath in these trying days.

The latest blow to strike comes from Japan, where the government Wednesday drafted regulations designed to end the feverish investment by Japanese in real estate, hotels and golf courses overseas. You know that policy, if adopted, is going to affect Guam's economy adversely. Because over the past several years it has been the Japanese that have built up Guam, with six major hotels, and a golf course.

The rules are not yet in final form, but separate versions are being drawn up by the Finance Ministry and the Bank of Japan, calling for a resumption of case-by-case screening of investments abroad.

Sources in the bank and the ministry said that in the future, the only Japanese investments overseas would be in manufacturing plants and development of natural resources.

The news story out of Tokyo blamed the new regulations on criticism from the United States, and in particular, Hawaii over Japanese investments. In Hawaii, state government officials have blamed the Japanese for a sharp increase in land prices. Frankly, we think that this is just a smoke screen for the real reason for cutting back on Japanese overseas investments. By last year the Japanese had accumulated vast reserves of dollars, as much as \$20 billion, through successful buildup of her foreign trade. Unfortunately, due to the revaluation of the yen, and the resulting higher cost of Japanese products, this vast reservoir of foreign currency has sharply declined—a fact that worries the Japanese no end, especially in view of the oil shortages, and the doubled or tripled price that they must now pay for oil.

In order to buy enough oil to run the booming Japanese economy, it appears that Japan must sacrifice billions of dollars in reserves to the Arabs, which would wipe out, within a few years, all of the reserves available. Thus, it is understandable that the Japanese government will take a position against the allowing of an outflow of these valuable reserves, especially on such non-essentials as golf courses, and hotels.

It would appear that the hotel building boom on Guam will be coming to a screeching halt, unless somehow our government can get together with the Japanese to make a special plea. Despite the criticism of the input of Japanese capital in Hawaii, we have never felt that the Japanese investment here has been anything but beneficial to the island. Naturally, there has been some individual criticism, but generally the Japanese investors weren't here to merely speculate on land. When they bought, usually they went right ahead and developed it.

Anybody with a brain in his head can look at the figures, population increased in Guam 60 per cent from 1960 to 1970, resident personal income increased from \$43 million in 1962 to about \$142 million in 1970, a 230 per cent increase, new building permits on Guam soared from \$9.9 million in 1967, to \$84.8 million in 1972, of which residential construction accounted for \$32.4 million, up a whopping 51 per cent from the 1971 figure.

Tourism jumped from 500 visitors in 1965, to a total of 146,546 in 1972, who spent an estimated \$50,000,000 on the island. Projections, made before the oil shortages, said that 375,000 tourists and visitors will spend about \$280 million on Guam in 1977. But, if the Japanese don't travel, or don't make outside investments in hotels, those figures are just so much ink.

It is, of course, much too early to predict exactly what the new regulations in Japan will mean to Guam's economy. It may be that we ourselves are guilty of doom-saying, and rampant pessimism. Still, we can't help be more than a little alarmed at these new Japanese restrictions, and urge that GovGuam send a delegation to Japan soon to review our particular situation with Japanese officials immediately. JCM.

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No Extradition Law.....

Supposing, just supposing a bandit holds up a gas station, and shoots an attendant, then leaps aboard a Saipan-bound flight. Are you aware that our lack of extradition agreement with the Trust Territory would mean that we would have no legal way of bringing the man back for trial?

Guam, of course, has no way of making such treaties—especially with a group of islands administered by a branch of the U.S. government. Perhaps, the federal laws would be violated, such as unlawful flight to avoid prosecution, and the federal agents could be brought in.

There have been several minor cases in recent years, where people wanted for such things as non-payment of bills have simply left the island, taking up residence in the Northern Marianas, thus avoiding any attempt to collect on Guam. A few years ago, we were faced with an alleged kidnapping of a girl, a case that could have gotten very sticky, except that it finally resolved itself when the girl was taken back to her island home by an off-duty police officer.

Just because the problem hasn't really arisen yet, we've managed to ignore it. But that doesn't mean that something isn't going to happen in the next week, or month, or year to make the whole thing break wide open into a real conflict that could cause bad feelings between the people of Guam, and the other islands of the Trust Territory.

We know that the U.S. has extradition treaties with 81 different countries around the world, but we know that it doesn't make sense that it would need to make a treaty with itself—as between Guam, and the T.T. There must be a better way to handle such an extradition arrangement internally, between different departments of the U.S. and Guam's Attorney General's office. We think it important enough that our legal beagles should explore the situation immediately, to try to come up with some reasonable solution, before something happens to throw us all into a real snit. JCM.

Pacific Daily News
ROBERT E. UDICK Publisher