

UNITED NATIONS
TRUST TERRITORY OF
THE PACIFIC ISLANDS

**REPORT OF THE UNITED NATIONS
VISITING MISSION TO PALAU,
TRUST TERRITORY OF
THE PACIFIC ISLANDS, 1989**

TRUSTEESHIP COUNCIL

OFFICIAL RECORDS: FIFTY-SIXTH SESSION

(May-June 1989)

SUPPLEMENT No. 1



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NOTE

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CONTENTS

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
LETTER OF TRANSMITTAL		v
I. GENERAL	1 - 7	1
A. Terms of reference	1 - 2	1
B. Composition	3 - 5	1
C. Itinerary	6 - 7	1
II. INTRODUCTION	8 - 32	3
A. Background	8 - 12	3
1. Land	8	3
2. History	9 - 11	3
3. People	12	3
B. Palau	13 - 32	3
1. Constitution and system of government	13 - 15	3
2. Palau and the Compact	16 - 25	4
3. Other recent events	26 - 32	6
III. DETAILED OBSERVATIONS ON THE POLITICAL, ECONOMIC, SOCIAL AND EDUCATIONAL ADVANCEMENT OF PALAU	33 - 84	7
A. Political advancement	33 - 41	7
B. Economic advancement	42 - 60	9
C. Social advancement	61 - 74	12
1. Judiciary	61 - 62	12
2. Health care	63 - 71	13
3. Drug and alcohol abuse	72 - 73	14
4. Prison	74	15
D. Educational advancement	75 - 84	15

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
IV. SPECIAL ISSUES	85 - 91	17
A. War damage claims	85 - 90	17
B. Fisheries protection	91	18
V. DISSEMINATION OF INFORMATION ON THE UNITED NATIONS	92 - 96	19
VI. CONCLUSIONS AND RECOMMENDATIONS	97 - 117	20
VII. ACKNOWLEDGEMENTS	118 - 122	24

Annexes

I. ITINERARY OF THE VISITING MISSION	26
II. STATEMENT BY MR. JEAN-MICHEL GAUSSOT, CHAIRMAN OF THE VISITING MISSION, ON 10 APRIL 1989	30
III. WRITTEN COMMUNICATIONS RECEIVED BY THE VISITING MISSION	32

Maps

ITINERARY OF THE UNITED NATIONS VISITING MISSION TO PALAU, TRUST TERRITORY OF THE PACIFIC ISLANDS, APRIL 1989	33
TRUST TERRITORY OF THE PACIFIC ISLANDS	34

LETTER OF TRANSMITTAL

9 May 1989

Sir,

I have the honour to transmit to you herewith, in accordance with Trusteeship Council resolution 2190 (S-XIX) of 17 March 1989 and rule 98 of the rules of procedure of the Council, the report of the United Nations Visiting Mission to Palau, Trust Territory of the Pacific Islands, 1989.

This report is subscribed to by both members of the Visiting Mission.

Accept, Sir, the assurances of my highest consideration.

(Signed) Jean-Michel GAUSSOT
Chairman
United Nations Visiting Mission
to Palau, Trust Territory of
the Pacific Islands, 1989

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General
United Nations
New York, N.Y. 10017

CHAPTER I

GENERAL

A. Terms of reference

1. At its 1660th meeting, on 17 March 1989, the Trusteeship Council adopted resolution 2190 (S-XIX), by which it decided to dispatch a visiting mission to Palau, Trust Territory of the Pacific Islands, in April 1989. The Council further decided that the Mission should be composed of members of the Council wishing to participate, except the Administering Authority, which might provide an escort officer.
2. By the same resolution, the Council directed the Visiting Mission to observe the steps being taken in Palau towards bringing into effect the proposed Compact of Free Association. The Council also directed the Mission, as might be appropriate in the light of discussions in the Trusteeship Council and of resolutions adopted by it, to obtain first-hand information concerning political, economic and social developments in Palau, and to receive petitions and to examine on the spot such petitions as, in its opinion, warranted special examination. Finally, the Council requested the Mission to submit to the Council as soon as practicable a report on its visit containing its findings, with such observations, conclusions and recommendations as it might wish to make.

B. Composition

3. The Visiting Mission was composed of the following members:

Mr. Jean-Michel Gaussot (France) (Chairman)

Mr. J. Stephen Smith (United Kingdom of Great Britain and Northern Ireland)
(Vice-Chairman)

4. The Mission was accompanied by the following members of the United Nations Secretariat:

Mr. Wilfrid De Souza, Principal Secretary

Mr. Ozdinch Mustafa, Political Affairs Officer

Mrs. Anastasiya Delenda, Secretary and Administrative Officer

5. The Mission was escorted by Mr. Donald Yellman of the Office of Freely Associated States Affairs, Bureau of East Asian and Pacific Affairs, Department of State, United States of America, and Mr. Samuel F. McPhetres of the Office of Transition, Trust Territory of the Pacific Islands.

C. Itinerary

6. The Mission left New York for Palau on 7 April 1989. It began its visit at Koror, Palau, on 10 April and ended it on 17 April (see annex I to the present report).

7. In the course of its visit to Palau, the Mission received a number of written communications which were taken into account in the preparation of its report. The texts of these communications are filed and available for inspection in the United Nations Secretariat (see annex III).

CHAPTER II

INTRODUCTION

A. Background

1. Land

8. Palau, in the Caroline Islands, is the westernmost entity of the Trust Territory of the Pacific Islands. It consists of a main group of islands known as the Palau group and four small coral islands scattered between the Palau group and the north-eastern islands of Indonesia. Only eight of the islands are permanently inhabited. The total land area of Palau is 492 square kilometres and consists mainly of the island of Babelthuap (404 square kilometres), the largest in the Territory. The capital is located on the island of Koror.

2. History

9. The first recorded contact of the Western world with Palau was in 1783. Late in the nineteenth century Spain extended its administrative domain in Micronesia to the Caroline Islands, including Palau. In 1899, at the end of the Spanish-American War, Spain sold its Micronesian possessions to Germany, which ruled them until 1914, when Japanese naval squadrons took possession of the Islands.

10. In 1920, the League of Nations placed the Carolines, the Marshalls and the Northern Marianas under Japanese mandate, which lasted until United States armed forces occupied the Territory in 1944.

11. In 1946, the United States agreed to place the Territory of the Pacific Islands under the International Trusteeship System established under the Charter of the United Nations. On 18 July 1947, the Trusteeship Agreement for the Trust Territory of the Pacific Islands, 1/ which had been approved on 2 April 1947 by the Security Council of the United Nations in accordance with Article 83 of the Charter, came into force following its approval by the Congress of the United States.

3. People

12. The people of Palau comprise a composite of physical types which indicate a long history of racial mixture. The ethnic types and blends of Palau include Polynesians, Malaysians, Melanesians and, in recent times, Japanese. The population of Palau is estimated at approximately 15,000. The local language is Palauan.

B. Palau

1. Constitution and system of government

13. By resolution No. 75 (1)-2 of 28 April 1975 (see T/COM.10/L.155), the Palau District Legislature created the Palau Political Status Commission to conduct such studies as it might deem necessary concerning the future political status of Palau

and its relations with the rest of Micronesia and the United States or other nations.

14. In a referendum held on 12 July 1978, the majority of voters in Palau rejected the draft constitution of the Federated States of Micronesia. 2/ At its fifth special session in August 1978, the sixth Palau Legislature therefore passed an act calling for a constitutional convention to draft a constitution for Palau.

15. The Convention concluded its task on 2 April 1979. The provisions of the draft constitution were summarized in the report of the United Nations Visiting Mission to Observe the Referendum in Palau, Trust Territory of the Pacific Islands, July 1979. 3/ The draft constitution was subsequently approved by 92 per cent of the vote in that referendum of 9 July 1979 and confirmed in another referendum on 9 July 1980. The main provisions of the Constitution of Palau are summarized below: 4/

Territory: Palau has jurisdiction and sovereignty over its territory, consisting of all islands of the Palauan archipelago, the internal waters and the territorial waters.

