

January 17, 1975

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Honorable Paul Fannin
United States Senate
Washington, D. C. 20510

Dear Senator Fannin:

The Secretary has asked me to reply to your letter of January 2, 1975, regarding the Service to Saipan case now before the Civil Aeronautics Board.

As you know, the question of a selection of a carrier to offer service between Saipan and Japan has been before the Civil Aeronautics Board since April 1972. In reaching a decision the Board is charged with giving due consideration to the public interest and in fostering sound economic conditions for air transportation. The Department of State requested the Board to attach considerable weight to the view of the elected leaders of Micronesia in the Congress of Micronesia and in the district legislatures of the Trust Territory.

Taking our request into consideration the Board ordered the case reopened in 1974 and further hearings and arguments have just been concluded. The Congress of Micronesia participated fully in these proceedings. The Department is confident that the Board will give careful consideration to the views expressed by the Congress of Micronesia as well as to the Department's letter of July 2, 1973.

The Department recognizes the responsibilities which the United States has for all the districts of the Trust Territory under the Trusteeship Agreement. We believe that the Board is aware of these responsibilities and will take them into account. We further believe that it would not be appropriate for the Department to file a further statement with the Board at this time,

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particularly when there are conflicting views among
the elected representatives of the people of the
Trust Territory on this matter.

Sincerely,

Linwood Holton
Assistant Secretary
for Congressional Relations

Clearances: ES/AN:WBCorb:vly
EA:Mr. Habib
EB/OA:JS:scdows
ED/TF:R:Waldmann
EE:RGold
EF:-JRNachenzie

ES/AN:WBCorb:vly
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United States Senate

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January 2, 1975

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Honorable Henry Kissinger
Secretary of State
Department of State
Washington, D. C. 20520

Dear Mr. Secretary:

Reference is made to CAB Docket No. 24421, Service to Saipan Case, for which oral argument before the Board is scheduled for January 8, 1975.

Under the terms of the United Nations-United States Trusteeship Agreement covering the Trust Territory of the Pacific Islands, the United States is required to "promote the economic advancement and self-sufficiency of the inhabitants...and improve the means of transportation." This United Nations mandate covers all of the districts of Micronesia.

I am aware of the Department's letter of July 2, 1973, to the CAB. Most unfortunately, the CAB appears to have misinterpreted the letter or has failed to fully understand its implications. For this reason, I suggest that the Department make clear on the public record that under the terms of the United Nations Trusteeship Agreement our Government is required to "promote the economic advancement" of all of Micronesia, and that from a national interest viewpoint, that is the primary issue in the above-referenced proceeding.

Sincerely,

Paul Fannin

Paul Fannin
United States Senator

PF:hlm

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