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Fifty-second Session

VERBATIM RECORD OF THE FIFTEEN HUNDRED AND EIGHTY-FIRST MEETING

Held at Headquarters, New York,
on Monday, 13 May 1985, at 10.30 a.m.

President: Mr. RAPIN (France)

later: Mr. MAXEY (United Kingdom)

Opening of the fifty-second session

Adoption of the agenda

Report of the Secretary-General on credentials

Election of the President and Vice-President

Organization of work

Examination of the annual report of the Administering Authority for the year ended 30 September 1984: Trust Territory of the Pacific Islands

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The meeting was called to order at 10.50 a.m.

OPENING OF THE FIFTY-SECOND SESSION

The PRESIDENT (interpretation from French): I declare open the fifty-second session of the Trusteeship Council.

In keeping with our tradition, I wish to welcome all delegations and in particular their new members. I begin with the delegation of the Administering Authority, which is headed this year by Ambassador Harvey Feldman, who is no stranger to many of us since he joined the United States mission several months ago. We are extremely happy to have Mrs. McCoy, the High Commissioner of the Trust Territory, with us once again.

Lastly, I remind the Special Representatives of the Territory how essential is their presence here to the smooth progress of our work and thank them for once again making the long trip to New York. In particular, I thank His Excellency Mr. Tosiwo Nakayama, President of the Federated States of Micronesia, the Honourable Mr. Alfonso Oiterong, Vice-President of the Republic of Palau, the Honourable Mr. Pedro A. Tenorio, Lieutenant Governor of the Northern Mariana Islands, and Mr. Oscar DeBrum, Chief Secretary of the Republic of the Marshall Islands. We are aware that their heavy responsibilities make it difficult for them to stay away from their countries for a long time and we are indeed very grateful that they have come here to participate in our debates.

Through Ambassador Oleandrov and Mr. Grigutis, whom we know well and whose presence we appreciate, we welcome the Soviet delegation, with of course particular mention of Mr. Berezovsky, a Trusteeship Council veteran, who has come from Moscow to demonstrate his loyalty to our institution.

At the side of our friend Mr. Hugh Mortimer of the United Kingdom delegation we find this year Ambassador Peter Maxey, the Deputy Permanent Representative of the United Kingdom. It is no secret that according to tradition he will have special responsibilities at this fifty-second session. That gives me great pleasure. He is certainly an experienced diplomat. Before taking over from Ambassador Margetson he was Ambassador to the German Democratic Republic and he has held posts in Moscow, Helsinki and Sri Lanka. He has also worked in the multilateral sphere, as he headed his country's delegation to the preparatory meetings for the Conference on Security and Co-operation in Europe, in Geneva in 1973, and later the United Nations section at the Foreign Office. I am sure that

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we shall benefit greatly from his experience, which some of us have already had an opportunity to appreciate in the 10 months since his arrival in New York.

Lastly, I am happy to welcome Mr. André Rocher, who seems to be alone in the French delegation's place but in a few moments will enjoy some support.

My term of office as President is about to end. Before handing over the post to the person that will be elected in a few moments, I want to make two final comments.

First, this Council and particularly its presiding officer would not have been able to work successfully without the constant, experienced and effective support of the Secretariat. I pay a tribute here to Mr. Thiam and ask him to convey my thanks to Mr. Ahmed, the Under-Secretary-General, and Mr. Rifai, who, unfortunately, are unable to be with us today. I should like also to pay a tribute to Mr. Girma Abebe, the Secretary of the Council, and to extend to him my warmest thanks for his constant support and help. As members are aware, he is the person with the most complete and objective knowledge of the Micronesian situation, and I would say also the greatest human awareness of that situation. I would ask him to convey our thanks to his colleagues also.

The fifty-first session of the Council will remain in our memories as the session of the exhibition devoted to the Trust Territory of Micronesia at United Nations Headquarters. It will be recalled that at the end of that exhibition the Administering Authority offered the United Nations the finest exhibit - a very beautiful work of art from the Museum of Palau, which can now be seen in the corridor on the left leading to the Trusteeship Council Chamber. This beautiful work of art will thus bear witness not only to the special place that Palau and Micronesia hold in our hearts but also in a broader way to the peaceful efforts of the United Nations to ensure that the Territories entrusted to it may freely exercise their right to self-determination. I am happy that this symbol has been put in a fitting place here at the United Nations as we prepare to commemorate the fortieth anniversary of the founding of our Organization.

ADOPTION OF THE AGENDA (T/1872)

The President (interpretation from French): Members of the Council have before them the provisional agenda (T/1872) drawn up by the Secretary-General in consultation with the President of the Council under rule 8 of our rules of

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

The agenda was adopted.

REPORT OF THE SECRETARY-GENERAL ON CREDENTIALS

The PRESIDENT (interpretation from French): I should now like to inform members of the Council that the Secretary-General has still not received the credentials of all members of the Council. Therefore I suggest that this agenda item 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 VICE-PRESIDENT

The PRESIDENT (interpretation from French): I now invite members of the Council to elect a President for the fifty-second 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. Maxey (United Kingdom) was elected President unanimously.

The PRESIDENT: I warmly congratulate Mr. Peter Maxey, head of the United Kingdom delegation, on his election as President of the Trusteeship Council and wish him full success in his new functions.

I invite Mr. Maxey to take the Chair.

Mr. Maxey (United Kingdom) took the Chair.

The PRESIDENT: I should like to begin by thanking members of the Council for according me the unique privilege of being elected President of the Trusteeship Council. My particular thanks go to my predecessor, Mr. Rapin, for the flattering things he has said about me. I wish I deserved them. I am particularly honoured to step into Mr. Rapin's shoes and will do my best to emulate the skill and tact which I know he has brought to the presidency of this body during the past year.

I suffer from a dual disadvantage, in that I have no experience of the Trusteeship Council and have not had an opportunity of visiting Micronesia. This sets me apart both from Mr. Rapin, my immediate predecessor in this Chair, who acquired a wealth of knowledge about Micronesia during his presidency, and also from my British predecessor, Ambassador Margetson, who, as the Council may recall,

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led no less than two Visiting Missions to the Territory during his term of office in 1983. But, of course, I stand ready to learn and look forward to what will, I am sure, be an educational experience as President. I ask for the assistance and co-operation of members of the Council in carrying forward our work and am confident that in the best traditions of the Council this will be forthcoming. It is a source of reassurance, too, to know that one has the support and assistance of the Secretariat, whose professionalism and dedication over the years have been a distinguishing characteristic of the Trusteeship Council's work and a significant factor in its success. Our secretary, Mr. Abebe, has already been of invaluable assistance to me, and it is good to be able to count on his advice in the days ahead.

I also echo Mr. Rapin's welcome to all the participants in this session. It is a particular pleasure and honour to have with us President Nakayama of the Federated States of Micronesia, the Honourable Alfonso Oiterong of Palau, the Honourable Pedro A. Tenorio of the Northern Mariana Islands and Mr. Oscar DeBrum from the Marshall Islands. Their presence here and that of their delegations, who have come so far to be with us today, is testimony to the importance that the people of Micronesia attach to the work of the Council and, I think, underlines the fact that it is the interests of the people of the Trust Territory that must be the guiding principle in our deliberations.

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

A vote was taken by secret ballot.

Mr. Rapin (France) was elected Vice-President unanimously.

The PRESIDENT: I am naturally delighted that Mr. Rapin has been elected Vice-President and that we shall be able to continue to benefit from his experience and proved qualities. I warmly congratulate him.

