



Department of State

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TELEGRAM

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FM HICOMTERPACTS SAIPAN MARIANAS ISLANDS
TO ALDTSTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALETN 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
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CINCPACFLT MAKALAPA HI
CINCPACAF HICKAM AFB HI
CGEMFPAC CAMP H M SMITH HI
COMCRPAC PEARL HARBOR HI
NAVFACENGCMMHQ ALEXANDRIA VA
CCGDFOURTEEN HONOLULU HI

1. *Covenant Passed
Senate Foreign Relations
Comte.*

2. *Support of Covenant
Marianas Legislation*

3. *Basilus Request Com
to Support Marianas
Covenant.*

4. *Speeches Dominate
House Session.*

5. *Com Audit Proposed*

6. *Palauans on Saipan
Support Superport.*

7. *Transportation Report
Slaps Saipan Route
Case to Japan.*

8. *Credit Union Topped
One Million Dollars
in Assets.*

PACNAV FACENGCMM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
PCDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIYMNATO JAPAN//TTPT-LNO//
AMEMB CANBERRA AS
RUFHKO /AMEMB TOKYO JA
CDRBMDSCOM HUNTSVILLE AL//BMD SC-RR//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS

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COMTWELVE PASS ONFO FOR AMB WILLIAMS

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SECSTATE PASS TO DEPT INT/SEC INTERIOR/DOIA OSN
AMEMBASSY CANBERRA FOR PAC. ISI. MONTHLY
(MARIANAS COMMONWEALTH COVENANT PASSES SENATE FOREIGN
RELATIONS COMMITTEE)

WASHINGTON, D.C., JAN. 21 (MNS)--THE COMMITTEE
ON FOREIGN RELATIONS OF THE UNITED STATES SENATE MET
JANUARY 20 ON THE SUBJECT OF THE COVENANT TO ESTABLISH
THE MARIANAS COMMONWEALTH. BY A VOTE OF 7 TO 4, THE

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COMMITTEE INDICATED ITS APPROVAL OF THE COVENANT. HOUSE
JOINT RESOLUTION 549, WHICH EMBODIES THE COVENANT, WILL
NOW GO TO THE FLOOR OF THE SENATE WITH A POSITIVE
RECOMMENDATION FROM THIS IMPORTANT COMMITTEE OF THE
SENATE. THE FOREIGN RELATIONS COMMITTEE HAD REQUESTED
THE RIGHT TO REVIEW THE COVENANT TO SEE WHAT IMPACT
ITS APPROVAL WOULD HAVE ON UNITED STATES FOREIGN AFFAIRS.
THE COMMITTEE'S POSITIVE VOTE IS THE CULMINATION OF
SEVERAL WEEKS OF STUDY BY THE COMMITTEE AND ITS STAFF
ON THE MARIANAS COMMONWEALTH QUESTION.

BEFORE THE COVENANT IS BROUGHT TO THE FLOOR OF
THE SENATE FOR FULL DEBATE AND VOTE, THE SENATE ARMED
SERVICES COMMITTEE MAY ALSO MAKE A RECOMMENDATION. THE
ARMED SERVICES SUBCOMMITTEE ON GENERAL LEGISLATION
CHAIRED BY SEN. HARRY F. BYRD, JR., (D.VA.,) ALSO MET
JANUARY 20 AND VOTED NOT TO SUPPORT THE COVENANT
INDICATING THAT THERE WILL BE MAJORITY AND MINORITY
REPORTS FILED FOR CONSIDERATION BY THE FULL ARMED
SERVICES COMMITTEE WHICH WILL HOLD ITS HEARING PRIOR
TO JANUARY 27.