Executive powers: Executive power is vested in a President and Vice-President elected in nation-wide elections for a term of four years and not more than two consecutive terms. The Vice-President serves ex officio as a member of the Cabinet.

Legislative power: Legislative power is vested in the Olbiil Era Kelulau (OEK) (National Congress of Palau), consisting of a House of Delegates and a Senate, the members of which are elected for a term of four years.

Judiciary: Judicial power is vested in a Supreme Court, a National Court, and such inferior courts of limited jurisdiction as may be established by law.

2. Palau and the Compact

16. Negotiations on the future political status of the Trust Territory of the Pacific Islands began in 1969. The eventual outcome as regards Palau was the Compact of Free Association and its subsidiary agreements, which were signed by representatives of the Governments of the Administering Authority and Palau on 26 August 1982. This package of agreements was designed to serve as the framework for future relations between the United States and Palau. A number of additional amendments were agreed upon in January 1986.

17. A summary of the proposed Compact of Free Association and of the January 1986 amendments is contained in the reports of the United Nations Visiting Missions of February 1983 5/ and February 1986, 6/ respectively. The following is a brief account of the referendums on the Compact held in Palau since 1982.

18. In 1983, referendums were held in the Federated States of Micronesia, 7/ the Marshall Islands 8/ and Palau, 5/ three entities of the Trust Territory, on similar Compacts of Free Association with the United States. The Federated States of Micronesia and the Marshall Islands voted to accept their Compacts.

19. In Palau, however, where the Constitution forbids the introduction of radioactive or nuclear materials unless such an act is approved by 75 per cent of the voters, some 61.4 per cent of the voters supported the Compact in the February 1983 referendum, while, in a subsidiary question on the ballot, only 51.3 per cent approved of the introduction of radioactive or nuclear materials.

20. Several court cases followed. The Palau Supreme Court eventually ruled that "the Compact of Free Association and its integral and subsidiary parts that include the Harmful Substances Agreement were disapproved by the people of the Republic of Palau in the 10 February 1983 referendum and plebiscite". Another referendum on a revised Compact was held in September 1984 in which the Compact received 66 per cent of the vote.

21. In a subsequent referendum in February 1986, 6/ the Compact with some further revisions received 72 per cent of the vote. Two more referendums were held in December 1986 9/ and June 1987 10/ in which the Compact received 65.97 per cent and 67.59 per cent of the vote, respectively. Thus on each occasion the Compact failed to obtain the necessary 75 per cent of the vote.

22. In July 1987, under the circumstances described below, the Palau National Congress passed Public Law No. 2-30 (RPPL 2-30) 11/ which was subsequently signed into law by the late President Lazarus E. Salii on 19 July 1987. The purpose of the law was to authorize a referendum that would amend the Constitution in order to allow, in a subsequent referendum, the Compact to be approved by a simple majority.

23. In a referendum held on 4 August 1987, the constitutional amendment received the necessary majority for approval. A few weeks later, in a United Nations-supervised referendum held on 21 August, 12/ the Compact was submitted for the sixth time for the approval of the people of Palau, this time under the provisions of the new law. The result of that referendum as announced by the President on 29 August 1987 in Proclamation No. 41-87 13/ was 73.04 per cent in favour and 26.96 per cent against. Under the Constitution as amended by the referendum of 4 August, the Compact was thus adopted.

24. In a subsequent lawsuit challenging the legality of the two referendums held in August 1987, however, the Supreme Court of Palau, on 22 April 1988, ruled that the referendum of 4 August 1987 to amend the Palau Constitution was null and void, and that the referendum held on 21 August 1987 on the question of approval or disapproval of the "Compact of Free Association between the United States of America and the Republic of Palau" had accordingly failed to achieve ratification of the Compact because the "yes" votes were less than the 75 per cent majority required by articles II and XIII of the Constitution.

25. On 29 August 1988, the Appellate Division of the Palau Supreme Court upheld the effect of the above ruling by declaring that "the process by which RPPL 2-30 was passed in the OEK did not comport with the requirements of article XIV, paragraph 1 (c), [of the Constitution of Palau] since neither house achieved the 75 per cent majority of the membership required ... that RPPL 2-30 was and is null and void and that, therefore, the August 4 referendum was a nullity and that the August 21 referendum, failing to achieve the required 75 per cent majority, did not result in voter ratification of the Compact of Free Association by the people of Palau".

3. Other recent events

26. In early February 1987, the Government of Palau, citing financial difficulties, took a number of austerity measures that affected various sectors of the public services and, in particular, National Government employees, who constitute more than 60 per cent of the total work-force in Palau. As those measures failed to yield the expected results, the Government took a further step by deciding to furlough about 900 of the 1,331 government employees for the period 8 July to 1 October 1987. The ensuing reaction of the work-force appears to have contributed to some deterioration of the political and social climate at that time.

27. During the same period, several Palauans who had reservations on the constitutionality of RPPL 2-30 authorizing a referendum to amend the Constitution filed a complaint in the Supreme Court of Palau requesting that the referendum of 4 August be declared null and void. Later, following a number of political developments, it was announced that they had withdrawn their complaint.

28. Commenting on what might have led the plaintiffs to withdraw their lawsuit, Mr. Robert Hefner, Associate Justice of the Palau Supreme Court, wrote in September 1987: "There are indications in the record and in the proceedings in this matter that the dismissal signed by Plaintiffs may not be voluntary. There are indications that the dismissal was brought about by intimidation through the use of violence". It is important to note, however, that the plaintiffs were subsequently able to resubmit their suit. This led to the judgements referred to in paragraphs 24 and 25.

29. In his welcome address to the 1989 Visiting Mission at a special meeting of OEK on 10 April, Senator Tommy E. Remengesau also alluded to "violent incidences" which took place during the summer of 1987. Similarly, some individual Palauans drew the Mission's attention to allegations of intimidation and violence around the time of the two referendums of August 1987.

30. During 1988, a number of allegations of corruption were made against senior Palauan government officials. It was against that background that the death of President Lazarus E. Salii occurred on 20 August 1988. The following September the Attorney-General of Palau and the Director of the Bureau of Public Safety concluded that the death of the President had been due to a self-inflicted gunshot wound to the head.

31. On 20 August 1988, Mr. Thomas O. Remengesau, Vice-President and Minister of Justice, was sworn in as Acting President of Palau in accordance with Palau's Constitution.

32. Presidential and legislative elections were held on 2 November 1988 as scheduled. Out of seven candidates for the post, Mr. Ngiratkel Etpison was elected President of Palau. Mr. Kuniwo Nakamura, one of two vice-presidential candidates, was elected Vice-President in the same elections. President-elect Etpison and Vice-President-elect Nakamura were inaugurated on 26 January 1989.

CHAPTER III

DETAILED OBSERVATIONS ON THE POLITICAL, ECONOMIC, SOCIAL AND EDUCATIONAL ADVANCEMENT OF PALAU

A. Political advancement

33. The President of Palau told the Mission that the United States had achieved remarkable results in the political sphere. The people of Palau were satisfied with what had been accomplished in this field. They had made a commitment to free association with the United States and serious work was under way towards that status. The goal of the people of Palau remained the realization of the Compact of Free Association with the United States. He had delegated to the newly formed Commission on Future Palau/United States Relations the responsibility for Palau's future political status. The United States as the Administering Authority, however, should ensure that it fulfilled all its obligations, in particular those in the economic field, under the United Nations Charter and the Trusteeship Agreement, so that Palau could enter into its new relationship with the United States as a fully equipped and viable partner. The President expressed the wish that the United Nations, the United States and Palau would work together to ensure that these obligations were fulfilled. It was crucial that Palau should be in a position to move forward after termination of the Trusteeship.

