



1974

(AIR MIKE SEEKS FARE INCREASE)

SAIPAN, FEB. 26 (MNS)---CONTINENTAL AIR LINES HAS ASKED THE U.S. CIVIL AERONAUTICS BOARD (CAB) FOR PERMISSION TO INCREASE PASSENGER FARES AND MOST GENERAL FREIGHT RATES ON ITS TRUST TERRITORY SERVICE BY AN AVERAGE OF 22 PER CENT.

A DETAILED ECONOMIC JUSTIFICATION FOR THE INCREASES, CITING STEEPLY RISING FUEL COSTS AND CONTINUING OPERATING LOSSES, WAS FILED WITH THE CAB IN WASHINGTON FRIDAY, FEBRUARY 22. IF THE CAB APPROVES, THE NEW RATES WOULD TAKE EFFECT MARCH 22.

ON PASSENGER FARES, SOME SAMPLE ONE-WAY FARE CHANGES AS

PROPOSED BY THE AIRLINE WOULD BE: SAIPAN-GUAM, FROM \$15.00 TO \$19.50; GUAM-YAP, FROM \$50.00 TO \$73.20; MAJURO-TRUK, FROM \$137.00 TO \$167.10; AND HONOLULU-GUAM, FROM \$217.00 TO \$303.80. THE AIRLINE ALSO PROPOSES TO INCREASE ITS FREIGHT RATES ON GENERAL COMMODITIES BY ABOUT 22 PER CENT, ALTHOUGH GENERAL MANAGER BARRIE DUGGAN TOLD MNS THIS WEEK THAT AIR MIKE'S SPECIFIC COMMODITY RATES, ON SUCH ITEMS AS MICRONESIAN-PRODUCED VEGETABLES AND FRUITS, MEATS AND FISH, SHIPPED WITHIN MICRONESIA, WILL NOT BE INCREASED.

"THE TARIFF CHANGES PROPOSED ARE SUBSTANTIAL," THE AIRLINE SAYS IN ITS PRESENTATION TO THE CAB, "BUT THEY ARE COST BASED; THEY ARE NOT UNREASONABLE IN COMPARISON WITH DOMESTIC AND INTERNATIONAL INCREASES EFFECTED SINCE DECEMBER, 1972 (THE LAST TIME AIR MICRONESIA FARES WERE RAISED); THEY WILL PRODUCE PRICES STILL VERY LOW IN COMPARISON WITH OTHER INTRA-PACIFIC FARES AND RATES EVEN OVER MUCH DENSER ROUTES: AND THEY WILL LEAVE CONTINENTAL WITH A 1974 NET LOSS APPROXIMATELY THE EQUAL OF THAT EXPERIENCED IN 1973."

WITHOUT THE FARE INCREASES, AND OTHER COST-SAVING CHANGES EITHER ALREADY ANNOUNCED OR PLANNED BY THE AIRLINE, AIR MICRONESIA'S ANTICIPATED PRE-TAX LOSS FOR ITS MICRONESIA OPERATION IN 1974 WOULD BE \$3,409,000, AS COMPARED WITH A 1973 LOSS OF \$,715,000. THE FORECAST NET LOSS FOR 1974 WOULD MEAN A NEGATIVE 32.95 PER CENT RETURN ON INVESTMENT, THE CAB PRESENTATION SAYS, WHICH WOULD BE "THE POOREST RESULT SINCE INAUGURATION OF SERVICE IN MAY, 1968."

AIR MICRONESIA ANNOUNCED A FEW DAYS AGO THAT IT HAS FILED FOR PERMISSION TO SUSPEND ITS ONCE-A-WEEK SERVICE BETWEEN SAIPAN AND OKINAWA AS A COST-SAVING MOVE. THE STATEMENT FILED LAST WEEK WITH THE CAB ALSO REVEALS PLANS TO REDUCE CAPACITY ON THE MICRONESIAN SERVICE BY AN ADDITIONAL 9 PER CENT DURING THE COMING YEAR, AND TO ELIMINATE USE OF THE PROPELLAR-DRIVEN DC-6 AIRCRAFT, WHICH HAS BEEN MAINTAINED AS A BACKSTOP FOR THE TWO B727 JETS THAT ARE THE MAINSTAY OF THE AIR MICRONESIA OPERATION. THE CUTBACKS IN SERVICE CAPACITY WOULD BE PUT INTO EFFECT GRADUALLY IN APRIL, MAY AND SEPTEMBER OF 1974, THE STATEMENT SAYS.

