

Houston, a bonanza to foreign investors

Editor's note: This is the second in a series of three stories on investment by foreigners in U.S. business.

By KEVIN D. HIGGINBOTHAM
Battalion Reporter

A recent U.S. Senate study showed that foreign investment activity in the United States has increased in the last few years. More and more, foreign businessmen are coming to the United States to be a protective cover for their investments.

Much of the reason for investing in the United States is due to the safety of the investment, said one local real estate broker who specializes in foreign investment in Texas.

Many foreign investors still wish to remain anonymous, though, because they fear reprisals from their homelands, said the broker, who himself first came to the United States after most of his investments were nationalized by his home country.

This is due, in part, to rigid international investment laws in many foreign countries. "Back home they (the authorities) can nationalize the relatives of an investor," he said. "Our children can be harassed and our assets at home can be taken away."

T. Harold Jambers, in an article for *Tierra Grande*, a Texas Real Estate Research Commission magazine, agreed with the broker. "Many foreign investors wish to remain anonymous because of home country restrictions on exportation of capital and fear of seizure, expropriation or reprisals. Ownership status often is obscured by trusts, corporations, intermediaries and other devices which mask the true owner."

Jambers also agrees that only a small portion of foreign land transactions concern agricultural investments. He found that commercial investments constituted the vast majority of foreign investment with respect to the dollar amount spent.

Jambers said that with the difficulty involved in determining the total amount of land in the state, any attempt to quantify investments with figures would tend to be misleading and inaccurate.

Jambers, therefore, chose to document specific purchases he found during his research.

Much of Jambers' research took place in Houston. He found that as Houston grew into an international city, the number and size of foreign investments there also grew. "Houston provides opportunities for all

types of investments and attracts investors from most major countries," said Jambers. "With its international flair, Houston has become one of the hot spots for foreign real estate investment in Texas and the United States."

Some of the larger foreign transactions Jambers located in Houston include:

—The Pennzoil Place, a \$92.9 million purchase by a West German bank.

—The Saks Center, a \$15 million British purchase.

—The 850-unit Woodway Square apartment complex, a \$16 million Canadian purchase.

—The 34-story Entex Building, a \$40 million Dutch purchase.

"A number of factors are attracting foreign investors Texas," Jambers said.

"Texas has a cost of living lower than many states, and it can boast a healthy economy, a large energy base, a steady growth rate, a booming construction industry and a hard-working labor force."

"General reasons for investment in the United States include the investor's concern with the political and economic stability of other countries, the long-run trend toward socialism, internal reforms and dis-



Russel Myers, in commenting on foreign investment, voiced many American's opinions on the subject.

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orders overseas.

"The United States has the most extensive protection for foreign investors of any nation. Over 40 bilateral treaties of friendship, commerce and navigation provide protection to residents of other nations."

Jambers said many foreign investors, especially the smaller ones, see their investments as a means of immigrating into the United States, plus there are tax advantages that can be enjoyed by the foreign

investor.

One tax advantage which absentee or nonresident foreign investors presently enjoy concerns the payment of capital gains taxes. This is currently under scrutiny by a Senate committee.

Capital gains tax, a tax paid on the amount of profit from the sale of capital investments, such as stocks and real estate, currently is not applied to absentee owners who do not live in the United States for

more an 183 days during the year.

Bob Reynolds, a member of U.S. Sen. Malcolm Wallop's, R-Wy., Senate Finance Committee staff, said that efforts are being made to close this and other tax loopholes foreign investors now enjoy.

Wallop has introduced a bill which would require foreign investors to pay the

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Admissions of Iranians to continue

Admissions and Records Dean Edwin H. Cooper said because of the recent turmoil in Iran, Texas A&M is

proceeding with unusual caution in admitting Iranians — but that they are being admitted. See page 5.



The Texas A&M University's Women's Drill Team competes against male drill units at Texas A&M.

