

## THE CASE OF THE BURIAL GROUNDS ON THE BEACH

Atlantic Properties, Ltd., a multinational corporation based in London, is in the business of developing touristic complexes in various parts of the world. It has been particularly successful in creating "destination resorts," offering all possible facilities for foreign visitors, including amusements, cultural activities, and a wide range of luxury hotel services.

Two years ago, executives of Atlantic Properties visited the Republic of Alba, an archipelago nation in the South Pacific, to identify possible touristic sites. After surveying the island and conducting intensive discussions with various Alba officials, including those in the Ministry of Tourism and in the Alba Hotel Corporation (a government enterprise responsible for the construction of all hotels in the Republic), Atlantic identified a magnificent beach close to extensive ancient ruins, where it proposed to build a hotel, beach club, golf course, gambling casino, and marina. Atlantic immediately entered into negotiations with representatives of Alba Hotel Corporation to develop this land. They ultimately agreed that they would form a 50-50 joint venture company, Atlantic-Alba Company, to develop this land, that Alba Hotel Corporation would secure from the Alba government ownership of the beach and surrounding land and transfer them to the joint venture company, and that Atlantic would have the responsibility of raising the necessary capital, constructing the complex, providing management, and training Alba nationals to operate the resort.

As contemplated, the government, which owned the land, transferred the beach and surrounding area to the Alba Hotel Corporation, which in turn conveyed it to the Atlantic-Alba Company. Atlantic then undertook to design the resort, and construction work began a year later.

When knowledge of the project became public, some Albans began to express strong opposition to the proposed resort, on the grounds that it would permanently damage the character of an important archeological and cultural site of great value to the Alban people and the international community. The leaders in this movement have been the people of the village of Tara, located very near the site. The village elders have vehemently opposed the resort

because the beach is a burial ground for their ancestors. They claim that the beach has belonged to Tara for centuries and that the government had no right to give it to the foreigners. They demand that construction be stopped. The Tara villagers have organized demonstrations in the Alban capital and are now threatening to block the road to the hotel and prevent any construction equipment and workers from entering the construction site.

Atlantic and the Alba Hotel Corporation, on the other hand, have a legally valid deed from the government and have obtained all necessary construction permits. They point to a law that gives the government ownership of all beaches in the country. They insist that construction continue and argue that the resort will create jobs for Albans and earn the country substantial hard currency. They are asking that the government send troops to the site to keep access open.

The Alban government has asked for your advice on resolving this dispute. What would you recommend?

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