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VERBATIM RECORD OF THE SIXTEEN HUNDRED AND FIFTY-THIRD MEETING

Held at Headquarters, New York,
on Monday, 17 May 1988, at 3 p.m.

President: Mr. GAUSSOT (France)

- Report of the Secretary-General on credentials (T/1925) (continued)
- Examination of annual report of the Administering Authority for the year ended 30 September 1987: Trust Territory of the Pacific Islands (T/1923) (continued)
- Organization of work

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The meeting was called to order at 3.30 p.m.

REPORT OF THE SECRETARY-GENERAL ON CREDENTIALS (T/1925) (continued)

The PRESIDENT (interpretation from French): If there are no comments on the report of the Secretary-General on credentials, contained in document T/1925, I shall take it that the Trusteeship Council decides to take note of the report.

It was so decided.

The PRESIDENT (interpretation from French): The Council has thus concluded consideration of item 2 on its agenda.

EXAMINATION OF THE ANNUAL REPORT OF THE ADMINISTERING AUTHORITY FOR THE YEAR ENDED 30 SEPTEMBER 1987: TRUST TERRITORY OF THE PACIFIC ISLANDS (T/1923) (continued)

The PRESIDENT (interpretation from French): I shall now call on those members of the Council who wish to put questions to the Administering Authority.

Mr. PASCAL (France) (interpretation from French): At our last meeting, during which we questioned the Administering Authority on its annual report, I put a question of an economic nature on what I consider to be an important aspect of the Territory's economy, that is, fisheries. With your consent, Mr. President, I should be grateful if the Administering Authority could be invited to enlarge upon its answer at that meeting so as to provide a broader scope of what is said in its report on the Trust Territory with regard to fisheries.

Mrs. McCOY (Special Adviser): Fisheries is, of course, one of the most important aspects of the overall economic development of Palau. The Territory's oceans contain some of the last untapped large fishing resources in the world, as far as tuna is concerned, and as such have become a priceless segment of Palau's economic development. They are being watched over carefully and, fortunately, great care is being taken to ensure that they are not overfished and that they retain their wealth and richness to the benefit of the Palauan economy.

I would direct the attention of the representative of France to the annual report, particularly to page 28, where there is a rather full description of the

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Palau Maritime Authority and the foreign fishing agreements that have been signed by Palau. Reference is made to the fact that the Fishing Agreement with Japan is very similar to last year's, and a full description of the type of vessels, the amount of fish caught and the overall importance of this activity.

There is also reference to the fact that the Government of Palau has now entered into an Agreement, I believe with a private concern - about which I am sure the representative of Palau will be able to expand more fully - but the Van Kamp facility, which was a very large facility in Koror, has been purchased and reopened. With foreign investment, it is now also under working arrangements and forms part of the economic development.

In our statistical summary the Council will find, in table 1, more information on fisheries production based on the number of pounds caught. I think it is next to impossible to overrate the importance of this particular economic base and resource for Palau.

With your permission, Sir, I should like to ask the representative of Palau, Mr. Uherbelau, to inform the Council further on what has been going on as far as fisheries are concerned.

Mr. UHERBELAU (Special Adviser): I appreciate the question of the representative of France. Fisheries development efforts in Palau are shown in two sections of the report. I call the Council's attention first to table 6 on page 123, where statistical information appears on reef fish development efforts, that is, fisheries activities within the three-mile radius of the island nation. In keeping with our fisheries laws, these fisheries activities are carried out by local fishermen only and are not open to foreign fishing ventures.

Then we have the Maritime Authority, to which Mrs. McCoy alluded earlier, which is an agency of the Government of the Republic responsible for management and

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exploitation of marine resources beyond the three-mile radius and extending up to the 200-mile exclusive economic zone of the island.

As I have already reported to the Council last year, or the year before, we have, together with 15 other Pacific island countries, negotiated and concluded a five-year multilateral fisheries treaty with the United States. Under that treaty United States vessels may apply and be licensed to fish highly migratory fish within the 200-mile exclusive economic zone of the Pacific island countries which have signed and ratified the fisheries agreement with the United States.

(Mr. Uherbelau, Special Adviser)

I think it is indicated in the annual report that although the Republic of Palau was late it signed the agreement in November of last year. The subject of the treaty is still before the United States Senate and has yet to be ratified by it. According to the terms of the treaty, it will come into effect when it is finally ratified by the United States Government as well as by 10 out of 16 Pacific island countries. I am pleased to report that the Pacific island countries have done their part. More than 10 Pacific island countries have ratified the Fisheries Treaty.

With respect to the former Van Camp storage facilities, it has been taken over by a joint venture arrangement between some local Palauan businessmen and some investors from Singapore. The Maritime Authority did negotiate a fisheries agreement with this joint venture. I am pleased to report, and this is reflected in the report's statistics, I am sure, that the Palau International Traders Incorporated (PITI) is already exporting fresh tuna for sashimi to Japan and to Honolulu. As a matter of fact, the charter planes go out, I suppose, once a week for this economic development purpose.

The Maritime Authority also has a standing agreement with Japan. It is scheduled to expire some time at the end of July of this year and I suppose we will have to negotiate with them. The Maritime Authority has also entered into fisheries agreements with other companies, joint ventures between Taiwanese and Palauan businessmen. In short, we are doing what we can in this area of economic development.

The PRESIDENT (interpretation from French): I thank Mr. Uherbelau for the information he provided.

Mr. SMITH (United Kingdom): I was very interested to hear just now what Mr. Uherbelau told us about exports of tuna and sashimi from Palau to Japan. My delegation noted from the report of the Administering Authority that Palau still seems to have quite a dependency on imports and it is encouraging to hear of at least one field where attempts are being made to increase exports and to redress the balance somewhat. I would like to know whether the Administering Authority can tell us about other areas of possible export potential from Palau.

Mrs. McCOY (Special Adviser): If I may add one more thing concerning other developments, before we leave the fisheries industry, there is of course a very large maritime development going on in Palau. One of the things that has been under study and under development for a long time has been the giant clam industry. They have a remarkable organization down there in which they are reintroducing the giant clams to various countries of the world. There was a period when they were very much endangered, when it looked as if that particular industry might disappear entirely. Poaching was part of the reason and over-fishing of the clams. It has now been brought under control and one of Palau's exports is that of giant clams to other countries of the world. It is becoming an increasingly important industry down there.

One of our other economic development areas is, I suppose, tourism. Tourism is not really to be considered that much of an export business, but it certainly is an extraordinarily important part of Palau's economic development.

On page 149 of the annual report, table No. 37, there is a very good breakdown of the number of tourists - non-Micronesian tourists - arriving in Palau since 1979. I think it is interesting to note that the figure has certainly more than doubled - in fact we are getting close to a tripling of the figure - since 1986, when there were 13,653 visitors. It must be remembered that of all the economic dollars that can be brought into a country, certainly the tourism dollar is one of

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the most effective. It is a dollar that tumbles through the economy over and over again. Sometimes it is difficult for people who are not directly involved in the tourism industry to realize the importance of this dollar. But one has to remember that with regard to the visitor who comes in and spends that dollar, the Government is not building schools for that person, it is not building hospitals for that person. That money comes in and circulates throughout all of the economy of Palau, down to the lowest person.