ORGANIZATION OF WORK

The PRESIDENT: A tentative timetable for the fifty-second session of the Trusteeship Council has been prepared and circulated to members of the Council. It has been drawn up in order to give members an idea of the work to be accomplished and the time that will be needed to complete it. The Council is, of course, free to modify this programme of work in accordance with circumstances or with the wishes of members, bearing in mind General Assembly resolutions and decisions which set forth guidelines and directives on the allocation and utilization of conference resources.

(The President)

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

It was so decided.

The PRESIDENT: Before proceeding to the substantive part of our work, I should like to ask members of the Council to do their best to be on time for meetings so that the Council may be in a position to comply as far as possible with General Assembly resolutions and decisions on the effective use of conference resources.

This may sound like a ritual appeal, but it is not. I personally attach considerable importance to the Council's starting its sessions on time and I hope that members will help me to ensure that it does.

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

Mr. FELDMAN (United States of America): Mr. President, it is a great pleasure to see you presiding over our proceedings. I know that your performance will be consistent with the standards of excellence and fairness which are the characteristics of your countrymen in the United Nations and everywhere. May I also take this opportunity to express the admiration of the United States delegation for the energy, tact, patience and judiciousness which your predecessor, Mr. Rapin, brought to our proceedings. He has, as you have, Sir, our highest regard.

It is now my pleasure to introduce to the Council the Special Representative on the United States delegation, the Honourable Janet McCoy, the High Commissioner of the Trust Territory of the Pacific Islands. Mrs. McCoy will discuss developments in the Trust Territory, particularly in the economic, social and developmental spheres, in her opening statement. Following Mrs. McCoy's statement, the Council will be privileged to hear from the Senior Adviser to the United States delegation, Ambassador Fred Zeder. Ambassador Zeder, who will be with us this afternoon, is represented this morning by Mr. Sam Thomsen of his office. Ambassador Zeder has been the President's Personal Representative for Micronesian Status Negotiations since 1981, but his knowledge of the Trust Territory goes back in time well before that date. I wish also to mention the other very distinguished members of the United States delegation: the Honourable

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Tosiwo Nakayama, President of the Federated States of Micronesia; the Honourable Alfonso Oiterong, Vice-President and Minister of State of the Republic of Palau; the Honourable Pedro A. Tenorio, Lieutenant Governor of the Northern Mariana Islands and Mr. Oscar DeBrum, Chief Secretary to the Cabinet of the Republic of the Marshall Islands. I request that they be seated as members of this delegation.

At the invitation of the President, Mrs. McCoy, Mr. Nakayama, Mr. Oiterong and Mr. Tenorio, Special Representatives, and Mr. DeBrum, Special Adviser, took places at the Council table.

EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING AUTHORITY FOR THE YEAR ENDED 30 SEPTEMBER 1984: TRUST TERRITORY OF THE PACIFIC ISLANDS (T/1871)

Mr. FELDMAN (United States of America): This is the first opportunity I have had to serve as the head of my country's delegation to the Trusteeship Council. This Council has played an active, constructive role in one of the historic achievements of the United Nations, that of preparing the transition to self-rule and independence for 11 Trust Territories. The trusteeship in Micronesia is the only remaining one, having survived the last preceding one, New Guinea, now Papua New Guinea, by a decade. This is not surprising, for Micronesia is unique among the original Trust Territories. Its uniqueness lies in part in its strategic character which was recognized by the Security Council when it approved the Trusteeship Agreement in 1947 designating Micronesia as a strategic Trust Territory. Its uniqueness also lies in the sheer size of the Territory. Its 155,000 inhabitants are scattered over 2,000 islands amid 3 million square miles of ocean. The difficulties in achieving consensus for self-rule in a Territory whose eastern and western extremities are nine hours apart by direct flight, whose surface area is 99 per cent water, whose traditional internal transportation and communication links are not highly developed and which, until 1945, was never governed as one unit, should be self-evident.

Given the obstacles of time and geography, given the diversities of people, society and culture throughout the Trust Territory, the wonder is not that it took three decades and a half to achieve self-rule in Micronesia, but that it was achieved so well and was so completely integrated into the lives of the people. The peoples of Micronesia are endowed by their culture with many admirable traits - above all, with patience and an instinct to include people through discussion,

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leading to consensus, a willingness to focus on what unites rather than on what divides. This has been the route taken to self-determination by the peoples of Micronesia - not a route of violence and ideological confrontation, but a route of discussion and negotiation.

Negotiations with the United States over status began in 1969. The people of the Northern Marianas chose a form of close association with the United States, that of a commonwealth, a choice that was ratified by a United Nations observed plebescite in 1975. The Marshall Islands, the Federated States of Micronesia and Palau chose free association with the United States, ratifying their choice in three United Nations observed plebescites in 1983.

The plebescites of 1975 and 1983 were the most dramatic acts of self-determination for the peoples of the Territory. But self-determination should not be something that takes place only once, when the voters go to the polls to ratify a form of government. It is the product of democratic self-rule - it is a process, a generally undramatic process, which involves day-to-day satisfaction of peoples' needs, popular participation in institutions and respect for human rights and fundamental freedoms. The Governments of the Northern Marianas, the Marshalls, the Federated States of Micronesia and Palau all embody those qualities of self-rule, and all carry forward the process of self-determination, as I saw on my own trip to Micronesia this past February. I had the pleasure of meeting with the executive and legislative leaders of the Micronesian States. I believe that any fair-minded person meeting those leaders would come away, as I did, with confidence in the institutions of self-rule that the people of Micronesia have created and in the leaders that they have selected. I am happy to see several of those leaders around us here today, in particular, President Nakayama, Vice-President Oiterong, Lt. Governor Tenorio and Chief Secretary Oscar DeBrum.

My visit to the Trust Territory provided me with the kind of invaluable exposure to the realities of Micronesian political, economic, and social life which cannot be acquired from reports or speeches. I believe that this Council equally would profit from such exposure. I note that it has been three years since the Council dispatched a visiting mission to the Territory.

It is my pleasure, on behalf of the Government of the United States, to invite the Council to dispatch a mission to visit Micronesia as soon as possible after the conclusion of this session, with the goal of studying the views of the inhabitants

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of the Territory as to their future and their status and making appropriate recommendations. My Government has consulted with the Government of the Marshalls, the Federated States of Micronesia, Palau and the Northern Marianas, and they are prepared to receive and facilitate the work of such a mission.

I should like to outline briefly the status of the Compact of Free Association for the members of the Council. I say "briefly" not because of any intent to avoid discussion, but because I know that there will be ample opportunity to expand on the subject when our colleagues in the Council pose questions to my delegation later in the session. As members of the Council know, the Federated States of Micronesia chose free association in a United Nations observed plebescite in 1983 by a vote of 79 per cent in favour and 21 per cent opposed. The Marshall Islands similarly chose that status in 1983 by a vote of 58 per cent in favour and 42 per cent opposed. The Compact of Free Association was approved subsequently by both Governments in accordance with their constitutional processes. Last year, President Reagan introduced the Compact to the United States Congress requesting its approval. Regrettably, the Congress did not act upon the Compact last year. This year, on 20 February, the President resubmitted the Compact. His Administration is hopeful that the Congress will complete action upon the Compact as soon as possible and, in any event, at this session of Congress. Ambassador Zeder, the President's Personal Representative for Micronesian Status Negotiations, will have more to say on this subject in his statement.