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THE SENATE FOREIGN RELATIONS COMMITTEE'S APPROVAL
OF THE COVENANT WAS CONSIDERED A VERY IMPORTANT EVENT
BY THE ADMINISTRATION AND BY MARIANAS REPRESENTATIVES
IN WASHINGTON. THE MOOD OF THE COMMITTEE WAS
FRIENDLY AND CONTAGIOUS. SENATOR HUBERT H. HUMPHREY

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OF MINNESOTA, A DEMOCRAT, PRAISED THE HARD WORK ALL THOSE INVOLVED HAVE PUT IN ON THE COVENANT AND DECLARED THAT THE MARIANAS PEOPLE ARE READY FOR SELF-GOVERNMENT. SENATOR CHARLES PERCY (R-ILL.) ALSO HAD KIND WORDS FOR THE PEOPLE OF THE MARIANAS AND WENT ON THE PRAISE THE WORK OF THE MICRONESIAN CONSTITUTIONAL CONVENTION. HE ALSO PRAISED THE FAIRNESS AND CONCLUSIVE RESULTS OF THE MARIANAS PLEBISCITE.

SENATOR ROBERT GRIFFIN COMMENTED THAT THE PEOPLE OF THE MARIANAS HAVE CLEARLY EXPRESSED THEIR SUPPORT FOR THE COVENANT AND "THIS LEAVES NO DOUBT IN MY MIND THAT THE FOREIGN RELATIONS COMMITTEE'S DECISION WAS A WISE ONE." SENATOR JACOB JAVYTS AND SENATOR CLYFFORD CASE ALSO SPOKE STRONGLY IN SUPPORT OF THE MARIANAS COMMONWEALTH LEGISLATION. FULL SENATE DEBATE

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AND ACTION IS ANTICIPATED FOR EARLY FEBRUARY.

(SUPPORT OF THE MARIANAS COMMONWEALTH LEGISLATION)

WASHINGTON, D.C., JAN. 21 (MNS)---THIS STATEMENT WAS RELEASED BY THE OFFICE OF SENATOR ROBERT GRIFFIN (R-MICH.) REGARDING THE DECISION OF THE SENATE FOREIGN RELATIONS COMMITTEE.

"TODAY'S ACTION BY THE SENATE FOREIGN RELATIONS COMMITTEE IN APPROVING THE COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH THE UNITED STATES' IS MOST GRATIFYING.

"EARLIER THIS MONTH I HAD THE PRIVILEGE OF VISITING THE MARIANAS AND MEETING WITH MANY POLITICAL AND CIVIC LEADERS. THE WARM RECEPTION I RECEIVED, AND THE ARTICULATE EXPRESSIONS OF SUPPORT FOR THE COVENANT I HEARD, LEAVE NO DOUBT IN MY MIND THAT THE FOREIGN RELATIONS COMMITTEE'S DECISION WAS A WISE ONE. THE PEOPLE OF THE MARIANAS HAVE CLEARLY EXPRESSED THEIR SUPPORT FOR THE TERMS OF THE COVENANT, AND MY VISIT TO THE ISLANDS HAS LEFT NO DOUBT IN MY MIND ABOUT

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THEIR ABILITY TO PROGRESS FROM TRUSTEESHIP STATUS TO
FREE AND DEMOCRATIC SELF-GOVERNMENT."

"WITH REGARD TO THE OTHER PEOPLES OF THE PACIFIC
TRUST TERRITORY, I AM CONFIDENT THAT THEY, TOO, WILL
SOON CHOOSE THEIR FUTURE STATUS. WHATEVER THEIR
DECISIONS, I LOOK FORWARD TO A FUTURE OF CLOSE
COOPERATION AND FRIENDSHIP BETWEEN THE UNITED STATES
AND ALL OF THE MICRONESIAN PEOPLES."

3. (ALL USERS: PLEASE CREDIT CONGRESS OF MICRONESIA)
(BASILIUS REQUEST COM TO SUPPORT MARIANAS COVENANT)
SAIPAN, JAN. 21 (CONGRESS RELEASE)--CONGRESSMAN
POLYCARP BASILIUS, OF PALAU, TODAY (JAN. 21), URGED
MEMBERS OF CONGRESS TO SUPPORT THE MARIANAS COVENANT
NOW BEFORE THE UNITED STATES SENATE FOR CONSIDERATION.

