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VERBATIM RECORD OF THE FIFTEEN HUNDRED AND TWENTY-FIFTH MEETING

Held at Headquarters, New York,
on Wednesday, 19 May 1982, at 10.30 a.m.

President: Mr. POUDADE (France)

Examination of the annual report of the Administering Authority for the year ended 30 September 1981: Trust Territory of the Pacific Islands (continued)

Examination of petitions listed in the annex to the agenda

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82-60541

The meeting was called to order at 11.15 a.m.

EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING AUTHORITY FOR THE YEAR ENDED 30 SEPTEMBER 1981: TRUST TERRITORY OF THE PACIFIC ISLANDS (T/L.1228 and Add.1-3)(continued)

EXAMINATION OF PETITIONS LISTED IN THE ANNEX TO THE AGENDA (T/1836/Add.1)

At the invitation of the President, Mrs. McCoy, Mr. Tenorio, Mr. Oiterong, Mr. DeBrum, Mr. Takesy and Mr. Salii, Special Representatives, and Mr. Kabua and Mr. Zeder, Special Advisers, took places at the Council table.

The PRESIDENT (interpretation from French): In accordance with the Council's decision of yesterday, we shall now begin hearing petitioners whose requests for a hearing, contained in documents T/PET.10/189, T/PET.10/192 and Add.1, T/PET.10/194 and T/PET.10/198, have already been granted. In this connexion, I suggest that the Council hear today the following petitioners: Mr. Douglas Faulkner, Mr. Pedro Guerrero and his adviser Mr. Douglas Cushnie, Mr. Roman Tmetuchl and High Chief Ibedul Y.M. Gibbons.

If there are no comments, and if there is no objection, the Council will follow the procedure I have just outlined.

At the invitation of the President, Mr. Douglas Faulkner, Mr. Pedro Guerrero, Mr. Douglas Cushnie, Mr. Roman Tmetuchl and Mr. Y.M. Gibbons took places at the petitioners' table.

The PRESIDENT (interpretation from French): I call first on Mr. Douglas Faulkner.

Mr. FAULKNER: I ask for the patience of members of the Council in hearing my petition. It may appear far from relevant to Micronesia, the last Trust Territory.

On a recent commuter flight from Boston to New York, I was struck by the vast stretch of estates below. A toy landscape of lakes and forest rolled south-west. Sequestered homes dotted an idyllic world. Woods, thinned to square and rectangular rows of trees, demarcated large estates. A grey February

(Mr. Faulkner)

sky neutralized their coveted qualities. White tarpaulins covered the swimming pools. Spacious lawns, made brittle by the cold, appeared as poor patchworks of colour. My mind dressed them in their summer attire. The estates thinned, turned from suburban neighbourhoods to S-curved housing tracts. In a moment the world was brick and stone.

The few trees dotting the sidewalks of New York are like potted window plants, highly necessary to our mental health, but decorations none the less. It is no accident that much of New York's most expensive - and desired - residential real estate borders Central Park and the city's open spaces, and certainly no accident that the city's building code now limits the height of new buildings relative to the amount of land they cover. City planners now recognize a biological, human need for space, vegetation and a view of the sky.

The Republic of Belau is half a world away from New York. The atoll of Kayangel is light-years away. Situated at Belau's northern extreme, Kayangel is only two and a half miles wide by four and a half miles long. A square mile of land is distributed among four islands along the eastern rim of an oval reef surrounding a turquoise lagoon. To a weary traveller and to most mortals, Kayangel would be far more than an oasis. Even among the schoolchildren of Belau, this tiny atoll is their favourite place to visit. Kayangel has a magical beauty.

About 180 people inhabit Ngcheangel, the atoll's largest island. The three smaller islands, Ngeryungs, Ngerebelas and Orak, taper southward. After diving on Kayangel's western reef each night, I sped homeward in my small boat above a lagoon darkened to onyx, mirror-smooth, silvered with starlight. The sea and the sky were one, moving through space. A fragrance - black-green vegetation - greeted me from across the lagoon.

(Mr. Faulkner)

Possibly for this reason ex-Marine Lee Marvin offered the people of Kayangel \$1 million for Ngerebelas a decade ago. At the time, Mr. Marvin was living in Belau, making his movie "Hell in the Pacific". Ngerebelas Island is less than an acre in size. Considering the value of the United States dollar 10 or 12 years ago compared with its diminished value today, and considering Mr. Marvin's desire to make a beach house, not war, on the island, his million dollar offer was more than generous. It was considerable when compared to what the United States Government has offered the people of Belau for massive acreage, massive environmental and social impact, all for a rental fee that will not pay for the burial of Belau's war casualties 10, 20, 40 or 80 years from now.

Lee Marvin, like Marlon Brando, was in need of a Pacific paradise, but the people of Kayangel politely declined his offer. They told Mr. Marvin they could not sell Ngerebelas because it was their picnic island. Uldekel Ermang, my Palauan mother, told me that the people of Kayangel live on the largest island, keeping the three smaller islands in trust. When we picnic at Ngerebelas, the women have a happy time hunting for coconut crabs in the jungle. I dive to gather clams. Uldekel makes the best clam, cooked in coconut milk, I have eaten. At low tide the sandbar at Ngerebelas warms in the afternoon sun, its ridges a rippling music beneath my feet. As they dig in the sand for worms the women tell poems and are full of laughter and happiness.

If 180 citizens of Kayangel can say, "Our work is our play and it is our joy to eat here", if they can say "No, thank you" to an ex-Marine, are not the 14,000 people of Belau at liberty to say to the United States of America "No thank you"? If a soldier-turned-actor has the cultural sensitivity not to go against the wishes of the Kayangel community, would it not behove the United States Government to observe the cultural values, the basic human rights of the people of Belau?

Are not 14,000 people at liberty to say to the United States, "Belau is where we wish to work, to play, to eat in joy. We have no islands that are not our picnic islands. We have none, nor any reefs. No lagoons to spare for warships. No islands for tanks, troops and munitions. We have no spare children if we are harmed by weapons storage or nuclear attack. We thank you for your offer but it pleases us not. We would have no joy later in having accepted it."

(Mr. Faulkner)

Unfortunately the many clans and families of Belau are not as cohesive as they might be, and the United States military is far more insistent than an artist in search of a starry night. Armed with anthropological data, the United States has applied the strategy of divide and conquer in Micronesia for quite some time. In island societies, community activities are best served by a consensus of those involved. Competition for votes sets at odds valuable members of a think-tank needed to solve common problems. Animosities and rivalries undermine co-operation within a small community. The freedom to vote is already another's freedom to purchase votes. The freedom to work against an opponent too easily becomes the freedom to win a contest rather than to work through common problems in a neighbourly manner.