President Reagan has been unable thus far to submit the Compact of Free Association for Palau to the Congress because of a perceived conflict between the terms of the Compact and the Palau Constitution. Palau's voters overwhelmingly voted for the Compact in 1983 by 62 per cent in favour and 38 per cent opposed, and later in a referendum in 1984, the Compact received 66 per cent. Nevertheless, despite the mandate in favour of free association given by the voters of Palau there remain certain obstacles which prevent its implementation. These must be worked out by the people and Government of Palau working at their own pace and in accordance with their own traditions.

I would like to address one specific issue in my opening remarks, with the thought that my comments might anticipate some of the questions members and petitioners might have. There have been a number of wild, far-fetched allegations on the part of some more interested in propaganda than in truth about the

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United States military presence in Micronesia. Let me lay before the Council the full details of that presence.

Let me begin by noting that article 5 of the Trusteeship Agreement unambiguously gives the United States the right to establish military bases in the Territory. Nevertheless, there actually is a grand total of 13 United States military personnel in Palau. They belong to a civil action team. Their weapons are bulldozers, hoes, shovels and trucks. I have a list of their projects under way or contemplated. They include expansion of a senior citizens' centre, reroofing the Palau High School, the construction of an elementary school in Airai, and Airai State Park. This is the kind of work these teams do. They do not undertake military construction. There are similar teams engaged in the same kind of non-military construction in each of the other Micronesian States, each of them with about 13 members. The only military facility now operating in the Trust Territory is the missile-testing range at Kwajalein, in the Marshall Islands. This facility, while under army command, is operated by civilian contractors. The only offensive weapons at Kwajalein are the side arms carried by guards and watchmen. The remainder of what has been called the military infrastructure at Kwajalein consists of sophisticated radars, high-speed cameras, measurement instruments and computers. Finally, there is a small coast guard station in Yap. Its mission is civil navigational assistance. That is all. There are no air bases, no naval bases, no submarine pens, no army barracks, no Marine Corps facilities, no munitions dumps, no aircraft parks and certainly no nuclear storage sites.

I would like also to mention one other problem which has been addressed constructively in the past year. It is one which has occupied much of the time and effort of the Council. It is the question of the reconstruction of Bikini Atoll. In March 1985 the people of Bikini and the United States reached agreement on a co-operative effort to continue studying rehabilitation and development of a plan for the resettlement of Bikini. The plan is to be developed on the basis of independent scientific research which will be funded by the United States Government. Based on this agreement, the people of Bikini have dismissed their lawsuit against the United States, asking for a clean-up programme, and they are now working directly with the agencies of the United States Government in planning for resettlement. It is our fervent hope and belief that this settlement will provide a satisfactory resolution of this terribly emotional and terribly difficult problem. I expect more will be said about the settlement by the attorney for the Bikinians, Mr. Weisgall, who of course is well known to all of us.

The PRESIDENT: In accordance with established practice, we shall now proceed to hear the representatives and advisers who have come from Micronesia to participate in the Council's session. They will provide the Council with information on the latest developments in the Trust Territory. As members know, these representatives are specialists and are familiar with and knowledgeable about the situation in the Territory. Their accounts are of considerable help to the Council and greatly facilitate its work.

I call on the Honourable Janet McCoy, Special Representative of the Administering Authority.

Mrs. McCoy (Special Representative): Once again it is my pleasure to be here in New York to report to the Trusteeship Council on the progress of the Trust Territory.

Let me first extend to you, Sir, my congratulations on your election as President and say how much we look forward to working with you at this session and throughout the year.

I would also like to express my appreciation to the representative of France, Mr. Rapin, for his leadership of the Council's work over the past year. We have enjoyed working with him and look forward to continued constructive and amicable relations as he takes the position of Vice-President.

It is particularly pleasing to see the Trust Territory's gift to the Council installed in such an appropriate and well-designed area. I am confident that the people of Micronesia will be very pleased to know that a sample of their art and culture will be permanently displayed in these corridors.

As is customary, I should like now to introduce the members of my delegation representing my office. I have with me Mr. Sam McPhetres, head of my Archives Department and Inter-Agency and International Organizations Co-Ordinator; Mr. Andrew Wilson from my Attorney-General's office, who is the manager of radiation projects; Mr. Charles Jordan, who is the director of construction and infrastructure programmes within the Trust Territory; and Mr. Gerry Pascua, who is from the State Department's Status Liaison Office in Micronesia.

Members of my delegation from the four constitutional Governments of the Trust Territory, who will speak separately for their own Governments, are: the Honourable Tosiwo Nakayama, President of the Federated States of Micronesia; the Honourable Alfonso Oiterong, Vice-President of the Republic of Palau; the Honourable Oscar DeBrum, Chief Secretary of the Republic of the Marshall Islands;

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and the Honourable Pedro A. Tenorio, Lieutenant Governor of the Commonwealth of the Northern Mariana Islands.

We come now to that part of the Council's deliberations in which we begin the discussion of accomplishments over the past year. I should like to begin this year's presentation with some remarks about the annual report to the Council. As a result of last year's recommendations and comments, this year's report has taken on several new elements, which I should like to mention.

First is its length. While nearly 40 pages longer than last year's report, this year's report reflects the vastly improved capability of the constitutional Governments to gather and edit their own data. Nearly all the material was submitted and accepted as it was received by my office. For that reason it was much more difficult to edit for fewer pages, as we wanted to give each Government the greatest possible chance to tell its own story. While we realize the load that this puts on the Secretariat and on Council members, we hope that the value of the increased material will be adequate compensation.

In addition, members will find that there is a whole new section on international relations. We asked each Government to include in its submission a listing of organizations to which it belongs involving other countries. The results, I am sure members will agree, are very impressive. In no circumstances can one criticize the Administering Authority for impeding international contacts on the part of the new Governments.

Because of frequent comments about the lack of base-line documents often referred to in the text, we have also included, in an appendix, a copy of the Saipan Accords of October 1984 and the eight principles of free association.

The statistical appendix contains a new summary section modelled on the United Nations publication Statistics in Brief. It contains some key indicators which may become the base-line data for future statistical reports of value not only to the United Nations, but also to the Governments themselves in charting their progress.

Let me add that in the headquarters phase-down process we have closed the central statistics office, and all the data reflect input from the Governments as it was submitted. The fact that we were able to gather this material at all is in itself indicative of the capability of the new Governments to gather current data. Throughout the statistical appendix one can see evidence of the greatly improved abilities of the various planning offices.

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Let me say, in closing my comments on this report, that I hope that you, Mr. President, and the members of the Council will find that it goes a long way towards meeting the criticisms and recommendations voiced in this Council last year.

Since the report itself details the activities of the Trust Territory for the fiscal year 1984, I shall not duplicate its contents in my statement. I shall, however, note that since October of last year we have continued our efforts to reduce and reorganize the Trust Territory headquarters, but in such a way that we can fully carry out those functions required by the Trusteeship Agreement and applicable Federal law. I am pleased to inform the Council that, while at this time last year we had 160 employees at headquarters, the figure is now hovering around 120, and still dropping.

All of this is, of course, a result of the growing competence of the constitutional Governments to run their own affairs, and they are certainly doing so in most areas. With the exception of some capital improvement programmes, membership in some international organizations and the requirements of continuing Federal grant programmes, Trust Territory headquarters is a mere shadow of itself.