34. The Vice-President of Palau informed the Mission about the formation of the Commission on Future Palau/United States Relations, of which he is the Chairman. The Commission's mandate is contained in Public Law 3-1 of 13 February 1989. According to the Vice-President, its goal was to improve the provisions of the Compact before it was again put to the voters in an eventual referendum. Negotiations were under way with United States authorities on a number of proposed "improvements" to the Compact concerning, in particular, capital improvement projects and land compensation; other issues might also be addressed. The Commission was to complete its work by 30 September 1989. Its mandate precluded amendment to the Constitution to allow the Compact to pass.

35. At a meeting with members of the Commission on Future Palau/United States Relations, the Mission was given more information about the activities of the Commission. Commission members referred in particular to legislation pending in the Congress of the United States (HJR 175) which was expected to address matters which had not been accommodated in the Compact or its subsidiary agreements. These included repayment of the loan for the IPSECO power plant and the continuation of federal programmes, an anti-drug programme, financial and technical assistance for the Palau public auditor and special prosecutor, Palau medical referral programmes, and latent defects in infrastructure facilities previously built by the Government of the Trust Territory.

36. At a meeting with Senators and delegates of OEK, the Mission was told that OEK members were "enthusiastic" about termination of the Trusteeship but were unhappy about the level of economic advancement achieved in Palau. Concern was expressed that the United States Congress might pass implementing legislation to put the Compact into effect while the Commission on Future Palau/United States Relations was still at work. Palau's capital improvement needs should be addressed by the Administering Authority, as should the need for operational funding during fiscal year 1990. The new Commission on Future Palau/United States Relations had been

mandated to negotiate for improvements in areas where the Compact was deficient. There was at present a consensus among the Palauan leadership that the basic needs of the Palauans must be addressed and improved through that Commission so that a seventh referendum might be successful in ratifying the Compact. The readiness of the Palauans to approve the Compact and their preparedness to assume self-government would depend on how far they judged the United States to have fulfilled its Trusteeship obligations towards Palau. In that connection, the United Nations was requested to assist Palau in ensuring that the United States met its Trusteeship obligations, outside of the Compact benefits and before the termination of the Trusteeship Agreement. What the United States had done so far was not sufficient to transform Palau into a self-reliant State. One speaker said that the people of Palau should be allowed to choose between amending the Constitution or amending the Compact. He favoured the former.

37. At a meeting with traditional leaders, it was pointed out that the leaders had been following closely developments in the negotiations with the United States. The people of Palau had been taken six times to the threshold of achieving their objectives of self-government and the termination of the Trusteeship Agreement, but the results had been frustration, apprehension and disappointment on both sides. A number of economic and social problems which remained unresolved under the old relationship with the United States were not adequately addressed in the framework of the new relationship, the Compact of Free Association, hence the need to agree on improvements to the terms of the Compact. One speaker stated that the United States had done a great deal in the areas of education, health and political development in Palau, but had achieved less in the area of economic development.

38. At the same meeting, the Mission was told that the Compact appeared to hold new promise for the people of Palau. What the United States had failed to accomplish for Palau in the past could be better handled within the framework of the envisaged new relationship. This relationship was of mutual benefit. The only way for Palauans to measure the seriousness of the Administering Authority's promises under the new relationship was through its attitude towards its obligations under the Trusteeship. The traditional leaders recommended that the Trusteeship Agreement should continue for another year or so, to allow Palau to re-examine and re-evaluate current United States obligations and responsibilities under the proposed Compact, and to evaluate its own resources and management capability and stability.

39. At a meeting with the Governors of Palau, several speakers expressed appreciation for the accomplishments of the United States in the political area. They were less satisfied with achievements in the social and economic fields.

40. At a public meeting in Koror one speaker said on behalf of a number of "concerned educators" that, with so many referendums, they were tired and confused. Some feared that the United States might seek termination of the Trusteeship Agreement before a new relationship could be worked out. The "concerned educators" wanted to continue under the United Nations Trusteeship until Palau and the United States had reached an agreement that was mutually beneficial. The speaker urged that the United Nations should not terminate the Trusteeship Agreement until then.

41. At a meeting with representatives of Otil A Beluad (a group of private citizens), a speaker stated, on behalf of that organization, that they favoured a nuclear-free Palau and opposed the Compact since it was in conflict with their

Constitution. In the past, political education on the Compact had tended to support the political views of the previous administration. The speaker requested the United Nations to ensure that, if the Palauan people voted against the Compact at the next referendum, they would remain under the Trusteeship Agreement with financial security from the United States.

B. Economic advancement

42. At a meeting with the President, the Mission was told that the political maturity which had been carefully nurtured by the Administering Authority required practical economic institutions to back it up. Economic advancement in Palau had moved forward slowly during the Trusteeship years and was still without solid foundation. Essential public infrastructures were inadequate. The roads on Koror and Airai, the water system, public buildings and the airport were all in need of repairs. These problems must be addressed and resolved by the United States under the Trusteeship Agreement.

43. At a further meeting with the Mission, President Etpison emphasized the importance which his administration attached to the economic development of Palau. The people of Palau wanted to stand on their own feet. Palau could achieve economic self-sufficiency with the right help from the Administering Authority. Entry into force of the Compact would assist Palau's economic progress. Termination of the Trusteeship Agreement, however, should not take place until the Administering Authority had fulfilled its responsibilities.

44. At a meeting with the Vice-President of Palau, who also acts as Minister of Administration, the Mission was told that although the financial situation of the Government was tight, revenues were increasing. A few business enterprises had failed due to uncertainty about the future political status of Palau. However, in general, the private sector of the economy was expanding and was gradually alleviating unemployment. The tourist industry was doing particularly well. A number of hotel and other investment projects were on the drawing-board, awaiting a resolution of the political status question. Development assistance from Japan was on the increase and could increase further once the Compact entered into force.

45. The Mission was told by OEK members that Palau lacked the basic infrastructure to support a self-reliant economy. The water system was unreliable and the quality of water was poor. Palau had incurred a debt of over \$40 million ^{14/} for its power-generating system because, they claimed, the United States had failed to provide for that basic need. The United States was insisting that Palau should draw on the Compact benefits to pay off this debt.

46. In almost all the public meetings held by the Mission on Babelthuap, speakers expressed concern about economic development and roads. Road construction was seen as a pre-condition for economic development. For example, the promised road on Babelthuap would make it easier and cheaper for the people to take their produce to markets in Koror and would encourage those living in Koror to return to their states. A number of those who spoke to the Mission asked the United Nations to help persuade the Administering Authority to give their states more economic assistance, especially for road construction. Concern was repeatedly expressed that development activities were concentrated in the national capital of Koror and that areas outside the centre did not benefit from resources made available for the purpose of economic development.

47. The Mission toured the recently constructed road systems in four states (Ngiwal, Melekeok, Ngarchelong and Ngeremlengui). The construction work was of a high standard and each road project included a water system. But the Mission was told that no payment had yet been made for the roads; how the costs would be met was clearly a major preoccupation for many of the inhabitants of those states. It was not apparent to the Mission how those road systems were to be integrated into any future national road network.

48. The Mission visited the harbour in Angaur which, it was told, had just been renovated through Japanese technical and financial assistance at a cost of \$2.2 million. Storage facilities for use by the fishing industry were still under construction at the site. The Mission was told, however, that the construction of a new pier as part of the renovation process had considerably reduced the size of the dock in the harbour to the extent that large fishing boats would hardly have enough space to manoeuvre once inside the harbour. The Mission also learned from local authorities that some fishing boats might not even be able to reach the harbour unless costly work were undertaken to remove, by means of explosives or otherwise, the reefs and hard rocks that encumbered the entrance to the facility.

49. At meetings with traditional leaders and State Governors, speakers expressed concern about the concentration of development in Koror State. Even those infrastructure investments which had been made in Koror were currently experiencing problems. For example, it was pointed out that the water system was still on limited hours and that the water could be consumed only after it had been boiled. Medical and related services were inadequate. There was only one ambulance in Palau. Before the Compact went into effect the United States should complete all the mutually agreed basic infrastructures and programmes that would give Palau an economic base.

