

ALFONSO, Appellant
v.
ISLAND TRADING COMPANY OF MICRONESIA, Appellee
Civil Appeal No. 3
Appellate Division of the High Court
March 1, 1955

Appeal from the Trial Division of the High Court, Truk District, on dismissal of amended complaint for failure to state cause of action. The Appellate Division of the High Court, Judge Paul D. Shriver, held that plaintiff's objection to certain business practices of corporate copra buyer did not present a justiciable controversy.

1. Appeal and Error—Generally

Where appeal is from dismissal of complaint for failure to state cause of action, court will accept all material allegations in amended complaint as true regardless of how badly it was drawn.

2. Courts—Justiciable Controversy

Where there is no breach of contract alleged, business policies of corporation are not subject to judicial cognizance nor does objection to them present a justiciable controversy.

Before FURBER, *Chief Justice*, SHRIVER, MANIBUSAN, *Temporary Judges*
SHRIVER, *Temporary Judge*

OPINION OF THE COURT

[1] This is an appeal from the Trial Division of the High Court in which the appellant's amended complaint was dismissed for failure to state a cause of action. Regardless of how badly the amended complaint was drawn, it is our responsibility to determine whether, under any theory of law, the appellant would be entitled to relief. To that end we accept all material allegations in the amended complaint as being true.

The appellant brought his action as a class action on behalf of himself and others similarly situated. He is a resi-

dent of the Truk District. It is our understanding that the appellee is a corporation, all of the stock of which is held in trust by officials of the Trust Territory, and that it is currently in the process of liquidation. The appellee practically had a monopoly in the purchase of copra and certain other products produced by the appellant and others. The appellant contends that the appellee engaged in business practices to the detriment of the islanders by contrast with the Japanese business practices, particularly by charging the producers for sacks, twine, etc. and deducting the weight of the sacks in computing the price to be paid the producers; and that the deductions were slightly greater than the actual weight of the sacks.

The appellant also contends that because of the relationship of the islanders to the Trust Territory administration and to the United Nations, the appellee was not entitled to make any profit from its operations but should have acted purely as a service agency for the producers because of their economic necessities.

[2] It is obvious that there are no allegations in the amended complaint which present a justiciable controversy for which relief is available in the Trust Territory courts. It is not alleged that there has been a breach of contract and, of course, the policy questions involved are not subject to judicial cognizance.

For the foregoing reasons the order of the Trial Division is affirmed.