

COMPREHENSIVE PLANNING FOR GUAM: A VIEW
FROM THE CHAMBER OF COMMERCE

Prepared by: Murray McNeil, Chairman, Guam
Chamber of Commerce

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Murray C. McNeil, Chairman, Guam Chamber of Commerce

Today I have been asked to speak as representing the Guam Chamber and I believe this is most appropriate at this point in time. You will find, however, that I speak as an architect from time to time. I will begin my speech with a quote from the late great President of the U. S., Harry Truman, "If you keep your mouth shut about things you think are important, hell, I don't see how you can expect the democratic system to work at all."

I. The Need for Planning Action

The Guam Chamber is a diverse and dedicated group of effective local business people - most of you know this because you are part of it - concerned about where Guam is going and when? and why? The Government of Guam has long since reached the limit of its ability to employ and must now clean house and reduce salaries to meet current budget requirements - and to free money for some very necessary CIP projects. The business community is concerned because the weight of development of new industry and commerce has in recent history fallen on its shoulders and there is now a critical need to increase the economy so as to provide new jobs, jobs in new job areas and greater competition. This cannot be done without a plan - a master plan - an economic master plan and that's why the Chamber is concerned.

The Chamber's efforts to attract new business continue to run afoul of such questions as:

Where is your industrial park located?

What is the cost of land?

What are the taxes and what are the tax rebates if we relocate?

What labor is available? What is its cost? Skill?

Even the current levels of operation between Government and Business can't answer these questions because of the lack of a definitive plan. Further the world is in recession and, like many areas that have experienced boom times, Guam is surfacing for air - economically and socially - after a hectic, though wonderful, period of boom. The pace has been too fast, the decisions have been in many cases too hasty and non-comprehensive, too unaware of what other groups on the island were doing and therefore not within the context of either policy or plan or goal. Our magnificent island with all its natural beauty is on its way to becoming an unbeautiful, undignified hodgepodge of the trappings of a consumptive consumer society, a society either unconcerned about its environment or - more likely - a society frustrated beyond all reason in the effort to get something to happen which will stop the rape of the land and growth of the cancer of unconsidered progress, planning and development. So much for the need for planning action. Save for the prostitution of the 12th Guam Legislature who gave ^{Guam} a case of the V.D. - spot and strip zoning, no master plan and the arrogance to assume that they were qualified to do the planning for Guam without professional help - their passion was rape not humanism.

II. The Essence of the Current Problems

While I do not share all of our Governor's recent comments of economic gloom, and am in fact quite optimistic about the future of Guam, there are certain undeniable difficulties that are facing us. Off-island investors have lost their enchantment with Guam, at least for the moment. As Dr. C. C. Chen told the Chamber two weeks ago, this should not be surprising. We have high labor costs, almost incredibly poor and expensive local communications, no transportation system and a reputation of a past legislature which seemed to do everything in its power to propose laws that discouraged off-island investment on Guam and avoid the formulation of an aggressive, forward looking policy and commitment to long term planning.

The U. S. military is disenchanted with the non cooperative - somewhat hostile - don't help find an alternate ammo wharf site - accuse the military of not paying its share for child education on Guam when Guam gets all the federal income taxes from the military (12M/year) plus \$385 federal impact assistance per student per year - attitude and no wonder the military has not moved to invest the sums of money necessary to make Guam the advanced American base in Asia. The military has provided approximately 1/3 of the jobs on Guam and more than 1/2 of the CIP funds in years past. But not in 1974-75.

A laxadaisical attitude about crime and crime prevention (who is it that cares if a tourist is robbed of his money or camera? who helps the tourist?), drug abuse and the like, and of positive programs for the development of the facilities which would make Guam more attractive to the tourist and a more pleasant place in which to live and stay, also contributes to the fact of nearly zero progress - despite a tourist industry which has been growing at 25% per year in a volume basis - and 10% on a dollar basis for the early 70's. For '74 there was a 10% volume increase but a 10% loss in revenues.

