

# Tinian, Pagan Hotels Permit OK'd

By Mike Malone  
News Saipan Bureau

SAIPAN — The Marianas District Economic Development Board has approved a permit request by Guam businessman Ken Jones to build hotels on both Pagan and Tinian islands.

Both hotels were included in a single application submitted to the local board and now go to High Commissioner Edward E. Johnston for final approval.

Jones, representing the newly established Pacific Basin Hotel and Development Corp. has proposed to build a 50-room hotel on Pagan. The plan was opposed by the Saipan Municipal Legislature because of unresolved land problems there. Also proposed is a 100-room hotel on Tinian.

Conditions were specified for the Pagan hotel plan by the board, said economic development chairman Pedro de la Cruz in yesterday's announcement.

"Pacific Development must provide their own water and power and make the same available to the people of Pagan at standard TI rates," he said. "Employment must be given to local citizens there, with training in all phases of hotel operations and 10 per cent of the hotel stock, pending the Attorney General's approval, must be reserved exclusively for local employees."

De la Cruz said another 30 per cent of Pacific Development's capital stock, which includes 200,000 shares at \$10 per share for both hotels, will be offered to Trust Territory citizens.

The economic board specified that actual construction on the Tinian hotel must begin no later than six months after receipt of a permit to do business in the territory. A 12-month deadline was set for the Pagan hotel.

Concerning opposition to the Pagan proposal as stated in the resolution by the Saipan Legislature last week, De la Cruz explained the board's approval was prompted by several factors.

Pagan's single source of income, copra, he said, has undergone a price decline on the world market. This, coupled with two typhoons and a fire that hit the island, has left the island practically without income. His feeling is that the hotel will provide direct employment for most Pagan residents, "a lot of whom supported the Jones proposal," he said.

Jones also owns the Cliff Hotel on Guam, presently leased to a Japanese corporation, and the Royal Tega Hotel on Saipan.

Yesterday's announcement also included the approval of a request by Bank of America to continue operations here. Through an agreement with former U.S. Navy administration and the Trust Territory Government, the bank had been authorized to carry on their existing business about 10 years ago. But the bank has not complied with foreign investment laws enacted by the Congress of Micronesia since then.

Conditions for their permit included that offerings to TT citizens, starting with future auto loan conditions and rates in the local language, providing in-service training in all phases of their operations, including management, with employment preferences to TT citizens.