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(NOTE TO EDITORS AND NEWS DIRECTORS: MICRONESIAN NEWS SERVICE BUREAU CHIEF JON ANDERSON IS IN WASHINGTON COVERING THE STATUS TALKS AND OTHER EVENTS RELATING TO THE TRUST TERRITORY. THREE OF HIS REPORTS, WITH WASHINGTON DATELINE, ARE IN TODAY'S MNS.)

NW 11
1973

(AIRLINE CASE HEARD)

WASHINGTON, D.C., NOV. 12 (MNS)---THE THREE AIRLINES COMPETING FOR THE RIGHT TO PROVIDE DIRECT SERVICE BETWEEN SAIPAN AND JAPAN HAD THEIR FINAL CHANCE TO ARGUE THEIR CASES LAST WEEK BEFORE THE U.S. CIVIL AERONAUTICS BOARD. DURING THE DAY-LONG PROCEEDING CALLED AN "ORAL ARGUMENT", ATTORNEYS AND OTHER SPOKESMEN FOR PAN AMERICAN WORLD AIRWAYS, CONTINENTAL/

PAGE THREE RUHGSAA0003 UNCLAS

AIR MICRONESIA AND NORTHWEST ORIENT AIRLINES PLEADED THEIR CASES BEFORE BOARD CHAIRMAN ROBERT D. TIMM, VICE-CHAIRMAN WHITNEY GILLILLAND, AND MEMBER G. JOSEPH MINETTI.

FOLLOWING THE ARGUMENTS, CHAIRMAN TIMM SAID IT WOULD BE SEVERAL MONTHS BEFORE THE CAB MAKES ITS DECISION KNOWN. HE INDICATED THAT THE FULL BOARD, INCLUDING TWO NEW MEMBERS NOT YET SWORN-IN BUT WHO MONITORED THE PROCEEDING ANYWAY, WILL PROBABLY MEET IN EARLY DECEMBER TO GO OVER THE FACTS IN THE CASE AND REACH A DECISION. THIS OPINION WILL THEN HAVE TO BE DRAFTED INTO PROPER FORM FOR RELEASE, A PROCESS THAT TIMM SAID CAN TAKE FROM SIX WEEKS TO TWO MONTHS. ADDITIONAL TIME MAY BE REQUIRED FOR OTHER DEPARTMENTS AND AGENCIES TO COMMENT, MEANING THAT IT WILL BE WELL INTO 1974 BEFORE THE CASE FINALLY GOES TO THE PRESIDENT, WHO WILL MAKE THE FINAL DECISION.

THE VARIED OPINIONS OF THE SIX DISTRICTS IN MICRONESIA WERE WELL REPRESENTED AT LAST WEEK'S CAB HEARING. NO LESS THAN TWELVE TRUST TERRITORY CITIZENS STOOD UP TO ARGUE, ALL OF THEM MEMBERS OF THE CONGRESS OF MICRONESIA. EIGHT SPOKE IN FAVOR OF AWARDING THE ROUTE TO CONTINENTAL/AIR MICRONESIA--THE OFFICIAL POSITION OF THE CONGRESS--WHILE FOUR SPEAKERS ARGUED

PAGE FOUR RUHGSAA0003 UNCLAS

FOR THE MINORITY VIEW THAT THE ROUTE SHOULD GO TO PAN AMERICAN. SPEAKING FOR AIR MIKE WERE SENATE PRESIDENT TOSIWO NAKAYAMA, (TRUK), HOUSE SPEAKER BETHWEL HENRY (PONAPE), SENATORS JOHN MANGFEL (YAP), ANDON AMARAICH (TRUK), AMBILOS IEHSI (PONAPE), AND LAZARUS SALII (PALAU), AND REPRESENTATIVES EKPAP SILK (MARSHALLS), AND PEDRO TENORIO (MARIANAS). PAN AMERICAN SUPPORTERS WERE REPRESENTED BY SENATORS ROMAN TMETUHL (PALAU), EDWARD PANGELINAN AND OLYMPIO BORJA (MARIANAS), AND REPRESENTATIVE CHARLES DOWNICK (MARSHALLS).