It is not too late for the people of Belau to revive consensus as their primary mode of government. It is not discarded in their society. Had the United States been as attentive to the cultural needs of Micronesians as to the dictates of its military, the alcoholism across Micronesia would be greatly reduced. The blight that is Ebeye would not exist. Artificial economies based on United States Government handouts would not flourish.

In New York last month I visited with Tina Rehuher, Executive Director of the Belau National Museum. She was on an educational tour of museums sponsored by the Smithsonian Institute. In conversation Tina remarked, "It is a hard time now. There is no money. The United States wants us to suffer financially so that we will accept a military base."

I have no doubt that the United States military will use whatever means are necessary to gain access to Belau, even for recreational purposes - R and R, as it is called. In the late 1970s, a naval officer spoke with Dr. William Vitarelli, then Vice-President of the University of Guam. The officer had hoped to speak with the President, but the head of the University was away from his office. Dr. Vitarelli was a good man to enlighten the officer, for he had worked for much of his life in Micronesia. As far back as 1954 Dr. Vitarelli was the Director of Education for Belau. In his work he encouraged Micronesians to continue their subsistence way of life and extolled cottage industries. For this unpatriotic behaviour he was considered a security risk by the McCarthy-dominated thinking of the time and dismissed from his job.

(Mr. Faulkner)

Dr. Vitarelli was officially unemployed for three and a half years while he sued the Government, winning his case in the United States Supreme Court. He and his family then returned to the Pacific.

As much as any American, William Vitarelli is dedicated to the needs of Micronesians - self-sufficient and free of the United States. All his life he has courageously lived his convictions. His abiding concern for humanity remains a guiding light to everyone who is privileged to be a member of Vit's family.

The naval officer sitting before Dr. Vitarelli was especially interested in Belau. Vit asked his guest of what value these islands might be to the Navy. The officer replied, "The men get bored at sea. Palau is a good place for them to stretch their legs." Unfortunately, what attracts tourists to this archipelago lures the military as well.

Military planners are quite familiar with Belau, but more than 226 million Americans are not. If the 14,000 people of Belau represent little more than a temporary obstruction to military promoters and developers who know them as actual human beings, how are the 14,000 to gain support from Americans for whom Micronesia is still some terra incognita in the Pacific? If the people of Belau are capable of eliciting little sympathy at present from United States citizens, it is only logical that resistance to the United States military must come from within Belau. Although there are clan, personality and economic differences, the people of Belau greet one another each morning in a language common to them alone. If they are to survive as a people and the roots of their culture are to remain, they must work together towards a common goal more than at any time in their history. If their common roots die, how will the breadfruit tree provide food for their hunger? If they sell their ocean and land, what tree will bring forth fishes for a hungry mother?

If the people of Belau are to navigate the storm, they cannot waste precious time arguing among themselves - who is pulling too hard and who is not pushing the canoe enough. The canoe moves when there is harmony among the people. To find their way through the reef the 14,000 must become one community.

(Mr. Faulkner)

A year ago, shortly after I presented my petition, a delegate from the Committee of 24 suggested that it be published. I asked the delegate, who prefers to remain anonymous, why the concern. Characterizing himself as having a continuing interest in fostering the decolonization of Micronesia, the delegate replied, "I do not believe the United States intends to give up Palau."

(Mr. Faulkner)

Reinforcing what many at the United Nations fear, the following comments are from an aide to a senator on the Committee on Energy and Natural Resources.

"Regarding Micronesia and especially the Republic of Palau, the termination of the Trusteeship will not be concluded unless there is a strategic denial clause in the Compact of Free Association. Both Republicans and Democrats are in agreement. It is not a cartusab issue. Senators Henry Jackson, James McClure and J. Bennett Johnston are committed to a filibuster in the Senate to kill any opposition to the 100-year denial clause. If the 100-year denial clause is removed from the Compact, the Senators are determined not to pass it. Congress will be accomodated before the United Nations. The United Nations is not a priority. If the United Nations does not sanction our decision, that's just too bad."

The values of Senators Jackson, McClure and Johnston may have a lot or little in common with Abraham Lincoln, Martin Luther King Jr. and Mahatma Gandhi. It is my hope that each senator has the capacity to see the need of another as his own. Lincoln, Gandhi and King, each in his time, understood that the slavery of any human being is his own slavery.

While covering last year's session of the Trusteeship Council, Michael Mechan interviewed me for Gannett News Services. Mecham devoted 80 per cent of our several hours together to extolling the Reagan Administration. He told me in no uncertain terms: "The military will take what they want. They deserve it because they won it in the war." When Mecham's article appeared in the Pacific Daily News his thoughts, not mine, were in print. Hecham wrote: "After his presentation Faulkner told a reporter he wouldn't really object to a very modest military base there," but said he "fears the United States will not keep any base modest if given an option". Given the content of my petition Mecham could not turn me 180 degrees, but in my estimation he tried to soften my stand and undermine my credibility with my friends in Belau. Fortunately my petition of last year has now been translated into Palauan and printed and is being read by the people in their own language. It has been translated, printed and distributed by Palauans.

If the obvious in my first petition was never explicitly verbalized, let me say it now. Any military base of any size, temporary or permanent, utilizing the waters, the reefs, the mangrove areas and the islands of Belau is abhorrent to me. Any military base in Belau would be a crime against a defenceless community and a crime against the earth.

(Mr. Faulkner)

In his letter of 2 April 1982, Senator Moses Uludong of Belau writes: "There is a resolution introduced last session stating our position for full independence from the U.S. and we will try to get it out this April session."

As his friend, I sensed much excitement in his words. Before concluding his letter Moses wrote: "As you know, my position is that I will not agree for our lands and waters to be used as part of war machines by any country, including the United States."

More than with any other family in Belau I have lived with Moses and his family. I ate with them and slept under their roof, sometimes when I had no other roof to sleep under. As much as any in the world they are my family. The people of Belau are not an easy people to know, but as much as any they are my family.

If the intentions of the United States Government are honourable it would be a matter of concern to those who defend our freedoms to champion the people of Belau who want to keep their lands and waters free of military bases. If the intentions of my Government are honourable American leaders would not force the people of Belau to be confronted with the agony of making decisions contrary to their own best interests.

Three weeks ago I spoke with James Beirne, legal counsel to the United States Senate Committee on Energy and Natural Resources. Near the end of our first telephone conversation he allowed that: "There really seems to be no need for a military base on Palau. Military plans for a base there have caused a multitude of problems for the United States Government."

During our second conversation I read the above quote to him. Beirne quickly wanted me to understand that the Energy and Natural Resources Committee does not address itself to military-base decisions. Such decisions, he said, are the responsibility of other agencies, as well as the Department of Defense and the Government of Belau. Beirne wished to clarify for me the position of his Committee. He said:

"The principle interest of this Committee resides in denial of the area, not in military-base options. It is important that this area remain off limits for military adventurism. Trade and economic ties with other nations is not stated in the denial clause and is not an issue. Economic matters reside with Palau. The United States will exercise all its defence rights, among them denial."