IN A SPEECH BEFORE THE HOUSE, BASILIUS NOTED HIS
AWARENESS THAT SOME MEMBERS OF CONGRESS ARE RELUCTANT TO
SUPPORT THE MARIANAS COVENANT.

"IT IS HIGH TIME CONGRESS TOOK DEFINITIVE
ACTION BY MARSHALLING ITS SUPPORT BEHIND THE COVENANT,
AND URGING THAT THE U.S. SENATE APPROVE THIS DOCUMENT

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AS RECOMMENDED IN HOUSE JOINT RESOLUTION NO. 6-199,"
BASILIUS DECLARED.

HE SAID, "IT IS CLEAR THAT THE PEOPLE OF THE
MARIANAS WANT THIS STEP...IT IS OUR RESPONSIBILITY TO
SUPPORT THEIR DESIRES."

"THERE IS NO LONGER ANY VALID REASON, IF THERE EVER
WAS ONE, TO STAND IN THEIR WAY."

REPRESENTATIVE BASILIUS SAID, "I COULD NOT FORESEE
THE PEOPLE OF THE MARIANAS TRYING TO BLOCK ANY FUTURE
STATUS AGREEMENT BETWEEN THE OTHER DISTRICTS OF
MICRONESIA AND THE UNITED STATES."

"IN FACT, IF WE GIVE THEM THE SUPPORT TO WHICH THEY
ARE DUE, I HAVE NO DOUBT THAT THEY WILL GIVE US THEIR
UNQUALIFIED SUPPORT IN THE FUTURE," HE SAID.

BASILIUS CITED THE FUTURE DISTRICT OF KUSAIE, WHICH

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WILL BECOME A REALITY IN 1977 THROUGH THE EFFORTS OF
CONGRESS ON BEHALF OF THE PEOPLE ON THAT ISLAND.

BY THE SAME TOKEN, CONGRESS "CANNOT AND MUST NOT
IGNORE THE WISHES OF THE MARIANAS."

"IT IS TIME WE TOOK DIRECT AND POSITIVE ACTION, NOT

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FM HYCOMTERPACTS SAIPAN MARIANAS ISLANDS
TO ALDTSTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
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NAVFACENGCMMO ALEXANDRIA VA
CCGDFOURTEEN HONOLULU HI

PACNAVFACENGCMMO PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
ECDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIYNATO JAPAN//TTPT-LNO//
AMEMB CANBERRA AS
RUFHKO /AMEMB TOKYO JA
CDRBMDS COM HUNTSVILLE AL//BMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS

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JUST FOR THE SAKE OF RECIPROCITY. BUT BECAUSE IT IS

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THE RIGHT THING TO DO," DECLARED BASTLIUS.

(SPEECHES DOMINATE HOUSE SESSION)

SAIPAN, JAN. 21 (MNS)---SPEECHES BY TWO PALAUAN CONGRESSMEN DOMINATED THE SESSION OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF MICRONESIA WEDNESDAY MORNING.

ONE WAS A SPEECH DELIVERED BY REPRESENTATIVE POLYCARP BASTILIUS URGING THE CONGRESS OF MICRONESIA TO ADOPT A RESOLUTION SUBMITTED BY REP. HERMAN R. GUERRERO OF THE

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MARIANAS WHICH REQUESTS THE U.S. SENATE TO TAKE PROMPT AND FAVORABLE ACTION ON THE MARIANAS COVENANT (SEE LEAD STORY CONCERNING THE MARIANAS COVENANT).

THE OTHER WAS A SPEECH BY CONGRESSMAN KUNITO NAKAMURA REQUESTING THE CONGRESS TO PASS THE BILL HE INTRODUCED THIS WEEK WHICH WOULD PROVIDE FOR AN AUDIT OF THE CONGRESS OF MICRONESIA BY A PRIVATE, INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS. (SEE FOLLOWING STORY FOR DETAILED COVERAGE OF NAKAMURA'S SPEECH).

