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TELEGRAM

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ACTION INT-05

INFO OCT-01 EA-10 IO-10 PM-03 PA-02 L-02 /033 W  
110143

P 100737Z MAR 75 ZNZ-1  
FM HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
TO ALDISTADS TERPACIS  
TT LNO GUAM MARIANA ISLANDS  
TTPI LNO KWAJALEIN MARSHALL ISLANDS  
COMNAV MARIANAS GUAM MARIANAS ISLANDS  
CINCPACREP GUAM/TTPI GUAM MARIANAS ISLANDS  
CINCPAC HONOLULU HI  
INTELLIGENCE CENTER PACIFIC (IPAC)  
NAVINSERVO GUAM MARIANAS ISLANDS  
COMTWELVE SAN FRANCISCO CA  
RUEHC /SECSTATE WASHINGTON DC  
SECDEF WASHINGTON DC  
JCS WASHINGTON DC  
CNO WASHINGTON DC  
CINCPACFLT MAKALAPA HI  
CINCPACAF HICKAM AFB HI  
CGFMFPAC CAMP H M SMITH HI  
COMCBPAC PEARL HARBOR HI  
COMNAVFACENGCOM ALEXANDRIA VA  
PACNAVFACENGCOM PEARL HARBOR HI

FILE COPY  
Surname:

Handwritten initials and a routing box with dates: 23, 26, 27, 5, 7, 8.

TT LNO HONOLULU HI  
SAMTEC VANDENBERG AFB CA  
FCONA-LGA KIRTLAND AFB NM  
CORUSAGO MAKIMINATO JAPAN//TTPI-LNO//  
AMEMB CANBERRA ACT AS

- 1. High Court upholds Transpac Receivership
- 2. Incom Receives Bills
- 3. Coaches for SPG
- 4. 15 foot shark captured
- 5. High Court upholds Transpac Receivership

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SECTION 01 OF 02  
COMTWELVE PASS INFO FOR AMB WILLIAMS  
SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA OSN  
AMEMBASSY CANBERRA FOR PAC. ISL. MONTHLY  
(HIGH COURT UPHOLDS TRANSPAC RECEIVERSHIP)

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SAIPAN, MAR. 10 (MNS)---A RECEIVERSHIP ESTABLISHED ON THE SKELETON OF TRANSPACIFIC LINES, THE FORMER EXCLUSIVE SHIPPING AGENT IN THE TERRITORY, IS VALID AND SHOULD BE UPHELD, TT ASSOCIATE JUSTICE ARVIN H. BROWN JR., HELD LAST WEEK, ACCORDING TO MONDAY'S (MARCH 10) EDITION OF THE PACIFIC DAILY NEWS.

IN HIS 20-PAGE OPINION, BROWN MAINTAINED THAT THE TRUST TERRITORY GOVERNMENT HAD THE RIGHT TO CANCEL THE TRANSPAC FRANCHISE AND ESTABLISH THE RECEIVERSHIP. "THIS COURT HAS NO

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RESISTANCY IN STATING THAT THERE WAS NO DEPRIVATION OF DUE PROCESS IN THE APPOINTMENT OF THE PRESENT RECEIVER AND NO ABUSE OF DISCRETION ON THE PART OF THE COURT IN APPOINTING HIM," STATED THE ORDER.

BROWN'S RULING CAME AFTER LENGTHY HEARINGS, BEGUN LAST MARCH AT WHICH TIME, "CREDITORS, HOLDERS OF DEFAULT, SHAREHOLDERS, AND PLAINTIFFS IN AN ACTION AGAINST TRANSPACIFIC LINES," ARGUED THAT THE "CURRENT RECEIVER, JOHN F. MEADOWS" BE DISMISSED AND TRANSPAC BE PERMITTED TO SUE AND BE SUED; ANY CLAIMS THE TRUST TERRITORY GOVERNMENT MAY HAVE AGAINST THE ASSETS OF TRANSPAC NOT BE GIVEN "PRIORITY"; ANY RECEIVER APPOINTED BE REQUIRED TO TAKE ALL STEPS NECESSARY TO PREVENT CANCELLATION OF THE TRANSPAC FRANCHISE; THE RECEIVER BE REQUIRED TO POST A BOND OF \$31 MILLION DOLLARS AND A FULL HEARING BE HELD REQUIRING THE GOVERNMENT TO JUSTIFY ALL OF ITS ACTIONS IN THE PLACING OF TRANSPACIFIC LINES, INC. IN RECEIVERSHIP, THE GUAM NEWSPAPER ADDED.