50. The Mission visited the IPSECO power plant which is situated at Aimeliik on Babelthuap, some 20 kilometres from Koror. The plant was operating satisfactorily and supplying power to Koror and nearby states. The Mission was told that the plant was currently operating at half capacity but it could cope with greater demand in the future if so required. A number of speakers at different meetings expressed concern about the debt outstanding on the power plant.

51. The Mission also learned about the construction by Japanese interests of a power plant in Airai State. This plant was apparently now idle because it had been built to incorrect specifications which were not compatible with the national grid of Palau.

52. According to Palau Government statistics, since the last periodic Visiting Mission in 1985, 15/ the number of tourists had increased by almost 40 per cent. This growth in tourism had led to an increase in the number of hotels and had created employment for the local people. The Mission was informed that the Palau Pacific Resort Hotel, the largest in Palau, with 100 rooms, had an occupancy rate of 95 per cent throughout the year. Japanese tourists constituted the overwhelming majority of visitors to Palau.

53. At several meetings, the Mission was informed of a particular deficiency (a slight subsidence of the central span) of the Koror-Babelthuap (K-B) Bridge, an important economic and transportation link between Babelthuap and Koror. Future economic and social development required that the K-B Bridge continue to function in a dependable manner. Corrective action was needed. Since Palau did not have

the necessary engineering or technical expertise, it was suggested that the Administering Authority take measures to rectify the matter.

54. At a meeting with officials of the Bureau of Public Works, the Mission was informed that the current public water system in the Koror/Airai area served about 25 per cent of the population of Palau. A rural water project had been started which was the first major capital improvement project to be administered by the Government of Palau. It consisted of 14 individual projects on Babelthuap, Peleliu and Angaur. Although designs had been completed for all 14, only four had been constructed so far; \$6 million was required to complete the projects, which would take three to four years once funds had been granted. The projects would provide a 24-hour drinkable water service to 95 per cent of the rural population. The Bureau acknowledged that there were at present deficiencies in the Koror/Airai water system. This was attributed principally to leaks and to the wasteful use of water by end-users. Improvement of the existing system was one of the top priorities of the Bureau. Its current problems are due mainly to lack of funds for maintenance, misuse of equipment, inadequately trained personnel and improper revenue collecting.

55. The Mission visited the facilities of a Civil Action Team (CAT) consisting of a 21-member Navy construction unit (nicknamed the Seabees). The Mission was told that the Team carried out construction work recommended by the Palau Civil Action Co-ordinating Committee. The projects included the building of houses, repairs of runways and roads and the construction of community projects. At the time of the Mission's visit, the Team was renovating typhoon-damaged houses in Kayangel State, repairing roads in Peleliu, Angaur and Koror states and constructing a small extension to the hospital building. Eight members of CAT were on temporary assignment to construct a new workshop at the Team's facilities. The Team's operating expenses were met by the Administering Authority while the cost of the required material was the responsibility of the local authorities.

56. At a meeting with the Acting President and Vice-Chairman of the National Development Bank of Palau, the Mission was told that the Bank was the central financial institution responsible for initiating and promoting economic development within Palau. The Bank provided low-cost capital to projects with development potential in the private economic sector with priority given to those ventures which involved the development of new enterprises and import substitutes. The Mission was informed that the Bank needed to enlarge its equity base to permit it to borrow additional funds for on-lending purposes; otherwise many potential projects might have to be deferred. The Mission noted that there had been a marked increase in the number and amount of loans made for tourism over the past four years. In 1985/86 four loans totalling \$273,348 were made, while in 1987/88, 17 loans totalling \$517,882 were made.

57. The Mission visited the Micronesian Mariculture Development Corporation (MMDC) and its giant clam hatchery, which is the first facility of its kind in the world. The Director of MMDC told the Mission that it carried out conservation, stocking projects and other research projects. Its major projects were the raising of giant clams, trochus and turtles. Baby clams from MMDC had been shipped both locally and abroad to a number of Pacific island nations, where they were now being used for food production, commerce and coral reef conservation programmes. The Mission was told that at present MMDC had limited staff and operating funds. Some assistance was being given by Japan and additional funds from other countries were expected.

58. At its meeting with managers of the Palau National Communications Corporation (PNCC), the Mission was told the Corporation was responsible for all of Palau's communication services including telecommunications, radio and television. PNCC employed 60 people. Telephone service was currently only available in Koror but it was hoped that it would soon be extended to other nearby states. Both domestic and overseas services were available. Overseas telephone calls were placed by satellite through Guam or Honolulu. International direct dialling was not yet available in Palau, principally because of the risk of delinquencies. The Corporation provided AM radio service to Koror and most of the outlying islands. Plans were in hand to acquire a larger transmitter when funds permitted. The Corporation had also donated one or two high-frequency radios to each state as a public service. Television service consisted of a private broadcast service. It was hoped that pay-cable television would be introduced by late 1989. The Corporation did not rely on government subsidy; its revenues were adequate to meet its expenses. It had set aside funds to purchase the current telecommunications satellite from the United States authorities in due course.

59. During the Mission's visit to Angaur and Peleliu, particular concern was expressed about the impact of the Second World War on the islands' agricultural land. Assistance was requested to deal with the problems of wartime scrap and unexploded bombs and with replacement of the topsoil.

60. The Mission visited the Office of Planning and Statistics, where it met four United Nations volunteers assigned to Palau in the framework of a project funded by the United Nations Development Programme (UNDP) entitled Strengthening Planning and Plan Implementation (TTP/87/600/A/01/01). The volunteers told the Mission that they had arrived in Palau a few months before to assist the Government in improving its planning capabilities. Their work consisted, *inter alia*, of reviewing and updating the existing national plan (1987-1991) which, in practice, had not yet been implemented because of Palau's failure to resolve the question of its future political status, and of commencing the formulation of the second national plan; and assisting in the establishment of a national statistical data collection, storage and processing capacity involving all data necessary for effective national and sectoral planning. The project in Palau was co-ordinated by the UNDP office in Fiji and their reports, prepared periodically, were forwarded to Headquarters through that office. The United Nations volunteers were unable, however, to provide the Mission with a copy of such reports. The volunteers explained to the Mission that national planning work was effectively stalled because of the problems in ratifying the Compact. They were therefore simply engaged in collecting basic information to assist the Government in the establishment of a data base, but even in this they were experiencing difficulties owing to lack of transportation and other facilities. It is the Mission's impression that, partly for reasons beyond their control, the volunteers have not accomplished much since their assignment to Palau.

C. Social advancement

1. Judiciary

61. The Chief Justice of Palau told the Mission that the land issue was likely to be the major problem for the judiciary in the foreseeable future. He explained that the land tenure system was complex and deeply rooted in the social structures of Palau. As a result, most of the land in Palau was subject to ownership

dispute. Out of the 18,000 parcels of land in the country, so far only 2,000 had been adjudicated. Of the remaining 16,000, the majority would almost certainly give rise to legal actions. The Chief Justice had established five teams to hear land cases; because of the complex interrelationships in Palau, it was not possible to consider more than five cases simultaneously. The judiciary had been given until 1995 to resolve all outstanding ownership disputes. At the present pace, however, it would take about 20 years to reach that goal. The work was further complicated by claims regarding public land. Claimants had to demonstrate either that they had been forced to sell their land by the former Japanese administration or that they had been paid inadequate compensation. So far approximately 1,000 such claims had been lodged. These had to be resolved by the end of 1990.

62. The Chief Justice went on to say that part of the problem was that most of the land had not been surveyed. The Palauan Government had neither the expertise nor the funds to carry out such a survey. The United States Government had been requested to provide assistance and had responded positively. The issue of land surveys was also raised by a number of speakers at public meetings held by the Mission. Some of them requested United Nations assistance in this regard.

2. Health care

63. The Mission's interlocutors generally recognized that Palauans enjoyed a much higher standard of health today than before. This was attributed to an improvement in the standard of health care services, to a higher literacy rate among the population and to better economic and living conditions.