(Mr. Faulkner)

In our first telephone conversation Mr. Beirne perhaps revealed the consensus of at least some leaders in Washington. "The Committee", he explained, "wants the 100-year denial clause but sees no need for a military base, which would only turn Palau into another Ebeye. This we don't want."

During our second conversation, again I read the above quote back to Beirne for accuracy. For a few moments in an otherwise congenial telephone call the quote became a source of embarrassment. Quickly we skirted what no responsible legislator wants - another Ebeye. Be it the concern of one or many in the Committee and however low a profile the one or all wish to keep, I am glad someone of concern is thinking ahead. Perhaps, as it should be, my Government is beginning to acknowledge the traditional ownership rights of the people of Belau. If the 100-year denial, so strongly supported by Senators Jackson, McClure and Johnston, excludes all foreign military Powers from Micronesia, perhaps a United States military presence could be excluded as well. A total denial would fit well with those 92 per cent of the Palauan voters who hoped their constitution would provide them with a nuclear-free environment, nuclear-free now and for their great grandchildren.

(Mr. Faulkner)

A retired Air Force Colonel, who flew the Pacific much of his career, recently commented to me:

"Probably no one would disagree with what you say in your (forty-ninth session) petition ... a military base would make a mess of those islands, no doubt about it ... but you must give the military an alternative ... telling them not to put a base there is not good enough." If "free association" is little more than American leaders dictating how the people of Belau should and should not vote, it is not surprising that Senator Moses Uludong and Roman Bedor are leading their people toward complete independence. Their leap could be from the frying pan into the fire but, with an absentee chef in charge of cooking, the skillet on which the Palauans dance gets hotter every day. The people of Belau already have the Compact on their desks. The Department of Defense already has President Remeliik's initials in its pocket. The formal negotiators may well be satisfied with the dismemberment of Belau and her children. Fortunately every Palauan mother and father will have mentally to vote each nail into each coffin of their children and their children's children, before they "Vote Navy".

An up-date on the status of the Compact and Military Land Use Agreement President Remeliik negotiated and initialled with Peter R. Rosenblatt in October/November 1980 prompted my first call to James Beirne. His response was:

"To the best of my understanding, the Palauans at the meeting last October on Maui considered all initialled documents, including the Compact and the military use rights and operating agreement, as concluded. These agreements the Palauan leadership viewed as settled. Agreements still pending, the Palauans were prepared to negotiate."

If the first government of the Republic of Belau must curtsy before the perceived, or hypothetical, or actual needs of the "sovereign nation" of the United States military, where is the conscience of America? Do we purchase nations? Do we retain their leaders? Under free enterprise, America only hires what help it needs. Five years ago a Palauan leader angrily told me

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he would buy "steak and servants" with his superport dollars. Unfortunately, when a "steak and servants" mentality supplants a mind attuned to reef fishing, consensus values and communal efforts, on that day the people of Belau will be serving steak, not consuming it.

Near the end of our first conversation, James Beirne and I came to a consensus of sorts. In evaluating his ten years of experience, he arrived at the same awareness I had gained from my friends in Belau. American administrators came and went on two year contracts. Programmes initiated prior to their tours of duty were often reorganized, sometimes devalued, or eliminated. Incompetence was not a rarity. In one instance, politics at the hospital on Koror caused a very qualified and valuable plastic surgeon from the United States to terminate his contract. We had become friends and on one occasion he told me his specialized skills were highly necessary in Belau, due to the many injuries best mended by a plastic surgeon.

Putting aside blame, the people of Belau came to mistrust this parade of administrators. Qualifications and good intentions aside, each new administrator had to fight a more difficult uphill battle for acceptance. Often after contract employees departed, and only then, were they missed and their contributions acknowledged.

Sharing similar financial limitations, I understood Jim Beirne's frustration when he lamented his brief six-week reconnaissance of Micronesia each year. Obviously having a position of importance to the future of all concerned, Beirne was painfully aware that so brief a trip permits little time for understanding a multitude of diverse problems in each of the cultural-political entities. In a candid moment he said:

"We also have to have continuity. That's what we need more than anything else. Every four years we have a turnover in Government Administration. We get a whole new crew of people and turn other people out because obviously they worked for the wrong people. There's no sense of history, no sense of continuity. There is no need to keep reinventing the wheel."

(Mr. Faulkner)

The Trust Territory has been under military house arrest too long. The survivors of Bikini and Enewetok might take offence. Catch phrases will never convey the agony of their loss of one another, and their home. Values that justified the bulldozers, buried islands under concrete, the fireballs that vaporized and scarred their world for ever undoubtedly seem incomprehensible to them. Certainly, Micronesia has been subjected to military, political and educational experimentation more advantageous to the United States than to the 133,000 islanders. I found fascinating the two official United States Government documentaries on nuclear testing at Enewetok, screened during last year's session. Seeing the fireballs I imagined the beginnings of our galaxy. Others present may have imagined the end of life on earth. The running commentary did what the primordial balls of nuclear fission did not, raised the hairs on the back of my neck. An atoll finally attains its finest hour thanks to the genius of American technology, the Atomic Energy Commission and the Department of Defense. When any fragment of our earth is considered of such little value until it is used or abused by man, that thinking frightens me.

The peoples of Micronesia would be wise to resist with all their efforts the militarization of their islands and waters. President Reagan has been beating ploughshares into swords, but resistance on the part of the Pacific community will put a sea anchor on his efforts. Accepting a military base for Belau only serves as a green light for military build-up. The world community needs, instead, a few stop signs where cultures intersect.

The United Nations Trusteeship Council must hold firm to its full responsibilities. The heirs to a very large estate, estimated in the billions or trillions, are in the custody of foster parents. Having assessed the value of a 3,000,000 square mile inheritance of ocean and islands, the parents are endeavouring to keep the heirs dependent for ever. The United States military may indeed keep the Pacific Basin peaceful, but what peacekeeping force will protect the Micronesians from their keepers?

(Mr. Faulkner)

I appeal to the President, the Secretary and all members of the Council. The new nation of Belau must not be turned into a staging area and a parking lot for America's military. When Japan, in violation of its mandate, fortified Belau, a military presence invited attack. Thousands died meaningless deaths. An island was devastated. Peliliu should be a lesson to all nations. In William Shakespeare's tragedy, the deaths of Romeo and Juliet and their kin are seen to be the culmination of a long feud between the Capulets and the Montagues. The Prince laments:

"See what a scourge is laid upon your hate,
That heaven finds means to kill your joys with love;
And I, for winking at your discords too,
Have lost a brace of kinsmen: all are punish'd."