At the same time, let me assure the Council that we have every intention of doing the job smoothly and with the interests of everyone at heart. In this spirit we are providing orientation, training and counselling in a variety of areas yet to be turned over, including management of Federal programmes and financial management. We completed two such programmes in February of this year. We hope to have one later this year to orient the new Governments with regard to the Trust Territory archives and their uses in the present and the future. Capital improvement programmes in several areas have already been turned over to the new Governments for management, in a process that was begun last year.

It is with a great deal of satisfaction that I inform the Council that the cholera outbreak in Truk appears to be well under control and no longer epidemic. Thanks to the World Health Organization and our own United States and Trust Territory health organizations, the measures taken appear to have been effective.

I know that the one subject closest to all of us is the political status of the islands. As the Council is, I am sure, aware, the United States executive branch has transmitted the Compact of Free Association as it relates to the Marshalls and the Federated States of Micronesia to the United States Congress for its review and approval. Congressional review is at this moment already well advanced, and we hope to see the process completed before the end of the United States fiscal year.

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The Palau situation is more complex. Successive popular votes there in 1983 and 1984 - the former a United Nations-observed plebiscite - confirmed that an absolute majority of Palauans favour free association and the Compact which defines this relationship with the United States. Notwithstanding this degree of support, the Compact, by its own terms, has not yet satisfied all requirements for approval in Palau.

The United States Executive Branch has as a result deferred transmitting the Compact, as it relates to Palau, to the United States Congress for its review and approval. The Governments of the United States and Palau currently are discussing ways to satisfy existing constitutional and procedural requirements necessary for approval of the Compact.

In the meantime, we are going ahead with preparation for trusteeship termination, particularly as it affects the Marshalls and Marianas and the Federated States. As I said earlier, we want the process to be as smooth and painless as possible. To that end, we have withdrawn even more than last year from the day-to-day operations of the Governments. If all goes well, and the United States Congress acts expeditiously on the Compacts, we envisage coming to this Chamber in the very near future and starting the process of closing up for good.

But matters of political status are best taken up by those responsible for the negotiations and political matters, and I shall defer to them for details and more information.

The big question facing the new Governments, and in the back of everyone's mind, I am sure, is the ability of the new Governments to sustain themselves after termination. We are confident that with the experience gained over the past few years, since the Trust Territory began the process of turning over the reins of government to the people of the Territory, each of those Governments is very capable of managing its own affairs. Just in this past year we have seen some substantial growth in the economic sector. While it is best left to the spokesmen of each of the Governments here to describe this, I do want to mention briefly some of the more important elements of development which have been brought to my attention over the past year.

Tourism is one of the fastest growth industries in Micronesia, and the lack of adequate hotel space has been a severely limiting factor. But just in the past year we have seen two major luxury hotels open in Palau, massive expansion of hotel

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rooms in the Marianas, a hotel open in Kosrae, and construction continuing on new hotels in Majuro, with one completed; one new hotel has opened in Pohnpei.

All of this construction of hotels would be wasted effort without the facilities to bring in the tourists. With the completion of the airport projects under the capital improvement programme, each of the major centres now has airports fully certified by the Federal Aviation Administration, and terminals are under design with construction to begin in early 1986. When the paving of Kosrae's new airport is completed, it too will have the capability of vastly increasing its contact with the rest of the world. A contract has already been awarded for this purpose.

Airline service is growing, albeit slowly. Charter service is now available from Japan to both Saipan and Palau. South Pacific Island Airways has resumed service in and through the Territory to places in Papua New Guinea and Hawaii. Continental Air Micronesia now serves Manila, Japan, Taiwan and Hong Kong, with connecting flights through the islands to Hawaii and the mainland.

I am also quite pleased to inform the Council that, with the complete agreement of the Department of Interior's Territorial and International Affairs Office, we are withdrawing the last element of involvement of the High Commissioner's Office in the operations of the Economic Development Loan Fund. As a result, the Fund, currently well over \$2.5 million, will be divided among the four Governments, including that of the Northern Mariana Islands, in accordance with agreements and formulas arrived at in 1976 and 1982. The loan programme of the Economic Development Loan Fund has been instrumental in stimulating the development of small-scale private-sector enterprises throughout the islands and holds the promise of still more beneficial economic activity in the years to come.

In more traditional development, I have seen news of a seaweed farm being established in Kosrae, and a button factory, a department store and a milk reconstitution plant in the Marshalls. The long-dormant fisheries complex on the island of Dublon in Truk is soon to be constructed and other, smaller projects are under way throughout the territory. All this brings in revenues in addition to the generous funding levels to be provided under the status agreements with the United States.

The year 1985 is a historic one for the United Nations. It is the fortieth anniversary of this Organization. It is a time to give serious consideration to the process of terminating the last of the trusteeships created under the terms of the United Nations Charter.

(Mrs. McCoy, Special Representative)

Over the past several years, in the spirit of self-determination espoused by the principles of the United Nations, the people of the Trust Territory, in United-Nations-observed acts of free choice, have chosen the political status they prefer. It is our sincere hope that in this historic period in the life of the United Nations we shall make further history by accelerating the process of terminating the 1947 Trusteeship Agreement. We hope that this Council will give its full support to that process when the time comes.

And now, as I conclude my opening remarks, let me say how pleased I am to be back among my friends in the Council and how much I look forward to the next two weeks of working with them - and also, as we hope, to seeing them again in the Trust Territory very soon.

The PRESIDENT: I now call on the Honourable Tosiwo Nakayama, President of the Federated States of Micronesia, and Special Representative of the Administering Authority.

Mr. NAKAYAMA (Special Representative): I wish to thank the President and the members of the Council for this opportunity to appear before the Council. It is always an extreme honour and pleasure for my Government to review with this Council the state of affairs in the Federated States of Micronesia.

Mr. President, before I proceed with my testimony, I should like to congratulate you and the Vice-President on your election to the leadership of the Council. We wish both of you a successful and satisfying term in these important offices.

I wish now to introduce the members of the delegation of the Federated States of Micronesia with me today: first, Asterio Takesy, who is our Deputy Secretary of External Affairs; then, Epel Ilon, our Washington representative, and James Stovall, who has served us for many years as Washington counsel to our Political Status Commission and who, of course, has been a frequent visitor to our islands; and, finally, David Nevitt, who is my Attorney General, and Greg Swartz, who is counsel to our Political Status Commission in Pohnpei.

During last year's session of the Council our representatives departed from the customary practice of furnishing a detailed report on recent political, economic and social progress and achievements in our nation. Rather, we chose to focus, as the Council itself did, on one, single historic event of fundamental importance to this Council and our people. In a June 1983 plebiscite observed by

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the United Nations, our people exercised their inalienable right to self-determination by voting by a substantial majority to approve a Compact of Free Association with the United States. The plebiscite and the Compact reflect the culmination of over 15 years of meticulous negotiations with the United States and a similar period of analysis, discussion and information dissemination within our nation. We were extremely gratified when the Council last year determined to endorse the Visiting Mission's conclusions that the plebiscite, which was organized and conducted by our own State and national Governments, constituted a free and fair expression of the wishes of our people as to their future political status.

I shall reiterate what we said last year, because it cannot be said too often: our people want to end the trusteeship and enter into full self-government under our Constitution in free association with the United States. Not only did our people vote to approve this action in the recent plebiscite, but in fact we ourselves originated the idea, after extensive examination of several alternatives, over 15 years ago. Our confidence in the correctness of this original approach is confirmed today by the fact that it has survived and even gained strength throughout the long and tedious negotiations that were necessary to give it expression.

When our representatives appeared before the Council last year, our Government and people anticipated that the next time we appeared before the United Nations it would be to witness another historic event - the termination of the Trusteeship Agreement under which we have lived for almost 40 years. Unfortunately, our expectations in that regard have not been fully realized.