There is often a tendency to feel that it is only, for instance, a hotel or a restaurant that gets the benefit of the tourism dollar, but that is not so. It ricochets through the entire economy. Taxes are generated by that tourism dollar; insurance money comes out of that tourist dollar; food supplies come out of that tourism dollar, and certainly labour. It is important to realize that the tourist dollar is responsible for the hiring and employing of more unskilled labour than almost any other industry, and as such every tourism dollar that comes in to Palau is an extraordinarily important help to economic development.

I should be happy to continue if the representative of the United Kingdom would care for more.

Mr. PASCAL (France) (interpretation from French): I have taken note with interest of the statements of Mrs. McCoy relating to tourism. This is also an important activity for the development of the islands in the region. I was also very interested in the fact that her statement indicated that tourism development was not taking place haphazardly, it was being well thought out and the broader economic effects for the population were being taken into account, as well as the sometimes unfortunate side effects that can result from the haphazard development of tourism.

(Mr. Pascal, France)

In the part of the report of the Administering Authority that deals with social progress, we read that the opening of museums, the preservation of local cultures and the systematic recording of those cultures are being taken care of. That is as interesting for tourism as it is for the cultures of the Territory.

Can the Administering Authority say whether the work being done to preserve traditional cultures will continue into the future?

Mrs. McCoy (Special Representative): As to the always open-ended argument between tourism and cultural preservation, I might add that it is true not only in Palau but also in almost every country of the world, as far as I know. Certainly it is within the United States itself. It has always been a basis for discussion: tourism is very important, and historical preservation is very important.

I think Palau is perhaps one of the best examples of a very happy blending in this respect. The Palauans are very proud people. They feel strongly about their historical preservation; they feel strongly about their cultures. No country could have survived, as Palau has, through four entirely different kinds of direction and administering authority and still have kept its cultures if its people were not extremely interested and extremely proud of them.

After all, they have been under the Spanish, they have been under the Germans, they have been under the Japanese, and now they are under the Americans - four totally divergent types of culture - and yet through it all Palau has retained its own identity and its own cultures. Their story-boards, for example, are unique in that part of the world - in fact in practically all of the world, for that matter. In them they retain their historical narratives, their features, their cultures, their stories. The same is true of their dancing. They have some excellent dancers who have appeared in many places around the world. All of their dances

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tell their own legends. They have kept that up. They have encouraged their children. They have encouraged their dancing in schools. The same is true of their songs.

I should like to go on record now as saying that I think that in Koror there is one of the finest museums it has ever been my pleasure to go through and to look at. In it is preserved some of their very finest cultural things. I think this is one of the things of which they are very cognizant, and one of the things that will certainly be continued under the Compact. As I have said, they feel strongly about that, and they are doing a good job of being careful to weigh one against the other.

Here again, it is Palau's priorities that set this, and I think the Palauans are to be commended for doing a very fine job. Anyone who has visited down there has, I am sure, been impressed with the amount of attention that is being paid to what I consider an extraordinarily important priority and decision on the part of the Palauans.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): Since questions on the economic development of the Trust Territory have been asked here, I should like to ask one on that subject.

In part V, "Economic advancement", figures are given on the financing of a programme of capital development, but only in respect of one part of the Trust Territory, Palau. The Trusteeship Council, and later the Security Council, will need information about the financing of capital improvement programmes for the whole Trust Territory.

I should like again to put a question to the representative of the Administering Authority: could the Administering Authority at this session, now, perhaps give us this data? If they cannot do so at this meeting, when will they be able to submit such material to the Trusteeship Council?

Miss BYRNE (United States of America): The representative of the Soviet Union presented the same question several times yesterday. I answered it several times yesterday. I went through the history of Trusteeship Council resolution 2183 (LIII) of 1986 and made the positive statement that the information supplied is fully consistent with what has transpired in the Trusteeship Council. I went on, further, to say that the report provides guidance for obtaining further information if desired, and I also several times cited the addresses given on page 38 of the report of the Administering Authority for 1987, from which that information can be obtained. Again, that information appears on page 38, and I again draw the attention of the representative of the Soviet Union to it.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): The Soviet delegation did indeed bring before members of the Trusteeship Council, and before the representative of the Administering Authority as well, the question of how and when the Administering Authority will submit information in connection with various chapters of its report. In this case, we are asking a question on the section of the report on economic advancement. Ambassador Byrne has just told us that she has repeatedly referred to the section of the report which states that further information may be obtained from the respective information officers and gives addresses in various parts of the Trust Territory. We might go along with this way of dealing with the matter if the report itself contained the basic and fundamental information. Were that the case, one could if the need arose request additional information that, for some reason, the Administering Authority might not have in its possession. Here, however, the situation is different. The report does not contain the basic information.

The representative of the United States has once again referred to Trusteeship Council resolution T/RES/2183 (LIII), adopted in May of 1986. However, we find no logical or any other basis in that resolution for the Administering Authority not to submit information on the whole of the Trust Territory. The resolution does not say that the Administering Authority need not submit information to the Trusteeship Council on the situation in the Trust Territory of the Pacific Islands, and even if it were to contain such wording, it cannot serve as a basis for the Administering Authority to decide not to submit the necessary information to the Trusteeship Council pursuant to its obligations and responsibilities.

I would repeat once again: for the United Nations, the status of the Trust Territory of the Pacific Islands will remain unchanged until, in accordance with the United Nations Charter, the Security Council takes a decision on the matter.

(Mr. Berezovsky, USSR)

At yesterday's meeting the Soviet delegation raised a question pertaining to the IPSECO power plant. We received some clarification in that connection from the Administering Authority, but we would like to return to that question at this time, since the situation has not been totally cleared up. At this session, Mr. Santos Olikong, Speaker of the House of Delegates of the Palau National Congress, made a statement in which he said that members of the House Committee on Interior and Insular Affairs of the United States Congress had concluded that the IPSECO scandal should be investigated and the persons responsible be brought to justice, and that the United States should give Palau certain assistance.

Mr. Olikong also told us that the Committee had sent investigators to Palau, who concluded that there was widespread corruption among the highest officials of Palau and that it was linked to drug-trafficking. He said that Palau did not have the means to deal with the situation alone and that it desperately needed United States assistance.

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Mr. Olikong said that the House Committee on Interior and Insular Affairs had even asked the Department of the Interior to provide such assistance. Mr. Olikong stated that to date

"That assistance has been withheld." (T/PV.1650, p. 31)

He even asserted that the assistance was not being given because a proper investigation, in accordance with due process, might hamper speedy implementation of the Compact.

We should like the representative of the Administering Authority to tell us what were the results of the investigation carried out by the persons sent to Palau, what has been done and what is now being done with regard to this situation.

The PRESIDENT (interpretation from French): The representative of the Soviet Union might note that the United States representative is taking his questions seriously, because she is consulting her colleagues in depth before replying.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): I never expected that questions raised here with the representative of the Administering Authority would not be taken seriously. There is an obligation to take these questions seriously. I am not expressing any impatience. I am, of course, prepared to wait until the Administering Authority's delegation has had the necessary consultations and comes up with an answer to my questions.

Miss BYRNE (United States of America): In answer to the first part of the comments of the representative of the Soviet Union, concerning his desire to have further information from the Administering Authority, I wish to reiterate that

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the United States has complied with Trusteeship Council resolution 2183 (LIII) of 28 May 1986; the United States, as Administering Authority, has submitted the report; the United States, as Administering Authority, is participating in the Council's deliberations, and is prepared to answer questions; and the United States will continue to fulfil its obligations under the Trusteeship Agreement and the United Nations Charter.

