

Legislature Debates Guam Foreign Investment Curb

By Pat McElroy
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Another indication of Guam nationalism sprouted on the floor of the Legislature yesterday as four bi-partisan senators urged the passage of a bill that would totally restrict alien land ownership for Guam.

Two senators — Allen Sekt and Al Ysrael — opposed the bill on the grounds it would be against the U.S. Constitution and it kill Guam's financial progress.

Arguing in favor of the bill, Sen. Paul Bordallo claimed that other countries do not offer jobs and land to aliens as readily as Guam. He added that the present law does not control the alien influence here which, he graphically depicted, is menacing.

Bordallo described how one boat company that chartered fishing trips for tourists was "frozen out" by a Japanese concern that wanted its own charter service here. He also indicated that "organized crime" was part of the tourist package here.

The bill would amend a law that restricts alien land ownership to corporate interests and other existing treaty agreements between a foreign country and the U.S. It would exclude this portion and specifically exclude corporations, firm, associations, partnerships and other collective organizations whose stock, capital or other equity is owned 49 per cent or more by aliens.

Sekt argued that the bill amends a "bad law." If the bill became law, Sekt argued, foreign investment capital would flee Guam. He said the bill was not constitutional since it further denies an alien equal protection under the law.

"I don't give a hang if other countries do not offer the same opportunities as Guam," Sekt said. "They do not have our Constitution."

Sekt also was against the restrictive language since it limits the landowners' potential customers.

"What this bill really says is 'I can't sell my house to anyone but a U.S. citizen,'" Sekt said. He added, in a later argument, that U.S. money was not "running to Guam."

Ysrael said the mere introduction of the bill has been enough to chase away potential alien investors.

"No longer do aliens buy land here now. The mere threat of this bill has accomplished that," Ysrael said.

Sen. Ben Ada supported the bill. He said, foreign investment was good, although he

felt more control over it should be exerted.

Sen. Joe Ada said he was afraid his children would be "living in apartments because there would be no more land to buy" and claimed alien land owners would "chase the local people to the top of Mt. Lamam."

Sen. Adrian Sanchez urged passage of the bill, arguing that "absentee ownership" and speculation were the reasons for high land prices here.

Sekt retorted that it was the local people who chose to sell to the foreign investors, making prices higher.

Sen. Edward Terlaje agreed that foreign investment should be allowed here, but "it is a dangerous thing if not controlled." He described an incident where a "mom and pop" store was now in the hands of alien investors. He indicated he opposed the idea of foreign investors buying "mom and pop" stores.

"Guam needs to attract big industry," Terlaje said.

Ysrael said that prior to foreign investment, Guam had 100 per cent of nothing. He said Saipan for years had a restrictive policy and discovered it was not the best route to take for economic progress. It has now opened up to foreign investment, he said.

"And now we are trying to emulate Saipan by restricting alien ownership," Ysrael argued.

Bordallo argued that the bill was a policy that could be "modified" by the administration which could then set up an investment board to hand-pick foreign companies to come to Guam and give them long-term leases for their industry needs. Bordallo argued that a tourist-oriented country should not be placed in the position of taking orders from the visitors and argued the bill would be a step to secure a position of control.

The bill was placed on third reading and is expected to be passed this week. A slot machine bill to legalize that "gaming machine" was not discussed yesterday.