As we reported to the Council last year, the United States Government initiated its internal review process when the Administration submitted the Compact of Free Association to the United States Congress for approval in early 1984. Although several hearings were held and the United States Senate Committee on Energy and Natural Resources reported favourably on the Compact, there was insufficient time for the United States Congress to complete its consideration of the Compact last year. This year, the Compact has already been resubmitted to Congress, all hearings have apparently been concluded and the United States Senate Committee on Energy and Natural Resources has again reported favourably on the Compact resolution. We are now awaiting reports by the House Committees on Foreign Affairs and Interior and Insular Affairs, and then final floor action by both Chambers. That action, we are told, is likely to be completed by this August.

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We are a patient people. We recognize that governmental processes in large nations and organizations are perhaps more time-consuming and complicated than they are in our own small nation. In that light, we quite understand the many factors which have slowed progress in the United States Congress in reviewing the Compact of Free Association. And, of course, we cannot object too strenuously to the concerns of those of our friends who wish assurances that the economic and social needs of our nation and the region have been adequately addressed in the Compact. The Compact was negotiated with extreme care on both sides, and we are confident that those concerns will be satisfied. Our enthusiasm, resolve and hopes and aspirations for the future have not diminished since the plebiscite of 1983; rather, we have become more determined and proud as we take these final few remaining steps towards our chosen destiny. We are hopeful that the documents giving evidence of our act of self-determination will be before the Council formally in the very near future, at which time this Council will be called upon to initiate a process for termination of the Trust Territory of the Pacific Islands.

This past year has not been merely a time for us to sit back and wait while the United States Government completes its internal review process relating to the Compact and the United Nations addresses the matter of trusteeship termination. Rather, the last 12 months have been a time of increasing hard work as we move forward with the decisions and actions necessary to prepare for our future status. Today I am more confident than ever that our Governments and our people are ready for termination of the trusteeship and entry into full self-government in free association with the United States.

Our national Government has been in office since 1979, and our state and national governmental institutions have continued to mature. Last year, the people of Kosrae and Pohnpei approved state constitutions, as had the people of Yap in 1982. A referendum on a draft constitution for Truk State has been scheduled for early next year, and the public information programme on that draft constitution is now under way. Judicial systems have now been established and are fully functioning in all states, completing our governmental organizations at both the state and national levels. Communications and co-operation between our state and national Governments have increased, as we mutually strive to meet the needs of our people and build a new nation.

Our Government has also continued to work closely with the United States in making final preparations, both administrative and financial, for a smooth and

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orderly transition from Trusteeship to free association. As we have previously advised this Council, virtually all governmental functions formerly performed by the Administering Authority have now been assumed by our constitutional Governments. As witness to this, and in anticipation that the Compact will come into effect in the near future, the High Commissioner recently announced plans to phase out the Trust Territory Headquarters in Saipan by 1 October this year, leaving a staff of only 62, primarily to handle their remaining Trusteeship responsibilities. The announcement of this plan is both timely and appropriate. Other steps, such as devolution of control of capital improvement project management and of economic development funds, have also taken place recently, as we heard from the High Commissioner herself.

For a number of years, the establishment of stable and effective constitutional governments and appropriate resolution of the question of future political status have perhaps transcended all other matters in the minds of our people. Now, with the completion of these steps, we have had an opportunity to begin focusing more intently on the economic development of our country and the continued social progress of our people. Clearly, the Federated States of Micronesia have not attained a level of economic development or health and education status near to that which is possible or desirable. We have, however, made great strides in addressing these important concerns and believe the future, while not without significant difficulties, holds great promise for continued improvements.

The Compact of Free Association, with its strong United States commitment to long-term economic and social progress, will make achievement of our goals considerably easier. Earlier this year, our national Government adopted a national development plan. This plan, which was a co-operative effort of our State and national Governments, will form the basis for economic and social development efforts during the next five years, allowing us to use our limited resources effectively and wisely to advance our development. We are grateful for the assistance provided by the United Nations Development Programme (UNDP) in formulating this plan and look forward to your co-operation and assistance in the future. The generosity shown by the United States in the Compact's financial and technical assistance provisions will go a long way in supporting implementation of the plan.

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I should like to reiterate the request made by our representatives last year, that the Council begin preparations now for termination of the trusteeship. We strongly hope that this process can be started expeditiously once the Compact has been approved by the United States Congress and that the process will not be a protracted one.

My people are ready for termination of the trusteeship. They have spoken with a strong and clear voice in the plebiscite and with a full understanding of and commitment to the future which they desire. We have a full, functioning, constitutional Government, and now, with completion of the Compact negotiations, we have the means within our grasp to ensure sustained economic growth and social progress.

There is truly a sense of excitement back home in our islands as our people begin to realize that we are at the end of our long journey and are on the verge of achieving the goals we set for ourselves many years ago when we initiated negotiations with the United States.

The trusteeship was not intended to last forever, and its purposes have been fulfilled. It is now time to terminate the trusteeship, for our people to regain full control over their lives and destinies, and for our country to take its proper place in the community of nations.

We should like to join in the invitation by the United States representative to the Council that a mission be sent to the Trust Territory this year. While we believe our people have clearly stated their strong desire to terminate the trusteeship, we would, as always, welcome a visit to our islands by the distinguished members of this Council.

In closing, I should like to say that we in the Federated States of Micronesia are very appreciative of the continuing dedication of this Council and its support for the interests, welfare, and future of our people. We now request your support in taking the next logical step in our progress towards our goal. I look forward to returning to New York, I hope before this year is out, to witness the final historic act of termination of the trusteeship and to represent my people as President of the free and fully self-governing Federated States of Micronesia.

The PRESIDENT: I call now on the Honourable Pedro A. Tenorio, Lieutenant-Governor of the Northern Mariana Islands and Special Representative of the Administering Authority.

Mr. TENORIO (Special Representative): Mr. President, before I begin my presentation, I should like, on behalf of the delegation from the Commonwealth of the Northern Mariana Islands, to extend our best wishes to you and the Vice-President of the Council. We look forward to working closely with you and the other members of the Council during your term of office.

I am honoured and privileged to appear before this Council to present the annual report of the Commonwealth of the Northern Mariana Islands. We have always appreciated the sincere interest this vital body has taken in the welfare of our Islands. As we say in the Northern Marianas, Hafa adai, buenas yan saludos. Governor Pedro P. Tenorio requested that I convey his greetings to the Council and his regrets for not being able to attend this year. With me today as Special Advisers and representing our Legislative Branch are Senator Herman R. Guerrero and Representative Juan T. Guerrero. We are also accompanied by our advisers, Brenda T. Tenorio and William S. Mount from my office; James Doerty and Tim Bellas from the Legislature; and Herman T. Guerrero from our Washington office. Also with us are several friends from our Islands who are visiting New York.

In the past seven years since we entered into a new status agreement with the United States and assumed the reins of self-government, the combination of the democratic principle of local autonomy and the development strategy embodied in the covenant has worked well. Our economy has grown significantly, and we have been able to improve and expand government services the better to meet the needs of our people. We now support a greater portion of the costs of our Government than ever before. The principle of local autonomy has made it possible for us to develop and implement sound laws and policies that are responsive to local needs and conditions and foster economic growth.

Since we last reported to this Council in 1984, our Islands have undergone numerous changes and experienced growth. I should like briefly to highlight some of the significant events which have taken place.