IN ADDITION TO THOSE WHO SPOKE, A NUMBER OF OTHER MICRONESIAN LEADERS WERE IN THE AUDIENCE DURING THE PROCEEDING, AMONG THEM CONGRESS FELIPE ATALIG (MARIANAS), FORMER SENATOR ISAAC LANWI (MARSHALLS), THE SPEAKER OF THE MARSHALL ISLANDS NITIJELA, ATLAN ANIEN, AND PALAU HIGH CHIEF REKLAI. TRUST TERRITORY HIGH COMMISSIONER EDWARD E. JOHNSTON, IN WASHINGTON FOR SPECIAL BUDGET HEARINGS BEFORE THE U.S. CONGRESS (SEE FOLLOWING STORY) ALSO ATTENDED, BUT ONLY AS AN OBSERVER. HE DID NOT TAKE PART.

THE SAIPAN-JAPAN ROUTE CASE HAS BEEN CALLED "THE BATTLE OF THE AIRLINES" IN MICRONESIA, BECAUSE FOR AT LEAST TWO OF THE CONTENDERS, PAN AMERICAN AND CONTINENTAL/AIR MICRONESIA, A

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PAGE FIVE RUHGSAA0003 UNCLAS

SOMETIMES BITTER BATTLE HAS BEEN WAGED FOR THE SUPPORT OF VARIOUS MICRONESIAN GROUPS. THE VERBAL FIGHTING CONTINUED LAST WEEK. A PUBLICATION CALLED "AIRLINE REPORTS," DISTRIBUTED THE DAY BEFORE THE CAB HEARING, DESCRIBED CHARGES OF "BRIBERY" MADE AGAINST PAN AMERICAN BY CONTINENTAL, AND COUNTER CHARGES OF "PRESSURE" BROUGHT BY PAN AM AGAINST CONTINENTAL. "THE CONTROVERSIAL CASE," SAID THE PUBLICATION, "...HAS BEEN MARKED THROUGHOUT BY CHARGES AND COUNTER CHARGES INVOLVING THE ALLEGED PRESSURES AND LOBBYING."

IT IS UNCLEAR JUST HOW THESE CHARGES WILL AFFECT THE OUTCOME OF THE CASE. CAB CHAIRMAN TIMM SAID THE BOARD WILL HAVE TO LOOK INTO THEM, ALTHOUGH WHEN QUESTIONED ABOUT THE CHARGES DURING TESTIMONY BARBARA A. CLARK, A SPOKESWOMAN FOR THE BOARD'S BUREAU OF OPERATING RIGHTS, SAID SHE DID NOT THINK IT WOULD EVER BE POSSIBLE TO SORT OUT THE CHARGES AND DETERMINE WHO IS RIGHT OR WRONG.

BOTH PAN AMERICAN AND CONTINENTAL DID ACKNOWLEDGE THAT THERE HAD BEEN WHAT COULD BE TERMED "LOBBYING" TAKING PLACE IN THE CASE. OFFICIALS OF THE TWO AIRLINES DENY, HOWEVER, THAT ANYTHING IMPROPER HAD BEEN DONE ON THEIR BEHALF.

PAGE SIX RUHGSAA0003 UNCLAS

SPECIFICALLY ON THE CHARGE OF BRIBERY, WHICH IS A VERY SERIOUS CHARGE. CONTINENTAL PRODUCED A LETTER, SIGNED BY FOUR MEMBERS OF THE TINIAN MUNICIPAL COUNCIL, SAYING THAT THE MEN HAD SUPPORTED A RECENT RESOLUTION BY THE COUNCIL FAVORING PAN AMERICAN BECAUSE A "REPRESENTATIVE" OF THAT AIRLINE HAD PROMISED THEM FREE SHIPS TO SINGAPORE AND JAPAN. THE LETTER WAS ENTERED INTO EVIDENCE BY CONGRESSMEN FELIPE ATALIG AND PEDRO TENORIO OF THE MARIANAS, WHO ASKED THAT PAN AMERICAN BE "...MOST SEVERELY REPRIMANDED AND DISQUALIFIED FROM CONSIDERATION" FOR THIS ACTIVITY.

LATE IN THE DAY, HOWEVER, PAN AMERICAN ATTORNEY JERRY RYAN STOOD UP TO INFORM THE CAB THAT HE HAD JUST RECEIVED A TELEGRAM, SIGNED BY THE SAME FOUR MEMBERS OF THE TINIAN MUNICIPAL COUNCIL-- VICE-SPEAKER LEONARDO F. DIAZ, SILVESTRE T. CRUZ, EDDIE D. CRUZ AND FRANK A. HOCOG---REPUDIATING THE EARLIER LETTER, AND CHARGING AN AIR MICRONESIA EMPLOYEE WITH ATTEMPTING TO MISLEAD THEM. THE MATTER REMAINED UNRESOLVED AT THE CONCLUSION OF THE DAY'S ACTIVITIES, BUT IT SEEMS CERTAIN THAT THE CAB WILL WANT TO LOOK CLOSELY AT THE INCIDENT. IT IS TRUE THAT THE TINIAN MUNICIPAL COUNCIL, WHICH HAD EARLIER SUPPORTED AIR MICRONESIA FOR THE ROUTE, CHANGED ITS MIND JUST A WEEK BEFORE THE ORAL ARGUMENTS.