A NUMBER OF BILLS, ALL OF THEM APPROPRIATION, PASSED FIRST READING IN THE HOUSE.

A RESOLUTION EXPRESSING GRATITUDE TO MR. RONALD A. PETERSON, FORMER DIRECTOR OF FINANCE, FOR HIS LONG AND FAITHFUL SERVICE TO THE PEOPLE OF MICRONESIA (HJR 6-112) WAS ADOPTED BY THE HOUSE. PETERSON HAS BEEN TRANSFERRED TO WORK IN WASHINGTON AT THE DEPARTMENT OF THE INTERIOR.

THE RESOLUTION NOTES THAT PETERSON WAS INSTRUMENTAL IN THE FORMULATION AND IMPLEMENTATION OF MICRONESIA'S INCOME TAX WHICH PROVIDES A SUBSTANTIAL PORTION OF THE REVENUE FOR THE CONGRESS OF MICRONESIA AND HIS ASSISTANCE IN THE TRAINING

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OF MICRONESIANS TO ASSUME POSITIONS OF RESPONSIBILITY AT THE FINANCE DEPARTMENT.

THE RESOLUTION WILL BE SENT TO THE SENATE FOR FURTHER ACTION.

SIX BILLS AND TWO JOINT RESOLUTIONS WERE OFFERED IN THE

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HOUSE. THE BILLS WOULD: PROVIDE FOR THE CREATION AND ORGANIZATION OF A TRUST TERRITORY MARKETING BOARD AND APPROPRIATE \$100,000 FOR ITS PURPOSE, (HR 6-401); CHANGE THE PRINCIPAL OFFICE OF THE MICRONESIAN DEVELOPMENT BANK FROM RATPAN IN THE MARIANA ISLANDS TO MOEN ISLAND, TRUK DISTRICT, (HR 6-402); PROVIDE FOR ADVICE AND CONSENT OF THE DISTRICT LEGISLATURE ON MAJOR ADMINISTRATIVE APPOINTMENTS OF CERTAIN DEPARTMENT HEADS OF DISTRICT GOVERNMENT, (HB 6-403); APPROPRIATE \$50,000 TO ESTABLISH A POWER SYSTEM NGERDMAU MUNICIPALITY IN PALAU DISTRICT, (HB 6-404); CHANGE THE EXPIRATION DATE OF SALARY SCHEDULES FROM JULY 31, 1976 TO OCTOBER 10, 1977, (HR 6-405). A SIMILAR BILL WAS INTRODUCED IN THE SENATE, (SR 6-263) AND DIRECT THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS OF THE IT TO ENTER INTO AN AGREEMENT WHEREBY THE PACIFIC MISSIONARY AVIATION OF THE

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LIFBENZELL MISSION, A NONPROFIT CORPORATION OF GUAM WITH ITS PRINCIPAL OFFICE IN YAP DISTRICT, MAY PROVIDE AN AIR TRANSPORTATION NETWORK BETWEEN DISTRICT CENTERS AND OUTLYING AREAS IN YAP, TRUK AND PONAPE DISTRICT, AND APPROPRIATE \$100,000 TO CARRY OUT THE PROVISIONS OF THIS ACT, (HR 6-406);

THE TWO JOINT RESOLUTIONS WERE: TO REQUEST THE HIGH COMMISSIONER AND ALL DISTRICT ADMINISTRATORS TO TAKE APPROPRIATE STEPS TO ENSURE THE RAPID COMPLETION OF ALL CONGRESS OF MICRONESIA FUNDED PROJECTS, (HJR 6-127); AND TO REQUEST THE HIGH COMMISSIONER AND ALL DISTRICT ADMINISTRATORS TO IMPROVE FIELD TRIP SERVICES TO THE INHABITANTS OF THE OUTER ISLANDS THROUGHOUT MICRONESIA, AND MOST PARTICULARLY, IN PALAU DISTRICT, (HJR6-128).