"THE PROSPECT OF BREAKEVEN OR PROFITABLE OPERATIONS AT CURRENT FARES AND RATES HAS BECOME IMPOSSIBLE," THE STATEMENT CONTINUES. "THE FINANCIAL RESULTS FOR CALENDAR YEAR 1974 AT CURRENT RATES AND EXISTING SERVICE LEVELS WOULD BE DRASTICALLY WORSE THAN THOSE OF ANY PREVIOUS YEAR UNLESS SUBSTANTIAL CORRECTIVE ACTIONS ARE TAKEN IMMEDIATELY. AS MUCH AS IT REGRETS THE NECESSITY TO DO SO, CONTINENTAL IS TAKING THOSE ACTIONS IN THE INTEREST OF MAINTAINING A VIABLE SERVICE."

DUGGAN AND OTHER AIR MICRONESIA OFFICIALS HAVE ALREADY DISCUSSED THE PROPOSED FARE INCREASE WITH TRUST TERRITORY GOVERNMENT OFFICIALS AND KEY MEMBERS OF THE CONGRESS OF MICRONESIA, AND DUGGAN LEFT SAIPAN TUESDAY MORNING ON A SWING THROUGH THE DISTRICTS TO TALK OVER THE PROPOSAL WITH COMMUNITY LEADERS IN EACH LOCATION SERVED BY THE AIRLINE.

EXCEPTIONS TO THE 22 PER CENT ACROSS THE BOARD INCREASE IN TARIFFS FILED BY AIR MICRONESIA, IN ADDITION TO THE INTRA-MICRONESIAN COMMODITY RATE, WHICH REMAINS THE SAME AS A STIMULANT TO LOCAL INDUSTRIES, ARE: THE MINIMUM CHARGE PER FREIGHT SHIPMENT IS INCREASED FROM FOUR TO FIVE DOLLARS; THE DISCOVER MICRONESIA ROUND-TRIP EXCURSION FARE IS CHANGED FROM 75 PER CENT OF THE BASIC FARE TO 80 PER CENT; FAMILY FARE PROVISIONS BETWEEN GUAM AND HONOLULU, LOS ANGELES, PORTLAND AND SEATTLE ARE CANCELLED; AND THE HONOLULU-GUAM ONE-WAY FARE IS INCREASED BY 22 PER CENT OVER THE AUTHORIZED DECEMBER, 1972 LEVEL OF \$249.00, WHICH WAS APPROVED BY THE CAB BUT LATER REDUCED TO \$217.00 FOR COMPETITIVE REASON.

ALTHOUGH AIRLINE OFFICIALS FEEL THAT THEY HAVE PROVIDED SUFFICIENT JUSTIFICATION FOR THE CAB TO APPROVE THE REQUESTED INCREASES, THEY POINT OUT THAT THE BOARD COULD REDUCE THE INCREASES OR EVEN DENY THEM ALTOGETHER. INTERESTED PARTIES MAY ALSO BRING THEIR VIEWS ON THE PROPOSED NEW TARIFFS TO THE ATTENTION OF THE BOARD BETWEEN NOW AND MARCH 22, AN AIRLINE SPOKESMAN SAID.

(TT ENVIRONMENTAL PROTECTION BOARD MEETING)

SAIPAN, FEB. 26 (MNS)---THE TRUST TERRITORY ENVIRONMENTAL PROTECTION BOARD WILL HOLD ITS QUARTERLY MEETING MARCH SIXTH THROUGH THE NINTH AT KOROR, PALAU, ACCORDING TO THE TT DIRECTOR OF HEALTH SERVICES, DR. MASAO KUMANGAI.

A SPOKESMAN FOR THE BOARD SAID THIS WEEK THAT THE BOARD IS QUITE CONCERNED ABOUT THE DETERIORATION OF LAGOONS AND REEFS IN MICRONESIA, ADDING, THAT THE "POOR STATE OF DETERIORATION" IS CAUSED BY POORLY REGULATED CONSTRUCTION PROJECTS, RESULTING IN THE DUMPING OF LETHAL CHEMICALS AND OTHER IMPURITIES INTO THE WATER.

AMONG OTHER THINGS, THE BOARD WILL DISCUSS REGULATIONS RELATING TO EARTH-MOVING ACTIVITIES, INCLUDING LAGOON RECLAMATION AND REEF DREDGING.

OTHER ITEMS SCHEDULED FOR DISCUSSION DURING THE MEETING INCLUDE: WATER QUALITY STANDARDS AMENDMENTS, A PROPOSED AMENDMENT TO FEDERAL REQUIREMENTS FOR "SECONDARY TREATMENT" STANDARDS, AND A REVIEW OF THE BOARD'S ACTIVITIES FOR THE FIRST HALF OF FISCAL YEAR 1974.

ACCORDING TO THE SPOKESMEN, THE BOARD HAS ALSO EXPRESSED CONCERN ABOUT THE POSSIBLE INCREASE OF WATER POLLUTION IN MICRONESIA WHICH MAY BECOME MORE EVIDENT WHEN THE TRUST TERRITORY EVENTUALLY OPENS ITS DOORS TO FOREIGN INVESTMENT.