IN REJECTING ARGUMENTS THAT THE HIGH COMMISSIONER HAD NO POWER TO ESTABLISH A RECEIVERSHIP, BROWN SAID, THE HIGH COMMISSIONER NOT ONLY HAD A RIGHT TO ACT, HE HAD TO DO SO.

ASSOCIATE JUSTICE BROWN'S OPINION STATED THAT "BY NOVEMBER,

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1973, THE TOTAL LIABILITIES OF TRANSPAC HAD SOARED TO \$3,117,215 IN EXCESS OF ITS TOTAL ASSETS. THE WORLD WIDE OIL SHORTAGE WITH ITS ATTENDANT SKYROCKETING OF FUEL PRICES SERVED TO INCREASE DRASTICALLY THE COMPANY'S INDEBTEDNESS. LOAN COULD BE OBTAINED BY IT FROM ANY SOURCE, AND THE SITUATION CONTINUED TO DETERIORATE

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WITH EVER INCREASING SPEED."

THE STOCKHOLDERS HAVE ALLEGED THAT HIGH COMMISSIONER EDWARD E. JOHNSTON, ATTORNEY GENERAL RICHARD I. MIYAMOTO, AND FORMER CHIEF OF TRANSPORTATION WAYNE C. THIESSEN "ACTED OPPRESSIVELY AND MALICIOUSLY IN INTERFERING WITH THE CONTRACT RIGHTS," AND ASKED THAT THE RECEIVERSHIP BE DISSOLVED.

THE STOCKHOLDERS FURTHER CONTENDED THAT THE TT DID NOT LIVE UP TO ITS CONTRACT, NEGOTIATED IN AUGUST 1968 WITH TRANSPAC, AND MAINTAINED THAT THE TT GOVERNMENT DID NOT FURNISH REASONABLE PORT FACILITIES, THEREBY RESULTING IN FINANCIAL LOSS FOR THE SHAREHOLDERS. THE RECEIVERSHIP SET UP TO DISPOSE TRANSPAC'S ASSETS, IS NOW TRYING TO REMOVE FROM MARIANAS MARITIME CORP., A SUBSIDIARY OF LUZON STEVEDORING A MULTIMILLION DOLLAR LOSS SUFFERED WHEN A PONAPE-BOUND BARGE SUNK OFF TRUK APRIL 6, 1974, WHILE OPERATING UNDER A CHARTER WITH THE TRANSPAC RECEIVERSHIP, ACCORDING TO

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PDN.

SOURCES INDICATE THERE IS "SERIOUS DOUBT" THAT ANY MONEY WILL BE LEFT FOR GENERAL CRED TORSON SINCE THE TT GOVERNMENT HAS ASKED FOR AND APPARENTLY WILL RECEIVE A PRIORITY PAYMENT.

SINCE TRANSPAC'S DEMISE, ITS REMAINING SHIP HAS BEEN TAKEN FROM SERVICE. PERMISSION FOR OTHER SHIPS TO ENTER MICRONESIAN PORTS IS GIVEN ON A CASE-BY-CASE BASIS, PDN POINTED OUT.

ACCORDING TO TT TRANSPORTATION DIVISION REPORT LAST JUNE, THE FOLLOWING LINES HAVE BEEN GIVEN PERMISSION TO SERVE MICRONESIAN PORTS.