THE THIRD AIRLINE IN THE CASE, NORTHWEST ORIENT, HAS REMAINED OUT OF THE FIGHTING OVER MICRONESIAN SUPPORT. BUT THE AIRLINE IS CLEARLY INTERESTED IN THE ROUTE, AND ITS ATTORNEYS, JAMES M. VERNER, PUT FORTH A STRONG ARGUMENT FOR CONSIDERATION OF NORTHWEST, USING SOME OF THE SAME ARGUMENTS MADE BY PAN AMERICAN IN ITS BEHALF. BOTH AIRLINES PRESENTLY SERVE JAPAN, AND BOTH ARE LARGE, INTERNATIONAL AIRLINES WITH MANY YEARS OF EXPERIENCE IN THE ORIENT.

01-05729

PAGE THREE RUGHSAA0004 UNCLAS

OBSERVERS SEE LITTLE CHANGE THAT NORTHWEST WILL WIN THE ROUTE, HOWEVER, BOTH THE CAB BUREAU OF OPERATING RIGHTS AND CAB ADMINISTRATIVE LAW JUDGE MILTON H. SHAPIRO HAVE RECOMMENDED THAT PAN AMERICAN BE GIVEN THE ROUTE. ARGUMENTS PRESENTED BY PAN AM ATTORNEY RYAN WERE DESIGNED TO SUPPORT THOSE DECISIONS. CONTINENTAL ATTORNEY LEE M. HYDEMAN ARGUED THAT BOTH THE BUREAU AND JUDGE HAD FAILED TO GIVE SUFFICIENT WEIGHT TO THE ECONOMIC DEVELOPMENT OF ALL SIX DISTRICTS OF MICRONESIA, OR TO THE OFFICIAL POSITION OF THE CONGRESS OF MICRONESIA. HYDEMAN ALSO ARGUED THAT CONTINENTAL/AIR MICRONESIA NEEDS THE JAPAN ROUTE IN ORDER TO INSURE ITS PROFITABILITY.

"WITHOUT ACCESS TO JAPAN," HE SAID, "CONTINENTAL COULD NOT EXPAND ITS (TRUST TERRITORY) SERVICE...INDEED, IT WOULD PROBABLY HAVE TO REDUCE ITS SERVICE." THIS REMARK PROMPTED BOTH PAN AMERICAN AND NORTHWEST TO OFFER TO BUY OUT CONTINENTAL'S INTEREST IT CANNOT PROFITABLY OPERATE THE INTERNAL TT SERVICE. THE IRONIC OFFERS DREW LAUGHTER FROM THE CROWDED HEARING ROOM. IN ADDITION TO SPOKESMEN FOR THE THREE MAJOR CONTENDERS IN THE ROUTE CASE, THE CAB ALSO HEARD FROM SEVERAL OTHER

PAGE FOUR RUGHSAA0004 UNCLAS

INTERESTED PARTIES. AN ATTORNEY FOR AIR PACIFIC, THEODORE I. SEAMON, URGED THE BOARD TO PLACE A RESTRICTION IN THE ROUTE CERTIFICATION TO PREVENT THE ENTRY OF AN ADDITIONAL CARRIER INTO THE SAIPAN-GUAM ROUTE. THE BUREAU OF OPERATING RIGHTS HAS RECOMMENDED THAT IN ADDITION TO DIRECT AUTHORITY, SAIPAN TO JAPAN, PAN AM ALSO BE GIVEN THE RIGHT TO CARRY LOCAL TRAFFIC BETWEEN SAIPAN AND GUAM.

TRANS WORLD AIRLINES (TWA), THE OTHER MAJOR ROUND-THE-WORLD AIRLINE OF THE UNITED STATES, SENT AN ATTORNEY TO ARGUE BRIEFLY IN FAVOR OF AWARDING THE ROUTE TO PAN AM. TWA IS NOT SEEKING THE ROUTE ITSELF, BUT OPPOSES THE ENTRY INTO JAPAN OF A THIRD U.S. CARRIER.