THE SPOKESMAN SAID THE MEETING TO BE HELD IN PALAU IS OPEN TO THE PUBLIC, AND ALL INTERESTED PERSONS ARE INVITED TO

ATTEND.

(QUITUGUA KILLED IN TRAFFIC ACCIDENT)

SAIPAN, FEBRUARY 26 (MNS)---THE FIRST FATAL TRAFFIC ACCIDENT IN THE MARIANAS DISTRICT THIS YEAR OCCURED MONDAY (FEB. 25) AT TANAPAG VILLAGE ON SAIPAN, RESULTING IN THE DEATH OF FRANCISCO S. QUITUGUA. HE WAS A TEACHER AT GARAPAN ELEMENTARY SCHOOL.

QUITUGUA WAS PRONOUNCED DEAD UPON ARRIVAL AT DR. TORRES HOSPITAL, ACCORDING TO A SPOKESMAN FOR DISTRICT HEALTH SERVICES. THE ACCIDENT OCCURED AROUND FOUR O'CLOCK IN THE AFTERNOON AT THE BASE OF CAPITAL HILL ON A CURVE ADJACENT TO FRANK ALDAN'S GAS SERVICE STATION.

THE HEAD-ON COLLISION INVOLVED A PICK-UP SEDAN OWNED BY IGNACIO ALDAN OF SUSUPE AND A DATSUN SEDAN DRIVEN BY QUITUGUA, OF TANAPAG VILLAGE--THE VICTIM OF THE CRASH. POLICE ARE STILL INVESTIGATING THE CAUSE OF THE ACCIDENT.

ACCORDING TO THE HOSPITAL'S SPOKESMAN, THE DRIVER OF THE PICK-UP, JOAQUIN ALDAN, WAS NOT SERIOUSLY INJURED. HE WAS TREATED FOR A MINOR CUT IN THE HEAD AND WAS RELEASED FROM THE HOSPITAL MONDAY. THE SPOKESMAN SAID THAT LOUIS YUL OF YAP, WHO WAS A PASSENGER IN THE PICK-UP, WAS ADMITTED TO THE HOSPITAL FOR INJURIES. HE IS IN SATISFACTORY CONDITION.

LAST YEAR SAIPAN RECORDED THREE TRAFFIC DEATHS.

(GUAM AND MICRONESIA STATUS DISCUSSED)

SAIPAN, FEB. 26 (FROM THE SUNDAY NEWS)---THE SECOND SEMINAR ON THE FUTURE POLITICAL STATUS OF GUAM AND MICRONESIA WAS HELD SATURDAY (FEB. 23) AT THE UNIVERSITY OF GUAM, ACCORDING TO AN ARTICLE PUBLISHED IN THE PACIFIC SUNDAY NEWS.

IT WAS REPORTED THAT DR. WILLIAM V. VITARELLI, WHO MODERATED THE SEMINAR, WAS DISAPPOINTED AT THE TURNOUT WHICH WAS LESS THAN HALF OF THOSE ATTENDING THE FIRST SEMINAR HELD EARLIER THIS MONTH.

"SINCE THE LAST SEMINAR I RECEIVED A FEW ABRASIVE LETTERS AND NOTES FROM PERSONS COMPLAINING THAT THEY HAD NOT BEEN INVITED. THIS TIME WE OPENED IT UP TO THE PUBLIC, BUT I GUESS SATURDAY MORNING IS A BAD TIME TO HAVE IT," SAID DR. VITARELLI.

VITARELLI EXPLAINED THAT THE IDEA FOR THE SEMINAR GREW FROM A LETTER WRITTEN BY DR. DONALD F. MCHENRY, PROJECT DIRECTOR OF THE CARNEGIE INSTITUTE FOR INTERNATIONAL PEACE, AND ADDRESSED TO UNIVERSITY OF GUAM PROFESSOR FRANK KING.

MCHENRY WROTE THAT HIS INSTITUTE WAS PREPARING A BOOK ABOUT MICRONESIA AND WANTED TO TALK TO IMPORTANT PEOPLE AND POLITICIANS IN THE AREA. THE SEMINAR WAS HELD FOR MCHENRY, SAID DR. VITARELLI.

IN THE FIRST SEMINAR, THE PALAUAN DELEGATION PRESENTED THEIR PROPOSAL FOR THE FUTURE OF A LOOSE FEDERATION OF AUTONOMOUS STATES OF MICRONESIA, WITH CERTAIN MUTUAL UTILITIES, AND THE SAIPAN REPRESENTATIVE SAID THE PEOPLE OF THE MARIANAS DISTRICT DESIRE CLOSER ASSOCIATION WITH THE UNITED STATES IN COMMONWEALTH TYPE OF STATUS, DR. VITARELLI SUMMARIZED.

