

(HIGH COURT UPHOLDS TRANSPAC RECEIVERSHIP)

1975

FILE

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 M. 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 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, 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 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 PDN.

SOURCES INDICATE THERE IS "SERIOUS DOUBT" THAT ANY MONEY WILL BE LEFT FOR GENERAL CREDITORS, 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

13822

FRANCISCO AND HONOLULU TO MAJURO, PONAPE AND TRUK, WITH
TRANSSHIPMENT TO KUSAIE AND EBEYE;

-THE MS WESER DISPATCHER, MS EIGAMOIYA AND MS CEMPAC 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;

-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.

(CHICOM RECEIVE BILLS)

SAIPAN, MARCH 10 (MNS)---THE OFFICE OF THE HIGH
COMMISSIONER HAS RECEIVED TWELVE MORE BILLS PASSED BY THE
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 TT'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. ANDON
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
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,
(HB 6-23);

-A MEASURE TO GRANT OUTRIGHT TO THE COPRA STABILIZATION
BOARD THE BALANCE OF \$79,570.92 APPROPRIATED UNDER PUBLIC LAW
5-4, (HB 6-26);

-A BILL APPROPRIATING \$139,500 FOR MICRONESIAN
REPRESENTATION AT THE UN LAW OF THE SEA CONFERENCE, (SB 6-77);

-APPROPRIATING \$297,400 TO DEFRAY THE CONTINGENT EXPENSES
OF THE REVENUE DIVISION, DEPARTMENT OF FINANCE FOR FY 1976,
(HB 6-5);

-TO AMEND CERTAIN SECTIONS OF PUBLIC LAW 5-58 TO LAPSE
THE FUNDS APPROPRIATED FOR THE OPERATIONS OF THE REVENUE
DIVISION ON MARCH 31, 1975, (HB 6-117);

-AND A MEASURE MAKING A TECHNICAL CORRECTION TO PUBLIC
LAW 5-78, (SB 6-125).

(COACHES FOR SPG)

SAIPAN, MARCH 10 (MNS)---THE CHAIRMAN OF THE MICRONESIAN SPORTS COUNCIL, FELIX F. RABAULIMAN, ANNOUNCED THIS WEEK THE APPOINTMENT OF HEAD COACHES FOR MICRONESIA'S ENTRY IN THE 5TH SOUTH PACIFIC GAMES WHICH WILL BE HELD ON GUAM THIS YEAR.

THE HEAD SOFTBALL COACH IS MARC WALTON, A MEDIA SPECIALIST WITH THE EDUCATION DEPARTMENT IN PONAPE. WALTON PLAYED SEMI-PRO FAST PITCH SOFTBALL FOR SIX YEARS IN OREGON. HE HAS BEEN ACTIVE IN PONAPEAN SPORTS PROGRAM FOR THE PAST SIX YEARS.

THE HEAD BASKETBALL COACH IS ALAN STEED, A PEACE CORPS VOLUNTEER (PCV) WITH THE EDUCATION DEPARTMENT IN PONAPE. STEED RECEIVED A B.A. DEGREE IN ECONOMICS FROM THE UNIVERSITY OF CALIFORNIA AT DAVIS. HE PLAYED BASKETBALL AT DAVIS FOR FOUR YEARS AND LATER PLAYED SEMI-PRO BASKETBALL. HE ALSO SERVED AS ASSISTANT BASKETBALL COACH AT DAVIS.

STEVE REMLEY ALSO A PCV CURRENTLY SERVING AS TRUST TERRITORY COMMUNITY DEVELOPMENT OFFICE AS RECREATION PROGRAM ADVISOR AND MOUNT CARMEL PHYSICAL EDUCATION TEACHER ON SAIPAN, IS THE VOLLEYBALL HEAD COACH. REMLEY RECEIVED A B.A. DEGREE IN PHYSICAL EDUCATION FROM SAN DIEGO STATE UNIVERSITY, AND HAS HAD EXPERIENCE IN PLAYING AND COACHING THE YMCA, CITY RECREATION, AND COLLEGE INTRAMURAL LEAGUES.

PALAU HIGH SCHOOL VICE PRINCIPAL DON SHUSTER, ORGANIZER OF THE LAST FIVE U.N. DAY TRACK AND FIELD MEETS IN PALAU, WILL BE THE HEAD COACH FOR TRACK AND FIELD. SHUSTER RECEIVED A B.A. DEGREE IN PHILOSOPHY AND AN M.S. DEGREE IN BIOLOGY FROM MICHIGAN STATE UNIVERSITY. HE HAS COMPETED IN A VARIETY OF RUNNING EVENTS IN HIGH SCHOOL, COLLEGE, AND WITH THE MID-MICHIGAN TRACK CLUB.

THE WOMEN'S TRACK AND FIELD COACH IS KURT BARNES, A P.E. TEACHER AT MARIANAS HIGH SCHOOL ON SAIPAN. BARNES WORKED AS RECREATION DIRECTOR AT MOC IN PALAU AND COACHED SEVEN MICRONESIAN RECORD HOLDERS IN TRACK AND FIELD. HE WAS ONE OF THE ORGANIZERS OF THE MICROLYMPICS.

THE SAIPAN BANK OF HAWAII BRANCH MANAGER BILL SAKOVICH WILL BE THE SWIMMING HEAD COACH. SAKOVICH RECEIVED HIS B.A. DEGREE IN BUSINESS ADMINISTRATION FROM THE UNIVERSITY OF CALIFORNIA AT LOS ANGELES (UCLA). HE COMPETED IN SWIMMING FROM THE AGES OF 13-22 AND HAS COMPETED IN MASTERS SWIMMING PROGRAMS. SAKOVICH ALSO COACHED IN THE INDONESIAN AND MOROCCAN NATIONAL SWIM TEAMS AND SWIMMING CLUBS IN HAWAII.

THE WOMEN'S SWIMMING COACH IS CINDY GIORGIS, A PEACE CORPS VOLUNTEER IN THE EDUCATION DEPARTMENT ON SAIPAN. GIORGIS HAS A B.A. DEGREE IN ELEMENTARY EDUCATION FROM MEREDITH COLLEGE IN RALEIGH, NORTH CAROLINA. SHE HAS HAD FIVE YEARS COMPETITIVE AND COACHING EXPERIENCE WITH AAU AND COLLEGE SWIM TEAMS.

(15 FOOT SHARK CAPTURED)

PONAPE, MARCH 10 (MNS)---A 15 FOOT LONG, 6 FEET WIDE SHARK WAS CAPTURED RECENTLY BY A RESIDENT OF NUKUORO ATOLL, PONAPE DISTRICT, ACCORDING TO PAULINO PABLO, WSZD NEWS REPORTER.

THE SHARK WAS THE SECOND LARGEST OF ITS KIND CAPTURED BY THE PEOPLE OF THE ATOLL. THE FIRST ONE WAS CAPTURED AFTER SECOND WORLD WAR IN 1947, PABLO REPORTED.

HUANAGAMOE ISACC, A WELL-KNOWN FISHERMAN IN NUKUORO, WAS ON HIS WAY TO ONE OF THE ISLANDS IN A CANOE WHEN HE

SPOTTED A LARGE-MOVING BODY MOVING TOWARD HIS CANOE. WITH
A HARPOON IN HIS HAND, ISACC SPEARED THE SHARK.

AFTER A THREE-HOUR BATTLE IN THE LAGOON, ISACC FINALLY
BROUGHT THE SHARK ASHORE AND WAS WELCOMED BY A CURIOUS CROWD.