



Trusteeship Council

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Fifty-eighth session

VERBATIM RECORD OF THE SIXTEEN HUNDRED AND EIGHTY-THIRD MEETING

Held at Headquarters, New York,
on Friday, 3 May 1991, at 10.30 a.m.

President: Mr. RICHARDSON (United Kingdom)

- Opening of the fifty-eighth session
- Adoption of the agenda
- Report of the Secretary-General
- Election of the President and the Vice-President
- Organization of work
- Examination of the annual report of the Administrative Authority for the year ended 30 September 1990: Trust Territory of the Pacific Islands

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The meeting was called to order at 10.45 a.m.

OPENING OF THE FIFTY-EIGHTH SESSION

The PRESIDENT: I declare open the fifty-eighth session of the Trusteeship Council. Before continuing, I am sure I speak on behalf of all of us in asking our colleagues from France to give a warm thank-you and to send our best wishes to Mrs. Gazeau-Secret, our President at the last session. I know Mrs. Gazeau-Secret is sorry not to be still with us, but she is doing some very important work back in Paris.

ADOPTION OF THE AGENDA

The PRESIDENT: Members of the Council have before them in document T/1955 the provisional agenda drawn up by the Secretary-General in consultation with the President of the Council under rule 8 of our rules of procedure.

If there are no comments and if there is no objection, I shall take it that the agenda of the fifty-eighth session is adopted.

The agenda was adopted.

REPORT OF THE SECRETARY-GENERAL ON CREDENTIALS

The PRESIDENT: I should like to inform members of the Council that the Secretary-General still has not received the credentials of all members of the Council. I suggest therefore that this agenda item should be considered at a future meeting. If there are no objections, it will be so decided.

It was so decided.

ELECTION OF THE PRESIDENT AND THE VICE-PRESIDENT

The PRESIDENT: I now invite members of the Council to elect a President for the fifty-eighth session. This election will be carried out by secret ballot pursuant to rule 41 of the rules of procedure of the Trusteeship Council.

A vote was taken by secret ballot.

Mr. Thomas Richardson (United Kingdom) was elected President unanimously.

The PRESIDENT: Before we proceed, I should like to extend a very warm welcome to all of you here. I am very grateful indeed for the trust you have put in me, and I shall certainly try to do my best, in consultation with all of you, to manage the Council's affairs efficiently and expeditiously, since I am well aware that this is a busy time for all of us.

I want to greet in particular the delegation from Palau and His Excellency President Etpison. I am told that it is the first time that a President of Palau has not only attended a meeting of the Council but also signified a wish to address it, and I know that when the time comes we shall all be listening very carefully and attentively to what the President of Palau has to say to us.

I should also like to take this opportunity to greet Ambassador Wilkinson, who is not unknown in New York, as the representative of the Administering Authority, and Mrs. Stella Guerra, Assistant Secretary of the United States Department of the Interior and Special Advisor to the Administering Authority.

Finally, I pay tribute to our efficient Secretariat for all the work that they have already done, and my thanks in anticipation and a word of welcome to our interpreters and to all the support staff here.

We shall now proceed to the election of a Vice-President of the Council.

A vote was taken by secret ballot.

Mr. Jean Felix-Paganon (France) was elected Vice-President unanimously.

The PRESIDENT: I congratulate Mr. Jean Felix-Paganon on his election. I look forward very much to collaborating with him.

The VICE-PRESIDENT (interpretation from French): First of all, I should like to congratulate you, Mr. President, on your election. I have no doubt that, as you have stated your intention of doing, you will conduct our business effectively.

I should also like to thank members of the Council for the trust they have placed in me by electing me Vice-President. I thank you, Mr. President, for the kind words you addressed to your predecessor, Mrs. Anne Gazeau-Secret. I shall not fail to transmit them to her.

I should also like to welcome the representatives of the Administering Authority, and in particular the President of Palau, Mr. Etpison.

Lastly, I should like to associate myself with the President's congratulations and thanks to members of the Secretariat for the effective work they have done in preparing for this session of the Trusteeship Council.

ORGANIZATION OF WORK

The PRESIDENT: A provisional time-table for the fifty-eighth session of the Trusteeship Council has been prepared and circulated to members of the Council. It has been drawn up on the basis of past experience and in accordance with the time-table prepared for the fifty-seventh session of the Trusteeship Council.

If there are no comments, I shall take it that the Council agrees to follow the time-table as closely as possible.

It was so decided.