We cannot destroy the earth beneath our feet. We cannot level and pave everything natural in the name of whatever we choose to justify our actions. Rome expanded its boundaries far beyond what its citizens could afford and what it could effectively govern. Was the city, the country or the State responsible for maintaining the roads leading to Rome? The people of Koror left their road-building responsibilities to the United States Government. For more than 30 years Koror lived with graded pot-holes. Babeldaob villagers made their own footpaths and lined them with coconut trees. As they walked from village to village they felt the even flow of the earth beneath their feet. Where is Rome and its stately pines to be found if no footpath remains to walk the way?

In a country noted for its material possessions, the estates spanning Boston and New York attest to the basic needs of the wealthy. If lawns, trees and the distances between them and the roar of traffic is healthful, is not this estate healthful to all mankind? A mountain hut overlooking the sky ages a goatherds face with sunshine. For billionaires, peasants, leaders of nations and fishermen of the seas or of society to lose sight of the stars or of a leaf is to lose sight of their condition. To be out of harmony with the universe is to exist without humility as a people. Certainly, an abiding source of happiness for mankind is a sense of wonder in the miracle of our existence.

(Mr. Faulkner)

The people of Belau have a legend of creation. Their islands were born of the death of a greedy giant named Uwab. In the beginning Belau was a small island with one village. The moment Uwab was born he had an insatiable appetite. His parents tried to satisfy his hunger, but Uwab ate more food than they could provide. The villagers helped, but Uwab's hunger and anger increased. He ate in a day more than all the villagers consumed in a week. The people became frightened by his great size and unceasing growth. Uwab had grown nearly as tall as the coconut palms. His angry demands shook the trees. The villagers had depleted their gardens and nearly all the reefs around their island to feed Uwab's greed. Finally, they met with their chief in the jungle. They would burn Uwab while he slept, for his strength exceeded the strength of the villagers. On that night Uwab's flaming body writhed in agony and broke apart. His arms, legs and stomach landed near and far on the ocean and cooled and became the other islands of Belau. Reefs encircled them. The first people went to live on these islands.

The legend of Uwab assumes that greed has no place in an island society with limited resources. Yet this legend is the story of modern industrial societies. Having an underlying fear that we do not have enough of life's bounty, we destroy what is best in life and what was once free. We run faster and faster to hold it all, but our exhaustion takes our joy away.

Like the Roman Empire, the United States is envied for the freedoms its citizens enjoy. - freedoms forged out of the needs of a wise and great leadership which delivered the early settlers out of their colonial bondage to the British Crown. Enlightened leadership is as rare as any great work of art and indeed is the work of artists. As an American I consider myself blessed that this young country was founded by people of vision. Today more than ever we need to live their vision.

The people of a tiny nation in the Pacific again face Uwab, the military-industrial complex of America, which even Americans are at a loss to control. American leaders, afraid to let go of Micronesia, imagine their ship of State will be without a secure anchorage in the western Pacific. But what respect and honour will America derive from the bitterness and hatred of

(Mr. Faulkner)

those handling the moorings? If possession is nine tenths of the law, the 14,000 people of Belau need only become as one family to be the hosts of their own estate instead of the maids and yardsmen for the base commander's wife. Belau is still their inheritance to have.

The world family must watch over this birth. Despite linguistic and cultural differences, and because of them, there is a passionate need among nations to stay friends. We know what time it is in Moscow, Tokyo and Honiara. These cities are no longer abstract dots on a map. We have too many friends there.

The late photographer, Edward Steichen, witnessed and photographed battles in the Pacific while he was assigned to an aircraft carrier. From his view on the bridge, high above the water, Captain Steichen must have seen a more distant horizon. Later, as Director of Photography at the Museum of Modern Art, he gave expression to a lifetime of observation. With the help of his assistants, he assembled an exhibition of 503 photographs, the work of many photographers from many countries. The family of man is certainly what the United Nations is all about. Unless we are in love, we find it difficult to look into one another's eyes; yet we must. Among the many quotes selected by Edward Steichen to complement the photographs is the following from an American Indian:

"With all beings and with all things we shall be as relatives."

The PRESIDENT (interpretation from French): I now call on Mr. Pedro Guerrero, who is the next petitioner.

Mr. GUERRERO: I am Pedro Rogolifoi Guerrero, and with me is Attorney Douglas F. Cushnie. I thank you, Mr. President and members of this Council, for acceding to my request and giving us the opportunity to be here today to present to you a case regarding the destruction of a former franchise carrier, Micronesia InterOcean Line, known as MILI, by the Trust Territory Government. I feel that this Council has the jurisdiction and the responsibility to entertain this matter and to assist us in solving this problem with the Administering Authority.

In February and March 1974, the United States of America, as Administering Authority for the Trust Territory of the Pacific Islands, initiated its final actions in destroying the largest privately-owned Micronesian corporation ever to have existed in the Trust Territory. This final action by the Administering Authority eliminated scores of jobs held by Micronesians, wiped out the stock investment of literally hundreds of Micronesian shareholders and the creditors' rights of sundry Micronesian businesses and cut the last frail link in whatever chain might have bound the various islands of Micronesia together. By taking this company away from its shareholders, placing it in receivership and dissolving the corporation, the Administering Authority violated Articles 73, 74 and 76 of the Charter of the United Nations and article 6 of the Trusteeship Agreement for the former Japanese-mandated islands. Whether the Administering Authority caused this event to take place or merely permitted this action may be subject to some argument. That it happened and that the United States Government as Administering Authority over the Trust Territory was aware that it was happening and condoned its happening, there can be no doubt. Hundreds of pages of sworn testimony and over 200 documents and other exhibits testify to this. My purpose in being here is to inform this Council of what has happened and to ask the Administering Authority to account for its behaviour, whether it be wilful or negligent towards those Micronesians and others who supported a dream of economic sufficiency and social and political co-operation between the various indigenous peoples of Micronesia.

(Mr. Guerrero)

On 1 August 1978 a contract was executed by and between Marine Chartering Company, a shipping company with its main office in San Francisco, California, and the United States Department of the Interior, acting for the Government of the Trust Territory. This contract was to provide water transportation services on an exclusive basis throughout the Trust Territory and to and from foreign ports. A contract was executed, at the end of approximately two months of negotiations between the parties. As one of the contract requirements, Marine Chartering Company was to establish a Micronesian Corporation, and this corporation was to provide 50 per cent stock ownership to Micronesians and the remainder to non Micronesians.

The new Micronesian corporation, called Micronesia InterOcean Line (MILL), was assigned the water transportation agreement, which was to last for a period of 10 years. The company was owned 50 per cent by Micronesian citizens and 50 per cent by non-Micronesians, virtually all of whom were Americans.