With respect to the comments and questions of the representative of the Soviet Union concerning the IPSECO case, I have three comments. First, we answered that question several times yesterday. Secondly, the matter of IPSECO is under litigation in New York; it is before the courts in New York, and therefore it is inappropriate for me to comment further. Lastly, we shall respond at a later date to the written and oral petitions, as we customarily do.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): When I asked my question I did not have in mind dealing with any aspects of this problem that might have any bearing on court proceedings or the functioning of the courts in the United States. The question asked by our delegation was on the situation in the Trust Territory and on those aspects of it which affect the economic and, to a great extent, the political situation in that part of the Trust Territory. It is precisely from that standpoint that the Soviet delegation raised this question.

With respect to the remarks to the effect that the United States delegation will respond in due course or at a later time to the petitions which have been submitted by petitioners, the Soviet delegation has no doubt that the Administering Authority will have to respond and that it will, since we have such a promise, answer the petitioners. That will be in response to the petitioners. But we in the Trusteeship Council are now considering all the information which has come to us. Therefore, in connection with the information that we have received, we do, quite naturally, have some questions to which, also quite naturally, we should like to obtain some answers.

With respect to the statement made by Ambassador Byrne that the United States will continue in the future to carry out its responsibilities in accordance with the United Nations Charter and the Trusteeship Agreement, we should like once again to take note of that statement as made by the Administering Authority and we welcome such a statement. But, by the same token, we must point out that the example of the report that we have received from the Administering Authority for the current session of the Trusteeship Council somehow undermines our faith in the statement that has just been made by the representative of the Administering Authority, the United States.

(Mr. Berezovsky, USSR)

Further, on page 7 of the report, at the top of the right-hand column, we note that, "900 government employees were furloughed for three months because of the severe financial crisis in the Government of Palau." (T/1923)

Could the representative of the Administering Authority describe that situation and clarify the reasons for the severe financial crisis in Palau?

Miss BYRNE (United States of America): It disturbs me when the representative of the Soviet Union uses the word "undermine". He has done so several times in this session, that is, yesterday and today. I wish to reassure him and the other members of this Council that the United States has not undermined and will not undermine anything relating to the Trust Territory of the Pacific Islands, the Trusteeship Agreement or the United Nations Charter.

With respect to the question of the representative of the Soviet Union concerning the statement on page 7 of the report, at the top of the right-hand column, that 900 Palauans were furloughed for three months and his request for an explanation and clarification, I would be grateful, Mr. President, if you would call on Mr. Victor Uherbelau, the representative of Palau, to respond.

Mr. UHERBELAU (Special Adviser): I shall try to the best of my ability to respond to the question of the representative of the Soviet Union. As we said in our opening statement, the Government of Palau since 1981 has been operating on a deficit budget at the beginning of every fiscal year. That is a fact of life and we have to live with it. It finally caught up with us last summer. As we reported in our opening statement, President Salii, in consultation with his cabinet ministers and certain members of our congress, decided, first, as a containment measure, to hold down the cost of operation of the government, to reduce the number of weekly hours from 40 to 32 by July of last year, and to implement the rationing of power and water to the population.

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But by July such a containment measure was not enough. In order for the Republic to provide bare essential services to the general public, another measure had to be taken, and again the same people got together and decided that the only way to do it was to furlough 900 out of 1,300 Government employees. They were out of work. They did not get paid from July until the end of the last fiscal year, which was 30 September.

Although the Government took these measures in order to survive the financial crisis, we have been criticized by outside observers for taking such drastic measures. But as we said in our opening statement, those people were not there to live through the hardships. They were not there as our leaders to make the decision for us.

On the positive side, the Republic also enacted a retirement pension plan, which went into effect last November. And although we had a financial crisis in the islands - we did not have any seed money to put into the fund - nevertheless the Government went ahead and implemented a programme of mandatorily retiring Government employees who have reached 60 years of age, in return paying them a sum not to exceed 80 per cent of their yearly salaries.

I know that I have not added much detail to what we said in our opening statement, but that was the situation last year.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): A moment ago in this meeting I referred to the statement made by the Speaker of the Chamber of Delegates in the Palau National Congress. My last question will to some extent be linked to that statement and not just to the report. We are comparing information. Mr. Olikong judged the situation as follows:

(Mr. Berezovsky, USSR)(spoke in English)

"Immediately following the August 1987 referendum, a mad dash to implement the Compact began. Let me remind the Council that the executive branch employees were still furloughed at that time, and the Compact was being put forward as the only solution to Palau's financial problems." (T/PV.1650, p. 28)

(continued in Russian)

We consider this to be a political assessment of the situation existing at the time in Palau. Furthermore, on page 17 of the Administering Authority's report we read that persons suspected of explosions, arson, killings and other offences in Palau were arrested and charged. We should like to know, if the judicial proceedings have been completed, how they were completed. Were the guilty parties punished? My second question in the same connection: During the investigation and prosecution did the authorities seek to find out who the instigator was of this outbreak of political violence?

Miss BYRNE (United States of America): With respect to the first comment of the representative of the Soviet Union, it is not clear to us whom he was quoting in his statement. But in any event the import of it seemed to be that the Compact of Free Association was being held out as the only solution to Palau's financial problems. I should like to point out that the Compact of Free Association did not go into effect, it is not in effect, and all the people furloughed have gone back to work; they went back to work as of 1 October 1987, which is the beginning of the current fiscal year.

Concerning the incidents described on page 17 in the report of the Trust Territory of the Pacific Islands, I would ask that Mr. Uherbelau, the representative of Belau, be allowed to respond to that question.

Mr. UHERBELAU (Special Adviser): If I may, I should like to add a few comments to Ambassador Byrne's response to the first part of the question.

As will be recalled, last year when we appeared before the Council we reported the creation of a Task Force consisting of the President's Cabinet Ministers and certain members of our Congress. It was charged, first, to look into future political status alternatives for the Republic and the termination issue and, secondly, to find a solution to the financial crisis. The Task Force submitted a recommendation to the President that the only realistic solution to Palau's fiscal problems was implementation of the Compact of Free Association, because we would then have a steady level of financial assistance guaranteed to us each year by the United States.

It will also be recalled that President Saliu requested the Council to send yet another visiting mission to Palau to observe another plebiscite on the Compact of Free Association. Plebiscites were held on 30 June and on 21 August.

Yes, at that time, during the second plebiscite, employees were still furloughed. But we want to make it clear that we were not pressured in any way, shape or form by anybody to vote for the Compact of Free Association. It was our decision to vote for it once again, because we thought it was the solution to our financial crisis, and we still think so.

With regard to the convicted felons, there were three individuals of the so-called furlough committee who were investigated and successfully prosecuted, as we reported in our opening statement, for shooting at the home of Speaker Santos Olikong. One of the "petitioners" referred to one of those three felons as a "special assistant to the President". I am also a special assistant to the President and so is Haruo Willter - but we did not do it. It is true that one of those three was a special assistant to the President; however, that does not mean

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that it was condoned by our President or anyone else. They have been convicted; they have appealed their conviction; and there will be a hearing soon - I do not know when.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): From the latest remarks about the role given to the Compact in Palau during the period covered by the report and the assessment of Mr. Santos Olikong, the Soviet delegation as we see it, has quite correctly interpreted the statement to which we referred.