The PRESIDENT: Before proceeding to take up the substantive part of our work, I should like to ask member of the Council to do their best to be on time for meetings, so that the Council will be in a position to make maximum

(The President)

use of the time available to it and try to conclude its work for the session within the agreed period of time. It may be a vain hope, but I do intend to try to start meetings as near as possible to the time announced, and I should prefer to hold meetings, if at all possible, for the full duration of the time allocated to us for each meeting rather than have a larger number of shorter meetings with relatively few speakers. I hope I count on the understanding and support of all members of the Council.

Before the Council begins its consideration of conditions in the Trust Territory of the Pacific Islands, I should like to call upon the representative of the United States, who wishes to introduce the members of his delegation.

Mr. WILKINSON (United States of America): Because of the extraordinary representation this year, the key members of our delegation have in effect already been introduced, but for the record I welcome the opportunity to introduce Assistant Secretary Stella Guerra from the Department of the Interior and President Etpison of Palau, Special Representative within the delegation.

At the invitation of the President, the members of the United States delegation took places at the Council table.

EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING AUTHORITY FOR THE YEAR ENDED 30 SEPTEMBER 1990: TRUST TERRITORY OF THE PACIFIC ISLANDS (T/1954)

Mr. WILKINSON (United States of America): First, let me express my delegation's genuine pleasure in congratulating you, Sir, on your unanimous election as President of the Trusteeship Council at its fifty-eighth session. Our sincere congratulations go also to our new Vice-President, the head of the delegation of France.

I wish to convey as well our gratitude to the past President, Mrs. Gazeau-Secret, for her outstanding leadership and a job well done, and to the Secretariat members mentioned earlier by others, the interpreting staff and all the others whose excellent work has contributed to the success of this important endeavour.

The Trusteeship Council has been convened today to consider the sole remaining United Nations Trust Territory in the world, the Republic of Palau. As the Administering Authority, the United States welcomes the active participation of every member of the Trusteeship Council in these important deliberations, and we look forward to a successful session.

As previously reported to this Council, on 12 December 1989 the Congress of the United States passed the Implementation Act to authorize the entry into

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force of the Compact of Free Association between the United States and the Government of Palau. All that would be required for the Compact's entry into force is the successful completion of Palau's approval process under its Constitution.

However, despite majority support in Palau over a considerable period through several plebiscites, the Compact has not yet been adopted. On 6 February 1990, in a plebiscite observed by a Visiting Mission dispatched by this Council, the electorate in Palau went to the polls for a seventh time to decide whether to approve the Compact. As is well known, slightly over 60 per cent voted in favour of adopting the Compact; once again, a substantial majority, but not sufficient to satisfy the particular 75 per cent majority required by the Palauan Constitution.

In the light of that February plebiscite, the Palauan leadership and United States officials have been assessing where we are and where to go from here. We share a strong desire to determine a route to Palau's political future and to do so expeditiously. The Palauan leadership is actively seeking a national consensus to enable it to determine the country's future political status.

Given the results of the latest plebiscites, the United States Government recognizes that the Compact of Free Association will not be approved imminently. Pending resolution, we remain mindful of our transcending commitment to carry out our obligations under the Trusteeship Agreement. To that end, we have given deep and full consideration to recent conclusions of the United States General Accounting Office, key United States legislators and many Palauans that our oversight assistance to Palau has been inadequate in certain respects and that our administrative effort had to be increased in order to strengthen the basic foundation for Palau's future.

(Mr. Wilkinson, United States)

Responding to those criticisms, fulfilling our trusteeship obligations and working more closely with Palau, the Department of the Interior has held meetings with Palauan leaders and the United States Congress and issued Secretarial Order No. 3142 on 15 October 1990. That secretarial order has resulted in the placement in Palau of an experienced and high-ranking official of the Department of the Interior who reports directly to the Assistant Secretary of Territorial and International Affairs in the Department of the Interior, Ms. Stella Guerra, who is with us today.

A main thrust of the new order is to reaffirm our commitment as the Administering Authority to our trusteeship responsibilities, in particular with reference to education, health care, economic development and public safety for the people of Palau. We are consulting with Palau on a master development plan which would address development in the light of Palau's bright economic potential while preserving its culture and environment.

While the United States has demonstrated that it will continue to live up to the letter and the spirit of the Trusteeship Agreement, we have also urged the Palauans themselves to come to grips with their political future. After 44 years of trusteeship we must all work together to find a way to terminate the Trusteeship in accordance with the freely expressed wishes of the peoples concerned. We are pursuing discussions with the Palauan leadership about the merits and prospects of realistic options. We, the Administering Authority, have suggested, for example, that the Palauans might wish to consider eventual independence as well as the present Compact. We believe that the Palauans are clearly interested in as much sovereignty and self-government as they can attain. Independence, reached on a mutually agreeable basis, would appear to us a viable alternative for their serious consideration.