The Trust Territory Government was extremely anxious that service begin as quickly as possible. There had been a recent typhoon on the island of Saipan and food and materials acutely needed throughout the Trust Territory. The previous carrier had provided only sporadic service. Consequently, within 30 days after execution of the contract, a ship was mobilized and en route to Micronesia with cargo.

Two executives of Marine Chartering, prior to executing the contract, did have a brief opportunity to stop at a couple of Trust Territory ports. Thus, the company had at least some small idea of the problems which would be faced by Micronesia InterOcean Line in serving the area. It is important to have a clear understanding of these problems in order to comprehend what happened over the following five and a half years.

(Mr. Guerrero)

Initially the Trust Territory Government had no record of freight movement, amount of freight, types of freight or anything else upon which to base a decision as to the size and type of ships that could be used to and through the Trust Territory. Next, the Trust Territory ports had not been improved since the Second World War. Majuro had a very short dock, inadequate to handle ocean-going ships, at the end of a rutted and battered pier that could only barely be traversed by vehicles. Storage facilities and security for cargo were not quite non-existent. Ponape, the next port coming from the United States west coast, had no port, no cargo storage facilities and no security for cargo. Truk had a concrete dock, a small warehouse for storage and no cargo security. Saipan had a concrete dock, a small storage area and a little cargo security. Yap had no port facilities, no storage facilities and no cargo security. Palau had a concrete dock, a leaky shed for storing small amounts of cargo and no security. MILI quickly found that claims due to damage and theft were far beyond what had been experienced in other undeveloped ports. Due to a general lack of cargo-handling equipment, 100 tons of cargo could take literally days to be off loaded at any particular port.

MILI immediately embarked upon a training programme for its Micronesian employees, both conducting training in the various islands of Micronesia and the main office in Saipan and bringing certain individuals back to San Francisco for more extensive training in the shipping industry. Notwithstanding the physical problems I have just described and the need quickly to train Trust Territory citizens in the shipping industry, about which only a very few had any knowledge at all, MILI was making progress. Due to the contacts of the company made through Marine Chartering, ships were able to be chartered at highly favourable rates on the worldwide charter market. The company was able to secure insurance coverage at acceptable costs through leverage that was exerted by Marine Chartering. Thus, despite the problems of port facilities and security and that of having to train personnel from scratch, the company was able to make a small profit in its first full fiscal year.

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Although the Trust Territory Government through its then Director of Transportation and Communications represented to MILI management, at the time the contract was originally entered into, that funds for port improvements were available and would be expended over the following years, such was not the case. Much of this money was taken from port improvements and put into airport construction and improvements to enable sophisticated jet aircraft to fly into the islands. MILI was undertaking to make capital improvements in the ports out of its own funds. These included rehabilitating or constructing warehouse facilities throughout Micronesia, placing moving buoys and later sinking a barge to use as a dock area in Ponape, providing for fencing and other security at certain of the other ports and undertaking to handle matters that were not its obligations as a carrier.

During this early period in late 1968 and 1969 and the beginning of 1970, the Trust Territory Government basically did nothing with respect to helping MILI or hindering the company. By late 1969, company management was well aware of the problems and well aware of the means by which the problems might be corrected and the company achieve its goals. Those basic goals were simply to have, at the end of a 10-year period, a viable operating Micronesian company owning its own ships and operating throughout the Pacific and elsewhere, run by Micronesians fully qualified to deal with the shipping industry anywhere in the world.

If two conditions had been met at that time, there is little doubt that this goal could have been achieved. If the Administering Authority had complied with the Trust Territory Agreement and the basic law of contracts that exists in the United States and that was applicable to the Trust Territory and had assisted MILI, the other contracting party under the terms of the contract, to make the contract work -- no more, no less -- then the goals set would doubtless have been achieved well within the franchise period. Alternatively,

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if the Administering Authority had just turned its back on the entire contract and had not interfered in any way, the goals would likewise have been achieved, although not as quickly as if the Administering Authority had met its contractual obligations. Unfortunately, neither of the foregoing events took place.

In the beginning of 1970, a man by the name of Wayne C. Thiessen joined the Trust Territory Government as a consultant in water transportation. Six months later, he became the Chief of Transportation for the Trust Territory Government. This individual became extremely important throughout the life of MILI as the Administering Authority's prime contact with MILI and the expert on shipping within the Trust Territory Government.

It became obvious to MILI management that an increase in freight rates was necessary if MILI was to remain a viable entity. The water transportation agreement permitted MILI to maintain a 7.5 per cent profit on gross revenues. The contract also permitted the carrier to adjust its tariff, subject to later review by a rate review board. The first year's profit, which was previously referred to, was 1.5 per cent on gross revenues. MILI attempted to raise its rates, but the Government then took the position that it would have to apply for such an increase and justify the increase prior to the time of such an increase being posted and becoming effective. In the interest of accommodating the Government, MILI went along with this procedure. MILI rates had been passed on from the previous carrier in the area and were in fact below operating cost. A raise was granted on the run from Japan into the Trust Territory, but nothing meaningful was permitted to and from the United States West Coast. During the year 1970, persistent requests from the Department of Transportation began to arrive requiring continuous reports by MILI on all financial details of the Company. Continuous demands arose to transfer all corporate management from San Francisco to Saipan

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despite a lack of housing and of proper communications facilities: this would lead a man in the shipping industry to conclude that the request was not based upon a desire for a properly functioning shipping company. Not only were repeated requests by MILI for port improvements or at least a modicum of assistance in providing security and cover for cargo denied, but attempts by MILI to do things itself were actively interfered with by the Trust Territory Government.

MILI, in conjunction with States Veneer Company, a large lumber company in the United States, established a joint venture shipping company known as Cutlass Line. This was designed to reduce the cost of sending ships back to the United States. Since Micronesia has no exports to speak of, it was necessary to send vessels from Micronesia to either the United States or Japan in ballast. MILI worked up a shipping venture whereby after the ships on charter by MILI left Micronesia, they would go off charter and go under Cutlass Line. Cutlass Line would then operate into South-East Asia to pick up lumber products and then turn around and go back to the West Coast. At that point they would go off charter and back with MILI and be prepared to receive a full load for Micronesia. Mr. Thiessen constantly attacked this venture. No valid business reason was given by him at any time for these attacks, but they continued throughout the Cutlass venture.