Battalion photo by Lee Roy Leschper Jr.

Rhodesia vote called fraud

United Press International
SALISBURY, Rhodesia — The Patriotic Front guerrilla alliance dismissed Rhodesia's first black majority elections as the "fraud of the century" and vowed to step up the six-year war that has claimed 20,000 lives.

Bishop Abel Muzorewa, the diminutive, U.S.-educated Methodist cleric, swept aside all rivals in last week's polling to become Rhodesia's first black prime minister-designate. Prime Minister Ian Smith hands over the government to Muzorewa next month.

In the Zambian capital of Lusaka, a spokesman for Joshua Nkomo's wing of the Patriotic Front said the five-day elections — the first black majority polling in Rhodesia's 88-year history — were "the fraud of the century."

"We are left with no alternative but to pursue the war with a new intensity," he said.

Ndabingi Sithole, Muzorewa's chief opponent, also has labeled the elections fraudulent.

He said the balloting, which ended Saturday, was marred by "appalling irregularities," including pressure on rural blacks by militia forces and government officials to vote for Muzorewa.

Muzorewa told a news conference Tuesday Sithole's charges were unsubstantiated.

"It may be surprising to you but it's not surprising to me... all that he (Sithole) is saying is that, 'I am the one who should have won and no other.'"

Muzorewa appealed to the Patriotic Front's "boys in the bush" to lay down their arms and urged Western nations to recognize his government and lift trade sanctions in force against Smith's white minority regime since 1965.

"What the population of this country has done is to strike a resounding blow for democracy and freedom," he said.

"The people have firmly rejected the forces of darkness and evil and have demonstrated that it is their wish for the ballot and not the bullet to determine their future."

Muzorewa captured 67 percent of the valid votes cast. According to a complicated formula worked out as part of the "internal" majority rule agreement, this translates into 51 of the 72 black seats in the future Parliament. Twenty-eight seats are reserved for whites.

Sithole's party ran a poor second, winning only 12 seats.

The biggest surprise of the election was that the party led by Kayisa Ndiweni, a chief of the minority Ndebele tribe, won nine seats. The chief advocates a federal system in which his people would not be dominated by the majority Shona tribal group, and he had not been expected to do well.

Asked what ministries he planned to give Smith's party, Muzorewa said: "Just wait until the government is formed. Then your business will be to write about what you have heard."

Shuttle buses have exam week schedules, too

Transportation Enterprises Inc. has announced its schedule for the finals week beginning May 7. All off-campus shuttle buses will run their regular route on Monday, Tuesday and Wednesday the buses will run regular hours from 7 a.m.-10:30 p.m., but there will be a reduction in the number of buses running. Thursday the schedule will be the same, but fewer buses will run. On Friday the last bus run will be at 5:15 p.m.

The blue route intra-campus shuttle bus will run from 7:30 a.m. until 5:30 p.m. all week, making stops at the agriculture school. The red and green routes will run from 7:00 a.m. until 5:00 p.m. from Krueger dormitory to the veterinary school, but will not stop at the agricultural school.

Corps discrimination suit slowed by red tape; results expected soon

By DIANE BLAKE
Battalion Staff

Sometimes the bureaucracy seems to be stuck in neutral.

Announcements concerning results of two studies involving women in the Texas A&M University Corps of Cadets are still stalled, but both investigating organizations are gearing up so they can make announcements before the end of the semester.

The Brazos Civil Liberties Union has not yet made a decision on whether Melanie Zentgraf — a junior Air Force scholarship cadet — has basis for a discrimination suit.

The special eight-member Corps committee has completed its part in studying

and finding solutions for female cadets' problems. But release of the results awaits editing by military advisers and review by System lawyers.

Lamar Hankins, cooperating lawyer for the BCLU, said a press release should be issued next week. A statement was scheduled earlier this month concerning the lawsuit.