64. The Mission visited the McDonald Memorial Hospital, the only hospital in Palau, where it was briefed on the functioning of the health system in Palau. The hospital has 62 beds, with an average in-patient occupancy rate of 50 to 60 per cent. There are also dispensaries located strategically throughout the outlying areas. Serious cases or those beyond the limitations of the resident health assistant or nurse are referred to the hospital in Koror. Four states (Airai, Aimeliik, Ngatpang and Koror) which have a better access to the main health facility in Koror do not have dispensaries.

65. The Mission noted at the time of its visit that some sections of the hospital buildings were being renovated. It was told that this was a stop-gap measure to keep the older buildings, many of which were constructed about 30 years ago, in functional condition and safe for use until a new hospital was built (see para. 71). However, despite this work, much of the hospital complex remained in a poor state of repair. The so-called mental health facility, which to the Mission seemed virtually uninhabitable, was still in use. Despite the adverse conditions, the Mission was impressed by the level of care and commitment displayed by the members of the hospital staff.

66. The Mission was told by the medical officer-in-charge that, in general, much of the hospital's equipment was old and that the parts were difficult to find. There was no internal hospital maintenance and all requirements were referred to the Public Works Department for action. Delays in that Department continued to be a problem. In the last five years, shortages of medical supplies and drugs had also become a source of concern. While visiting the medical supplies and drugs store-room of the hospital, the Mission was told that the hospital had run out of one of the basic antibiotics. The hospital staff was trying to alleviate this problem by using substitutes. The hospital had also temporarily run out of

birth-control pills. Alternative means of contraception were available but were not acceptable to the average Palauan.

67. The Mission was told that lack of funds for the recruitment of trained staff and for proper maintenance of the hospital and its facilities continued to be a major concern. Another concern was the cost of medical referrals, which in 1988 was approximately \$800,000. Steps were being taken to control the cost of such referrals; for example, where possible, doctors were brought to Palau to treat patients there.

68. Current programme efforts in drug and alcohol abuse and mental health were narrow in scope due to limited staff and funding. Expanded community-wide efforts in public education, family and individual counselling were being developed.

69. The Mission was informed about the Family Health Project (FHP), a project financed by the United Nations Population Fund (UNFPA), administered by the World Health Organization (WHO) and implemented by the Bureau of Health Services in Palau. The objective of the project was to strengthen the present family planning services and to enhance outreach services in terms of family health education and information to various target populations in the Palauan community.

70. The dentist of the hospital told the Mission that dental caries remained a major concern in the dental division. A fluoride solution mouth-rinse programme for schoolchildren had recently been resumed. But the most important problem in that division was lack of adequate dental supplies, space and equipment. Lack of mobile equipment prevented the division from providing dental care to outlying states, where it was much needed. A campaign was under way to obtain donations of mobile and other equipment.

71. At a meeting with the National Planner, the Mission was briefed about the new national hospital under construction. The Mission was told that the new hospital would cost about \$24 million. It would have 79 beds and would have the latest equipment. This would reduce the number of referral patients and, it was hoped, would also attract more highly qualified personnel to work at the hospital.

3. Drug and alcohol abuse

72. The issue of drug and alcohol abuse was raised on several occasions. There was general acknowledgement that hard drug abuse was on the decline, although the consequences of some earlier incidents continued to have repercussions in the health and education sectors. However, marijuana continued to be grown in Palau and its use, particularly by young people, remained a source of concern. Alcohol abuse was likewise a problem which required attention.

73. At a meeting with representatives of the Palau National Youth Congress (PNYC), the Mission was told that this voluntary organization had been created recently to represent and advocate the economic, social, educational, health and cultural needs of the youth of Palau. Its main objectives were to encourage and promote youth education and employment and to assist in the development of effective programmes to counter the problems of drugs, alcohol, family planning and other health-related issues. Its representatives said that alcohol abuse was a significant problem among Palauan youth. The use of marijuana, particularly among male students, was also a cause for some concern. With the assistance of the Bureau of Health

Services, PNYC had prepared in Palauan a video cassette on the prevention of alcoholism and drug abuse and distributed it to all the schools in Palau. They inquired about possible United Nations assistance for their programmes.

4. Prison

74. Concern was repeatedly expressed to the Mission about conditions at the prison. From its own visit there, the Mission can only confirm the reality of the problem. The facility, in addition to being overcrowded, particularly since the arrival of a group of Indonesian prisoners (see para. 91), appeared to be at a late stage of decay. Poor maintenance was obvious. The facilities had clearly not been cleaned or painted for a considerable time. Many inmates appeared to spend most of their time carving wood for sale to visitors.

D. Educational advancement

75. At a meeting with the Director and staff of the Bureau of Public Education, the Mission was told that there were 24 elementary schools in Palau: 16 on the island of Babelthuap; 3 in Koror; and one each on the islands of Peleliu, Angaur, Kayangel, Tobi and Sonsorol.

76. The total enrolment for elementary schools in 1989 was approximately 2,260. The total number of teachers was about 180. There were currently around 14 United States Peace Corps Volunteers teaching part-time in some of the schools. Elementary education was compulsory from ages 6 to 14. Tuition was free. Lunch and other supporting services were generally provided. The core subjects required in all elementary schools were English, Palauan, mathematics, science and social studies. Other required subjects were physical education, health education, agriculture and Palauan culture. The Mission was told that almost all of the elementary school buildings needed some major repairs or maintenance work. Some schools also needed additional classrooms and furniture. School supplies were barely adequate. In 1989, however, a limited amount of additional funding had been made available for new school textbooks and teaching supplies.

77. The Mission visited a number of elementary schools and noted that many were indeed in a poor state of repair and lacked materials. An exception was the new elementary school in Airai State. However, the morale of both staff and pupils in all of the schools seemed high.

78. The Mission visited Palau Public High School, the only one in Palau. The average enrolment for the past five years was about 600 students, aged 14 to 17, and tuition was free. The core subjects at all grade levels of the Palau Public High School were English, mathematics, science and social studies. Other required subjects were home economics, business, auto mechanics, carpentry, architectural drafting, typing, physical education, Palauan cultural heritage and Japanese. The Mission observed that the School's premises were in need of maintenance.

79. The Mission was told that there were also two private elementary schools and five private high schools in Palau. These schools charged tuition ranging from about \$350 to \$400 annually for elementary education to about \$550 to \$800 annually for secondary education. The average total enrolment was about 350 elementary students and 400 high school students. The Mission toured several private

schools. It noted that the standard of buildings and equipment was somewhat superior to that of the public schools.

80. The Mission was told that efforts for teacher development and upgrading were continuing. It was hoped that a majority of teachers would obtain a Bachelor's degree by 1991. Approximately 90 per cent now had Associate degrees. Teachers had been working towards their Bachelor's degrees through the United States Territorial Teacher Training Assistance Program (TTTAP) and the United States Federal Financial Aid Program and many would graduate during the summer. The universities involved were the United States International University, University of Guam, San José State University and the University of Hawaii.

81. During its tour of the Micronesian Occupational College (MOC), the Mission was told by the Assistant Dean that MOC had been founded in 1969 as a two-year, post-secondary vocational/technical institution and had continued to grow since then. It was the only post-secondary vocational institution serving all of Micronesia.

82. The Micronesian Occupational College offered Associate in Arts degrees, Associate in Science degrees and Certificates of Achievement. It had three major divisions: (a) general studies, (b) occupational education and (c) trades and industries. MOC departments offered one- and/or two-year programmes in agricultural science, air conditioning and refrigeration, appliance repair, automotive body repair, automotive mechanics technology, construction carpentry technology, general electronics technology, general office clerk, clothing construction and design, electrical technology, food services, heavy equipment and diesel mechanics, masonry technology, occupational home economics, police science, secretarial science, small engines and outboard motors technology, welding technology and a liberal arts programme designed for students wishing to complete the first two years of general college work prior to transferring to a four-year college or university. A small business programme was also proposed. The College had a staff of 107, including 35 instructors and two assistant instructors. In the spring of 1989, it had a total enrolment of 361 students.