FLOOR ACTION IN THE SENATE WAS LIGHT WITH THE INTRODUCTION OF NEW BILLS BEING THE ONLY ACTIVITY.

TWO BILLS WERE OFFERED: A NATURALIZATION BILL (SB 6-264); AND A BILL CONCERNING THE EXPIRATION DATE FOR SALARY SCHEDULES (SR 6-264).

THE ONLY JOINT RESOLUTION INTRODUCED WAS TO REQUEST THE HICOM TO CONSULT WITH EACH OF THE SIX DISTRICT LEGISLATURES

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TO OBTAIN A CONSENSUS AS TO THE TIMING OF CALLING A REFERENDUM ON THE DRAFT CONSTITUTION OF THE FEDERATED STATES OF MICRONESIA (SJR 6-741).

(COM AUDIT PROPOSED)

SAIPAN, JANUARY 21 (COM RELEASE)---REPRESENTATIVE KUNTWO NAKAMURA OF PALAU, SPOKE IN SUPPORT OF A MEASURE TO PROVIDE FOR AN INDEPENDENT FINANCIAL AUDIT OF THE CONGRESS OF MICRONESIA IN A BRIEF SPEECH WEDNESDAY.

NAKAMURA INTRODUCED A MEASURE YESTERDAY TO PROVIDE \$20,000 TO FUND SUCH AN AUDIT BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

"AUDITS ARE NEVER POPULAR," HE SAID.

"IN MUCH THE SAME WAY AS A PATIENT SHOULD HAVE A PERIODIC CHECK-UP BY A QUALIFIED PHYSICIAN, THE CONGRESS MUST PERIODICALLY SUBMIT ITSELF TO...AN AUDIT...THIS, THE CONGRESS HAS NEVER DONE," NAKAMURA SAID.

NAKAMURA SAID OF THE PROPOSED AUDIT BILL, "IT IS ONLY MY DESIRE TO SUSTAIN THE INTEGRITY AND FINANCIAL EFFICIENCY OF THE CONGRESS WHICH HAS LED ME TO INTRODUCE THIS MEASURE."

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HE SAID IT SHOULD, FOR THE FIRST TIME, GIVE THE CONGRESS INDEPENDENTLY SUBMITTED INFORMATION ON THE STATUS OF CONGRESS OF MICRONESIA ACCOUNTS WHICH WILL BE INVALUABLE IN PROGRAM AND BUDGET PLANNING, AS WELL AS IN THE OVERALL INTERNAL OPERATIONS OF THE HOUSE, THE SENATE, AND THE OFFICE OF THE LEGISLATIVE COUNSEL.

(PALAUANS ON SAIPAN SUPPORT SUPERPORT)

SAIPAN, JAN. 21 (MNS)---PALAUAN RESIDING ON SAIPAN, MOST OF WHOM ARE HOLDING HIGH POSITIONS IN THE TT EXECUTIVE BRANCH AND THE CONGRESS OF MICRONESIA, HAVE SENT A LETTER OF RECOMMENDATION TO THE PALAU LEGISLATURE ENDORSING A "FEASIBILITY STUDY" FOR THE PROPOSED SUPERTANKER PORT TO BE LOCATED ON KOSSOL REEF NORTH OF BABELTHAUP ISLAND.