OPENING THE SECOND SEMINAR, MRS. AUDREY CANBA READ THE STATEMENT OF SENATOR FRANK LUJAN, CHAIRMAN OF THE GUAM LEGISLATURE'S POLITICAL STATUS COMMISSION.

LUJAN SAID THAT DISCUSSIONS ABOUT FUTURE POLITICAL STATUS WERE CONFUSED BY THREE MYTHS. THESE MYTHS, CAST OUT BY IRRESPONSIBLE EMPLOYEES OF THE FEDERAL GOVERNMENT, SAID LUJAN, ARE THAT GUAM AND MICRONESIA ARE INEVITABLY, POLITICALLY DEPENDENT UPON THE UNITED STATES, ECONOMICALLY DEPENDENT UPON THE MILITARY AND VULNERABLE TO ARMED ATTACK.

"IT IS FALSE ASSUMPTION THAT ONLY THE U.S. CAN OR IS WILLING TO DEVELOP THE ISLANDS," READ MRS. CAMBA. "OTHER CLOSER COUNTRIES TO GUAM AND MICRONESIA ARE READY, WILLING AND ABLE TO DEVELOP THE ISLANDS. INTERNATIONAL ORGANIZATIONS ALSO EXIST TO PROVIDE EXPERTISE AND FINANCIAL SUPPORT TO THE ISLANDS," LUJAN'S STATEMENT SAID.

"FOR THE PAST TWENTY-FIVE YEARS, THE U.S. PROMISED AND WAS LEGALLY COMMITTED TO DEVELOP MICRONESIA BUT DID NOT DO SO. THE LACK OF ECONOMIC DEVELOPMENT NOW MEANS POLITICAL DEPENDENCE ON ANOTHER NATION," CONTINUED THE STATEMENT.

LUJAN SAID THE MILITARY EXISTENCE OF BASES ON GUAM HAD A NEGATIVE AND DISRUPTIVE IMPACT ON THE GROWTH OF PRIVATE INDUSTRY. "MILITARY BASES TOTALLY DOMINATE ALL ASPECTS OF ISLAND LIFE," HE SAID.

"THE MILITARY CONTINUES TO REMIND US ON GUAM OF THE ECONOMIC BENEFITS DERIVED FROM THE BASES BUT DOES NOT MENTION THE DISADVANTAGES," HIS STATEMENT SAID.

"FOR 50 YEARS, GUAM WAS ISOLATED FROM THE OUTSIDE WORLD BY MILITARY CONTROL. THE PEOPLE HAD NO CIVIL STATUS AND ACTED WITH CHILDLIKE COMPLIANCE AND DEPENDENCE. GUAMANIAN ARE JUST NOW RECOVERING FROM THIS EXPERIENCE," LUJAN SAID.

"MILITARY BASES EMPLOY THE ISLAND LABOR FORCE, LEAVING VERY LITTLE FOR PRIVATE INDUSTRY. THE EXISTENCE OF MILITARY COMMISSARIES AND EXCHANGES LEAD TO THE HIGH COST OF LIVING ON THE ISLAND," HE SAID.

THE THIRD MYTH STATED BY SEN. LUJAN IS THE NAVY STATEMENT THAT WITHOUT THEIR PRESENCE IN THE PACIFIC, THE ISLANDS WOULD BE THREATENED BY OTHER NATIONS.

"THE MILITARY ARE HERE TO PROTECT US, THEY SAY. BUT WHEN THE JAPANESE ATTACKED GUAM DURING WORLD WAR II, THE NAVAL GOVERNMENT FLED," LUJAN SAID.

"THE LOCATION OF THE ISLANDS CLOSE TO SOUTHEAST ASIA ALLOWS THE UNITED STATES TO USE THEM FOR FRONT LINE RETALIATION OR AGGRESSION," LUJAN SAID.

"MICRONESIA AND GUAM WOULD BE FAR BETTER OFF IF THE UNITED NATIONS WOULD GUARANTEE THEM AS A NEUTRALITY ZONE IN THE PACIFIC. THEN, IF ANY NATION WOULD INVADE THE ISLANDS, THE U.N. SECURITY FORCES WOULD PROTECT THEM," SAID LUJAN.

DR. THOMAS GLADWIN FROM THE UNIVERSITY OF HAWAII ALSO SPOKE AT THE SEMINAR. GLADWIN SAID THE SOLE REASON FOR THE UNITED STATES PRESENCE IN MICRONESIA IS ITS STRATEGIC MILITARY POSITION. HE SAID HE BELIEVES IT IS REALISTIC FOR MICRONESIA TO BE INDEPENDENT POLITICALLY AND ECONOMICALLY.

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