In February 1971, MILI applied for and was finally granted sizable rate increases. Those increases were only granted on the conditions that MILI agree to transfer all management to Micronesia and that the activating force of MILI, namely, George C. Kiskaddon, who is also the President and founder of Marine Chartering Company, be required to resign. The rates were to become effective after MILI provided the Government with an audited financial statement, although this was not required by the contract. In June 1971, prior to the effective date of the new tariff rates, a dock strike hit the West Coast ports of the United States. All shipping to and from those

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ports was stopped and remained stopped for approximately 90 days. Mr. Kiskaddon and other individuals concerned with MILI made repeated representations to the United States Government for assistance in permitting their ships to service the Trust Territory. They also made similar requests to union leaders - all to no avail. Requests were made to Mr. Thiessen and the Administering Authority to permit alternate routes to be set up to provide goods that were formerly shipped from the United States. Mr. Thiessen made no attempt to assist MILI officials in their efforts to gain exemption from the strike and refused to permit the development of any alternate routes into the Trust Territory to serve the inhabitants. The income of MILI fell virtually to zero, while higher charter costs, wages and other overhead continued.

In September 1971, the dock strike was finally settled. At the end of September the Government served a default notice on MILI for allegedly failing to comply with the terms of the water transportation agreement. One of the default items was a failure to keep vessels on schedule from the West Coast. Another default item was the alleged failure to keep a letter of credit posted in the sum of \$500,000. The absurdity of the vessels' scheduling is self-evident. The situation concerning the letter of credit bears some explanation.

The water transportation agreement of 1968 required that MILI post a performance bond of \$500,000. In lieu of the bond, a letter of credit was accepted. The letter of credit was secured by various assets owned by Marine Chartering Company. Prior to the notice of default being executed, the Trust Territory sent a notice to Barclays Bank, the holder of the letter of credit, informing them that MILI was in default and that the letter of credit should be turned over to the Trust Territory Government. In fact, no letter of default had ever been issued by the Trust Territory Government at that time.

After March 1974, documents came to light which showed Mr. Thiessen's organizing efforts over a period of months in 1971 preparing to take over MILI. One of those documents indicates that he felt the company could be recapitalized for \$500,000 - the very sum of money which the Administering Authority attempted to seize illegally by its false notice to Barclays Bank.

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The Administering Authority required MILI and Marine Chartering, on pain of destroying the entire MILI operation, to turn over all of its MILI stock to the Trust Territory Government, with the Trust Territory Attorney General as trustee of this stock. This took place effective 19 October 1971. At that point, the Trust Territory Government assumed control of the company through what was known as the management committee. This committee was authorized by the board of directors existing at that time to do five specific things and nothing else. This was reflected in the minutes of that meeting, which were properly taken and verified by a director of MILI, Mr. Pedro P. Tenorio. That individual is now the Governor of the Commonwealth of the Northern Mariana Islands.

The management committee in fact, assumed complete control of the corporation. It retained this control until November of 1972. As justification for its usurpation of the board of directors' authority in this matter, a false and fraudulent set of minutes was prepared by the Administering Authority and proffered as the real minutes of the board of directors' meeting authorizing the management committee's activity. Even assuming that such minutes were not fraudulently drawn under basic American corporate law, the board of directors, as a fiduciary entity having ultimate managerial control over the corporation, could not transfer and abdicate this responsibility to any other individual or entity.

The agreement of 19 October 1971 established that the transfer of shares from Marine Chartering to the Trust Territory Attorney General was subject to two conditions. First, the board of directors and shareholders of MILI must approve of this transfer. The second condition was that the approval of the California Commissioner of Corporations must be secured. There was no attempt to secure the approval of the shareholders of MILI until February 1973. All during the preceding year the Government acted as though it were the real shareholder and ran the corporation. In February 1973, when the matter was put to a vote by the shareholders, the Trust Territory Attorney General voted 210,000

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of the 500,000 shares issued and outstanding in favour of a motion to approve his very ability to hold and vote such shares. The approval of this transfer by the California Commissioner of Corporations was never applied for or secured. Thus, the bottom line in this entire matter is that the Trust Territory Government took the Marine Chartering Company's 210,000 shares without payment and then proceeded to use them without complying with the conditions which were imposed by contract and agreement of the Administering Authority on their use. Even counsel attached to the United States Department of the Interior confirmed that approval of the California Commissioner of Corporations was required to exercise use of the shares.

During the year 1972, while the corporation was under the control of Mr. Thiessen and other employees of the Administering Authority, the financial situation of the corporation became chaotic. Computerized accounting services, which had previously been established and were entering into effect under MILI management, were completely destroyed, and accounting was returned to a manual system. The management committee chartered three expensive German ships, at well above the charter market rate at the time, for operation by MILI. The management committee also eliminated a purchase contract for the acquisition of what are known as Tarros vessels. These obligations had been entered into by the MILI management because it was a vessel particularly suited to the difficult conditions found throughout Micronesia. These contracts were cancelled and the Tarros ships subsequently became worth much more than MILI would have had to pay for them, at a considerable loss to the company. A second-generation Tarros-type vessel is currently operating throughout Micronesia. Unfortunately, the company operating it is not owned by Micronesians.

All employee training ceased. No further efforts were made to prepare Micronesians for upper-middle management, much less top management.

In November 1972 MILI was allegedly returned to its owners and a managing director elected. Of course, the Marine Chartering Company stock was retained by the Trust Territory Attorney General. The managing director ultimately

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elected by the board of directors -- a board which was put in place by the Trust Territory administration -- was C. Douglas Echols. Mr. Echols had been employed as a consultant to the Trust Territory under Mr. Thiessen to examine the MILI port and terminal operations. His background was that of a terminal superintendent. He had no prior experience in running a shipping company.

As was later learned, Mr. Thiessen very much wanted to be appointed managing director of MILI. He expressed his strong feelings on that situation to Mr. Echols after the election of Mr. Echols.

It might be beneficial to point out here a particular philosophy that was developed and that directly impinges upon the existence of MILI. In the course of Mr. Thiessen's activities as chief of transportation and overseer of the contract with MILI, he developed a concept known as creative transpower. Creative transpower was supposed to be an amalgam of American military and commercial might to be used for the benefit of the people in Micronesia and throughout the Pacific. This concept included not only a shipping company, but the creation of a large transshipment facility along the lines of that existing in Singapore in the western Pacific. The spot apparently selected was the small island of Peleliu in the southern portion of the lagoon of what is now the Republic of Palau. Development in fact began in Peleliu as a service facility for Trust Territory Government field-trip vessels. Nothing much more came of the development, since money ran out. The facility was initiated, although there is no natural harbour of any size at all at Peleliu.

Although an individual who had at one time worked with Mr. Thiessen came to be in charge of MILI -- the corporation's name having since been changed to Transpacific Lines Inc. -- the harassment which had been visited upon the MILI management now, approximately two months after the shareholders' meeting of February 1973, began anew.

The Trust Territory Transportation Department continually attacked the management of Transpacific Lines Inc., with respect to vessel operations, cash flow, accounting and everything else having to do with the operation of a shipping company -- notwithstanding the fact that this was the way the Trust Territory had been running the company a few months earlier.