(Mr. Wilkinson, United States)

I want on this occasion to assure the Council that until the future political status of Palau is resolved, the United States intends to continue to exercise its trusteeship obligations fully and responsibly. In the field of defence we are responsible for the security of Palau, but we have no plans - I repeat: no plans - to establish any bases in Palau, and we have made this clear to all concerned.

To promote economic, social and educational advancement in Palau, we have continued numerous Federal programmes and services as described in our reports to this Council. That effort involves major investments and has helped Palauans reached comparatively high standards and quality of life. Assistant Secretary Guerra, I am pleased to note, is with our delegation today to provide further information and perspectives on these activities.

Of equal, indeed greater, importance, the Palauans themselves have continued to develop their talents and capabilities. The attention that has been given to difficulties should not obscure the real and lasting achievements of that outstanding people and their leadership. We are especially honoured to have President Etpison and a number of other exceptional Palauan leaders in our delegation, and we look forward to their contributions, in particular the President's statement, which will follow shortly.

I wish to take this opportunity also to express my country's appreciation to the Palauans who served in the United States armed forces in the Persian Gulf during Operations Desert Shield and Desert Storm, the operations which implemented Security Council resolutions. We are truly grateful to those brave men.

(Mr. Wilkinson, United States)

To hear more detail and perspective about the ongoing activities in Palau, permit me to ask you, Mr. President, to call upon Ms. Stella Guerra, Assistant Secretary of the United States Department of the Interior, charged with responsibility for that Department's Office of Territorial and International Affairs.

Ms. GUERRA (Special Adviser): Once again, it is my pleasure to be here in this Chamber to review the progress made in Palau, which became the last jurisdiction in the Trust Territory of the Pacific Islands following the commendable action of the Security Council late last year. But first, we congratulate you, Sir, on your unanimous election to the presidency of the Trusteeship Council. We also wish to congratulate the representative of France on his election to the vice-presidency. I wish to express our appreciation to those outgoing officers who so ably guided us in the work of the Council this past year. We look forward to working with all of them during this session and through the year.

As we announced at the session last year, the Administering Authority, in response to various recommendations, carefully reviewed the administration of the Trust Territory. As a result of that review and of discussions with the Palauan leadership on several separate occasions, the Secretary of the Interior issued Secretary's Order 3142. This order addressed several needs related to the continuing responsibilities of the Administering Authority, including the need for improved fiscal responsibility, and a national master plan to map Palau's economic future.

In January, we opened a Trust Territory Government Office in Koror, Palau, with a Director who reports directly to my office. Among other duties, the Director is responsible for improving communication with the Government of Palau. We are in the process of closing down the Trust Territory Government Office in Saipan. This close-down will actually result in a shift of responsibility to the Trust Territory Office in Koror. We view augmentation of our capability in Koror as providing additional resources that will benefit Palau and our relationship.

(Ms. Guerra, Special Adviser)

We are pleased to note that the inauguration of the Trust Territory Office brought many expressions of support from the people of Palau. In spite of several press accounts to the contrary, I received letters, petitions and resolutions from people of all walks of life in Palau, expressing support for the new order. Cooperation with the President and the Government of Palau has been excellent.

We have already worked hard to improve the budget process. At the territorial level, we have had a budget in place since agreement was reached on the amount of funds available for budget purposes. At the state level, several of Palau's Governors have responded with good budget resolutions. We support the hiring of a special prosecutor and the work of Palau's Independent Auditor.

Based on a request from Palau, we are working with the Palauan Government on arrangements for a master national-development plan. In January, we held meetings in Palau to introduce the master-plan concept. We talked with many interested Palauans, including the President, the Olbiil Era Kelulau, the State Governors, traditional leaders, environmentalists and planners. Giving consideration to the culture and environment of Palau, this plan should be a guide for future economic decisions leading to improvement in the quality of life for all Palauans.

As we announced last year, our programme of operations and maintenance improvements has begun, not just in Palau but throughout the Pacific Islands areas. This is a long-term programme intended to encourage the Palau Government, among others, to initiate an on-going programme of preventive maintenance and repair of infrastructure. The Government of Palau has already set its priorities. On a separate but related matter, the United States has

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funded several repair projects, including the Koror-Babelthuap bridge and road work.