The current economic recession is overlaid on top of Guam's short term peaking out. But the recession helps us to focus on the weaknesses in the system, or lack of system. We have allowed land speculation to drive land prices to incredible levels only to realize that the land is priced out of the range of housing for the people and agriculture and that our population was too small in 1973-74 to provide a market, in itself, for sustained investment consistent with the level necessary to support the high land price. The absence of permissive foreign land ownership laws until early 1975 and unclear Government policy deprived the boom period of the larger market of all Asia. The law came too late for 1975 but will provide a positive base for recovery in 1976 and later. Further, we have not developed the private business side of our economy to provide light industry,

canneries, 50 percent added value type companies, and the like to create jobs for our people and we haven't trained our people in the working skills necessary to assume the jobs in the construction industry, business, etc. Our alien construction workers have come and gone and taken a lot of capital and cash flow with them.

On top of this we have overbuilt, temporarily, our real estate market. We have developed on such scattered sites about the island that our requirements for infrastructure have far outstripped our ability to finance them.

Clearly we are faced with a situation which calls for positive, effective action in the area of planning - planning for continued development and growth, for a better quality environment, for strengthening and furthering our economy and planning to improve the lifestyle of the people of Guam.

III. Have We Got Anything Going For Us?

Certainly. First of all, Governor Bordallo's first act was to sign into law an action of the 12th Legislature to establish the framework for a Comprehensive Master Plan. I will dwell on this in a moment. Second, we have a viable tourist industry which gives us a base from which to build. Third, the military is here and will stay here, providing economic support. Fourth, we have a new active, vigorous business community formulating its own programs, in cooperation with the Government, for economic growth. Fifth, we have a mandate from the voters to create a comprehensive master plan - voters who are aware of the problems which need to be solved and tired of waiting for answers. We must also look to the Administration and Legislature themselves as assets, assets as yet untested. Will the Government prove itself able to act creatively, constructively, and promptly in planning and development? It is now April and we know little of any comprehensive plan in progress. Who are to be the planners? Who will provide the staff support and leadership under Mr. Souder? When will the goals sessions start? What is the schedule? How is the Government spending our money?

IV. What Must We Do?

We have much that has to be done, if growth is to continue.

One. We must further develop our relationships with Japan, Republic of China, Hong Kong, the Republic of the Philippines, Peoples Republic of China, the nations of Asia, Australia, New Zealand, TTPI, Papua New Guinea and all the island nations. By relationships I mean economic and social relationships. We must become active, credible parts of the community of nations in our geographic and economic area. We must learn to know the people and their customs and we must engage in dialogues and agreements which are beneficial to all parties. We must grow together, and we must put to bed all racist and separatist policies and customs - hopefully that died with the 12th Guam legislature.

Two. We must seek and obtain foreign investment. We must understand that the Japanese Government forecast is for overseas investments to reach \$40 million in 1980 with the U.S. taking 20% of this market. This represents an increase of 4.5 times the 1973 investment levels. Japan will move off shore more and more for the following reasons - and I quote from Ambassador Toshiro Shimanouchi, Counselor, Federation of Economic Organization (Keidanren) (Saipans "Chamber of Commerce"):

- "1. Due to skyrocketing land prices and pollution problems it is difficult to find suitable industrial sites in Japan.
2. Labor shortages and increasing costs.
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4. Increasing promotional activities by foreign countries to invite Japanese investments.
5. Increasing trade barriers as LDCs (Less Developed Countries) make progress toward industrialization."

Three. We must develop and maintain our tourist industry and facilities.

In our scale of priorities, after our housing, education and health, tourism must come first. We must do these things which will make Guam the most desirable place to visit. We must give total attention to our "tourist belt" of the airport-Tumon Bay-Marine Drive-Merizo areas. We must improve Tumon Bay - create safer places to swim, increase fish and coral for snorkelers to see, clean up, widen and landscape the sandy beaches, provide a board pathway connecting all the hotels together and suitable for leisurely strolling, photographing and bicycle riding. Marine Drive must be fixed. It must be designed as a tourist boulevard. It must provide handsome views of our landmarks and scenery or lead us to them, take us to fine, clean beaches, island parks and bays, it must be beautifully landscaped - it could even be a land use zone in itself requiring 15-25 foot setbacks of buildings from the Right of Way so adequate and large trees can be grown.

We must develop the recreational and tourist resources available from the land and sea-marinas, seaside parks, seaview aquariums, snorkeling areas, hiking, bicycle paths, public restrooms and the like.

