

(CAB SETS HEARING DATE)

WASHINGTON, FEB. 11 (MNS)---THE U.S. CIVIL AERONAUTICS BOARD (CAB) HAS SET MONDAY, MARCH 11, AS THE DATE FOR ITS RE-OPENED HEARING INTO THE SAIPAN/JAPAN AIRLINE ROUTE CASE.

IN A PRESS RELEASE FROM CAB HEADQUARTERS IN WASHINGTON, THE BOARD SAID THE HEARING WOULD BEGIN AT 10:00 A.M. IN THE CHAMBERS OF THE TRUST TERRITORY HIGH COURT IN SUSUPE, ON SAIPAN, BEFORE ADMINISTRATIVE LAW JUDGE MILTON H. SHAPIRO. THE RELEASE SAID A "PREHEARING CONFERENCE" IN THE CASE WILL BE HELD IN WASHINGTON, D.C. ON THURSDAY, FEBRUARY 21.

THE BOARD, WHICH HAD HEARD WHAT WERE TO HAVE BEEN THE FINAL ORAL ARGUMENTS IN THE ROUTE CASE LAST NOVEMBER IN WASHINGTON, ANNOUNCED EARLY THIS MONTH THAT IT WAS UNABLE TO REACH A DECISION IN THE CASE BECAUSE OF CONFLICTING TESTIMONY FROM MICRONESIAN INTERESTS, AND BECAUSE OF REPEATED, SERIOUS CHARGES OF LOBBYING AND PRESSURE TACTICS WHICH MIGHT TEND TO REFLECT ON THE FITNESS OF TWO OF THE CARRIERS IN THE PROCEEDING, PAN AMERICAN WORLD AIRWAYS AND CONTINENTAL AIRLINES. JUDGE SHAPIRO HAD EARLIER RECOMMENDED THAT THE ROUTE GO TO PAN AMERICAN, AND THAT "ONLY SLIGHT WEIGHT" BE GIVEN TO THE PREFERENCE OF THE MICRONESIANS. THE BOARD SAID IT WANTS TO FIND OUT "WHERE THE MICRONESIANS REALLY STAND" ON THE CASE.

IT WAS NOTED THAT WHILE THE NEW HEARING WILL BE HELD ON SAIPAN, AS HEADQUARTERS FOR THE TRUST TERRITORY, THE BOARD IS INTERESTED IN THE PRESENT POSITION OF LOCAL CIVIC AND GOVERNMENTAL PARTIES THROUGHOUT MICRONESIA, AND NOT SIMPLY IN THE OPINIONS AND POSITIONS OF THE PEOPLE OF THE MARIANAS ALONE.

THE CAB RELEASE SAID THE BOARD HAS REOPENED THE CASE TO: "DETERMINE THE RELEVANT FACTS CONCERNING (1) THE ACTUAL, PRESENT POSITION OF THE LOCAL CIVIC AND GOVERNMENTAL PARTIES WITH RESPECT TO THE ISSUE OF CARRIER SELECTION, AND (2) THE CONDUCT OF THE CARRIERS AND THOSE ACTING ON THEIR BEHALF IN SEEKING TO OBTAIN SUPPORT FOR THEIR RESPECTIVE APPLICATIONS IN THE PROCEEDING." THE BOARD WILL ALSO "DETERMINE WHETHER THE CONDUCT (OF THE CARRIERS) INVOLVED ANY VIOLATION OF CAB RULES OF CONDUCT, AND REACH A CONCLUSION AS TO THE CONSEQUENCES OF THE FOREGOING DETERMINATIONS IN TERMS OF THE ULTIMATE DISPOSITION OF THE APPLICATIONS IN THE CASE."

THE ROUTE CASE, WHICH IS KNOWN ON THE CAB RECORDS AS THE "SERVICE TO SAIPAN CASE," HAS PROMPTED NUMEROUS GROUPS THROUGHOUT MICRONESIA TO REGISTER THEIR FEELINGS IN THE MATTER ONE WAY OR THE OTHER. THE TWO PRINCIPAL CONTENDERS FOR THE ROUTE, PAN AM AND CONTINENTAL, HAVE WAGED A LENGTHY AND SOMETIMES BITTER BATTLE FOR SUPPORT. THE CONGRESS OF MICRONESIA WENT ON RECORD LAST YEAR IN FAVOR OF GIVING THE ROUTE TO CONTINENTAL, AFTER FAILING BY ONE VOTE TO ADOPT A PRO-PAN AM RESOLUTION AT ITS SESSION IN PALAU THE PREVIOUS YEAR. THE MARIANAS DISTRICT LEGISLATURE IS ON RECORD FAVORING PAN AM. DURING THE NOVEMBER HEARING IN WASHINGTON, A DOZEN MICRONESIANS GAVE ORAL TESTIMONY. EIGHT OF THEM SPOKE IN FAVOR OF CONTINENTAL, FROM ALL SIX DISTRICTS OF THE TRUST TERRITORY. FOUR SPOKE FOR PAN AM, FROM THE MARIANAS, THE MARSHALLS AND PALAU.