AMONG THOSE WHO SIGNED THE RECOMMENDATION WERE FUSERIO RECHUCHER, DIRECTOR OF THE TT DEPARTMENT OF RESOURCES AND

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DEVELOPMENT; KOICHI WONG, DIRECTOR OF PUBLIC WORKS; KALER
UDHI, LEGISLATIVE COUNSEL FOR THE CONGRESS OF MICRONESIA,
SENATOR LAZARUS SALII; DAVID RAMARII, DIRECTOR OF EDUCATION;
DR. MASAO KUMANGAI, DIRECTOR OF HEALTH SERVICES; MAMORII
NAKAMURA; DEPUTY ATTORNEY GENERAL; ELIAS OKAMURA, DEPUTY

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TO AEDYSTADS TERPACIS
BT LNO GUAM MARIANAS ISLANDS
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AMFMR CANBERRA AS
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CORBMDSOM HUNTSVILLE AL//AMD SC-RO//
COKCOGARD MARSEC GUAM MARIANAS ISLANDS

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DIRECTOR OF TRANSPORTATION AND COMMUNICATIONS, AND MARID

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WILTER, TT BUDGET OFFICER.

THE LETTER TO THE PALAU LEGISLATURE STATED THAT "IF PALAU IS TO ADVANCE THE WELL-BEING OF ITS PEOPLE AND TO PROMOTE GROWTH AND PROGRESS, THE FIRST ORDER OF BUSINESS IS TO ADVANCE ECONOMIC DEVELOPMENT".

"WE THINK THAT PALAU SHOULD ADOPT A POLICY TO WELCOME AND ENCOURAGE FOREIGN CAPITAL TO ESTABLISH PIONEER ENTERPRISES THAT ARE CAPITAL INTENSIVE; WE THINK PALAU

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SHOULD ENCOURAGE FOREIGN CAPITAL THAT WOULD UTILIZE A SUBSTANTIAL AMOUNT OF DOMESTIC RAW MATERIALS, IN JOINT VENTURE WITH SUBSTANTIAL PALAUAN CAPITAL, WHENEVER AVAILABLE."

"BASED ON THE ABOVE DISCOURSE, OUR POSITION WITH REGARD TO THE SUPERTANKER PORT BEING PROPOSED TO BE LOCATED IN NORTHERN BABELDAOB SHOULD BE OBVIOUS. THE PROPOSAL ITSELF HOLDS A GREAT POTENTIAL SOURCE OF REVENUE FOR ALL OF PALAU, AND AUGURS WELL FOR THE FUTURE ECONOMIC WELL-BEING OF THE PALAUAN PEOPLE; IT WOULD SET IN MOTION ECONOMIC INCENTIVES AND WHEREWITHALS TO ENABLE PALAU DISTRICT TO LAUNCH A PROGRAM TOWARDS THE ACHIEVEMENT OF AN ECONOMIC SELF-SUFFICIENCY. NOT ONLY WILL THE PROPOSED FACILITY PROVIDE EMPLOYMENT AND TRAINING FOR PALAUANS IN A VARIETY OF SKILLS, BUT WE UNDERSTAND ALSO THAT THE FACILITY WILL INCLUDE PALAU DISTRICT AND PALAUANS AS ITS OWNERS AND OPERATIONAL MANAGERS."

"MANY INDIRECT ECONOMIC IMPACTS TO BE DERIVED FROM SUCH A FACILITY MUST NOT BE OVERLOOKED. A FACILITY OF THIS MAGNITUDE WILL MORE THAN LIKELY ATTRACT ADDITIONAL BUSINESSES AND INVESTMENTS TO PALAU, EVEN ASSUMING THE MULTIPLIER EFFECTS OF CAPITAL IMPORTS TO PALAU TO BE SMALL, THE PROSPECT

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OF HUGE CAPITAL INFLOW INTO PALAU WILL DEFINITELY GENERATE FURTHER EMPLOYMENT AND ECONOMIC DEVELOPMENT THAT WOULD NOT OTHERWISE COME TO PASS. AT THE VERY LEAST, THE SPIN-OFF FROM THE FACILITY AND ATTENDANT BUSINESSES SHOULD PROVIDE PUBLIC REVENUES TO BENEFIT PALAU DISTRICT AS A WHOLE AND

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THE PALAUANS AS INDIVIDUALS FOR THEIR LOCAL ENTERPRISES."