I have another question. Since the persons erroneously accused of the murder of Mr. Remeliik, the former President of Palau, were acquitted quite a long time ago, was anything done to track down the killers of the former President once it had become evident that those previously accused of that crime turned out to be completely innocent?

Miss BYRNE (United States of America): First, I should like to say that it is clearly the prerogative of the representative of the Soviet Union to interpret what is said in this Chamber as he likes: again he said he thought that his assessment of the petitioner's assessment was quite correct, that is, that the Compact was held out as the only solution to Palau's financial problem. However, I wish to reiterate that the Compact did not go into effect and, therefore, was not the solution to the 1987 financial crisis when 900 Executive Branch employees were furloughed; that is simply not so. The Compact was not in effect and yet the solution was found to that financial crisis.

I shall refer now to the statement that the Compact may be the only solution to Palau's financial problems, as stated by the representative of Palau. If I may elaborate a bit on his remarks, the representative of Palau was not alluding to

(Miss Byrne, United States)

that particular financial crisis but to what seems clearly to be the wish of the overwhelming majority of Palauans to enter a new status governed - this is over the long term - by the Compact of Free Association between Palau and the United States.

(Miss Byrne, United States)

Again I say, that Compact has not gone into effect but it is clearly the wish of the people of Palau and the expression of those wishes has been observed many times by United Nations Visiting Missions. They have always stated that those expressions of the wishes of the Palauan people were made freely, and without reservation or pressure.

Now, Mr. President, I would appreciate your calling on the representative of Palau to comment on the case of the murder of President Remeliik.

Mr. UHERBELAU (Special Adviser): The matter of the assassination of my late, beloved President Haruo Remeliik, is an emotional issue and sensitive to me: I was close to the man. However, I will attempt to respond to the inquiry raised by the Soviet representative.

The President was assassinated on 30 June 1985. Three felons were apprehended. They were convicted on trial and sentenced to 40 and 45 years in gaol. Their conviction, however, was overturned several months later by the Appellate Division of the Palau Supreme Court. Secretarial order 4919, which was issued sometime in July of last year, closed the Office of the High Commission as well as the doors of the High Court of the Trust Territory to law suits from Palau. President Salii requested an amendment to that Secretarial Order to allow an appeal to be brought to the Trust Territory High Court. The order was accordingly amended. It granted the Trust Territory High Court power to hear the case or to turn it down by writ of certiorari. The Trust Territory High Court chose not to hear the case and so the Appellate Division of the Supreme Court of Palau, because of the importance of the murder involved, granted a rehearing of the issue. Professor Clark read out a portion of the Appellate Division decision in which the Court, after rehearing the case, upheld the freeing of the three originally convicted felons but, in doing so, reprimanded both the prosecuting

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attorney and the defence, as members will recall, for not handling the job as well as it should have been handled. So they are still free. I am not saying they are guilty or are not guilty - I am not qualified to judge - but the investigation is still ongoing. Perhaps there are some other leads that will lead us to a solution of this criminal act. We have requested assistance from the Federal Bureau of Investigation (FBI) of the United States to assist us on this. I am very sad that this matter keeps on coming up time and time again in this Council. It was a deplorable murder that happened to us, it was a national disaster, but I hope that whoever did it will be brought to justice.

Mr. SMITH (United Kingdom): The representative of the Soviet Union has shown great interest this afternoon in questions of law and order in Palau. In doing so, if I may say so, he focused somewhat selectively on one or two atypical cases which help to further his own purposes in the Council. In fact, as we all know, the question of crime is a problem that exists in every society, not just Palau: it exists in the Soviet Union and indeed in the United Kingdom as well. On that subject I should like to ask the Administering Authority whether it has any plans to provide Palau with additional law enforcement assistance. We have heard one or two allegations concerning a so-called or alleged breakdown of the rule of law in Palau and I should like to know what steps the Administering Authority proposes to take in that regard.

Mrs. McCoy (Special Adviser): It goes hardly without saying that I could not agree with the representative of the United Kingdom any more thoroughly on what an important subject this is. As an aside, I too was very close to President Remeliik and I share Mr. Uherbelau's despair and unhappiness at that situation and the fact that it still remains unsolved. Certainly law enforcement is one of the crucial elements in any developing country and we have felt strongly

(Mrs. McCoy, Special Adviser)

about it in Palau all the way along. We have offered assistance in every way we can. No assistance has been withheld in any sense of the word. United States law enforcement agencies, at the request of the Government of Palau, have continued to provide assistance and stand ready to provide any help in any way that they can. We will continue to do so at the request of the President of Palau at any time that he makes such a request. The Drug Enforcement Agency (DEA), the Federal Bureau of Investigation (FBI), and the Customs people all stand ready, willing and able and are frequently down there at the request of the Palauan Government. There are some ongoing investigations right now which make it a bit difficult to discuss this matter in this particular context and in this particular forum but suffice it to say that among the things that we have, the Department of Interior under its technical assistance grants has granted funds to Palau for a public safety adviser and for a public safety and drug enforcement agency conference.

(Mrs. McCoy, Special Adviser)

Approximately \$55,000 is being spent, through technical assistance, on drug enforcement training. We have a police academy in Palau - which, I believe, is in its fourth year - where training for selected police officers from Palau and other places is extremely difficult, rigorous, complete and thorough in all branches of drug enforcement. As far as the status of trafficking in controlled substances is concerned, I should like to be able to say at this time that substantial progress is being made to restrict and impede the flow of controlled substances to Palau and through Palau. Our own Drug Enforcement Agency and United States customs officers are working closely with law enforcement agencies in Palau to identify and apprehend those responsible.

Arrests have been made both inside and outside of Palau. We believe that with continued co-ordinated efforts the message will get across that Palau is not a safe haven for drug dealers.

There is an active substance-abuse education programme being carried out in Palau by the local authorities. There are some cases in litigation and under investigation right now which limit the amount of information I would otherwise be free to offer at this time, but suffice it to say that there is an ongoing programme.

As Ambassador Byrne suggested, and with your permission, Mr. President, I would now let Mr. Berg talk about the plans under the Compact.

Mr. BERG (Special Adviser): When the Compact of Free Association was negotiated between the United States and Palau it was the objective of the Palauan side as well as of the United States side to put into the Compact provisions for co-operation between our respective law enforcement agencies, that is, the law enforcement agencies of the two nations, to build upon the work in law enforcement

(Mr. Berg, Special Adviser)

and assistance that had begun under the Trusteeship Agreement, as has just been described by Mrs. McCoy.

In order to do that we have entered into two agreements with Palau that will enter into force simultaneously with the Compact. The first agreement is in essence an extradition agreement, but it contains numerous provisions with respect to the execution of judicial sanctions, mutual assistance and co-operation of law enforcement agencies, the movement and capture of fugitives from justice and the transfer of prisoners.

Further, we have entered into an additional agreement with Palau whereby the resources of the United States Government law enforcement agencies, including, but not limited to, the Federal Bureau of Investigation and the Drug Enforcement Administration, and other elements of the Department of Justice, can and will be made available to the Government of Palau to co-operate with its law enforcement agencies in the various law enforcement activities the Government of Palau will need to face.

I might note that the reason we have chosen this method, which is one of co-operation rather than imposition, is because the criminal laws of the United States do not apply in Palau, nor, of course, would they apply in Palau once the Compact of Free Association enters into effect. Therefore, United States law enforcement agencies operating there would not be prosecuting Palauan citizens in accordance with United States law, because United States law would not apply there in this particular regard. Rather, they would be co-operating, providing technical assistance and assistance in investigation and, if called upon, prosecution.