BOTH PAN AM AND CONTINENTAL ACKNOWLEDGE THAT THERE HAS BEEN WHAT COULD BE TERMED "LOBBYING" TAKING PLACE IN THE CASE. BUT BOTH ALSO DENY THAT ANYTHING IMPROPER HAS BEEN DONE ON THEIR BEHALF.

(TRANSPAC NEWS)

SAIPAN, FEBRUARY 11 (MNS)---OFFICIALS OF TRANSPACIFIC LINES, INC., SAID MONDAY (FEB 11) THAT THE TRUST TERRITORY GOVERNMENT HAS TOLD THEM THAT A DECISION ABOUT THE FUTURE OF THE TRANSPAC FRANCHISE CAN BE EXPECTED IN ABOUT TWO WEEKS.

A NEWS RELEASE FROM TRANSPAC SAID, "WE EXPECT EARLY AND POSITIVES RESULTS FROM THE HONOLULU MEETING AND FROM THE GOVERNMENT OFFICIALS INVOLVED SO WE CAN CONCENTRATE OUR EFFORTS ON THE IMPORTANT JOB OF MOVING CARGO THROUGHOUT MICRONESIA."

THE HONOLULU MEETING TO WHICH THE RELEASE REFERRED WAS A SESSION INVOLVING OFFICIALS FROM THE INTERIOR DEPARTMENT AND THE TRUST TERRITORY GOVERNMENT REQUESTED BY TT HIGH COMMISSIONER EDWARD E. JOHNSTON SO THAT A GOVERNMENT POSITION REGARDING TRANSPAC COULD BE FORMULATED. AT THE TIME THE MEETING WAS ANNOUNCED, THE HICOM INDICATED THAT WHILE TRANSPAC OFFICIALS WERE NOT BEING INVITED TO PARTICIPATE IN THE SESSIONS, THE INTERIOR AND TRUST TERRITORY GROUP MIGHT CALL UPON TRANSPAC FOR INFORMATION IF IT WERE AVAILABLE. AN OFFICIAL FROM THE SHIPPING LINE TOLD MNS HONDAY THAT THE COMPANY HAD BEEN CALLED UPON AND HAD MADE A PRESENTATION.

TRUST TERRITORY OFFICIALS WHO ATTENDED THE MEETING WERE EXPECTED TO RETURN TO SAIPAN LATER THIS WEEK.

MEANWHILE, TRANSPAC HAS ANNOUNCED A REDUCTION IN RATES ON SOME SHIPMENTS BETWEEN THE UNITED STATES AND THE TT. THE NEWS WAS RELEASED ON THE EVE OF THE SCHEDULED MEETING OF TRANSPAC STOCKHOLDERS, WHICH WAS TO BEGIN ON TUESDAY, FEB. 12. THE ANNOUNCEMENT SAID:

"EFFECTIVE MARCH 1, 1974, A (10) TEN PERCENT CURRENCY SURCHARGE IS BEING DROPPED ON ALL CARGO MOVING FROM THE UNITED STATES INTO MICRONESIA VIA TRANSPAC.

"THE MOVE RESULTED FROM A RECENT COMMUNICATION FROM THE FEDERAL MARITIME COMMISSION ASKING ALL STEAMSHIPLINES TO RE-EVALUATE THE NEED FOR CURRENCY SURCHARGES IN THE UNITED STATES TRADE IN VIEW OF THE RENEWED STRENGTH OF THE DOLLAR IN INTERNATIONAL TRADE.

"DROPPING THE CURRENCY SURCHARGE WILL HAVE THE EFFECT OF LOWERING FREIGHT RATES FROM THE UNITED STATES TO MICRONESIA BY ABOUT (10) TEN PERCENT."