83. Under the current Treaty Agreement, the Governments of the Federated States of Micronesia, Palau and the Marshalls contributed a total of \$1.5 million annually to the College of Micronesia. MOC received \$725,000 of that amount. Its other major revenue sources were United States grant funds and federal programmes. Tuition payments and other revenues made up the remainder. The Mission was told that the College's current funding covered operational costs but left little room for improvements, expansion or replacement of equipment. Despite this, the Mission noted that the buildings and classrooms of the College were relatively well maintained and that adequate equipment was available for most of the courses.

84. MOC conducted a graduate follow-up survey in 1987, which resulted in 199 responses from 1971-1986 graduates. Of the 199 respondents to the 1987 graduate survey, 177, or 89 per cent, were employed; 15, or 7 per cent, were unemployed; and the remaining 8, or 4 per cent, were attending the University of Guam full time.

CHAPTER IV

SPECIAL ISSUES

A. War damage claims

85. An account of the compensation arrangements for war damage claims was given by the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1976. 16/ War damage claims by the inhabitants of the Trust Territory fall into two broad categories: claims against the Governments of the United States and Japan, mainly for damages sustained by the indigenous inhabitants during the Second World War (Title I claims); and post-war claims against the Government of the United States (Title II claims).

86. The Micronesian Claims Commission, which was established in 1971 under United States Public Law 92-39 with authority to receive, examine, adjudicate and render decisions on war damage claims, completed its work on 30 July 1976 and issued its final report shortly thereafter. In that report, the total amounts awarded and certified by the Commission were \$34,349,509 under Title I and \$32,634,403 under Title II.

87. According to statements made by the Administering Authority at previous sessions of the Trusteeship Council, all claims under Title II have already been settled. With regard to the claims under Title I, the Governments of Japan and the United States, in an agreement signed in 1969, joined in an ex gratia arrangement to make available a contribution of \$5 million each towards the welfare of the inhabitants of the Territory. Consequently, that payment by the two Governments reduced the outstanding war claims under Title I to \$24,349,509.

88. At the fifty-fifth session of the Trusteeship Council in 1988, 17/ the Administering Authority stated that the United States Congress had appropriated \$12.3 million in fiscal year 1988 for the Title I claims still pending, which represented 50 per cent of the outstanding total. Payments were scheduled to be made in the course of 1988. During its recent visit to Palau, the Mission was informed by representatives of the Administering Authority that the outstanding balance under Title I, some \$12 million, had been appropriated for payment in the fiscal year 1989 budget. The Mission was told that these payments would close both Title I and Title II war claims programmes except for unclaimed checks and releases not executed. The Mission hopes that the funds appropriated will be made available as soon as possible and that those concerned will soon receive the compensation due them.

89. In the course of the Mission's tour of Palau, the issue of war damage claims was raised at two public meetings and the Mission received a written petition from Concerned Senior Citizens of Palau on the issue.

90. The Concerned Senior Citizens of Palau drew the attention of the Mission to war claims by Palauan citizens which had not been considered or included in the previous war claim determinations and awards. Owing to a lack of full understanding of the procedures for filing such claims, many Palauans had either failed to file claims on time or had failed to file claims at all. In their view, such claims deserved consideration. They appealed to the United Nations for assistance in persuading the parties concerned to take appropriate action to settle those claims.

B. Fisheries protection

91. One of the issues raised most frequently with the Mission was that of poaching by Indonesian vessels in Palauan fishing grounds. According to what the Mission was told, this occurred principally in waters adjacent to the Southern Islands of Palau, which are close to the Indonesian coast. The Palauan authorities had been able to arrest one or two such vessels but they did not have adequate resources to police the waters effectively. In addition, the lodging and feeding of captured Indonesian fishermen was a heavy burden on the Palauan Treasury. The fishermen were currently lodged at the prison but conditions were extremely rudimentary. The Government of Palau had raised both aspects of the problem with the Government of Indonesia, which had denied responsibility for the activities of the poachers. The Government of Palau believed that this was a matter in which assistance from the Administering Authority was required. The Mission recommends that the Administering Authority give urgent consideration to the problem.

CHAPTER V

DISSEMINATION OF INFORMATION ON THE UNITED NATIONS

92. As in previous years, the Department of Public Information of the United Nations Secretariat distributed material both directly to the Trust Territory and through its information centres, primarily the United Nations Information Centre at Tokyo. Other departments of the Secretariat co-operated in that effort, particularly the secretariat of the Trusteeship Council and the Distribution Section of the Department of Conference Services.

93. In January 1988, the Director of the Information Centre at Tokyo visited Palau and other islands in the region and reported that there was a significant demand for information on the role and activities of the United Nations on several issues.

94. During its visit to the Micronesian Occupational College, the Mission toured the library and asked to see United Nations publications. The librarian showed the Mission the material which was readily available, stated that the College currently received various United Nations publications on different issues on a regular basis, and expressed satisfaction with the material received.

95. At public meetings several speakers expressed interest in receiving United Nations reports and documents. The Mission made available copies of reports of previous visiting missions and of reports of the Trusteeship Council to the Security Council. It undertook to ensure that copies of the current report would be made available to individuals who requested them.

96. As in many developing countries, radio remains the most practical way to disseminate information in Palau. Radio has been used in political education programmes in the past. In addition, a significant proportion of the inhabitants, mainly those living in Koror, now have access to video cassettes and other visual material. In the view of the Mission, the Department of Public Information should ensure that appropriate radio and video materials are provided on a regular basis to the Palau National Communications Corporation.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

97. The Mission noted a high degree of political development at all levels of Palauan society. This was reflected both in the level of political awareness demonstrated by individuals and in the advanced democratic political institutions which have evolved in Palau.

98. Very few of those to whom the Mission talked questioned the status of free association as the basis for future relations between Palau and the Administering Authority. Only one or two individuals raised alternative options, including Commonwealth status and independence, and there were no indications that these options enjoyed anything other than minimal support. The Mission therefore concludes that free association with the United States remains the preferred future status option of the overwhelming majority of the people of Palau.

99. Nevertheless, some Palauans seemed to view the end of the Trusteeship with anxiety as a step into the unknown. Concern was also expressed that the Trusteeship might be terminated prematurely, before the Compact of Free Association had entered into force. In this connection, the Mission drew attention to the assurances given at recent sessions of the Trusteeship Council by the Administering Authority that it would continue to fulfil its responsibilities under the United Nations Charter and the Trusteeship Agreement. The Mission also assured those to whom it talked that the Trusteeship Council would continue to carry out its responsibilities as long as the Trusteeship Agreement remained in force.

100. With regard to the events of 1987 (see chap. II, sect. B.3), many senior officials and private individuals emphasized to the Mission that these occurrences constituted an aberration and that the political climate in Palau had reverted to normal. From its own observation the Mission concluded that this was the case. It saw no evidence of intimidation or political violence. It was satisfied that the rule of law in Palau was not under any foreseeable threat.

101. The achievements of the Administering Authority in the political and educational fields were unanimously recognized. However, the Mission heard a number of complaints from individual Palauans and from the leadership of the country about the level of economic development and social progress achieved in Palau. Such grievances were highlighted in the statements transmitted to the Mission by President Etpison. They were also reflected in the negotiating mandate of the Palau Political Status Commission. Among the problems frequently cited as examples were the inadequacy of the road system, except in Koror, and the limitations of the hospital system. A number of people stated that, in their view, the Administering Authority had not yet fulfilled all of its obligations under the Trusteeship Agreement.

102. In view of the considerable sums of money spent by the Administering Authority in the past in the field of economic and social development, and of additional commitments under the proposed new status arrangements, the Mission considers that this attitude largely reflects tactical considerations and is aimed at obtaining additional concessions from the United States executive and legislative branches at a time when delicate negotiations have just begun between the United States authorities and the Commission on Future Palau/United States Relations.