We think that these particular agreements we have with Palau will, together with the Compact of Free Association, build upon and in fact enhance the ability of the United States Government to provide the kind of assistance Palau needs in the area of law enforcement.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from

Russian): With regard to the comments made by the representative of the United Kingdom, I should like, for my part, to react to him by saying that those questions put by the Soviet delegation the representative of the United Kingdom called "atypical cases" also drew attention to the fact that such cases were also atypical for the population of Micronesia, especially, since they have come about in recent years. We were trying to ask the Administering Authority what it was doing in the Trust Territory and at the centre? What were the reasons for these unusual phenomena with regard to the Micronesian population? Why is it that these unusual phenomena suddenly occurred in recent times? What was the basis for this? From the replies we have received thus far, we cannot make any judgement as to what conclusions were drawn by the Administering Authority in connection with developments precisely in the area of law and order in the Trust Territory.

I should like to go on to a question which is of great political significance, although perhaps at first blush it might seem rather ordinary.

(Mr. Berezovsky, USSR)

I should like to ask what the view of the Administering Authority is on the concept of sovereignty, and to what extent that concept is applicable to the future status of the Trust Territory of the Pacific Islands after the Trusteeship Agreement is duly and properly terminated by the Security Council.

Miss BYRNE (United States of America): I understood the question of the representative of the Soviet Union to pertain to the Administering Authority's view of the concept of sovereignty after the termination of the Trusteeship Agreement. I think for the record I should like to say first that the United States has never asserted sovereignty over the Trust Territory of the Pacific Islands.

As to the future, I should like to read from the preamble to the Compact of Free Association between Palau and the United States, which has not yet gone into effect but which has been negotiated between the two entities:

"Recognizing that the people of Palau have and retain their sovereignty and their sovereign right to self-determination, and the inherent right to adopt and amend their own Constitution and form of government, and that the approval of the entry of their government into this Compact of Free Association by the people of Palau constitutes an exercise of their sovereign right to self-determination."

So, as I said, that language would constitute the United States concept of sovereignty. It is language freely negotiated by the Government of Palau and the Government of the United States.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): Apparently I shall have to rephrase my question somewhat, since the representative of the United States has stated that the expression of sovereignty for Palau is the right of that part of the Territory to enter into an agreement with the United States and sign and ratify a Compact of Free Association with the United States.

(Mr. Berezovsky, USSR)

In asking this question we meant to find out what the Administering Authority understood by the word "sovereignty" in its full meaning. We ask this question in fact because the report of the Administering Authority even now, before the Trusteeship Agreement has been duly terminated by the Security Council, already speaks of the Republic of the Marshall Islands and the Federated States of Micronesia as sovereign and self-governing at the present time.

Our next question would be for the Administering Authority also to give us its concept of self-governing, to tell us how that concept would apply to the future of the Trust Territory of the Pacific Islands, and what the connection is between the concept of "sovereign" and that of "self-governing".

Miss BYRNE (United States of America): I thank the representative of the Soviet Union for restructuring his question. I am afraid, however, that I still do not understand what he is driving at. The words "sovereign" and "self-governing" are well known, well recognized and well understood terms in the international community, in international parlance, in international law. So I fear that he will have to give me further clarification if he wants an answer beyond what I have already said, which in my view answered his question.

The PRESIDENT (interpretation from French): Does the representative of the Soviet Union wish to further clarify his question?

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): In reply to the last comment to the effect that the terms "sovereign" and "self-governing" are well-known ones, I should like to say that if an entity is non-self-governing it cannot be sovereign. If someone is governing it, it cannot be sovereign, since the concept of sovereignty automatically includes that of self-government.

Now I am not a jurist by profession, but in this case, since we are dealing with parts of a Trust Territory, which the Administering Authority, I repeat, before the Trusteeship Agreement has been terminated by the Security Council in due and proper form, calls sovereign and self-governing, it is necessary to have an explanation of this terminology. We are not yet dealing with the Northern Marianas Islands. What we are dealing with now is the concept itself, the concept the United States is employing in its approach to the term "sovereignty". And this approach is what interests us.

We would like to find out from the Administering Authority how it understands the concept of sovereignty. Now what am I driving at? The representative of the United States said that she does not understand what I am driving at and why I am asking this question. I am asking these questions because in accordance with the

(Mr. Berezovsky, USSR)

same international law to which the representative of the Administering Authority referred sovereignty includes the idea of complete independence from a foreign Power. The sovereignty of a State includes the exercise of full legislative, executive and judicial authority in its Territory, excluding any foreign authority, including the authority of a foreign State in questions of international relations.

The PRESIDENT (interpretation from French): I wonder if it is necessary to continue with a discussion which might be totally theoretical, on this question of sovereignty. I do not think that the term "sovereignty" appears in articles 73 and 76 of the Charter, which set out the objectives to be sought by the Administering Authority in a Trust Territory.

Article 76 says that the Administering Authority should promote the progressive development of a territory towards self-government or independence.

Of course, we could proceed to talk about it, but I wonder if this is a discussion which would really yield any concrete results. Nevertheless, if the Administering Authority so wishes, I will give it the floor to reply to the question asked.

Miss BYRNE (United States): Mr. President, I do agree with you that the discussion is becoming rather theoretical, but in any event I would wish to state that the language I read out from the preamble to the Compact of Free Association between Palau and the United States describes the concept mutually agreed by Palau and the United States. It was a freely negotiated Compact; it describes the kind of association that Palau and the United States would have once the Compact of Free Association went into effect.

The representative of the Soviet Union has asked this question three times. I have answered it three times. I do believe that this language, which is really quite elegant language, fully expresses what we and the people of Palau think about the words "sovereignty" and "self-determination".

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): "If you say 'halva' a hundred times your mouth is not going to get any sweeter": that is an Oriental saying.

To revert to the question that has been asked by the Soviet Union, it is very specific and concrete. With the greatest respect for you, Mr. President, and your understanding of the discussion taking place here, which you have conveyed to us, our question has real meaning and a direct bearing on the Administering Authority's report.

As to the preamble to the Compact of Free Association, which the representative mentioned, we are not talking about Palau. We wish to point out that the Marshall Islands and others are described as being sovereign and self-governing. We should therefore be glad to have an explanation as to what the Administering Authority means by the word "sovereign".

"Sovereign" applies to the formation of a State as an entity that in its actions is not dependent on any political force outside its boundaries.

(Mr. Berezovsky, USSR)

We still have not received an explanation as to what the Administering Authority means when it uses the word "sovereignty".

Another point. I now wish to refer to the word "self-governing", which has also been used by the representative of the United States. Here it applies to a part of the Trust Territory, the Northern Mariana Islands. The Administering Authority has not at this session given us any information as to what is happening in that part of the Territory at the present time. Some quite serious events are taking place there.

A delegation from the Northern Mariana Islands came to the Trusteeship Council, and its representatives declared here, just a few meetings ago, that the Northern Mariana Islands do not have self-government, though the local authorities had expected to be able to enjoy self-government over their territory - that is, the very authorities who signed the Covenant that the Administering Authority has at previous sessions described as an instrument for the free democratic expression of the will of the people of the Northern Marianas. Now it turns out that that same document is not in the interests of the inhabitants of the Northern Marianas.