GUAM'S LT. GOVERNOR KURT MOYLAN WAS GIVEN TEN MINUTES IN THE PROCEEDING, DURING WHICH HE ARGUED THAT FROM THE POINT OF VIEW OF GUAM, THE ONLY CARRIER THAT SHOULD BE SERIOUSLY CONSIDERED FOR THE ROUTE IS PAN AM. "WE BELIEVE THAT PAN AM IS THE ONLY CARRIER WHOSE SELECTION WOULD ENHANCE, RATHER THAN HINDER, THE GUAM BOOM," SAID MOYLAN.

FINALLY, EXECUTIVE SECRETARY ANDREW GARAKAS OF THE PACIFIC ISLANDS DEVELOPMENT COMMISSION, WHICH CONSIST OF THE CHIEF

PAGE FIVE RUGHSAA0004 UNCLAS

EXECUTIVES OF HAWAII, GUAM, AMERICAN SAMOA AND THE TRUST TERRITORY, TESTIFIED THAT THE COMMISSION HAD ADOPTED A RESOLUTION ASKING THAT THE CAB TAKE INTO CONSIDERATION THE DEVELOPMENT OF ALL SIX DISTRICTS OF MICRONESIA, THAT IT CONSIDER THE OFFICIALLY EXPRESSED WISHES OF THE MICRONESIAN PEOPLE, AND THAT IT ACT AS QUICKLY AS POSSIBLE TO SELECT A RECIPROCAL AMERICAN CARRIER FOR THE ROUTE. THE RESOLUTION WAS ADOPTED PRIOR TO THE ACTION OF THE CONGRESS OF MICRONESIA FAVORING CONTINENTAL, BUT IT SEEMED TO OBSERVERS AT THE HEARING THAT THE IMPACT OF GERAKAS' TESTIMONY WOULD FAVOR CONTINENTAL. THE PIDC HOWEVER, DID NOT SUPPORT ANY CARRIERS BY NAME IN ITS RESOLUTION.

KURT MOYLAN, IN HIS TESTIMONY, POINTED OUT THAT GOVERNOR CAMACHO OF GUAM DOES NOT SUPPORT CONTINENTAL FOR THE ROUTE, AND THEREFORE TO THE EXTENT THAT THE PIDC POSITION WOULD SEEM TO FAVOR CONTINENTAL. WHAT IS PROBABLY MOST SIGNIFICANT FOR MICRONESIA AT THIS POINT IS THAT THE ARGUING OVER THE SAIPAN-JAPAN ROUTE CASE IS NOW OVER. THE DISTRICT LEGISLATURES, THE CHAMBER'S OF COMMERCE, THE CONGRESS OF MICRONESIA CAN TURN FROM CONSIDERATION OF AIRLINE RESOLUTIONS AND THE LOBBYING OF

PAGE SIX RUGHSAA0004 UNCLAS

AIRLINE SPOKESMEN TO CONSIDERATION OF OTHER THINGS. THE EVIDENCE IS ALL IN, THE CASES HAVE ALL BEEN PRESENTED, AND THE DECISION IS NOW IN THE HANDS OF THE CIVIL AERONAUTICS BOARD. A COLLECTIVE SIGH OF RELIEF WILL DOUBTLESS BE BREATHED IN THE TRUST TERRITORY ABOUT THAT.
(BUDGET HEARINGS SET)

WASHINGTON, C.C., NOV. 12 (MNS)---THE U.S. CONGRESS COMMITTEES THAT DEAL WITH APPROPRIATIONS ARE DUE TO HOLD HEARINGS SOMETIME THIS WEEK OR NEXT ON AN EIGHT MILLION DOLLAR PLUS SUPPLEMENTAL APPROPRIATION REQUEST FOR THE FISCAL YEAR 1974 TT BUDGET.

HIGH COMMISSIONER EDWARD E. JOHNSTON, PROGRAM AND BUDGET OFFICER WILLIAM OYLER, AND THE CHAIRMAN OF THE CONGRESS OF MICRONESIA'S JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING, REPRESENTATIVE RAYMOND SETIK (TRUK), ARE IN WASHINGTON TO TESTIFY ON THE REQUEST ALONG WITH A NUMBER OF OTHER OFFICIALS. BUT THE HEARING SCHEDULE IS STILL INDEFINITE.