AN ADDITIONAL RELEASE FROM TRANSPAC MONDAY SAID:

"THE SHIPS OF THE TRANSPAC FLEET CONTINUE TO MOVE CARGO INTO AND AROUND THE PORTS OF MICRONESIA. THE LOTTE REITH IS LOADING NOW IN JAPAN. SHE IS EXPECTED TO ARRIVE IN SAIPAN ON FEBRUARY 16TH. THE HERKIMER IS ENROUTE FROM GUAN TO TRUK CARRYING CARGO FOR THE EASTERN ISLANDS AND IS SCHEDULED TO LOAD A CAPACITY CARGO OF COPRA FOR JAPAN JUST AS SOON AS HER INBOUND CARGO CAN BE DISCHARGED. THE MUSKINGUM IS NOW LOADING CARGO IN JAPAN AND IS SCHEDULED TO PROCEED TO TAIWAN FOR ADDITIONAL CARGO BEFORE RETURNING TO MICRONESIA."

(NINE MILLION DOLLAR SUIT FILED AGAINST TRANSPAC)

SAIPAN, FEB. 11 (MNS)---A CIVIL SUIT TOTALLING NEARLY NINE MILLION DOLLARS WAS FILED IN TRUST TERRITORY HIGH COURT EARLIER THIS MONTH AGAINST TRANS PACIFIC LINES, ACCORDING TO MARIANAS VARIETY, A WEEKLY NEWSPAPER PUBLISHED ON SAIPAN.

IT WAS REPORTED THAT FIVE MICRONESIAN STOCKHOLDERS, PEDRO R. DELEON GUERRERO, ANTONIO L. TALSACAN, JESUS A. SONODA, SEGUNDO T. SABLAN AND ERWAS NGIRAFELBAED HAVE CHARGED THE TOP OFFICIALS OF TRANSPAC, C. DOUGLAS ECHOLS, JAMES WHITE AND WILLIAM PENROSE, AS WELL AS THE CORPORATION OF TRANSPAC ITSELF, WITH ESTABLISHING POLICIES AND MANAGEMENT DECISIONS THAT HAVE RESULTED IN A FINANCIAL LOSS FOR THE CORPORATION AND THEREFORE FOR THE STOCKHOLDERS.

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ACTING, AS THE COMPLAINT STATES, FOR ALL OF THE STOCKHOLDERS IN THE SHIPPING COMPANY, THE PLAINTIFFS HAVE CHARGED ECHOLS WITH CANCELLING THE CHARTER AND PURCHASE OPERATION AGREEMENT ON TWO VESSELS PREVIOUSLY CHARTERED BY THE FORMER MICRONESIAN INTEROCEAN LINES (MILI) CLAIMING THAT THE LOSS OF THESE VESSELS, HIGHLY ADAPTED TO INTER-ISLAND SERVICE, RESULTED IN A LOSS OF FOUR MILLION DOLLARS.

IN A SECOND COUNT AGAINST ECHOLS THE FIVE MICRONESIAN STOCKHOLDERS ACCUSE HIM OF FRAUDULENTLY AND NEGLIGENTLY CAUSING THE CANCELLATION OF THE CHARTER OF TWO OF THE THREE REITH VESSELS, THE MATHIAS REITH AND THE GRETTE REITH, AND STATED THE PROBABILITY THAT THE THIRD VESSEL, THE LOTTE REITH, WILL BE TAKEN OFF CHARTER BY HER OWNER, RESULTING IN A LOSS OF THE SHIP AND THE OPTION TO PURCHASE THE SAME.

THE CHARGE STATES THAT ALL OF THE THREE VESSELS WERE CHARTERED AT APPROXIMATELY FIVE HUNDRED DOLLARS A DAY, THEN ABOVE THE AVERAGE MARKET RATE FOR SHIPS OF COMPARABLE SIZE, BUT THAT NOW THE GOING RATE HAS INCREASED ABOVE THAT FIGURE AND THE LOSS OF THE CHARTER UNDER THE OLD AGREEMENT HAS RESULTED IN A DIRECT FINANCIAL LOSS FOR THE COMPANY AMOUNTING TO ONE AND A HALF MILLION DOLLARS.

ALSO INCLUDED IN THE CHARGES ARE ALLEGATIONS THAT THE OFFICIALS OF TRANSPAC, ECHOLS IN PARTICULAR, USED TRANSPAC MONEY TO PROVIDE JUNKETS FOR RELATIVES OF EMPLOYEES WITH NO RESULTING BENEFIT TO THE COMPANY, THE NEWSPAPER REPORT STATES.

CLAIMING THAT THE BOARD OF DIRECTORS OF THE CORPORATION HAS HAD THEIR POWER TAKEN AWAY FROM THEM BY ECHOLS, THE PLAINTIFFS ARE CLAIMING THAT THE COMPANY HAS LOST ANOTHER TWO AND HALF MILLION DOLLARS IN LOST PROFITS.