If we do not, we need not worry about other priorities as we shall have no income to worry about and will revert fully to a welfare state, in which there will be no way to keep our bright young people here, as part of our resources, to lead us to ever greater things.

Four. We must consider what it is that's unique about Guam and ourselves and develop our expression of it. Not only will the tourist appreciate it but we will as well.

Five. We must conceive and construct our transportation and infrastructure facilities to suit our needs. We need a system people will use and we need a system which will conserve energy. Our fresh water lens on the northern end of the island has only a finite supply of water for us. A dam on the Ugum River would provide not only water but an inland recreational area as well. Considering our finances what is the best buy for Guam?

Six. We must, as part of our big plan, promulgate and realize the notion that Guam is the HUB of the western Pacific. We must make this reality. We must develop our harbor and increase our transshipment capabilities - even by providing an "International Trade Zone".

We must develop our airport not only for tourism but as part of the transportation HUB for people and cargo of the Pacific. We must look for more airlines and more routes and we must get started now. Even a program at full speed will require 4-5 years to complete - that's 1980!

Seven. We must, as the U. S. Territory closest to Asia, become a haven for money and financiers, safe, secure and confidential. Perhaps we can also become the Switzerland of Asia - we should as Senator Blas has said at least fully investigate the legal possibilities and ramifications. If Guam were to achieve this status, it would become the financial capital of Asia. Think of what that would do to the housing, condominium and office building markets here - and of the new "white collar" jobs it would create.

Eight. We must develop and maintain our relationships with the military on Guam. They are a vital part of our economy and they are here. We must move swiftly to settle the issue of the ammunition wharf for without resolution of this problem our port remains outside of our control and we are unable to get the land necessary to develop the port facilities we need for our own growth, including added dockage, more cold storage, warehouses, etc. Also the opportunity for the creation of a port side village is lost until this happens. How nice it would be to have a new Sumay, related to the harbor. The lands of the outer harbor must be freed from military control for commercial and industrial uses.

Nine. We must develop our cultural facilities. We should have a first class museum showing our history and culture, a convention center and sports arena so that we can more proudly host the South Pacific Games, Asian Olympic Games and have our own Symphony and ballet troupe.

Ten. We must stabilize the Government sector, basic policies of taxes, tax rates, economic and social programs, and budgets related to ongoing programs must continue to survive any legislative or gubernatorial election or change of party. Once a master plan is established, it must be possible to modify it where new and unexpected opportunities can be realized, but the basic structure must not change. We have financing problems enough on Guam because we are regarded as fickle, unconstant. No one will buy or market our bonds or lend us massive amounts of money - long term money - if there remains any question regarding our intent and the integrity of our will. As long as there is, we shall be asked, "Guam, what is that"?

Eleven. We must increase our revenues thru increased taxes or we must increase tax revenues via an expanded economy.

Twelve. We must strengthen our ties - our very identity - in Washington. Too few of our nations bureaucrats and congressmen have any consciousness of Guam, our needs and our value to America.

V. How Do We Do It?

All of what I have suggested and more must begin with a single action, and I believe that action is the establishment of a task force - a task force assembled under the provisions of the Comprehensive Master Plan Act. A task force that will be led by highly professional planners skilled not only in design and community structure, but in economic development and social well being. The task force will, naturally, fall under the supervision of the Director of Planning with the specific interest and continued support of the Governor and Legislature.

Their first obligation is to appropriate the necessary matching dollars immediately to get this work under way. I note that we have received a three-year federal grant of \$537,333 per the Sunday PDN.

The Chamber has its own task force which has been meeting frequently with the Director of Planning and this committee has made the following recommendations to the Board of Directors of the Chamber:

1. That the current "comprehensive planning process" as modified by PL 12-200 - be simplified; overlapping and redundant "committees", "commissions" and "agencies" should be combined (a) to eliminate overlapping responsibilities and duplication of effort and (b) to minimize the points of contact required for review and approval of proposed development.

2. That the "Bureau of Planning" be organized to centralize all governmental planning functions into one planning body; existing government departmental and agency planning activities should be combined into Bureau of Planning Divisions for social, economic, physical, environmental and communications planning. A "Data Inventory" division should also be created to centralize the collection and storage of all maps, statistics, documents and other data required for and developed by the comprehensive planning process.