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Several schemes were put forward by the Transportation Department proposing different methods of the routing, scheduling and use of vessels. All of these various schemes had to be analysed and considered by the company, which resulted in the expenditure of an extraordinary amount of time and money hiring consultants and pointing out that the schemes would not work.

An example of deliberate and malicious interference involved one old ship called Gunners Knot. The Government forced the company to retain the ship, which, according to all shipping people familiar with the vessel, was suitable only for salvage. It would cost more than the vessel was worth to keep it in class, and it could not make money. It must, of course, be understood that during all of this period the ports were not improved, warehousing was slightly improved, mostly owing to the efforts of MILI, and security was slightly improved, once again mostly owing to the efforts of MILI.

During 1973 Mr. Thiessen and the Trust Territory Government repeatedly put out memos criticizing the operations. These memos, of course, were obtained only after the company was dissolved by the Administering Authority. One can only wonder, however, why - if the company was so badly managed during this period - the Trust Territory Government did not use its power simply to change the management and put in competent people. In fact, the former MILI management, Marine Chartering personnel, and most particularly Mr. Kiskaddon, were also of the view that Transpacific Line management was not competent. The United States Department of the Interior intimated to the High Commissioner of the Trust Territory that Mr. Kiskaddon's views were probably sound and that a professional shipping man should be in charge of the MILI-Transpacific operation.

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During that period of time the Attorney-General developed what was called an intelligence report listing a long series of interferences and problems created by the Trust Territory Transportation Department and the constant harassment of the shipping company. The complaints outlined by the Attorney-General's office reached the High Commissioner, but nothing was ever done.

During the year 1973 the initial oil crisis struck and the dollar developed some serious weaknesses. The cost of running the shipping company escalated with the escalating fuel prices. Instead of assisting the company, the Trust Territory Administration, through its Transportation Department, continued its criticism of and interference in the daily operations of the company. Two of the three German ships which had been placed under charter had long since been returned to their owner. The lack of an accounting system continued to plague the company, and only in the middle of 1973 were partially successful attempts initiated to return to some semblance of a voyage accounting system, even if only manually done. This is the type of system which was destroyed by the Trust Territory Government upon its take-over of MILI in October 1971.

In February 1974 the managing director of the company, Mr. Echols, resigned. This resignation was just prior to the shareholders' meeting to be held that month. The Administering Authority then moved in and placed the company in receivership, appointing a businessman from Saipan to handle the matter. He made arrangements with respect to ships and the payment of obligations to keep the company going. It became obvious, however, that the Trust Territory Government did not want to keep the company going. Mr. Sablan, the initial receiver, then resigned his position. Another individual, by the name of Michael J. Orremus, was selected. Mr. Orremus, at the time of his proposed appointment, was told that he would be required to dissolve the company. He immediately rejected the appointment and refused to serve. Finally, the Administering Authority acquired a lawyer from San Francisco to act as the receiver and push the company into dissolution. After the receivership was begun, the Administering Authority spent over a million dollars operating it. That same money could have been applied to

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low-interest loans to return the company to its owners or to paying off some of its creditors, or to any one of several other things that would have enabled MILI to continue to exist and even at that late date achieve the goals that its incorporators and original shareholders had set for it.

For instance, the single German ship remaining under charter to the company, the Lotte Reith, could have been chartered at a considerable profit to the company. There was also an option to purchase in the charter party document for the Lotte Reith which, if exercised, would have resulted in even greater profits for the company. The company had an exclusive franchise to serve an area larger than the United States for a period of 10 years. The Administering Authority, through its agents, for reasons best known to the officials in power at that time, did everything in its power to eliminate this company and destroy the unity of Micronesia as expressed in the ownership and management of MILI. Whether the acts of the Administering Authority were purposeful or grossly negligent really does not matter at the bottom line. That line is that the Administering Authority through its activities failed to promote the political advancement and coherence of the Trust Territory of the Pacific Islands, failed to promote its social advancement and not only failed to promote but destroyed the largest economic institution in Micronesia. It is unlikely that an institution of its size and scope will be developed in the area for another generation at least, if ever.

Those were the factual events and happenings, the hardships experienced and faced by the shareholders of MILI, caused directly by the Trust Territory Government and the Administering Authority. The failure of the Trust Territory Government to improve the harbour and port facilities has caused MILI's ship additional days in port, an increase in charter payments, cargo damage, loss and pilferage, an increase in cargo claims and a setback in the vessel's schedules.

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It is important to realize that the economics of shipping depend very much upon the conditions of harbour and port facilities. I fail to understand why the Trust Territory Government and the Administering Authority choose not to develop the harbour and port facilities in Micronesia, since, in my opinion, the harbour and port facilities are the backbone of the economic and social advancement of the Micronesian people. Much depends on our harbour and port facilities, from the exportation of fish and copra to the importation of nutritious foods, construction materials and supplies for our homes, school buildings, hospitals, roads, etc., as well as our fuel supplies.

The Cutlass venture, constantly attacked by the Government, was necessary to MILI in order to cut back charter hire expenses. It would take approximately a 14-to-15-day period for any of MILI's vessels to reach a United States port. MILI would have paid 14 to 15 days' charter hire without any revenue, as the ships are returning empty to the United States. The Cutlass venture saved MILI 14 to 15 days' charter hire payment expenses which, I believe, would amount to something in the neighbourhood of \$72,500 for a single voyage, or about \$580,000 a year.

The West Coast dock strike, which lasted for approximately 90 days caused economic hardship not only to MILI but to the Micronesian people. Shortages of essential foods and supplies were experienced throughout Micronesia. MILI made every effort to get approval from the Government and the Administering Authority to be able to provide alternate routes, but was unsuccessful. Because of a lack of support and co-operation from the Government and the Administering Authority, MILI suffered tremendous losses from the strike and immediately thereafter received a notice of default from the Government.

What is alarming is the effort by the Trust Territory Government to take away the \$500,000 letter of credit from Barclays Bank without any legal justification. It was an illegal act - an attempt to commit theft. The false and fraudulent set of minutes prepared by the Government, and the taking over

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and voting of the 210,000 MCC shares are all illegal actions taken by the Government. Those actions by the Government and the Administering Authority were taken without fear of liability because they are the court and jury.

Immediately after the Trust Territory Government and the Administering Authority took over complete management and operation of MILI, they stopped the training of Micronesians for middle and top-management positions in the company. In fact, they do not know what to do with the company: there is no one in their employ who has the ability and the experience in shipping operations and management.