"WE ARE, OF COURSE, MINDFUL THAT SOME PEOPLE HAVE RAISED OBJECTIONS CONCERNING THE ENVIRONMENTAL

IMPACT OF THE PORT FACILITY. WITH REGARD TO THE ENVIRONMENTAL ISSUE, TWO POINTS SHOULD BE CONSIDERED. FIRST, THIS WILL BE THE MOST MODERN, ADVANCED FACILITY OF ITS KIND IN THE WORLD, AND WILL BE ALSO THE MOST ENVIRONMENTALLY SOUND PORT BUILT. SECOND, THE POSSIBLE DETRIMENTAL EFFECTS TO PALAU'S ECOSYSTEMS IS AT BEST A MOOT QUESTION AT THIS TIME, SINCE EXHAUSTIVE STUDIES ON THIS SUBJECT HAVE YET TO BE MADE. CONCERNING THE CULTURAL AND SOCIAL IMPACTS OF THE PORT (AND THE ECONOMIC DEVELOPMENT GENERATED FROM IT), WE OFFER THE OBSERVATION THAT PALAUANS HAVE SUCCESSFULLY ADAPTED TO CHANGE AND ITS CHALLENGES."

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"WE RECOMMEND STRONGLY THAT THE MEMBERS GIVE SERIOUS CONSIDERATION TO APPROVING THE PROPOSAL IN PRINCIPLE, AND RESERVE THEIR FINAL DECISION UNTIL A LATER DATE, WHEN MORE DETAILED INFORMATION CONCERNING ALL ASPECTS OF THIS MATTER BECOMES AVAILABLE TO ALL OF US. NOW IS NOT THE MOST PROPITIOUS TIME TO INTERPOSE ANY RESERVATIONS OR DISAPPROVAL OF THE PROPOSED PROJECT, THEREBY EFFECTIVELY DETERRING OR STIFLING THE PROPOSED PROJECT IN ITS FORMULATIVE AND PRELIMINARY STAGE. WE THINK THAT THE PALAU DISTRICT LEGISLATURE SHOULD PROMPTLY AND STRONGLY ENDORSE THE FEASIBILITY STUDY OF THIS PROJECT TO TAKE PLACE AT THE EARLIEST POSSIBLE TIME," THE LETTER CONCLUDED.

(TRANSPORTATION REPORT SLAPS SAIPAN ROUTE CASE TO JAPAN)

WASHINGTON, JAN 21 (MNS)---THE U.S. DEPARTMENT OF TRANSPORTATION (DOT) TOLD THE CIVIL AERONAUTICS BOARD (CAB) THAT IT COULD NOT SUPPORT SCHEDULED AIR SERVICE BETWEEN JAPAN AND SAIPAN ON GROUNDS THAT THE SERVICE WOULD BE UNPROFITABLE.

PRESIDENT FORD LAST NOVEMBER SENT BACK TO THE CAB THE BOARD'S SELECTION OF CONTINENTAL AIRLINES TO FLY

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NONSTOP SCHEDULED FLIGHTS BETWEEN SAIPAN AND TOKYO,
ACCORDING TO A REPORT FROM WASHINGTON BY THE CANNET NEWS
SERVICE (GNS). FORD SAID MORE INFORMATION WAS NECESSARY
ON THE VIABILITY OF THE SERVICE AND DIRECTED THE
TRANSPORTATION DEPARTMENT TO PREPARE A REPORT FOR
SUBMISSION TO THE CAB.

"ANY REALISTIC LEVEL OF SERVICE OPERATED BEFORE THE
END OF FISCAL YEAR 1977 AT THE EARLIEST WILL NOT, IN OUR
ESTIMATE, PRODUCE SUFFICIENT RETURN TO JUSTIFY ITS
OPERATION AND WILL RESULT IN INCREASED LOSSES FOR U.S.
FLAG SERVICE AS A WHOLE," THE TRANSPORTATION DEPARTMENT'S
REPORT SAID.

IF THE ROUTE "CANNOT BE OPERATED PROFITABLY, DOT WILL
NOT SUPPORT AWARD OF THE ROUTE AUTHORITY," THE REPORT SAID.