The representatives of the Northern Mariana Islands came here and said, "please take no steps to put an end to the trusteeship, to terminate the trusteeship agreement because we have been deceived." That is why we should be glad to receive an explanation from the representative of the Administering Authority of what it understands by the term "self-governing". The representatives of the Northern Marianas recently said it is not self-government but a new form of colonialism that has been foisted on them under the Covenant - or at least through the interpretation of it that has been used by the Administering Authority.

Miss BYRNE (United States of America): I do enjoy hearing the reference of the representative of the Soviet Union to the proverb about halva. He used the same proverb last year, so I was quite familiar with it. I find it an amusing proverb, and applicable to his remarks here today as well.

I said earlier today, and I shall repeat it, that we will comment on the complaints or charges or comments of the petitioners in a single statement, and we shall address some of the issues that have been raised at this fifty-fifth session of the Trusteeship Council.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): It is just possible that I may have used the same proverb earlier, but clearly it was used because similar circumstances arose at the last session. This at least demonstrates a certain consistency on the part of my delegation, as well, unfortunately, as on the part of the delegation of the Administering Authority. Had there been no cause, there would have been no effect. As for our further discussion, it is not scholastic in any way. Indeed, it is highly practical, dealing as it does with the serious situation in the Trust Territory of the Pacific Islands and the situation created by the Administering Authority's attitude to such concepts as sovereignty and self-government. In the report of the Administering Authority we read that part of the Trust Territory is already sovereign. Obviously, we are forced to take a serious and very practical approach to that question.

I should not want to advise the representative of the Administering Authority as to how and when she will reply to the questions and accusations that have been raised here by representatives of one of the parts of the Trust Territory, namely,

(Mr. Berezovsky, USSR)

the Northern Marianas. However, the question that is now being asked is not being asked by a petitioner from the Northern Marianas but, rather, by a member of the Trusteeship Council, a member of the delegation of a State member of the Trusteeship Council, and our delegation would naturally like to have an answer to the question we have asked.

We have asked the question on the basis of materials we received - through no effort of the Administering Authority - because certain representatives of the Northern Marianas were able to come here and be present at our meetings. Earlier sessions of the Council have been attended by a large United States delegation, including inhabitants from various parts of the Trust Territory of the Pacific Islands. Today, they are no longer present here, and we cannot know what they might say were they present, even as part of the delegation of the Administering Authority. I would not like the impression to gain ground that our questions are merely theoretical or abstract, because the kind of answers we get will enable us to judge what the situation in the Trust Territory is and what is going to happen there in the future, in the time between this session of the Council and its next session.

The PRESIDENT (interpretation from French): Are there any other questions or comments?

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): Are we to understand that the delegation of the Administering Authority is unable to answer the question put by the Soviet Union? If it is not in a position to answer it now, we are prepared to wait - until the next meeting, say - when we shall listen to the reply with the greatest interest.

The PRESIDENT (interpretation from French): I understand that the representative of the Administering Authority felt she had answered the questions put by the representative of the Soviet Union, or at least provided the reply she wished to provide. If she wishes to speak again, I shall call on her. If not, do any other members of the Council have any questions?

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): I shall not quote the proverb about silence signifying consent. In this case it would be consent to what - consent to the idea that the Administering Authority will answer the questions at the next meeting or that it will not answer the questions? If not, we reserve our right to ask the question in a slightly|paraphrased form. But we should be glad to have an answer as to what is the current situation in the Northern Mariana Islands; how the Administering Authority understands the term "self-government" and how it may be applicable to the Trust Territory of the Pacific Islands; and what is the Administering Authority's position on compliance with those agreements which form a part of its responsibilities for the administration of the Territory, with its inhabitants.

(Mr. Berezovsky, USSR)

I am not talking now about the Soviet Union's position on the so-called Covenant. That document has not been discussed here, but the preamble contains what the representative of the United States described as the elegant words of the sovereign act of the inhabitants of the Northern Mariana Islands in the signing of that Covenant.

I have a number of other questions, but it is rather late. If the representative of the United States has no replies to our questions, we shall be prepared to conclude for today.

Miss BYRNE (United States of America): For the verbatim record of these proceedings, I wish to make it clear that the language I read out was from the Compact of Free Association between Palau and the United States, the compact which is not yet gone into effect. I never quoted any language from the Covenant with the Northern Mariana Islands, nor did I refer to it. I understood the representative of the Soviet Union to say that I had read out elegant language from the Covenant. The elegant language was from the Compact of Free Association between the Republic of Palau and the United States.

The PRESIDENT (interpretation from French): It is indeed rather late, but I call on the representative of the Soviet Union one last time.

Mr. BEREZOVSKY (Union of Soviet Socialist Republics) (interpretation from Russian): Let me briefly dispel the doubts which may have crept in, perhaps as a result of interpretation. I heard the representative of the United States clearly read out the elegant words from the Compact intended for Palau. I said that we wanted, and we still want, clarification of how the Administering Authority understands those words, and I said that those elegant words are also to be found in the Covenant. The fact that the words are present in both speaks for itself.

ORGANIZATION OF WORK

The PRESIDENT (interpretation from French): I had entertained the hope that we might finish our consideration of item 4 today. Unfortunately, we have not done so.

We shall therefore continue tomorrow with questions, if any, to the Administering Authority, and then we shall begin the examination of written communications and petitions.

The next meeting will be held tomorrow, Wednesday, 18 May, at 3 p.m.

The meeting rose at 6 p.m.

United Nations

Press Release

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Trusteeship Council
Fifty-fifth session
1653rd Meeting (PM)

TR/2358
17 May 1988

TRUSTEESHIP COUNCIL CONTINUES EXAMINATION OF ANNUAL REPORT
OF ADMINISTERING AUTHORITY OF PACIFIC TRUST TERRITORY

Takes Note of Report on Credentials

The Trusteeship Council this afternoon continued to question the United States, as the Administering Authority of the Trust Territory of the Pacific Islands, on the annual report it submitted on the Territory covering the period 1 October 1986 to 30 September 1987.

Questions were raised by the representatives of France, the Soviet Union and the United Kingdom regarding fisheries, tourism, the economic development of Palau, the financial situation of the Territory, conditions relating to law enforcement, and the Administering Authority's concept of sovereignty with respect to the Territory.

Also this afternoon, the Council took note of the report of the Secretary-General's report on credentials (document T/1925), annexed to which are the names of the representatives and the composition of the delegations to the current session.

The Council will meet again at 3 p.m. tomorrow, 18 May, to continue consideration of the Administering Authority's annual report and take up written petitions.

(more)

For information media -- not an official record

Work Programme of Council

The Trusteeship Council met this afternoon to continue consideration of the annual report of the Administering Authority of the Trust Territory of the Pacific Islands, covering the period of 1 October 1986 to 30 September 1987, as well as to begin consideration of written petitions. (For background on the report of the Administering Authority, see Press Release TR/2352 of 9 May.)

Discussion on Report of Administering Authority

PATRICK PASCAL (France) asked for more information regarding fisheries in the Trust Territory.

JANET J. MCCOY (United States) said fisheries was one of the most important industries in the economic development of Palau. The waters around Palau were one of the largest unfished areas in the world. There was concern that there should be no overfishing and that the richness should be preserved.

She said page 28 of the Administering Authority's report contained a detailed description of the activities of the Palau Maritime Authority, as well as the the fishing agreements reached between Palau and foreign countries, in particular Japan. Tables at the back of the report also gave information on fisheries production based on the number of pounds.

