



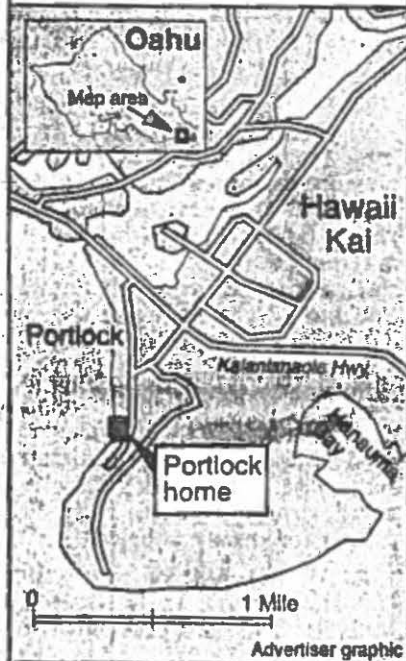
Advertiser file photo

Gensiro Kawamoto watching a sunset on the grounds of his Portlock estate in 1989.

Owner: Fee's too high; \$42 million estate is all yours

Kawamoto estate

Japanese billionaire Gensiro Kawamoto walks away from \$42.55 million seaside estate



By Greg Wiles
Advertiser Staff Writer

Japanese billionaire Gensiro Kawamoto will abandon his luxurious East Oahu estate — for which he paid \$42.5 million — because he doesn't want to pay Bishop Estate \$26 million for the land.

He called the fee price "exorbitant."

Kawamoto says he will turn over the keys on Monday to Bishop Estate, which owns the land under the prestigious residence.

And Kawamoto, who made headlines in the late 1980s when he bought dozens of Oahu homes while touring neighborhoods in a white limousine, suggested the property be used to benefit residents who do not own their own homes.

Bishop Estate, however, doesn't think much of Ka-

See Kawamoto, Page A2

Lawman on transit,

'Not this year' for 0.5% transit tax

— Sen. Donna Ikeda (D)

Sch

'w



Gov. Waihee receives applause from House Speaker Jo Mabel Smyth Auditorium, where a governor delivered

Why did Waih

Show of force

with his proposal to limit campaign fund-r spending.

Japan's leader vows

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Kawamoto: Investor to abandon \$42 million estate

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wamoto's plan.

"We have a contract with Mr. Kawamoto," Bishop Estate spokeswoman Elisa Yadao said. "This (surrender) is not an option under that lease and, in light of that, our attorneys are looking at the options available to us."

Yadao would not say if that includes suing Kawamoto. She said the property's lease rent provides substantial income to fund the trust's beneficiary, Kamehameha Schools. Kawamoto pays \$1,080,000 in annual lease rent on the property, which has 20 years left on the lease.

"The price at which the fee interest was offered to me was too high," said Kawamoto, who at one time was estimated to be worth \$1.2 billion.

The home was built by tycoon Henry J. Kaiser.

Kawamoto paid cash for the estate in 1988. At the time, the price was the highest ever paid for a residence in the United States. The sellers were the Goldman brothers, who bought the sprawling property in the early 1970s.

One Los Angeles real estate expert yesterday said the only bigger sale that she could recall was media mogul David Geffen's buy of the Jack Warner estate for \$47.5 million.

Kawamoto said he fell in love with the azure view of Maunalua Bay and Diamond Head in the background when he first toured the property. The estate has three homes and has long been considered one of the state's most fashionable addresses.

The main residence has a sunken living room, apart-

ment-sized master bedroom, Olympic swimming pool, den and other amenities; a second home has similar lavish comforts. There is also a boathouse.

Kawamoto had hoped to redevelop the property. He had done extensive landscaping and gutted the boathouse with the idea of rebuilding it.

But in recent years the billionaire bachelor has become more involved with his real estate business in Japan, California, Maui and Oahu.

"He hasn't had the time to come out here and enjoy the Portlock estate as he has in the past," said Carol Asai-Sato, Kawamoto's Honolulu attorney.

She said Kawamoto has not been affected by a downturn in the Japanese economy and that it's "very safe" to say he is still worth more than \$1 billion.

Kawamoto's other holdings here include more than 177 apartments and homes, conservation district acreage, and commercial properties. He acquired most of his Hawaii properties in 1988, during a wave of Japanese investment here. His holdings here are thought to be worth more than \$150 million.

He also bought housing developments and rentals around Sacramento and Santa Rosa, Calif.

Asai-Sato said Kawamoto has purchased the leased-fee interest under his Hawaii homes when it has been reasonably priced. She said Kawamoto still intends to go ahead with a 148-acre affordable housing development on Maui and is awaiting final approval from the Maui County Council.

Japan: Leader says either reforms pass or he does

FROM PAGE A1

ister's post."

When Hosokawa took office last August, he promised to "assume responsibility" — a euphemism for resignation — if he failed to enact the reforms.

Hosokawa made his announcement yesterday at a political rally in a hotel, where he took the unusual step of urging voters to "call your representatives" to appeal for support of the bills, which would change the way the powerful lower house of parliament is

elected and would ban corporate donations to individual politicians.

Public opinion is rarely taken into account in Japanese politics. Coming at this late hour in the struggle for political reform, Hosokawa's plea for public input was an admission by the 56-year-old novice leader that his administration was on the brink of failure.

"After five years of repeatedly debating political reform, if we now bury it because of only minor differences of opinion, the opportunity to carry out reform will never again come."

Hosokawa warned. Although both sides agreed to scrap the system of multi-seat constituencies in favor of single-seat districts, they remained deadlocked over the extent to which controls should be tightened on political funds.

"Without political reform, we cannot hope that economic stimulus measures could succeed," Hosokawa told the rally. "Without political reform, it will be impossible to realize administrative or (budgetary) reform, or reform and opening of our economy and society."

"The people's loss of confi-

dence in party and parliamentary politics will become decisive and it is perfectly clear that Japan will lose completely the trust of the international community," he added.

His remarks about not clinging to his post echoed comments made Tuesday by Shusei Tanaka, his chief personal adviser, who predicted the resignation over failure of the bills was "highly possible."

If he does resign, he will become the third prime minister in five years to do so after failing to change Japan's scandal-ridden political system.