In an interview earlier this week, he said a consulting Houston lawyer, Carol Nelkin, had not been able to study some of the materials sent her by the BCLU, causing the delay.

Col. James R. Woodall, commandant of the Corps, explained why System lawyers will look over the Corps study.

"We want to make sure the cadets have not obligated the University by advising something not legally correct," he said Wednesday afternoon.

Editing is needed because the report will go to Dr. Jarvis E. Miller, president of the University. "We want a first class product, not a piece of amateurish stuff," he said.

Bob Kamensky, cadet Corps commander, said System lawyers would make sure the report is a professional paper with no ambiguities that could be misinterpreted. The report, which was slated to be com-

pleted by Parents' Day, is "running about a month behind." But Woodall explained that students take longer to conduct investigations when they are carrying a full academic load plus participating in extracurricular activities.

He said he hopes the editing and review will be finished by the end of the semester so cadets will know about changes before they leave for the summer.

That way they have all summer to think over the changes and won't be surprised when they return this fall, he said.

Senator says blacks must fight attitudes

By LORI SHULER
Battalion Reporter

Black Americans are in danger of losing the biggest battle they have left to fight — one against attitudes and emotions, a national civil rights leader said Wednesday night.

Julian Bond, first elected to the Georgia House of Representatives in 1965 and then to the Senate in 1974, spoke to a crowd of 250 in Rudder Theater, sponsored by the MSC Black Awareness Committee.

"Many Americans find it impossible to believe that some American blacks still sit at the bottom of a long ladder," Bond said. "They think that now that we've fought legal battles, we have our civil rights. But, we still can't move freely in society," the 39-year-old senator said.

Bond said the civil rights legislation that has been passed since the 1950s has lifted most black Americans from "permanent peonage," but that progress has been at a snail's pace.

"The parade of paper promises that give blacks the right to vote, that prohibits school desegregation and eliminates job discrimination seems impressive," Bond said. "But in 1971 the Civil Rights Commission issued a study that said these laws have not accomplished all they were intended to. Discrimination has continued to fester and grow."

Bond listed two steps he feels should be taken to alleviate the continuing problems of racial discrimination.

"First of all, we need to have a vigorous enforcement of existing laws. Next, we need the kind of leadership that the human-hearted Texan in Washington (President Lyndon Johnson) gave."

"LBJ used to say, 'Come, let us reason together.'"

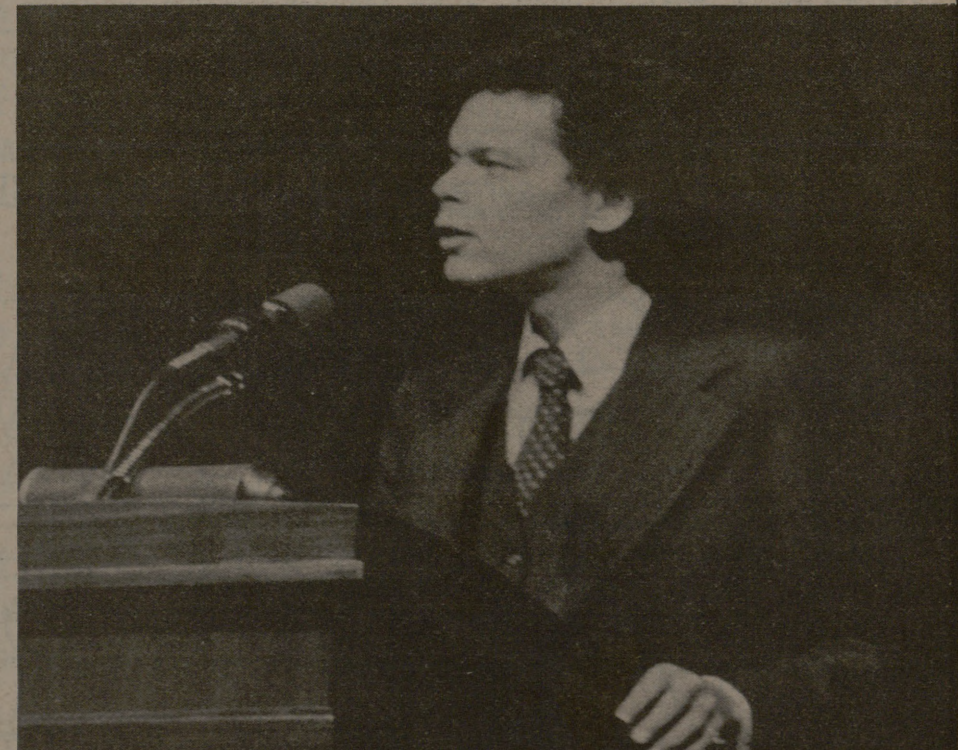
"We don't have people of that caliber now," he said. Bond, who was nominated for vice president of the United States at the National Democratic Convention in 1968 but was disqualified because of his age, referred to both former President Nixon and President Carter in his speech.

