



Antigua Prime Minister Lester Bird reviews an honor guard. The Antiguan government has moved to take a \$32 million hotel from its American owners. Critics say the government is mismanaged.

## U-M grad at center of island dispute

Lester Bird is prime minister of Antigua and covets private hotel

By Melvin Claxton / The Detroit News

With world attention focused on terrorism, U.S. elections and conflicts in the Middle East and Asia, few are paying attention as an American family is being stripped of its ownership in a Caribbean hotel by a financially strapped, problem-ridden government headed by a University of Michigan graduate with a long history of controversial actions.

It is a place of picture postcard beauty

Low shrubs cling precariously to the hillside overlooking a crescent-shaped white-sand beach that Conde Naste Traveler magazine once ranked among the most beautiful in the world. Above the beach, with a sweeping view of the Atlantic Ocean, a nine-hole golf course is a central attraction of Antigua's 100-room Half Moon Bay Hotel.

The hotel is closed, shuttered since 1995 after much of its

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roof was blown away by Hurricane Luis, the massive killer storm that devastated the Caribbean island with winds of up to 140 mph. Today, the eerie silence at the boarded-up hotel is broken only by the surf breaking on the beach and the occasional cry of sea gulls.

But the seeming tranquillity is a mirage.

The hotel and beach are at the center of a loud, ugly squabble over land and property rights that has implications for every American and foreign investor in Antigua, a 108-square-mile island an hour's flight from Puerto Rico.

And what happens on this tourism-driven island could have serious ramifications for foreign investment throughout the Caribbean.

The Antiguan government has moved to take the \$32 million hotel from its American owners, sparking a legal battle that is headed to England's Privy Council, the equivalent of the U.S. Supreme Court for many former British colonies.

The man behind the seizure of the hotel, Antiguan Prime Minister Lester Bird, was an all-American track star at the University of Michigan, where he broke the school's 33-year-old long jump record in 1959.

Today, Bird heads a government dogged by persistent charges of corruption, drug smuggling, money laundering, gunrunning and harboring international fugitives.

Long accustomed to having his way on this island of 76,000 residents, Bird has found the American owners of the Half Moon Bay Hotel stubborn and resourceful adversaries. That, say the owners, is because they have experience with dictatorial governments that seize private property.

Galina Kluge, the matriarch of the family that owns more than 50 percent of the hotel, is a naturalized American citizen who witnessed sweeping nationalization of private property during communist takeovers in Russia and China.

Kluge, 85, fled from Russia to China with her mother and baby brother in 1926, eight years after the communists came to power in her homeland.

She met and married her husband — a fellow Russian exile — while living in China. They migrated to America in 1950, one year after the communist revolution in China.

Kluge said the actions of the Antiguan government closely mirror what she saw in the communist countries.

"This was the kind of situation property owners faced when the communists seized power in Russia," said Kluge, whose father was killed in the Russian Revolution. "We never expected to find governments doing this kind of thing in the Caribbean."

Kluge's daughter, Natalia Querard, who had managed the hotel, called the government's actions old-fashioned claim jumping.

"Lester Bird and his government are attempting to steal our hotel," Querard said. "I can't think of any other way to

describe what they are doing.”

The hotel owners have waged an aggressive campaign to get U.S. officials and the federal government to come to their rescue. The campaign has included meetings with congressmen and Bush administration officials.

But to date, the American government has done little to help.

Paul Belmont, acting deputy chief of mission in the U.S. Embassy in Barbados, which has responsibility for American interests in Antigua, said the U.S. government is following the situation to make sure the hotel owners are treated fairly under Antiguan law.

“We have spoken to officers of the Half Moon Bay and officials in the Antiguan government,” Belmont said. “The Antiguan government is aware that we are monitoring the situation, but the matter is now before the courts to be settled, and there is little we can do.”

The Antiguan government insists it's taking over the property because of the hotel's vital role in the island's economy. The government claims the failure of the owners to repair and reopen the hotel after the hurricane has badly hurt the island's tourism industry.

But the hotel owners say it is the government that has blocked their efforts to fix the hotel by scaring away financiers and backers. And they say the government wants to give the prized property to political and financial supporters.

There may be another reason the Bird government wants the hotel.

The Antiguan government, long known for lavish spending by officials, is in deep financial trouble. The government often misses paydays, and some government workers have gone for months without their salaries.

In Bird's budget address last year, he said profits to the government from the sale of the hotel could help eliminate the country's projected \$67 million deficit. That statement, say the hotel owners and their supporters, shows the Antiguan government's true intentions.

“Basically, Lester wants to sell someone else's property for a huge profit to pay off a deficit created by his mismanagement,” said Baldwin Spencer, the leader of the opposition in the island's parliament. “That is unconscionable and a new low even for a government as controversial as the Bird's.”

“Our position has been that greedy, unprincipled politicians cannot be allowed to take private property that someone has worked hard to acquire and develop,” Querard said. “If the Bird government is not stopped, no private property in Antigua will be safe.”