3. That the "Bureau of Planning" be formed or staffed with planners currently employed within the Government; an inventory of "planners" working within Government departments and agencies should be taken to determine the extent of available "on-island" talent. (A partial, un-edited list of over 70 persons in 16 departments or agencies has already been prepared.)

VI. Looking Back from the Vantage Point of 1985

I have tried today to be totally practical. No gloom, no blue sky. Guam can do it and now is the time. If all goes well - and we have only ourselves to blame if it doesn't - we could gather together again ten years from now and find many things already done and perhaps many things we haven't talked about.

Looking through the looking glass from 1985: Merizo has become Guam's "resort city", second in size to the urban area of Agana-Tamuning, Coco's Island is a marvelous pleasure park and the Merizo lagoon is full of boats, marinas, swimmers and fishermen.

The "middle of the island" freeway from Dededo to Merizo is now done and the villages of Inarajan and Umatac have been spared from destruction by the ravages of

their main street also being a major highway. In fact, these villages have been placed on the end of a fine road by the master plan and because of this have been able to grow and modernize while still keeping their village character, core and scale. The central village markets are especially popular with the tourists and residents alike - the villages now fully participate in the tourist business for it gives them economic vitality.

The airport is complete and humming with activity. Flights to Sydney, Shanghai, Port Moresby, Cebu, Samoa and Fiji are now direct and leave daily.

The commercial port is doubled in size and the second container crane is operative. The cannery is going full blast and employs 2000 people.

The Guam Memorial Hospital is completed as an acute care facility on a site near to the population center and the out-patient minor-medical-surgical facilities called for by the health master plan are now building and health care is reaching out to the people.

The University of Guam now offers degrees in most fields and the campus is in the process of being moved to a new site which has adequate area for the 8000 student campus. Politics have been removed from education entirely and the Alfred Isreal Chair of Pacific Economic Planning is currently occupied by a Papuan. Foreign exchange programs have given local scholars extraordinary opportunities and many Guam scholars hold chairs in various universities throughout Asia and the Pacific.

The concert hall and convention center have been complete for several years and last years Marianas Arts Festival was the toast of Asia. The highlight of the season was the premier of the concerto for Oboe and Piano by Malcom Mooney. The Government land of 1975 has been turned over to agriculture through a lease program to private interests. As part of the agricultural master plan Saipan - the garden isle - Tinian, Rota and Guam, the Marianas grow and export pineapples, papaya and bananas and fresh produce is now available year round.

The Foreign Investment Act of 1975 is old history at this point. Agana is now the financial capital of Asia and the site of the Little Asia and Pacific Stock Exchange, known affectionately as LAPSE locally. Seats are owned by all the former members of the South Pacific Commission, most of whom are now independent nations. The Asian Headquarters of a score of multi-national businesses are now located here.

The Casino and Gambling Act of 1978 created casino gambling on Guam. The casino is wholly and equally owned by all those who pay income taxes on Guam including the military. Gambling returns have eliminated the need for property taxes.

The Commonwealth of the Marianas is now a reality. Agana is the Governmental, financial and industrial capital and Saipan and southern Guam are the main tourist areas. The validity of statehood is the talk of Washington.

I'd like to close with another quotation from Ambassador Shimanouchi regarding Japan:

"As a nation lacking in natural resources, raw materials and food, Japan must buy them from wherever available at hopefully prevailing world prices and sell her manufactured goods to markets around the world. Japan's orientation hence must be not nationalism, not regionalism, but globalism in every sense of the term. Her interdependence with other nations is perhaps greater than most countries. Since the oil crises this sense of interdependence - on a global scale - has been intensified. We have even begun to feel some of the discomforts of interdependence, but the reality is that we have to learn to live more comfortably with interdependence, because our very national existence and survival depends upon our ability to get along harmoniously with other countries and peoples, surmounting the barrier of language, culture, historical traditions and different national circumstances."

As you see, I'm still talking about Guam. Thank you.

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1. That the current "comprehensive planning process" as modified by PL 12-200 - be simplified; overlapping and redundant "committees", "commissions" and "agencies" should be combined (a) to eliminate overlapping responsibilities and duplication of effort and (b) to minimize the points of contact required for review and approval of proposed development.