Bond called Nixon's 1968 election to the presidency a "resurrection from political death" and said Nixon's administration "rolled back the gains made by the civil rights movement."

"It cut down the progress of the war on poverty and became the protector of the privileged and powerful," Bond said.

"Two years after Nixon's resignation in 1974, once again the dashed hopes of the American poor were raised."

"I have now decided that we have voted for a man who knew the words to our hymns but not the numbers on our paychecks."



Battalion photo by Clay Cockrill

Julian Bond, a national civil rights leader, spoke to a crowd of 250 in Rudder Theater, sponsored by the MSC Black Awareness Committee. He stressed the need for blacks to fight their biggest battle — one against attitudes and emotions. Bond was first elected to the Georgia House of Representatives in 1965 and then to the Senate in 1974.

To keep university funds

N. Carolina sues HEW

Editor's Note: Texas colleges and universities have been investigated by the HEW for charges similar to those facing the North Carolina schools. Earlier this month, Texas Attorney General Mark White warned Texas A&M officials that HEW Secretary Joseph Califano is "seriously contemplating" a suit against the system because of its spending policy toward Prairie View A&M. According to an Austin source, the HEW report on Texas has been sent to Washington, but it has not been released.

at the five predominantly black campuses in the university system — despite HEW's rejection of the proposal this week.

HEW Secretary Joseph Califano said Tuesday in a statement issued in Washington he hoped the \$41 million request would not be "held hostage to protracted litigation" and urged officials on both sides "to keep the interests of the students uppermost in our minds."

The funding request was part of the university's last proposal to HEW on a desegregation plan, but Califano said Monday he was rejecting it because of failure to reach agreement over the issue of reopening consideration of a HEW request to close or merge duplicate programs at neighboring black and white campuses.

The university suit charges HEW with inconsistent application of the civil rights law in different regions of the country and contends the agency's actions violated the state's equal rights protections in the Constitution and the rights of university faculty members and students to academic freedom under the First Amendment.

In the nine years since North Carolina was brought into an NAACP lawsuit charging discrimination in higher education, "the only standard to be issued by the department is contained in a newspaper interview," the court documents state, and describe the standard as "enough" black students at white schools and "enough" white students at black schools.

United Press International
RALEIGH, N.C. — Claiming inconsistent enforcement of the 1964 Civil Rights Act, the state of North Carolina has sued the Department of Health, Education and Welfare to block a planned May 2 cutoff of federal funds to the 16-campus University of North Carolina system.

In a suit filed Tuesday in U.S. District Court in Raleigh, the state and UNC charged HEW with "misdirection, malfeasance and abuse" in enforcement of the law and asked that the university be declared in compliance with the law.

But at the same time, a spokesman for Gov. James B. Hunt Jr. said the university will submit a request to implement its latest desegregation proposal — the expenditure of an additional \$41 million for construction and new academic programs