Construction of the Commonwealth Health Center, which started in 1983, is progressing well despite earlier setbacks. We anticipate increased manpower requirements, and recruitment is now underway for key management and medical positions. When the new health facility becomes operational in 1986, we expect a reduction in costs owing to a decrease in off-island medical referrals as well as enhanced medical services. We are most appreciative of the financial and technical assistance that we have received from the United States Congress, without which hospital construction would not have been possible.

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Inadequate water and power services continue to plague our Islands. Although we have developed additional water sources and have added a 20-million-gallon rainwater catchment system at the Saipan International Airport, water usage has increased proportionately due to the construction of additional residential and commercial units; and even with improved production levels we are unable to meet the demands.

We are striving to meet United States public health drinking water standards, and with the assistance from the Administering Authority, we are beginning to replace the existing transmission and distribution systems, most of which were constructed before or shortly after the Second World War. We have asked the Administering Authority to continue to provide funds for this important public project because of the Commonwealth's limited resources. In response to this problem, last year the Administering Authority generously provided to our Government with more than \$16 million for various capital improvement projects that the Commonwealth needs to promote the continuing economic and social well-being of our people.

Electrical power usage has increased dramatically on Saipan. The full capacity of our power plant is severely taxed to meet even basic power needs. A recent malfunction of the generators has resulted in periodic power outages and rationing. A similar situation exists on the island of Rota, where power outages have reached a chronic stage. The Administering Authority is aware of our critical need for additional power generation and we are hopeful that our financial requests for power will be seriously considered this year.

Steps must also be taken to expand and deepen our harbours and rebuild our dock facilities and road systems, which have been neglected and continue to deteriorate because of lack of funds. The Saipan dock facility is unable to off-load more than one moderate-sized cargo vessel at a time. Ships are often required to remain offshore or in the lagoon for several days because of limited dock space, and this adds greatly to the cost of imported goods. For the same reason, many tour ships are reluctant to make Saipan a port of call. Other island jurisdictions rely heavily on passenger vessels, which account for substantial tourist revenues, and we would like the opportunity to provide similar services.

Tourism remains the Commonwealth's major industry. During the last fiscal year, approximately 131,000 tourists visited our islands. While this represents only a modest increase over the previous year, the future appears bright. A

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subsidiary of a large foreign air carrier has announced plans to construct a major hotel facility, and several existing hotels are expanding their facilities as well. We are concerned that these proposed developments will strain our already overburdened infrastructure, and we are encouraging these developers to provide back-up utility systems.

Reliable air transportation service is essential if tourism is to continue to grow and prosper in our area. In 1984 an inter-island carrier was grounded and service to Rota and Tinian was disrupted. This experience highlighted the importance of reliable air service to the islands.

Despite the growth and changes on the islands, a number of problems persist and demand resolution. These issues are fundamental to our political relationship and the integrity of the Covenant in ensuring our continued political, social and educational development as inherent in the Trusteeship Agreement. Among these are: alternatives to the Internal Revenue Code as our local system of taxation; local control on immigration and importation of skilled alien workers; control and management of local fishery and sea-bed resources; adjudicated but unpaid war claims; third-country economic assistance; and Headnote 3 (A).

On 1 January 1985 the Internal Revenue Code was fully implemented in the Northern Mariana Islands. The Commonwealth has consistently maintained that the application of locally designed tax laws is better suited to the unique circumstances of our small island economy. Tentative understandings have been reached with staff members of the United States House of Representatives and the United States Senate and the Department of the Treasury on alternative tax treatment which will foster the economic climate necessary for continued development in the Commonwealth.

On the subject of Headnote 3 (A), we are attempting to diversify our economic base by encouraging light industry, particularly garment manufacturing, to locate in the Northern Mariana Islands. As part of our campaign to encourage investors to locate in the islands we promoted the economic incentives available in the Commonwealth, namely, Headnote 3 (A). Under Headnote 3 (A), a manufacturer is able to export garments to the United States duty free. Last fall the Government of the United States promulgated rules and regulations which for all practical purposes deprived the Commonwealth of United States Customs Headnote 3 (A) benefits. Part of this adverse action by various United States departments is purportedly because of expressed concern that our Government is utilizing skilled workers from other

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countries in these industries. This is true. However, these workers are absolutely necessary to start up the garment factories, as our skilled labour force is severely limited. At the present time, we are negotiating with Federal officials in an attempt to secure satisfactory quotas for certain garments to enter the United States duty free. We are proud to be the newest member of the American political family and cannot comprehend why Federal officials would actively pursue a policy which treats us as a foreign country. Further, we do not know what effect their actions will have upon future investors in our islands. We have had an indication that, if this situation is not successfully resolved soon, we shall lose this market entirely. We are actively seeking a solution and hope that this can be found as quickly as possible so that our local people who have lost their jobs in the factories can resume employment soon.

Chief among our concerns is the issue of hazardous waste dumping, particularly nuclear waste dumping. The industrial giants of the world, in their policies, seem to ignore the small islands of the Pacific Ocean when it is time to dispose of the poisonous waste from the energy production so vital to their prosperity. Recently enacted local legislation to protect our islands from radioactive contamination will be useless and ineffective without strong commitments from countries using nuclear energy to refrain from using the ocean as their waste disposal area. The Northern Mariana Islands seeks to protect all aspects of its marine resources and has done this through an express prohibition of nuclear waste dumping within its jurisdictional waters and a clear statement of its commitment to exercise control in the development and management of fisheries within its 200-mile economic zone.

We are told that at the present time fishing vessels from Japan and the Republic of Korea are catching "about 8,000 metric tons of fish each year from waters within the 200-mile zone of the Commonwealth". It is suggested that these are conservative estimates, but this is difficult to ascertain without surveillance capability, which the Commonwealth maintains is essential if there is to be proper management of our marine resources. In addition, we have repeatedly requested assistance in negotiating bilateral fishing agreements, most notably with Japan, but have remained unsuccessful in gaining support from the Administering Authority for this approach.

Meanwhile the United States and other nations profit from the resources of the ocean which have historically been ours and the Commonwealth gains little or nothing. It is essential that the United States recognize the importance of the

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ocean to our people and allow the Commonwealth an active role in the management of this resource, with a share of the benefits accruing to our people. We hope that this long-standing issue can be resolved prior to termination of the Trusteeship Agreement.

We continue to be concerned with immigration matters. We expect termination of the trusteeship to result in the right of our people to enter and work in the United States and existing obstacles to be removed by the Administering Authority. By the same token, we expect that the United States will continue to acknowledge our autonomy over local immigration matters, as provided in the Covenant. Continuing local control over immigration as provided in the Covenant remains the keystone of our effort to promote investment and to provide the skilled labour necessary for development in the islands.

A Micronesian Claims Commission was established by the United States in 1971, and proceeded to determine necessary, just and fair war-time damages to be awarded. Some \$24 million of these claims remain unpaid to Micronesian claimants, nearly half of whom are in the Commonwealth of the Northern Mariana Islands. The stumbling block has been an agreement signed in 1969 relieving one party of any future liability for war-time damages.

The issue of war claims is a matter of great sensitivity and concern to the people of the Northern Marianas.

The 1969 agreement was made with no consultation with representatives from the Marianas or other Micronesian communities. We respectfully request the assistance of the Trusteeship Council in urging the parties to fulfil their responsibilities and take whatever steps are necessary to resolve the claims issue this year.