2. That the "Bureau of Planning" be organized to centralize all governmental planning functions into one planning body; existing government departmental and agency planning activities should be combined into Bureau of Planning Divisions for social, economic, physical, environmental and communications planning. A "Data Inventory" division should also be created to centralize the collection and storage of all maps, statistics, documents and other data required for and developed by the comprehensive planning process.

3. That the "Bureau of Planning" be formed or staffed with planners currently employed within the Government; an inventory of "planners" working within Government departments and agencies should be taken to determine the extent of available "on-island" talent. (A partial, un-edited list of over 70 persons in 16 departments or agencies has already been prepared.)

VI. Looking Back from the Vantage Point of 1985

I have tried today to be totally practical. No gloom, no blue sky. Guam can do it and now is the time. If all goes well - and we have only ourselves to blame if it doesn't - we could gather together again ten years from now and find many things already done and perhaps many things we haven't talked about.

Looking through the looking glass from 1985: Merizo has become Guam's "resort city", second in size to the urban area of Agaña-Tamuning, Coco's Island is a marvelous pleasure park and the Merizo lagoon is full of boats, marinas, swimmers and fishermen.

The "middle of the island" freeway from Dedado to Merizo is now done and the villages of Inarajan and Umatac have been spared from destruction by the ravages of

their main street also being a major highway. In fact, these villages have been placed on the end of a fine road by the master plan and because of this have been able to grow and modernize while still keeping their village character, core and scale. The central village markets are especially popular with the tourists and residents alike - the villages now fully participate in the tourist business for it gives them economic vitality.

The airport is complete and humming with activity. Flights to Sydney, Shanghai, Port Moresby, Cebu, Samoa and Fiji are now direct and leave daily.

The commercial port is doubled in size and the second container crane is operative. The cannery is going full blast and employs 2000 people.

The Guam Memorial Hospital is completed as an acute care facility on a site near to the population center and the out-patient minor-medical-surgical facilities called for by the health master plan are now building and health care is reaching out to the people.

The University of Guam now offers degrees in most fields and the campus is in the process of being moved to a new site which has adequate area for the 8000 student campus. Politics have been removed from education entirely and the Alfred Isreal Chair of Pacific Economic Planning is currently occupied by a Papuan. Foreign exchange programs have given local scholars extraordinary opportunities and many Guam scholars hold chairs in various universities throughout Asia and the Pacific.

The concert hall and convention center have been complete for several years and last years Marianas Arts Festival was the toast of Asia. The highlight of the season was the premier of the concerto for Oboe and Piano by Malcom Mooney. The Government land of 1975 has been turned over to agriculture through a lease program to private interests. As part of the agricultural master plan Saipan - the garden isle - Tinian, Rota and Guam, the Marianas grow and export pineapples, papaya and bananas and fresh produce is now available year round.

The Foreign Investment Act of 1975 is old history at this point. Agana is now the financial capital of Asia and the site of the Little Asia and Pacific Stock Exchange, known affectionately as LAPSE locally. Seats are owned by all the former members of the South Pacific Commission, most of whom are now independent nations. The Asian Headquarters of a score of multi-national businesses are now located here.

The Casino and Gambling Act of 1978 created casino gambling on Guam. The casino is wholly and equally owned by all those who pay income taxes on Guam including the military. Gambling returns have eliminated the need for property taxes.

The Commonwealth of the Marianas is now a reality. Agana is the Governmental, financial and industrial capital and Saipan and southern Guam are the main tourist areas. The validity of statehood is the talk of Washington.

I'd like to close with another quotation from Ambassador Shimanouchi regarding Japan:

"As a nation lacking in natural resources, raw materials and food, Japan must buy them from wherever available at hopefully prevailing world prices and sell her manufactured goods to markets around the world. Japan's orientation hence must be not nationalism, not regionalism, but globalism in every sense of the term. Her interdependence with other nations is perhaps greater than most countries. Since the oil crises this sense of interdependence - on a global scale - has been intensified. We have even begun to feel some of the discomforts of interdependence, but the reality is that we have to learn to live more comfortably with interdependence, because our very national existence and survival depends upon our ability to get along harmoniously with other countries and peoples, surmounting the barrier of language, culture, historical traditions and different national circumstances."

As you see, I'm still talking about Guam. Thank you.