We are pleased to inform the Council that legislation is underway in Palau's Olbiil Era Kelulau - the National Congress - to establish a public-utilities corporation. The establishment of a such a corporation, if it is truly independent and put on a pay-as-you-go basis, is a step in the right direction. My office has funded an initiative to study the feasibility of and methods for privatizing power in Palau through sale or joint venture.

As a result of the issuance of Secretary's Order 3142, we are earmarking increased funding to essential activities as mandated in the Trusteeship Agreement: education, health and public safety. The Government of Palau, with local revenues, is funding the balance of Palau Government activities not covered by the federal grants. The legislature of Koror, the most populous State in Palau, sent a fine resolution commending the earmarking of United States funds with emphasis on education, health and public safety. In the area of economic development, Interior's master-plan funding is probably the most significant contribution that can be made by the United States to Palau. Once the plan is in place, private investment, the true engine of economic development, can do its job effectively.

I must report that Typhoon Mike, which hit the northern end of Palau in November of last year, did extensive damage. The Atoll of Kayangel and the northern States of Babelthuap were particularly hard hit. The Palau disaster-control people did an outstanding job in responding to the immediate needs of the devastated areas. President Bush declared the Territory a disaster area, thus qualifying Palau for United States emergency-disaster assistance. A total of \$3,785,694.00 was made available by the United States

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for private and public restoration projects. We are extremely fortunate that there was no serious injury or loss of life as a result of this disaster.

I am very pleased that we can look back on a year that was relatively unmarred by violent acts. With one exception, there has been no serious disruption of the general public order. In that one case, several shots were fired late one Sunday night into the President's vacant office and the parked car of one of his aids. There were no injuries.

The Department of the Interior has sponsored training for public-safety officials in the Pacific area. Palauan participants have excelled. To date, 63 individuals from Palau have received this law-enforcement training.

We are very pleased to inform the Council that progress continues to be made in the area of economic development. In January, a foreign-investment conference was held in Palau under the sponsorship of the Department of the Interior. The well-attended conference underlined the potential and the pitfalls of foreign investment and tourism development for Palau, and it could be called successful.

Our annual report this year indicates that there has been a substantial increase in tourist arrivals. New hotels, most of which are locally owned, have sprung up in several areas to meet growing needs, and we are aware that very substantial projects are being considered for various parts of Palau. It is for this reason that we believe that the national development plan is so crucial to Palau's future. Such a plan would call for funding of infrastructure needs through fees imposed on developers.

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Palau has taken no concrete steps in the past year with regard to future political status. As far as the United States is concerned, the Compact of Free Association remains available at this time if Palau decides to accept it. As the Ambassador has stated, the United States is also willing to consider independence as another status alternative. We assume that further activity will take place regarding future political status.

I would also wish to commend the more than 25 Palauan citizens who served with the United States armed forces in the Persian Gulf during our time of action there. They served with distinction, and we are proud that they voluntarily chose to be a part of what turned out to be a United Nations-sponsored effort to defend democracy in far corners of the world. I echo President Etpison's message to his compatriots who took part in operation Desert Storm when he said he was confident that they would do their share honourably and well in defence of the free world and their homeland. They have done so, and we salute them. When they return to their homeland, I am certain, they will continue to make great contributions to their country.

In closing, let me again reassure you of our intention to cooperate fully with the Council in its deliberations and to provide any necessary assistance. We look forward to a very productive session, as well as the opportunity to renew old acquaintances and to make new friends for the Trust Territory.

The PRESIDENT: I listened with great interest to what Ms. Guerra had to say, and I have particular pleasure in asking the President of Palau to address us. We look forward with great interest to what he has to say.

Mr. ETPISON (Special Representative) (spoke in Palauan; interpretation furnished by the delegation): I bring to you, Sir, as well as to all the members of the Council, warm greetings from the people of Palau. We have a prepared statement which we wish to present this morning. I shall now ask my special assistant, Mr. Uherbelau, to deliver it in English.

Mr. UHERBELAU (Special Adviser): This is a joint statement of the Honourable Ngiratkel Etpison, President of the Republic of Palau, the Honourable Joshua Koshiba, President of the Senate, and the Honourable Shiro Kyota, Speaker of the House of Delegates.

It is an honour for me to appear before you today on behalf of the Palauan leadership, its people and the entire national Government of the Republic of Palau. Before proceeding with my brief statement, I should also like to add my congratulations to you, Sir, and to the Vice-President of the Council, on your unanimous election to guide the work and the deliberations of the Council this year. Outgoing President, Mrs. Gazeau-Secret, and yourself, Sir, as her Vice-President, have our thanks as well for ably looking after the affairs of the Trusteeship Council last year.