103. The Mission noted, however, the feeling of many Palauans, including the leadership, that an appropriate level of basic infrastructure should be assured by the Administering Authority as a condition for entry into force of the proposed Compact of Free Association. The Mission observed considerable scepticism as to the possibility of obtaining rapid approval of the Compact of Free Association by a majority of 75 per cent without such assurances. The Mission hoped that current negotiations between the Status Commission and the United States authorities would lead to a satisfactory outcome in this regard. In the Mission's view, a degree of flexibility might be necessary on both sides in order to overcome the current impasse.

104. The Mission noted that many of the inhabitants of outlying states felt that their level of economic development lagged behind that of the capital, Koror, and the adjacent states. The Mission acknowledged that there was some truth in these views. It recognized, however, that this was primarily a reflection of priorities set by the National Government of Palau for the distribution of funds received from the Administering Authority.

105. The Mission considered that co-ordinated economic planning on a national scale was essential for a nation of the size of Palau. It therefore viewed it as unfortunate that a number of individual states had undertaken capital improvement projects (specifically the roads in Ngiwal, Melekeok, Ngarchelong and Ngeremlengui states; the power station in Airai State) which did not lend themselves to integration into a national infrastructure. The Mission recommends that every effort be made to avoid such apparent duplication in the future and to ensure better management of Palau's limited resources.

106. The Mission felt that the United Nations should be able to provide more effective assistance to the economic planning process than at present (see para. 60). In this connection, the Mission has some doubt about the adequacy and effectiveness of the United Nations technical assistance system currently in place in Palau. The Mission recommends that, following the resolution of the question of Palau's future political status, consideration be given to the assignment of a full-fledged expert or to the dispatch of an interregional adviser from the Department of Technical Co-operation for Development of the United Nations Secretariat to review the Government's needs for United Nations assistance. One of these options may be more appropriate than a team of volunteers.

107. The Mission had doubts about the usefulness of a number of infrastructure projects which had either been undertaken or were planned on a scale which did not seem appropriate to the size of the local community served. The construction of costly, high-specification roads in Ngiwal, Melekeok, Ngarchelong and Ngeremlengui states appeared excessive for communities with very small populations. The Mission considered that at Palau's stage of development valuable resources could have been released for other needs of these communities, for example, education and health, by undertaking less ambitious development projects. In the Mission's view, similar considerations applied to the proposed development of a new capital and a new international airport in Melekeok State. The Mission thought that in some cases greater co-ordination between aid donors and foreign investors on the one hand and the Palauan authorities on the other would have been advisable. The harbour in Angaur and the power plant in Airai were examples of this. The Mission recommends that steps be taken to avoid a repetition of such problems.

108. The Mission was impressed by the high standard of education achieved in Palau. It considered that greater priority should be given to the acquisition of appropriate teaching materials and to improvements in the fabric of the schools. The new elementary school building in Airai State was a good example of the standard to be aimed at.

109. The Mission was particularly impressed by the work of the Micronesian Occupational College which, it felt, should be encouraged and expanded. It noted that the College proposed shortly to introduce a new small business programme. If successful, this would help to meet the important need for diversification of employment from the public to the private sector.

110. From its visit to the hospital the Mission concluded that the hospital buildings were in extremely poor condition and were clearly becoming too costly to maintain. Much of the hospital equipment was outdated. The Mission therefore acknowledged the need for a new hospital. It noted with satisfaction that the Administering Authority had already provided a grant of \$10 million to cover phase I of the construction of the new hospital begun in January 1989. The Mission hopes that a satisfactory solution to the problem of funding for the completion of this project will be reached in negotiations between the Palauan and United States authorities.

111. The Mission was concerned to hear about shortages of medical supplies and drugs. This appeared, at least in part, to be a result of deficiencies in advance planning and ordering procedures. The Mission recommends that the Palauan authorities take steps to review and remedy this situation.

112. Regarding dental care, the Mission recommends that the Palauan authorities attach a high priority to preventive dentistry. The Mission also recommends that full consideration be given to the suggestion made by doctors of the Dental Division concerning the acquisition of a mobile dental care unit to service schools in the outlying areas.

113. Although the situation appears to be showing signs of improvement, the problems of drug and alcohol abuse remain the subject of serious concern in Palau. The Mission recommends that a high priority be given to these problems by the Administering Authority and the Government of Palau. The Mission considers that a concerted programme, spanning law enforcement, health and education, may be necessary.

114. In view of the poor conditions at the prison (see para. 74), the Mission considers that the prisoners should be employed for maintenance and renovation tasks at the prison and elsewhere, where feasible, and that such duties should take priority over other activities.

115. The Mission was able to verify that the accusations of an alleged "militarization" of Palau sometimes levelled against the United States were groundless and reflected a misconception of the actual situation. The only United States military presence in Palau is a small United States Navy detachment, the Seabees, numbering 21 men, which is doing construction work at the request of the local authorities (see para. 55).

116. Some of the people to whom the Mission talked referred to the possibility that, in the future, the United States might exercise its contingency right, under

the Compact of Free Association, to use certain areas for military purposes. But it was clear to the Mission that the concern of those people was related to the level of compensation and the manner in which such compensation would be negotiated rather than to the possible end use of the land.

117. As regards the "nuclear issue", this was scarcely raised in the course of the Mission's visit, except occasionally in response to questions from the Mission. In particular, it was not brought up as a subject of major significance in any of the Mission's meetings with political leaders of all persuasions. The Mission confirms the view formed by some of its predecessors that the nuclear issue is of concern only to a certain minority of Palauans.

CHAPTER VII

ACKNOWLEDGEMENTS

118. The Visiting Mission was escorted by Mr. Donald Yellman of the Office of Freely Associated States Affairs, Bureau of East Asian and Pacific Affairs, Department of State, and Mr. Samuel F. McPhetres, Office of Transition, Trust Territory of the Pacific Islands. The members of the Mission wish to express their gratitude to them for their co-operation and unfailing courtesy.

119. The members of the Visiting Mission wish to express their appreciation to the President of Palau and all others who extended help to the Mission during its visit.

120. Wherever it went, the Visiting Mission received ready co-operation and was briefed thoroughly. Its requests for additional background information were answered promptly and efficiently. It wishes to extend its sincere appreciation for the courtesy and assistance it received.

121. The members of the Visiting Mission wish, particularly, to express their thanks to all the people of Palau for their hospitality and for their patience and understanding in explaining to the Mission their views and concerns. The Mission offers them its best wishes for the future.

122. Last, but by no means least, the members of the Mission would like to extend their warm thanks to the members of the United Nations Secretariat who accompanied them on their visit and facilitated their task.

Notes

1/ Trusteeship Agreement for the Trust Territory of the Pacific Islands (United Nations publication, Sales No. 1957.VI.A.1).

2/ For the report of the United Nations Visiting Mission to Observe the Referendum in the Trust Territory of the Pacific Islands, 1978, see Official Records of the Trusteeship Council, Forty-sixth Session, Supplement No.2 (T/1795).

3/ See Official Records of the Trusteeship Council, Forty-seventh Session, Supplement No.1 (T/1813), paras. 57-72.

4/ For the full text of the Constitution of Palau, see Official Records of the Trusteeship Council, Forty-eighth Session, Sessional Fascicle, annexes, document T/1826, annex II.

5/ See the report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, February 1983, Official Records of the Trusteeship Council, Fiftieth Session, Supplement No. 3 (T/1851), chap. II.

6/ See the report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, February 1986, Official Records of the Trusteeship Council, Fifty-third Session, Supplement No. 2 (T/1885), annex V.

Notes (continued)

7/ For the report of the United Nations Visiting Mission to Observe the Plebiscite in the Federated States of Micronesia, Trust Territory of the Pacific Islands, June 1983, see Official Records of the Trusteeship Council, Fifty-first Session, Supplement No. 1 (T/1860).

8/ For the report of the United Nations Visiting Mission to Observe the Plebiscite in the Marshall Islands, Trust Territory of the Pacific Islands, September 1983, see Official Records of the Trusteeship Council, Fifty-first Session, Supplement No. 2 (T/1865).