IN A SIXTH COUNT AGAINST ECHOLS, THE PLAINTIFFS ALLEGE THAT TRANSPAC HAS PRACTICED DISCRIMINATION IN THEIR EMPLOYMENT PRACTICES AND CITE ONE EXAMPLE OF A MICRONESIAN WHO APPLIED FOR THE POSITION OF ASSISTANT OPERATIONS MANAGER AND WAS NOT CONSIDERED. AS A RESULT OF THIS DISCRIMINATORY HIRING POLICY, THEY ARE CLAIMING A LOSS TO THE COMPANY OF ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS.

IN SUMMING UP THEIR CHARGES AGAINST ECHOLS, THE STOCKHOLDERS ARE DEMANDING \$2,132,000 IN DAMAGES AND COURT AND ATTORNEY FEES.

LISTING CHARGES AGAINST JAMES E. WHITE, TRANSPAC ATTORNEY, THE SUIT ALLEGES THAT AS A RESULT OF HIS NEGLIGENCE, TRANSPAC HAS SUFFERED LOSSES OF \$250,000 THROUGH INCREASED COURT ACTIONS AGAINST THE SHIPPING LINES AND DEMAND THAT HE PAY BACK THE FULL AMOUNT OF ALL DEFAULTS AND DEFAULT JUDGEMENTS AWARDED AGAINST THE COMPANY AS WELL AS COSTS.

INCLUDED IN THE SUIT, WILLIAM PENROSE, TRANSPAC GENERAL MANAGER, IS ACCUSED OF FALSE STATEMENTS TO THE RATE REVIEW BOARD CONCERNING A QUESTION OF CONTAINER USE BY TRANSPAC AND FURNISHED BY PACIFIC FAR EAST LINES. THE LOSS OF SUCH CONTAINERS TO TRANSPAC ALLEGEDLY WAS KNOWN BEFORE PENROSE TESTIFIED TO THE REVIEW BOARD BUT HE IS ACCUSED OF ASSURING THE BOARD THAT HIS COMPANY WAS HAVING NO PROBLEM WITH THE CONTAINERS, ACCORDING TO MARIANAS VARIETY.

THE LOSS INCURRED HERE IS CLAIMED TO BE \$500,000. THE PLAINTIFFS ARE REPRESENTED BY THE GUAM LAW FIRM OF ARRIOLA, CUSHNIE AND STEVENS. NO DATE HAS BEEN SET FOR FURTHER LEGAL ACTION.

TRANSPAC OFFICIALS, CONTACTED MONDAY ON SAIPAN BY MNS, HAD NO COMMENT ON THE LAWSUIT.

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(EDLF BOARD TO MEET)

SAIPAN, FEB. 11 (MNS)---THE NEW BOARD OF DIRECTORS FOR THE ECONOMIC DEVELOPMENT LOAN FUND WILL MEET ON WEDNESDAY, FEB. 13, ACCORDING TO BOARD CHAIRMAN EUSEBIO RECHUCHER.

RECHUCHER ALSO REPORTED THAT DEPUTY HIGH COMMISSIONER COLEMAN HAS SIGNED THE REVISED MANUAL OF ADMINISTRATION CHAPTERS PROVIDING A PLAN FOR ADMINISTRATION OF THE EDLF PROGRAM, THUS OFFICIALLY RELEASING AN ADDITIONAL \$1-MILLION DOLLARS TO THE FUND FOR LOANS TO TT CITIZENS.

THE \$1-MILLION DOLLARS WAS APPROPRIATED BY THE U.S. CONGRESS UNDER PUBLIC LAW 92-257, BUT WAS TO BECOME AVAILABLE TO THE FUND ONLY AFTER A PLAN FOR ADMINISTERING THE MONEY HAD BEEN APPROVED BY THE SECRETARY OF THE INTERIOR. THE PLAN IS NOW INCORPORATED INTO THE MANUAL OF ADMINISTRATION. THOSE CHAPTERS ALSO, AMONG OTHER THINGS, RECONSTITUTE THE EDLF BOARD OF DIRECTORS AND GIVE DISTRICT ADMINISTRATORS THE AUTHORITY TO MAKE DIRECT EDLF LOANS IN AMOUNTS UP TO \$10,000 DOLLARS.