THE DEPARTMENT NOTED THAT IN THE PAST, "UNDER
CONDITIONS OF RAPID TRAFFIC GROWTH AND GENERAL AIRLINE
PROFITABILITY," NEW INTERNATIONAL ROUTES WERE OFTEN
AWARDED "MERELY ON THE GROUND THAT AIR SERVICE WOULD BE
INCREASED AND THE CARRIERS WERE WILLING TO SERVICE THE ROUTES."
CURRENT CONDITIONS, HOWEVER, INCLUDING HIGH-COST FUEL,

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INFLATIONARY PRESSURES, TRAFFIC DECLINES AND PROBABLY
SLOWER GROWTH, REQUIRE "A CHANGE IN THE JUSTIFICATION FOR
NEW ROUTE AWARDS," DOT TOLD THE AERONAUTICS BOARD.

INSTEAD OF SEEKING NEW ROUTES, AIR CARRIERS SHOULD
IMPROVE THE PRESENT JAPAN-GUAM-SAIPAN ROUTE SERVICE, DOT
SUGGESTED. PAN AMERICAN WORLD AIRWAYS OPERATES THE JAPAN-
GUAM LEG AND CONTINENTAL-AIR MICRONESIA FLIES THE GUAM-
SAIPAN ROUTE.

CREDIT UNION TOPPED ONE MILLION DOLLARS IN ASSETS)
SAIPAN, JANUARY 21 (MNS)---BOR KEJU, COOPERATIVE/CREDIT
UNION ADVISER OF THE BUSINESS DEVELOPMENT BRANCH OF THE
HEADQUARTERS ECONOMIC DEVELOPMENT DIVISION ANNOUNCE THIS
WEEK THAT THE SECOND TRUST TERRITORY CREDIT UNION HAS TOPPED
ONE MILLION DOLLARS IN ASSETS.

AS OF DECEMBER 31, 1975, THE KWAJALEIN EMPLOYEES

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CREDIT UNION WENT OVER THE MILLION DOLLAR ASSET GOAL.
THE TRIK GOVERNMENT EMPLOYEE CREDIT UNION REACHED THIS
MARK SEPTEMBER 30, 1975. KEJU INDICATED THAT THE KWAJALEIN
EMPLOYEE CREDIT UNION WILL NOW SEEK DATA PROCESSING SERVICE
FROM HONOLULU AND WILL PIONEER MODERN COMPUTER BOOKKEEPING

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ACTION INT-05

INFO OCT-01 FA-09 IO-11 L-03 PM-04 PA-02 /035 W
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P 211110Z JAN 76
FM HICOMTERPACTS SAIPAN MARIANAS ISLANDS
TO ALODISTADS TERPACIS
TT LNO GUAM MARIANAS ISLANDS
TT LNO KWAJALETN MARSHALL ISLANDS
COMNAVMARIANAS GUAM MARIANAS ISLANDS
CINCPACREP GUAM/TTP1 GUAM MARIANAS ISLANDS
CINCPAC HONOLULU HI
INTELLIGENCE CENTER PACIFIC (IPAC)
NAVINSERVO GUAM MARIANAS ISLANDS
COMTWELVE SAN FRANCISCO CA
RUFHC /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
COMCRPAC PEARL HARBOR HI
NAVFACENGCMMHQ ALEXANDRIA VA
CCGDFOURTEEN HONOLULU HI

PACNAVFACENGCMM PEARL HARBOR HI
SAMTEC VANDENBERG AFB CA
PCDNA-LGA KIRTLAND AFB NM
CDRUSAGO MAKIMYNATO JAPAN//TTP1-LNO//
AMEMB CANBERRA AS
RUEHKO /AMEMB TOKYO JA
CDRBMDSCOM HUNTSVILLE AL//BMD SC-RO//
COMCOGARD MARSEC GUAM MARIANAS ISLANDS

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