As a developing area, the Northern Mariana Islands would benefit greatly from aid from international organizations and countries other than the United States. Unfortunately, the Administering Authority has not supported our desire to participate in foreign aid programmes, citing foreign policy and sovereignty implications. We believe these problems could be readily resolved if the United States would simply establish a list of specific countries from which the Commonwealth could request aid, and request those countries to extend their economic assistance to the Commonwealth. The countries from which the Northern Marianas would be most likely to receive assistance are strong allies of the United States. Japan, for example, has a grant aid programme and, in view of our

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geographical proximity and close economic and historical ties, would probably be more than happy to extend this programme to the Northern Marianas. We believe other countries would also provide assistance were it not for the constraints of United States policy.

Much has been said concerning the Compact of Free Association, currently under review by the Congress of the United States. The position of the Commonwealth of the Northern Mariana Islands in this matter is quite simple and straightforward: we unequivocally support the passage of the Compact and extend to our fellow Micronesians our sincere congratulations and best wishes on the conclusion of an excellent agreement with the United States. We believe that the Compact may well be the Magna Carta of Micronesia, ushering in a new era of prosperity and greater recognition of our traditional goals and aspirations towards political self-determination as envisioned in the objectives of the United Nations Trusteeship Agreement.

We urge the Council to express to the United States its full support for the Compact of Free Association for the Governments of Micronesia. Its passage will fulfil the dreams of all Micronesia for self-government based on the freely expressed wishes of the Micronesian peoples for political self-determination.

Any discussion of the Compact leads to another vital issue that this body will soon be asked to address: termination of the United Nations Trusteeship Agreement. This important step will ultimately result in granting true self-government to the peoples of Micronesia. For those of us in the Northern Mariana Islands as well, termination of the strategic trusteeship of Micronesia marks an unprecedented event. In 1975, in a United Nations observed plebiscite, our people voted overwhelmingly to join the United States in an enduring association defined by a bilateral political status agreement known as The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States. With termination of the Trusteeship Agreement, the provisions of the Covenant will become fully effective and we shall make the transition from an explicit trusteeship supervised by this body to an unsupervised relationship of trust and confidence, the spirit of which is embodied in the Covenant.

Our relations with the United States under the bilateral mechanisms laid down in the Covenant are beginning to bear fruit: we are, for example, close to final agreement in our discussions with the President's Special Representative concerning future financial assistance guarantees as called for by the Covenant.

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We thus approach the coming era and the prospect of full membership in the United States political family with every hope and expectation that the Administering Authority will continue to assist our people to develop those social, political and economic resources that support self-sufficiency; and we are committed to a process of ongoing exchange and periodic official consultation with the United States through the provisions established in our political status agreement.

Yet despite these approaches, we have not been able to achieve significant progress toward resolution of some of the fundamental issues to which I have referred. In view of the imminence of trusteeship termination, we believe that the short period of transition that lies before us in the coming months provides a unique opportunity to address these persistent and overhanging issues: any concern that our people might feel at the prospect of termination will evaporate if a meaningful start is made on the resolution of these matters. We earnestly hope that tangible progress is made before this body meets again to consider the specifics of trusteeship termination.

My Government supports expeditious termination of the trusteeship as being in the paramount interests of Micronesia. As part of that historic process, we request the Council and the Administering Authority to join with us in seriously and diligently pursuing solutions to the several problems that I have mentioned. Prior resolution of these issues is a matter of extreme urgency as we prepare for the fulfilment of our freely expressed determination to join fully in political union with the United States.

The PRESIDENT: I call now on the Honourable Alfonso Oiterong, Vice-President of the Republic of Palau and Special Representative of the Administering Authority.

Mr. OITERONG (Special Representative): I should like to extend my delegation's sincere congratulations to the President, Mr. Maxey, and the Vice-President, Mr. Rapin, on their elections to head the fifty-second session of the Trusteeship Council of the United Nations. To them and other members of this organ of the United Nations, I bring greetings from President Haruo I. Remeliik, who, like myself, is serving his second four-year term of office. Sincere best wishes for a productive and successful session are also conveyed to them from the new leadership of the second Olbiil Era Kelulau of Palau National Congress, most notably from the speaker of the House of Delegates, the Honourable Santos Olikong,

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and Senate Vice-President, the Honourable George Ngirarsaol, both of whom are with us today.

Other members of the Palau delegation this year are: House Vice-Speaker Shiro Kyota; the Honourable Minami Ueki, Chairman of the House Ways and Means Committee; the Honourable Joseph Kintol, Chairman of the House Committee on Health Education, and Welfare; the Honourable Hideo Tell, Chairman of the House Foreign Affairs Committee; Olbiil Era Kelulau Budget Officer, Jonathan Maui; and, House Legislative Counsel, Maurice Finn. The Administration Minister, Haruo Willter; the President's Legal Counsel and Acting Director of Foreign Affairs, Victorio Ucherbelau; Palau-Washington Representative Noriwo Ubedei, and his administrative assistant, Cory Ramarui, all from the Executive Branch, complete the Palau delegation.

In my opening statement to the fifty-first session last year, I indicated that it would perhaps be my last personal appearance before the Council due either to termination of the Trusteeship Agreement or to my unsuccessful bid for re-election as Vice-President of the Republic. Our being here today attests to the fact that neither event occurred and the Council and I are "stuck" with each other for at least the next couple of weeks. It is indeed an honour for me to report again, on behalf of my people and my Government, on the progress and development that have occurred in Palau during the year under review.

Before I do so, however, I wish to express my Government's heartfelt appreciation to the outgoing President and Vice-President of the Council, who served so ably in their respective posts during the past year. I wish to say a word of farewell to Ambassador William C. Sherman and Ambassador John Margetson and to offer them my best wishes for success in their new assignments. While their wisdom, eloquence and keen sense of humour will be sorely missed in this chamber, I am equally confident that you, Mr. President, and Ambassador Harvey J. Feldman will continue in the traditions of your respective countries in the deliberations and the work of this Council.

I am happy to report that much has been accomplished in Palau since my report to the Council last year in the fields of educational, social and political developments. That is not to say, however, that our developmental needs and requirements have all been fulfilled. We shall continue, with the helping hand of the Administering Authority, to address those outstanding needs in the future.

Foremost among those needs is the development of the infrastructure on the island of Babeldaob, the second largest island in Micronesia, with an area of

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almost 175 square miles. So far, nearly all of the road construction in Palau has been in Koror, our provisional capital. We still have much to do in Babeldaob, where we will locate our new capital and where our most valuable agricultural land lies. At present there are very few roads in Babeldaob, and other aspects of the infrastructure, such as power and water supply, have yet to be built, but we are confident that with the help of the Administering Authority we shall make progress towards the fulfilment of those needs as we advance towards our new political status.

As many of our high school graduates go on to obtain college education in post secondary institutions on the United States mainland and in Hawaii and Guam, a good many young men and women have completed their university education and returned home. Just last month, for example, we recruited an assistant planner, a Palauan who holds a master's degree in computer science. A young woman with an M.A. degree in health planning was also hired to understudy an expatriate position in the Office of Planning and Statistics. Another young woman returned to Palau a couple of weeks ago with a law degree, and another recent law graduate passed the Hawaii State bar examination. We continue, however, to have problems providing jobs for our many high-school graduates who do not go on to college. Our unemployment rate remains very high, but as our infrastructure develops we hope that new business will find its way to our island and provide a brighter future for our young people.