ORIGINALLY EXPECTED TO BEGIN NOVEMBER 8, THE HOUSE HEARINGS WERE POSTPONED AND A SPOKESMAN SAID LATE LAST WEEK THAT IT WOULD PROBABLY BE MONDAY AFTERNOON OR TUESDAY MORNING (NOV. 12-13) AT THE EARLIEST BEFORE THEY COULD BEGIN. SENATE HEARINGS PROBABLY WILL NOT COMMENCE UNTIL NEXT WEEK.

WHEN THE HEARINGS ARE HELD, THE TT WILL BE ARGUING FOR RESTORATION OF BADLY NEEDED CAPITAL IMPROVEMENTS FUNDS, LEFT OUT OF THE APPROPRIATION BILL PASSED BY THE CONGRESS EARLIER THIS YEAR. SEVERAL MAJOR PROJECTS, INCLUDING THE PONAPE REFERRAL HOSPITAL, KUSAIE AIRPORT AND HOSPITAL DESIGN, JALUIT HIGH SCHOOL, AND CONTINUED FUNDING FOR THE BIKINI REHABILITATION PROGRAM, ARE INCLUDED IN THE AMOUNT. ALSO INCLUDED IS PROMISED U.S. FUNDING FOR A MICRONESIAN CONSTITUTIONAL CONVENTION AND

01-05231

PAGE THREE RUHGSAA0005 UNCLAS

THE MONEY TO BEGIN A SPECIAL SURVEY PROGRAM ON PUBLIC LANDS IN THE TT, PROPOSED LAST WEEK IN THE U.S. POSITION PAPER ON THE RETURN OF PUBLIC LANDS TO THE DISTRICTS.

MONEY TO FINANCE THE EXPANDED PROGRAM OF "EDUCATION FOR SELF-GOVERNMENT" ANNOUNCED LAST MONTH BY HIGH COMMISSIONER JOHNSTON IS ALSO INCLUDED IN THE SUPPLEMENTAL REQUEST, THE MONEY WOULD BE USED TO HIRE ADDITIONAL STAFF, INCLUDING A MEMBER OF TRANSLATORS AND SPECIAL CONSULTANTS TO WORK ON THE PROGRAM. THE HICOM INDICATED IN MAKING HIS ANNOUNCEMENT.

IN ADDITION, CONGRESSMAN SETIK IS REPORTEDLY PREPARED TO ARGUE BEFORE THE CONGRESS FOR AN INCREASE IN THE PROPOSED FUNDING OF NEARLY FIVE MILLION DOLLARS, TO COVER ADDITIONAL PROJECTS CONSIDERED ESSENTIAL BY THE CONGRESS. AMONG THESE ARE THE PROPOSED PALAU-BABELTHUAP BRIDGE, FOR WHICH ADDITIONAL FUNDS ARE BEING SOUGHT BECAUSE BIDS FOR THE PROJECT RECEIVED LAST MONTH WERE CONSIDERABLY ABOVE THE AMOUNT ORIGINALLY BUDGETED.

THE BUDGET HEARINGS COINCIDE WITH THE OPENING OF THE SEVENTH ROUND OF STATUS NEGOTIATIONS IN WASHINGTON THIS WEEK, MAKING FOR A BUSY WEEK IN THE NATION'S CAPITAL FOR THOSE

PAGE FOUR RUHGSAA0005 UNCLAS
CONCERNED WITH MICRONESIAN AFFAIRS.

(FORMER TT OFFICIAL DIES)

(WASHINGTON, D.C., NOV. 12 (MNS)--- THE WASHINGTON STAR-NEWS REPORTED LAST WEEK THE DEATH OF A FORMER ADMINISTRATIVE OFFICIAL WHO SERVED DURING NAVAL ADMINISTRATION TIMES IN THE TRUST TERRITORY.

RETIRED NAVY VICE-ADMIRAL JOHN ESTEN WHELCHER DIED AT THE PORTSMOUTH, VIRGINIA NAVAL HOSPITAL AT THE AGE OF 75. A GRADUATE OF THE U.S. NAVAL ACADEMY AND A FORMER FOOTBALL COACH FOR THE SCHOOL, ADMIRAL WHELCHER SERVED AS DEPUTY HIGH COMMISSIONER OF THE CAROLINE, MARSHALL AND MARIANA ISLANDS FOR A TIME IN 1947.

SERVICES WERE HELD LAST WEEK IN WASHINGTON, WITH BURIAL IN THE NATIONAL CEMETERY AT ARLINGTON, VIRGINIA. ADMIRAL WHELCHER IS SURVIVED BY HIS WIFE, MARION, AND THREE CHILDREN.

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