VICTOR UCHERBELAU, representative of Palau, said the Palau Maritime Authority was an agency of the Palauan Government responsible for the management of marine resources in the 3- to 200-mile exclusive zone. Together with 15 other Pacific Island countries, the Authority had negotiated a five-year fisheries treaty with the United States. Under that treaty, United States vessels would be licensed to fish migratory fish within the 200-mile exclusive zone of the Pacific countries. Palau had signed the treaty last November. The treaty was still before the United States Senate and was yet to be ratified by the United States. The Pacific Island countries had done their part, and more than 10 countries had ratified the agreement.

He said there was a fisheries storage facility which had been taken over by a joint venture arrangement between local businessmen and investors from Singapore. The Maritime Authority had also negotiated other joint venture arrangements. Palau was exporting fresh tuna to Japan and Hawaii. The Authority also had a standing agreement with Japan which would expire and be renegotiated sometime this year. All possibilities were being pursued in that area of economic development.

J. STEPHEN SMITH (United Kingdom) said he was encouraged to see that Palau was exporting tuna to Japan, particularly since Palau was dependent on imports from abroad. He asked what other kinds of exports there were.

Ms. MCCOY (United States) said the giant clam industry was becoming increasingly important to Palau's maritime development. Giant clams had once been endangered due to poaching and overfishing; however, the situation was now under control.

In addition, tourism, which had more than doubled since 1979, was also a very important part of Palau's economic development, she went on. The tourist dollar was most effective as it circulated throughout the entire economy, generating taxes, insurance money, food supplies and labour. The tourist dollar was responsible for the employment of more unskilled labour than almost any other industry. Therefore, every tourist dollar which came into Palau was of great help to its economic development.

Mr. PASCAL (France) said the development of tourism in Palau had been well thought out, with the broader economic effects taken into account, as well as the establishment of museums for the preservation of local culture. He asked whether the work being done to preserve traditional culture would continue into the future.

Ms. MCCOY (United States) said the argument between the benefits of tourism and the need for cultural preservation was discussed in the context of every country of the world. Both were very important and Palau was one of the best examples of a "happy blending" in that regard. Palauans were a proud people who felt strongly about their cultural preservation, as was clear from the fact that they had been able to maintain their culture despite the influences of a succession of other other cultures throughout their history -- Spanish, German, Japanese and American. Such preservation would no doubt be continued under the Compact of Free Association with the United States.

VALENTIN BEREZOVSKY (Soviet Union) said the annual report of the Administering Authority gave data on the financing of capital improvement programmes only for Palau. However, the Council needed to examine figures for the entire Trust Territory. He asked the representative of the Administering Authority when such data could be provided.

PATRICIA M. BYRNE (United States) said that, as she had stated yesterday in response to the same question, the information supplied in the annual report was consistent with what had transpired in the Council, in accordance with resolution 2183 of 1986. Further information could be obtained, as desired at the addresses provided in the report.

Mr. BEREZOVSKY (Soviet Union) said the representative of the Administering Authority, in her response, had only given reference as to where further questions might be addressed. That might be acceptable if the report provided basic information; it did not. He could not understand why the Administering Authority did not provide basic information on the entire Trust Territory. The resolution cited by that representative did not provide a reason for the non-submission of information. He reiterated that the Trusteeship Agreement could not be terminated without a decision by the Security Council to that effect.

He said he had raised a question yesterday concerning the IPSECO power plant, which had not been fully answered. He recalled that one of the petitioners, Santos Olikong, Speaker of the House of Delegates of the Palau National Congress, had stated that there was widespread corruption amongst the highest officials of Palau; that that corruption was connected to the drug business; and that Palau could not deal with the situation on its own and

desperately needed assistance from United States law enforcement agencies. He asked the representative of the Administering Authority to explain the results of the inquiry by the United States investigators, and to provide information on what was being done regarding the situation.

Ms. BYRNE (United States), responding to the comments of the Soviet delegate regarding the provision of information, said the United States had complied with Council resolution 2183 of May 1986, had submitted its annual report on the Trust Territory and was participating in the deliberations in the Council. It was prepared to answer questions and would continue to fulfil its obligations under the Trusteeship Agreement and the Charter.

The matter of the IPSECO power plant was currently under litigation in the New York courts, she said, and it would be inappropriate for her to comment on the situation at this time. As to matters raised by petitioners, the United States would respond, at a later time, to the all the oral and written petitions presented.

Mr. BEREZOVSKY (Soviet Union) said he had asked his question from the standpoint of how the situation had affected the economic and political situation of Palau. He had not wished to hear about aspects of the court proceedings taking place in the United States.

As to the Administering Authority's response to petitions, he said there was no choice but to answer them. He welcomed the statement by United States representative that her country would continue to carry out its responsibilities in accordance with the Charter and the Trusteeship Agreement. However, the annual report undermined his faith in that statement.

Referring to that report, which stated that in July 1987 over 200 government employees had been furloughed for three months because of the severe financial crisis of the Government of Palau, he asked for a description of the situation and why there had been such a severe financial crisis.

Ms. BYRNE (United States) said it disturbed her when the representative of the Soviet Union used the word "undermine". The United States had not and would not undermine anything to do with the Trust Territory of the Pacific Islands, the Trusteeship Agreement or the United Nations Charter.

Mr. UCHERBELAU, of Palau, said that since 1981 his country had been operating under a deficit which had finally caught up with it last summer. As containment measures to hold down government costs, the President of Palau had decided to reduce the number of working hours for government employees from 40 to 32, as well as to ration power and water.

By July, such measures had proven to be insufficient and it had become apparent that further steps were needed, he went on. That was why the 900 government employees had been furloughed from July to the end of September. On the positive side, the Government of Palau had implemented a retirement pension plan last September. Due to the financial crisis, no seed

money had been available to put into the fund. Nevertheless, the plan had been implemented. The mandatory retirement age was now 60. Retirees would be paid up to 80 per cent of their salaries annually.

Mr. BEREZOVSKY (Soviet Union) said one petitioner had mentioned that immediately following the August 1987 referendum, a mad dash to implement the Compact had begun; that 900 Executive Branch employees were still furloughed at that time; and that the Compact was being viewed as the only solution to Palau's financial problems. He said he believed that that was a political assessment of the situation in Palau at the time.

He said the Administering Authority's annual report had mentioned that persons suspected of bombings, arsons and killings that occurred last September had been arrested and indicted. He wished to know if the judicial proceedings were completed, and if so, how? Were the guilty parties punished? During the investigation and prosecution, was there a process to find out who were the instigators of the political violence?

Ms. BYRNE (United States) said that regardless of whether the Compact of Free Association had been viewed as the only solution to Palau's financial problems, the fact was that the Compact had not gone into effect. All the people furloughed had gone back to work in November 1987, and that financial crisis had been dealt with without the Compact.

Mr. UCHERBELAU, of Palau, said a task force had been created last year to look into the future political status options for Palau and a solution to the financial crisis. The task force had come out with a recommendation to the President that the only realistic solution to the financial problems was the Compact of Free Association under which there would be a guaranteed source of income. Two plebiscites had taken place, and during the second one, the government employees had still been furloughed. However, those employees were not in any way pressured to vote in favour of the Compact.

With regard to the convicted felons, there were three who were members of the Furlough Committee, he said. One had been identified as an assistant to the President. The felons had appealed their conviction and another trial would take place in the near future.