Palau is unique for its beauty and its opportunities. However, it is also unique as being the only remaining Trust Territory since the establishment of the United Nations trusteeship system after the Second World War. For over two decades, we struggled over our future political status. Since becoming a constitutional Government 10 years ago, we have had to endure national tragedies in the untimely deaths of our two Presidents, the late President Haruo Remelik and the late President Lazarus Salii. And since February 1983 we have held a total of seven plebiscites on the Compact of Free Association between the United States and Palau without obtaining approval

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through our constitutional process for our relationship with the United States to enter into force.

Despite all this, we have an elected constitutional Government, founded upon the basic principles of democracy. As Palauans, we are proud of our country in the making, proud of our cultural heritage and of our social, educational and political accomplishments to date. Those of you who know Palau know that we have people of great industry; we have scarce but untapped natural and marine resources; we are steadfast in our dedication to and support for democracy; we cherish our friendly and enduring alliance with the United States; our economy is on the rise at an unprecedented rate; our health and medical care and our school systems, both public and private, are improving; our governmental institutions are more efficient than ever before.

This is not to say, however, that all is well in Palau. There is still a need for us to work together with the Administering Authority in search of plausible solutions to certain outstanding social problems. While showing some progress, our educational standards still lag behind international norms. Our modern hospital facility has yet to be completed. We continue to lose some of our ablest teachers and health workers to better-paying jobs outside of Palau. Our biggest island of Babelthuap is virtually inaccessible by road. Our existing water and sewer systems are already inadequate in the face of ever-growing population in Koror and Babelthuap.

While our economic growth is improving, progress towards economic self-sufficiency is still distant. The Administering Authority has stepped up its efforts to assist us in this area, for which we are ever grateful. However, as a world Power, the United States also has world-wide commitments

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to attend to, and we are aware of this. President Bush, at the historic meeting last November in Hawaii, promised the Heads of States of the Pacific island nations increased United States Government aid and assistance. We in Palau, too, would like to share in and become a beneficiary of the Administering Authority's generosity in this regard.

(Mr. Uherbelau, Special Adviser)

While on the topic of economic assistance, we would plead with the United States to encourage its Asian and Pacific allies to step up their economic aid to us. We are speaking in particular, of course, of Japan, China, Australia and New Zealand, which have extended grant aids to us, but only on a limited scale; we believe they would increase their assistance if encouraged to do so by the Administering Authority.

Representatives of the Administering Authority reported to the Council last year their intention to strengthen the Trust Territory Government in Koror with greater support facilities in Honolulu. We welcomed this plan for an enhanced physical presence of Department of the Interior personnel in Palua, but only in an advisory role and to provide much-needed expertise, especially in the fields of finance, budget and public safety. This they have done and more, by issuing Secretarial Order No. 3142, which took effect on 1 October last year. In the view of some of our leaders, that amounted to usurpation of certain constitutional governmental powers, resulting in a step backward from our progress towards eventual self-government, with a freely chosen political status that would replace the more than 40 years of trusteeship in Palau.

On the issue of termination of the trusteeship, let me assure the Council that the people of Palau never expected the trusteeship system to be permanent. We too should like to see it end, but on terms mutually acceptable to the Administering Authority and us and coinciding with a political status based on the free expression of the wishes of the Palauan people.

Before closing, I should like to report that, at the invitation of Ms. Marilyn Meyers, extended on 24 April, the entire delegation of Palau before the Council this morning met with her and her delegation two days ago

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in Washington, D.C. The purpose of the meeting was to explore mutually the possibility of reopening a dialogue on modifications to the existing version of the Compact. Just yesterday, my delegation also presented unified testimony to the Subcommittee on Insular and International Affairs specifically on the political status question. We are confident that progress is being made in this regard and that the Administering Authority will agree with our recommendation for creation of a joint working group to identify, discuss and recommend an appropriate course of action for consideration and approval by both sides. We believe we are on the right track toward a satisfactory solution of our future political status.

I thank the Council - and Kom Kmal Mesulang.

The PRESIDENT: I most warmly thank the President of Palau and, through him, Mr. Uherbelau for the important statement we have just heard.

I wish to inform members that at our meeting this afternoon the Council will hear petitioners whose requests are contained in documents T/PET.10/752 to T/PET.10/758.

The meeting rose at 11.35 a.m.