The Trust Territory Government and the Administering Authority have taken away and destroyed, without any legal right or authority, a shipping company of which the Micronesians owned 50 per cent. The Trust Territory Government and the Administering Authority have violated their prime responsibility under the Trust Territory Agreement to promote the social and economic foundations of the Micronesian people. Indeed, they have taken irresponsible actions which not only have destroyed MILI but have caused political fragmentation in all districts of Micronesia.

I and Attorney Cushnie will be happy to answer any questions. Also, we have with us supporting documents that can be provided to the Council, if requested.

Lastly, I ask your assistance in requiring the Administering Authority to compensate the shareholders and creditors of Micronesian Interocean Line, Inc. for what is rightfully theirs in their investments and claims in MILI, taken away illegally by the Administering Authority.

The PRESIDENT (interpretation from French): Before reading out his petition, Mr. Guerrero asked that the members of the Council be informed that he would like to submit certain additional material to them in support of his petition. He will provide some photocopies of this material and, if there is no objection, they can be distributed through the Secretariat.

It was so decided.

The PRESIDENT (interpretation from French): I call now on the last petitioner the Council will hear this morning, Mr. Roman Tmetuchl.

Mr. TMETUCHL: I wish to thank the members of the Trusteeship Council for their gracious willingness to hear and consider my petition today. I regard this Council as the single most important means whereby the rights and aspirations of the people of the last Territory administered under the International Trusteeship System of the United Nations may formally and justly be considered. The principles underlying the Charter of the United Nations with respect to the Trusteeship System give us hope that our dream of a free and independent Republic of Palau will some day soon become a reality.

I come before the Council today in my capacity as the Governor of Airai State, one of the 16 political subdivisions of the Republic of Palau. The 16 States of Palau represent the traditional village communities within Palau that have been recognized by our recently adopted Constitution. Airai State is the location of our national airport and the source of the water supply for the majority of the people of Palau. It is also one of the largest of the 16 States.

The people of my State have asked me to express their concern to this Council regarding the appropriation by the Administering Authority of land within Airai State for public purposes without due regard for the interests of the owners of the property or the impact of construction projects upon the areas surrounding the various projects, and without just compensation.

Today I should like to address myself specifically to the question of the airport development project in Airai State. Approximately 20 years ago, the Administering Authority, acting through the district administrator of the District of Palau, took possession of the site of the national airport. This was done with

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the consent of the owners of the lands comprising the airport site and that of the local Government, on the basis of a promise by the Administering Authority that just compensation would be paid. To this day no compensation has been paid.

Recently, a project significantly to expand the airport in Airai State has been undertaken by the Administering Authority. Claiming the right of eminent domain, a matter to which I shall return in a moment, the Administration this time did not even seek the consent of the affected property holders prior to starting construction work. This expansion, because of the nature of the surrounding terrain, has required substantial earth-moving work. Approximately 3,000 linear feet of additional runway have been created by levelling hills to fill valleys and ravines. Construction is taking place in a climate which is marked by very heavy rains, averaging 180 inches per year.

An unavoidable result of this airport project is significant damage to the natural environment of Airai State. The red mud from the landfill and the silt from the coral primary surface of the airport runway have contaminated our traditional subsistence farmlands in the lowlands surrounding the high land upon which the airport is being built. The mangroves, the lagoon and the reefs of Airai State, considered to be among the richest spawning grounds for fish and other wildlife within the Palauan islands, have been extensively damaged by erosion from the airport construction site

Article 6, subparagraph 2, of the Trusteeship Agreement, by which the Administering Authority is bound, provides that the Administering Authority shall "protect the inhabitants against the loss of their lands and resources".

As I have said, the Administering Authority appears recently to have taken the position that it has the right of eminent domain within Airai State with regard to the development of the airport. Furthermore, the Administration is right now preparing to open previously solicited bids to build an entirely new dam within Airai State, a dam which will flood a large area of valued State land. Again, prior consent has not been sought, and we can safely assume that the Administering Authority will once again claim the right of eminent domain as justification for its action. This position directly violates the provisions of the Constitution of the Republic of Palau, which provides that only the national Government of Palau, in consultation with the State Government affected, may exercise the right of eminent domain.

Therefore, it is our belief that the Administering Authority, which encouraged the drafting and adoption of the Constitution of the Republic of Palau, is in violation not only of the United Nations Trusteeship Agreement but also of our own Constitution. This makes a mockery of our constitutional process.

It is my personal belief that these recent examples point once again to an obvious conclusion, namely, that the people of the Republic of Palau will greatly benefit from the immediate termination of the Trusteeship Agreement. This conclusion is also supported by the larger context of the capital improvement programme of which the airport expansion and the dam are a part.

(Mr. Tmetuchl)

The two other principal projects under this programme involve road-building and the construction of a sewage system to save the island of Koror. While these four projects are of undeniable benefit to Palau, there were also many other possible undertakings which could have had a usefulness as great as or greater to our nation. However, the Government of Palau had no part in setting these priorities. Further and perhaps more serious, our Government was allowed no role in planning or policy-making with respect to this work. Thus, although we recognize the need for outside technical supervision over such complex operations, we have within our borders ample supplies of readily trained labour. In fact, our economy is plagued with a very high level of unemployment. Yet without exception the contractors on all four projects depended heavily on imported labour as well as on foreign expertise and supervision. As a result, the Palauan people have lost their best opportunity to acquire the skills and experience essential to the completion of future projects at an affordable cost. Yet the Administering Authority has adopted a most expensive strategy, one which we cannot hope to follow once we are on our own.

That we will be on our own very soon, at least with respect to any more capital improvement projects, has been signalled to us clearly by the United States Government. We have been advised that any future projects will be considered only as part of the status negotiations, through the office of Ambassador Zeder. Since his responsibility is confined to arrangements to become effective only upon the implementation of the Compact of Free Association it is evident that in this respect as in others it is no longer possible for the Administering Authority to contend that it is still furthering the goals and bearing the responsibilities of the Trusteeship Agreement.

I believe that the United States of America has contributed and will continue to contribute substantially to the welfare and advancement of the people of Palau. The United States has been and will always be our true friend. We are not so ungrateful as to so soon forget the political emancipation of our islands made possible by the United States. Nor do we fail to recognize the great benefits which have been conferred upon us over the last three decades.

(Mr. Tmetuchl)

We sincerely believe also that now notwithstanding the many contributions made to Palau by the United States of America as the Administering Authority, the post-Second World War Trusteeship System has, after a third of a century, outlived its usefulness and should be respectfully laid to rest.

The PRESIDENT (interpretation from French): We are to hear other petitioners this afternoon and I should like to request the petitioners who spoke this morning to be available this afternoon, for no doubt some delegations would like to ask questions of them.

If time permits, members of the Trusteeship Council will also have an opportunity to ask questions of the Special Representatives of the Administering Authority.

The meeting rose at 12.55 p.m.