(REP. HANSEN RETIRING)

SAIPAN, FEB. 11 (MNS)---A REPORT PUBLISHED IN THE SATURDAY, FEB. 9, EDITION OF PACIFIC DATELINE SAYS THAT U.S. REPRESENTATIVE JULIA BUTLER HANSEN HAS ANNOUNCED HER INTENTION TO RETIRE FROM THE U.S. CONGRESS AFTER THIS YEAR. MRS. HANSEN IS A DEMOCRATIC CONGRESSWOMAN FROM THE STATE OF WASHINGTON WHO HAS SERVED AS CHAIRMAN OF THE U.S. HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE INTERIOR FOR THE PAST SEVEN YEARS. TRUST TERRITORY OFFICIALS FROM THE EXECUTIVE BRANCH AND THE CONGRESS OF MICRONESIA TESTIFY BEFORE MRS. HANSEN'S COMMITTEE IN BUDGET HEARINGS.

THE NEWSPAPER REPORT SAYS THAT THE NEXT IN LINE OF SUCCESSION ON THE SUBCOMMITTEE IS REPRESENTATIVE SIDNEY YATES, DEMOCRAT OF ILLINOIS.

THE ARTICLE ADDS THAT DIRECTOR OF THE OFFICE OF TERRITORIES, STANLEY S. CARPENTER, ISSUED A STATEMENT SAYING THAT HE WAS SORRY TO HEAR OF MRS. HANSEN'S PLAN TO RETIRE, AND THAT HE AND OTHER TERRITORIAL OFFICIALS "LOOK FORWARD TO OUR ROUND OF BUDGET HEARINGS BEFORE HER AS CHAIRMAN OF THE SUBCOMMITTEE THIS SPRING." THE PAPER SAYS THAT THOSE HEARINGS ARE SCHEDULED TO BEGIN ON FRIDAY, FEBRUARY 15, WITH SECRETARY OF THE INTERIOR ROGERS C.B. MORTON AS THE FIRST WITNESS TO DEFEND THE DEPARTMENT'S BUDGET.

(BUREAU DIRECTOR OF OUTDOOR RECREATION TO VISIT TT)

SAIPAN, FEB. 11 (MNS)---INTERIOR DEPARTMENT BUREAU DIRECTOR OF OUTDOOR RECREATION JAMES WATT IS SCHEDULED TO VISIT GUAM, AMERICAN SAMOA AND THE TRUST TERRITORY THIS MONTH, ACCORDING TO WORD RECEIVED FROM WASHINGTON THIS WEEK.

WATT LEFT WASHINGTON LAST SUNDAY (FEB. 10) FOR THIS FACT-FINDING TOUR OF THE TWO AMERICAN TERRITORIES AND MICRONESIA, WHERE HE IS EXPECTED TO MEET WITH GOVERNMENT OFFICIALS AND CIVIC LEADERS TO DISCUSS MATTERS PERTAINING TO RECREATION ACTIVITIES FOR THE PACIFIC ISLANDS.

"I AM PLEASED TO BE MAKING THIS TRIP TO REVIEW POTENTIAL FOR OUTDOOR RECREATION IN THIS IMPORTANT AREA," WATT SAID IN WASHINGTON THIS WEEK.

"AMERICAN INTERESTS HERE ARE MANY AND VARIED, AND WE HAVE RESPONSIBILITIES TO THE PEOPLE OF THE TERRITORIES WHICH COVER VIRTUALLY THE FULL SPECTRUM OF INTERIOR DEPARTMENT ACTIVITY," HE SAID.

DIRECTOR WATT SAID THE BUREAU OF RECREATION AND ITS PROGRAMS CAN CONTRIBUTE SIGNIFICANTLY TO THE ENHANCEMENT OF POTENTIALLY IMPORTANT TOURISM AND RECREATION ACTIVITIES IN THE TRUST TERRITORY.

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AMONG OTHER THINGS, WATT'S AGENDA INCLUDES SEVERAL MEETINGS WITH TOURISM OFFICIALS IN THE MARIANAS DISTRICT, WHOSE TOURISM INDUSTRY HAS JUST BEGAN TO DEVELOP. AT THESE MEETINGS, DISCUSSIONS WILL BE HELD ON HOW TO EXPAND AND IMPROVE LOCAL PARKS AND OTHER RECREATION FACILITIES FOR THE BURGEONING TOURISM INDUSTRY OF SAIPAN.

SIMILAR MEETINGS WILL BE HELD IN THE OTHER DISTRICTS OF THE TRUST TERRITORY AS PART OF WATT'S TOUR. HE IS EXPECTED TO COMPLETE HIS TRIP THROUGH IT FEBRUARY 23.

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