Mr. BEREZOVSKY (Soviet Union) said that quite a long time had passed since those erroneously accused of the murder of the former President of Palau had been acquitted. Was anything being done to track down the killers of the former President once it became evident that the people who had been originally accused of the crime had turned out to be completely innocent?

Ms. BYRNE (United States) said it was the prerogative of the Soviet delegate to interpret the situation in Palau as presented by those in the Council in any way he wished. However, she wished to reiterate that the Compact had not gone into effect, and therefore proved not to be the solution to Palau's financial crisis during a three-month period last year. She said the representative of Palau, when he spoke of the Compact as a solution to Palau's financial problems, was speaking of the situation in the long run. It was clearly the wish of the people of Palau to enter into the Compact. The

expression of those wishes had been observed by the United Nations Visiting Missions on many occasions.

Mr. UCHERBELAU, of Palau, said the former President had been assassinated in June 1985. Three felons were apprehended and sentenced to lengthy prison terms. However, that conviction had been overturned several months later by the Palau Supreme Court. An appeal was made to the Trust Territory's High Court, which chose not to hear the case. Subsequently, the Appellate Division of Palau's Supreme Court had granted a rehearing of the case. Its decision upheld the freeing of those convicted but admonished the prosecuting attorney for not handling the case properly. The investigation was ongoing and Palau had requested the assistance of the Federal Bureau of Investigation (FBI). The assassination had been a national disaster and he hoped those responsible would be brought to justice.

Mr. SMITH (United Kingdom) said the representative of the Soviet Union had focused on atypical cases of breakdown of law and order to further his own purposes. Crime was a problem for all countries. He asked what steps the Administering Authority planned to take to prevent the breakdown of law and order in the future.

Ms. MCCOY (United States) said law enforcement was a crucial element in any developing country and the Administering Authority had not withheld any assistance in that regard. At the request of the Government of Palau, United States law enforcement agencies stood ready to provide assistance in future. Both the Drug Enforcement Agency, the FBI and customs officials were willing and able to help and were frequently in Palau at the request of the Palauan Government. Some ongoing investigations made it difficult for her to enter into specific examples. But she could say that the Department of the Interior had granted funds for a public safety advisory body and a public safety and drug enforcement agency conference. An amount of \$55,000 had been spent in drug enforcement training in Palau. A police academy had also been established to provide rigorous and thorough training in drug enforcement.

As far as the trafficking of controlled substances was concerned, substantial progress was being made to impede the flow of drugs to and through Palau. The United States Drug Enforcement Agency was working closely with agents in Palau. With their continued co-ordinated efforts, the message would come across that Palau was not a safe haven for drug trafficking.

JIM BERG (United States) said that when the Compact was negotiated, it had been the objective of both sides to set provisions for co-operation between the law enforcement agencies of the two nations. Two agreements would come into effect simultaneously with the Compact, which would provide for, among other things, mutual assistance and co-operation regarding the extradition and prosecution of fugitives and the transfer of prisoners. Technical services and assistance would be provided to Palau by the FBI and other United States law enforcement agencies. The agreements provided for co-operation rather than imposition, as United States criminal laws did not apply in Palau and would not once the Compact was enacted.

(more)

Mr. BEREZOVSKY (Soviet Union) said that from the replies received, he could not make any judgement as to what conclusion had been drawn by the Administering Authority regarding law and order in the Trust Territory.

Continuing, he asked what the view of the Administering Authority was of the concept of sovereignty and to what extent that concept was applicable to the future status of the Trust Territory after the Trusteeship Agreement was ended by the Security Council.

Ms. BYRNE (United States) said the United States had never asserted sovereignty over the Trust Territory of the Pacific Islands. The preamble of the proposed Compact of Free Association between the United States and Palau clearly indicated the United States position on sovereignty with regard to the Trust Territory. The preamble recognized that the people of Palau had the sovereign right to self-determination and to adopt and amend their own Constitution. It further provided that the approval by the Government and people of Palau of the Compact constituted an exercise of their sovereign right of self-determination. The language contained in the Compact had been negotiated by the Government of Palau and the United States.

Mr. BEREZOVSKY (Soviet Union) said he had wanted to know what the Administering Authority understood by the word "sovereignty" in its full meaning. He had asked the question because the report of the Administering Authority stated that the Republic of the Marshall Islands was now sovereign and self-governing. He further wished to know how the Administering Authority viewed the concept of "self-governing", and how it applied to the future Trust Territory.

Ms. BYRNE (United States) said she did not understand what the representative of the Soviet Union was getting at. The terms "sovereignty" and "self-governing" were widely accepted and used by the international community and in international law.

Mr. BEREZOVSKY (Soviet Union) said the question of sovereignty directly involved the question of self-government. According to international law, sovereignty included the idea of complete independence from a foreign Power. Sovereignty would exclude any type of foreign authority over the Territory, including matters relating to foreign policy and international relations. Under the circumstances, he wished to know how the United States viewed the concept of sovereignty.

The President of the Council, JEAN-MICHEL GAUSSOT (France), said it was inappropriate to use the term "sovereignty" in that context, as Article 76 of the Charter called on the Administering Authority to foster the Trust Territory's development towards self-government or independence, and did not deal with the issue of sovereignty.

Ms. BYRNE (United States) said she agreed that the discussion was becoming theoretical. The language in the preamble of the Compact described the kind of mutually agreed association that Palau and the United States would have once the Compact went into effect.

Mr. BEREZOVSKY (Soviet Union) said there was an Oriental proverb which stated: "If you say halvah one hundred times, your mouth will not get any sweeter." His question had been a concrete one which had a direct bearing on the Administering Authority's report. The Marshall Islands and other entities had been described in the report as being sovereign and self-governing. He asked what the Administering Authority meant by "sovereign", which signified the formation of a state as an entity which in its actions was not dependent on any political force outside its boundaries. He still had not received an explanation.

As for the term "self-governing", he said the Administering Authority had used it to apply to a part of the Trust Territory -- the Northern Mariana Islands. At this session, however, the Administering Authority had not given information on what was happening in that Territory, where some serious events had taken place. A delegation from the Northern Marianas, which had addressed the Council, had declared that the Islands did not have self-government. The local authorities had signed the Covenant to Establish a Commonwealth between the United States and the Northern Marianas, which the Administering Authority had at previous Council sessions described as an instrument for free democratic expression of the will of the people.

Now it turned out that the Covenant was not in the interests of the inhabitants of the Northern Marianas, he said. Representatives of the Islands had told the Council that they had been deceived. He asked that the Administering Authority provide an explanation. The Administering Authority must understand the term "self-governing". The islanders felt that it was not self-government, but a new form of colonialism which was being forced on them through the Administering Authority's interpretation of the Covenant.

Ms. BYRNE (United States) said the United States would comment on the complaints, charges and comments presented by petitioners in a single statement at a later date.

Mr. BEREZOVSKY (Soviet Union) said the report of the Administering Authority stated that parts of the Trust Territory were already sovereign. That was a serious matter. He did not wish to dictate when the representative of the Administering Authority should respond to petitioners, but he did wish to have an answer to the question posed by the Soviet delegation on the current situation in the Northern Mariana Islands, as well as on the understanding of the Administering Authority of the concept of sovereignty and how it related to the Covenant to Establish a Commonwealth between the United States and the Northern Marianas.