-NAURU PACIFIC LINE WAS TO OPERATE THE CONTAINERSHIP MS ELIZABETH BORNHOFEN WITH 45-50 DAY DIRECT SERVICE FROM SAN FRANCISCO AND HONOLULU TO MAJURO, PONAPE AND TRUK, WITH TRANSSHIPMENT TO KUSAIE AND EBEBE;

-THE MS WESER DISPATCHER, MS EIGAMOIYA AND MS GENPAC ROUNDER WERE SCHEDULED TO PROVIDE DIRECT MONTHLY SERVICE TO THE SAME ISLANDS FROM AUSTRALIA;

-PACIFIC FAR EAST LINES WAS TO ACCEPT WEST COAST CARGO FOR TRANSSHIPMENT AT GUAM ON SAIPAN SHIPPING CO. VESSELS FOR DELIVERY TO SAIPAN, YAP AND KOROR. PFEL HAS SINCE LEFT GUAM;

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-MATSON LINE (SEALIFT) WAS TO SERVE EBEYE THROUGH KWAJALEIN EVERY 25 DAYS FROM OAKLAND;

-DAIWA LINE WAS TO SERVE SAIPAN MONTHLY WITH THE NEW CONTAINER VESSEL MS PONAPE MARU FROM JAPAN AND TAIWAN;

-SAUSE BROTHERS OCEAN TOWING CO. WAS TO SERVE THE EASTERN TT DISTRICTS AND SAIPAN ON AN INDUCEMENT BASIS WITH A TUG AND BARGE OPERATION CARRYING LUMBER PRODUCTS AND OTHER CARGO FROM THE PACIFIC NORTHWEST;

-TIGER LINE, A SUBSIDIARY OF UNITED MICRONESIAN DEVELOPMENT ASSOCIATION (UMDA), WAS TO TIME-CHARTER THE TT SHIP MS HERKIMER AND IS PICKING UP COPRA FROM ALL DISTRICTS FOR DELIVERY TO JAPAN;

DILMAR CORPORATION HAD BEEN CLEARED TO SERVE SAIPAN, TRUK, YAP AND KOROR FROM GUAM;

FRANK RAYMENT, SPOKESMAN FOR THE RECEIVERSHIP SAID, WHEN ASKED ABOUT BROWN'S RULING, "WE ARE STILL STUDYING THE EFFECT OF THE RULING, AND IT'S A LITTLE EARLY TO MAKE COMMENTS" CONCLUDED PDN.

(MTCOM RECEIVE BILLS)

SAIPAN, MARCH 10 (MNS)---THE OFFICE OF THE HIGH COMMISSIONER HAS RECEIVED TWELVE MORE BILLS PASSED BY THE

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SIXTH CONGRESS OF MICRONESIA DURING ITS REGULAR SESSION ON SAIPAN. THE HIGH COMMISSIONER HAS 30 DAYS FROM THE DAY HE RECEIVED THE BILLS TO ACT ON THEM.

THE BILLS ARE:

-A BILL TO PROVIDE FOR PENALTY FOR VIOLATIONS OF TI'S PORT OF ENTRY REGULATIONS, (SB 6-124);

-APPROPRIATE \$110,000 FOR YAP DISTRICT PUBLIC IMPROVEMENT PROJECTS, (SB 6-98);

-A BILL CREATING A MICRONESIAN DELEGATION THE LAW OF THE SEA CONFERENCE, WITH THREE MEMBERS FROM THE CONGRESS OF MICRONESIA AND WILL ALSO ALLOW THE HIRING OF FORMER SEN. ANDREW AMARAICH OF TRUK AS CHAIRMAN OF THE DELEGATION, (SB 6-76);

-A BILL TO AMEND THE DIVISION STRUCTURE OF THE DEPARTMENT OF PERSONNEL IN ACCORDANCE WITH THE INCREASED RESPONSIBILITIES OF THAT DEPARTMENT SINCE THE PASSAGE OF THE ADVICE AND CONSENT

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ACT, (SB 6-54) /

-APPROPRIATING \$31,000 FOR THE ACTIVITIES OF THE TRUST  
TERRITORY PERSONNEL BOARD, (HB 6-7) /

-A BILL TO RAISE THE USURY LIMIT IN MICRONESIA FROM ONE  
PERCENT PER MONTH TO ONE AND ONE HALF PERCENT PER MONTH,

EOT

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