The Republic has requested both the University of Papua New Guinea and the University of the South Pacific, in Suva, Fiji, to relax their foreign student quota requirements and accept some of our students. We think this will be very useful in the long run in terms of strengthening the spirit of co-operation between us and our South Pacific neighbours in the future. Moreover, the specialized courses of study offered in those two educational institutions within the Pacific region are very relevant to our country's needs. At least two students from Palau are studying in Australia under the Australian Government's scholarship grants in the fields of business and public administration.

With regard to the College of Micronesia, the only institution of higher learning in Micronesia, my Government continues to support the unified system as agreed to by Presidents Kabua, Nakayama and Remeliik in the Saipan Accords, of October 1983. It is my Government's position, as well, that operational funding for the three campuses - namely, the Community College of Micronesia in Pohnpei,

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the Micronesian Occupational College in Palau and the College of Nursing to be relocated to the Marshalls - must be outside Compact educational funds. We request the Administering Authority, therefore, to consider favourably the appropriations request to this effect pending before the United States Congress, which is jointly supported by the Federated States of Micronesia and the republics of the Marshall Islands and Palau.

Aware that 1985 has been declared by the United Nations International Youth Year, the Ministry of Social Services has organized various programmes and activities geared towards promoting the active role our young generation ought to play in all sectors of our island community. Some of our young men and women have taken or will take part in both international and regional youth conferences, seminars and workshops held during the year. We would have liked to provide even more programmes, but lack of funds has limited our activities.

Our National Congress, the Olbiil Era Kelulau, allocated more than \$US 50,000 for the purpose of sending a group of Palauans to participate in the second Pacific Festival of Arts, originally scheduled to be held in New Caledonia, then rescheduled for June in Papeete, Tahiti, owing to political unrest at the former location. Palau will not participate in that event as planned because of the resulting increase in travel and other related costs.

Last year, I reported on a number of infrastructure improvements. Both the 50-room Grace Hotel and the 150-room Palau Pacific Resort Hotel have been completed and now provide additional accommodation for tourists and other guests. We are very pleased that the developers of those fine hotels were able to complete those major projects and open their doors, despite the fact that our infrastructure, particularly our electrical power capacity, cannot meet their needs. The modern terminal facility will have been opened by the time we return.

Renovation, as a stop-gap measure, of the additional wing of the MacDonal Memorial Hospital is under-way and should be completed within a month. We again reiterated early this month to the United States Congress our need for the funds necessary to construct a modern 80-bed hospital complex in Palau, an excellent architectural and engineering design for which has been prepared.

We are confident that, although not all of the \$14.8 million required to complete this all-important project may be made available at this time, the Administering Authority will in fiscal year 1986 appropriate adequate funding to allow us to commence construction, and thereafter will continue to fund the work in incremental stages until final completion.

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With respect to electric power generation, we are very grateful to the Administering Authority for advancing \$900,000 to us last year; it was utilized to purchase spare parts as well as to maintain and operate the old power plant. Unfortunately, however, as recently as two weeks ago we again experienced major mechanical trouble in the power generating system and had to take emergency conservation measures. This of course adversely affects business and individual customers.

Construction work on the 16-megawatt power project, which began two years ago, will be completed by August of this year. As a matter of fact, two generator units have already been commissioned and are ready for operation. What is still outstanding, however, is an 11-mile transmission and distribution line to connect the new power station with the population centre of Koror. Because the cost of the transmission and distribution line was not included in the project loan package, it has been necessary for the Republic to explore possible alternative sources of funding for the project.

Since any meaningful advance towards our economic development and self-sufficiency depends on reliable and adequate power generation for industry and other economic activity, our Government attaches high priority to this project. On 10 April of this year, President Remeliik, together with the Japanese Consul General in Guam, signed an exchange of notes for a grant-in-aid of a little over US\$1 million to help finance the project. We do appreciate this overture from the Government of Japan. The amount will only pay for half the total cost. Accordingly we have requested the United States Congress to appropriate an additional \$1.8 million in fiscal year 1985 for this project. We look to the Administering Authority for understanding in this particular area of need.

I must also report on another form of assistance that the Administering Authority has extended to Palau during the year under review. The United States Department of the Interior has made available to us a total of nine technical assistance programmes, both in terms of funding and expertise, in the area of land management and appraisal, computer programming, planning and statistics, and the like. We are also assured that our future requests for technical assistance in other areas will be honoured. The United Nations Development Programme also is currently providing us with technical assistance in the formulation of our national development plan.

(Mr. Oiterong, Special Representative)

Last year the Council was informed of the enactment of uniform tax legislation by our National Congress. The new income and gross receipt tax took effect on 1 October 1984, and I am happy to report that locally-generated revenues have more than doubled the amount collected in each of the previous fiscal years. Coupled with improved and vigorous utility and overdue tax collection, we will have a record high in local revenues by the end of the current fiscal year.

Palau continues to take part in international conferences, meetings and workshops conducted within the region of the South Pacific. Alongside those of more than 20 other countries of the region, including Australia and New Zealand, Palau representatives have participated in the first three rounds of the multilateral fisheries negotiations with officials of the United States Government. On 29 April the South Pacific Forum Fisheries Committee reviewed Palau's membership application to that regional organization. Come August of this year, we will become a full-fledged member of the Forum Fisheries Agency on an equal footing with our independent neighbours in the Pacific Basin.

Given our current Trusteeship status, Palau is still ineligible for observer status or full membership in other regional or international organizations, notably the Asian Development Bank and the Economic and Social Commission for Asia and the Pacific. However, the time will come - and we hope it will not be long in coming - when Palau too will qualify.

The wishes and aspirations of the Palauan people with respect to their future political status are abundantly clear. They clearly prefer a free association relationship with the United States, currently their Administering Authority. They demonstrated this choice on 10 February 1983, and later, on 4 September 1984, they convincingly reaffirmed that choice.

If I may, I should like to conclude my remarks by touching on the question of termination of the Trusteeship Agreement. Before I do so, however, I wish again to congratulate our good friends and colleagues from the Republic of the Marshall Islands and the Federated States of Micronesia for their hard work and unceasing efforts in defending their joint Compact before the various Senate and House committees of the United States Congress.

Last year, in my opening statement, I said:

"termination of this trusteeship as it applies to them [the Federated States of Micronesia and the Republic of the Marshall Islands] and the Commonwealth of the Northern Marianas should not and must not be held up on account of the Republic of Palau". (T/PV.1565, p. 12)

(Mr. Oiterong, Special Representative)

My Government's position on this question has not changed. The Commonwealth of the Northern Marianas has spoken on this issue, and I will not presume to speak for them. But my Government wholeheartedly supports and endorses the request of the Marshall Islands Government and the Federated States of Micronesia for termination of the Trusteeship Agreement as it applies to them this year. They have fully met the requirements of both the Charter of the United Nations and the Trusteeship Agreement for self-government and deserve what is rightfully theirs without undue delay.

The Republic of Palau, too, will in due course meet those same requirements. We are at this time involved in close bilateral negotiations with the United States and we are confident that the remaining differences will soon be resolved. At that point we shall come before this Council with a similar request. Meanwhile, it appears that Palau will continue to remain a Trust Territory. We therefore respectfully request that the office of the High Commissioner of the Trust Territory of the Pacific Islands be relocated to Palau for the duration of our days as the only Trust Territory.

My delegation associates itself with the request of the Administering Authority that a United Nations visiting mission be dispatched to Micronesia. We shall welcome the mission and do the best we can, as we have in the case of past missions, to facilitate its work.

I thank the President and the other members of the Council for granting me the opportunity to speak before them once again.

The meeting rose at 12.50 p.m.