9/ For the report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, December 1986, see Official Records of the Trusteeship Council, Fifty-fourth Session, Supplement No. 1 (T/1906).

10/ For the report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, June 1987, see Official Records of the Trusteeship Council, Fifty-fourth Session, Supplement No. 2 (T/1919).

11/ For the text of Palau Public Law No. 2-30, see report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, August, 1987, Official Records of the Trusteeship Council, Fifty-fourth Session, Supplement No. 3 (T/1920), annex II.

12/ For the report of the United Nations Visiting Mission to Observe the Plebiscite in Palau, Trust Territory of the Pacific Islands, August 1987, see Official Records of the Trusteeship Council, Fifty-fourth Session, Supplement No. 3 (T/1920).

13/ Ibid., annex VI.

14/ The local currency is the United States dollar (\$US).

15/ For the report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1985, see Official Records of the Trusteeship Council, Fifty-third Session, Supplement No. 1 (T/1878).

16/ See Official Records of the Trusteeship Council, Forty-third Session, Supplement No. 3 (T/1774), chap. VI.

17/ See Official Records of the Security Council, Forty-third Year, Special Supplement No. 1 (S/20168), para. 15.

Annex I

ITINERARY OF THE VISITING MISSION

<u>Date</u>	<u>Place</u>	<u>Remarks</u>
7 April 1989	Honolulu	Arrived from New York
8 April		Departed by air for Guam (crossed the international date-line)
9 April	Guam	Arrived from Honolulu
		Departed by air for Palau
	Koror, Palau	Arrived from Guam
10 April	Koror	Called on the President of Palau
		Called on the Vice-President/Minister of Administration
		Visited the Palau Museum
		Met the President and members of the Senate, as well as the Speaker and members of the House of Delegates, Third <u>Olbiil Era Kelulau</u> (OEK) (National Congress of Palau)
11 April	Koror	Met the Chief Justice of Palau
		Met traditional leaders
		Met State Governors
		Visited the McDonald Memorial Hospital and toured the site of the proposed new hospital
		Met managers of the Palau National Communications Corporation
		Visited the Micronesian Mariculture Demonstration Center
12 April	Koror	Met the Director and staff of the Palau Bureau of Education
		Met a group of Palau Public High School students
		Visited Mindszenty High School and Koror Elementary School

<u>Date</u>	<u>Place</u>	<u>Remarks</u>
	Airai	Toured the Airai Water Dam
		Visited the newly built Airai Elementary School facilities
		Met the Officer-in-Charge of the United States Civic Action Team (CAT) and toured its facilities
		Met community leaders and the general public
	Koror	Met members of the Palau National Youth Congress
13 April	Koror	Met the Assistant Dean of the Micronesian Occupational College (MOC) and toured its facilities
		Met the Director and senior officials of the Palau Bureau of Public Works
		Toured the Palau prison
		Toured Palau port facilities
		Met United Nations volunteers, Bureau of Statistics
		Met members of the Commission on Future Palau/United States Relations
		Met members of the Board of Directors of the Palau National Development Bank
		Met the Director of the Bureau of Cultural Affairs
		Met a group of concerned educators and the general public
14 April		Departed by boat for Eastern Babelthuap
	Eastern Babelthuap	
	Ngiwal	Met community leaders and the general public
	Ngaraard	Met community leaders and the general public

<u>Date</u>	<u>Place</u>	<u>Remarks</u>
15 April	Melekeok	Met community leaders and the general public
	Ngchesar	Met community leaders and the general public Departed by boat for Koror
	Koror	Met representatives of Otil A Beluad Departed by boat for Western Babelthuap
	Western Babelthuap	
	Ngarchelong	Met community leaders and the general public
	Ngardmau	Met community leaders and the general public
	Ngaremlengui	Met community leaders and the general public
	Ngatpang	Met community leaders and the general public
	Aimeliik	Toured the power plant Met community leaders and the general public Departed by boat for Koror
	16 April	Koror
17 April		Departed by air for Angaur
	Angaur	Met community leaders and the general public Departed by air for Peleliu
	Peleliu	Met community leaders and the general public Departed for Koror by boat

<u>Date</u>	<u>Place</u>	<u>Remarks</u>
	Koror	Met a traditional leader, Balang Toyomi O. Singeo of Peleliu State
		Met the President of Palau and senior officials
18 April		Departed by air for Guam, Honolulu and New York

Annex II

STATEMENT BY MR. JEAN-MICHEL GAUSSOT, CHAIRMAN OF THE
VISITING MISSION, ON 10 APRIL 1989

My name is Jean-Michel Gaussot and I am from France. I am the Chairman of the United Nations Visiting Mission to observe current conditions in Palau, Trust Territory of the Pacific Islands. The other member of the Mission is Mr. J. Stephen Smith of the United Kingdom. It is a very great pleasure for me and my colleague to be for the first time in your delightful country, which is well known for its beauty and the friendliness of its people. We also have with us a team of officers from the Secretariat of the United Nations, Mr. Wilfrid De Souza, Mr. Ozdinch Mustafa and Mrs. Anastasiya Delenda.

I should now like to tell you why we have come here from New York. As I am sure many of you are aware, one of the Articles of the Charter of the United Nations, namely Article 76 b, is concerned with the promotion of, and I quote, "the political, economic, social and educational advancement of the inhabitants of the Trust Territories, and their progressive development towards self-government or independence as may be appropriate to the particular circumstances of each Territory and its peoples and the freely expressed wishes of the peoples concerned ...". In other words, the aim of the United Nations is to see that the Territories placed under its trusteeship reach a point where they are able to choose their destiny for themselves.

As you all know, the United States of America, as the Administering Authority for the Trust Territory of the Pacific Islands, is responsible for ensuring that these objectives are pursued. We are here because last month the United States asked the Trusteeship Council, the governing body of the United Nations for Trust Territories, to send a mission to Palau to observe current conditions there and the Council responded positively to that request.

As regards our Mission, we have three main tasks. First, we have to observe the steps being taken in Palau towards bringing into effect the proposed Compact of Free Association. Secondly, we are directed by the Trusteeship Council to obtain first-hand information concerning political, economic and social developments in Palau. Thirdly, we are also directed to receive petitions and to examine on the spot such petitions as, in our opinion, warrant special examination. Afterwards we shall submit a report to the Trusteeship Council at United Nations Headquarters in New York on our findings, with observations, conclusions and recommendations.

We have met your President and shall meet your leaders, government officials, members of your National Congress and others active in the political, economic, social and educational fields. We shall visit as many parts of the Territory as possible.

But what we really want to do is to meet you, the general public. To that end, we shall be holding public meetings in as many places as we can to hear what you have to say. We shall be available to meet any groups or individuals who may wish to see us.

I know that we can rely on your co-operation in carrying out the tasks that have been entrusted to us by the Trusteeship Council. We are looking forward to meeting as many of you as possible.

In conclusion, I should like, on behalf of the United Nations, to thank you for your courtesy and friendliness towards us and to express our good wishes for a happy and prosperous future for you and for your country.

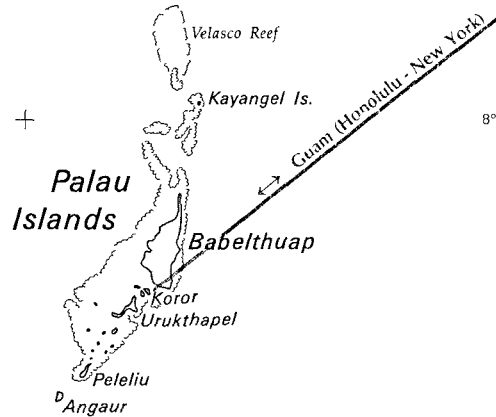
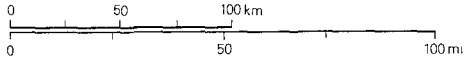
Annex III

WRITTEN COMMUNICATIONS RECEIVED BY THE VISITING MISSION*

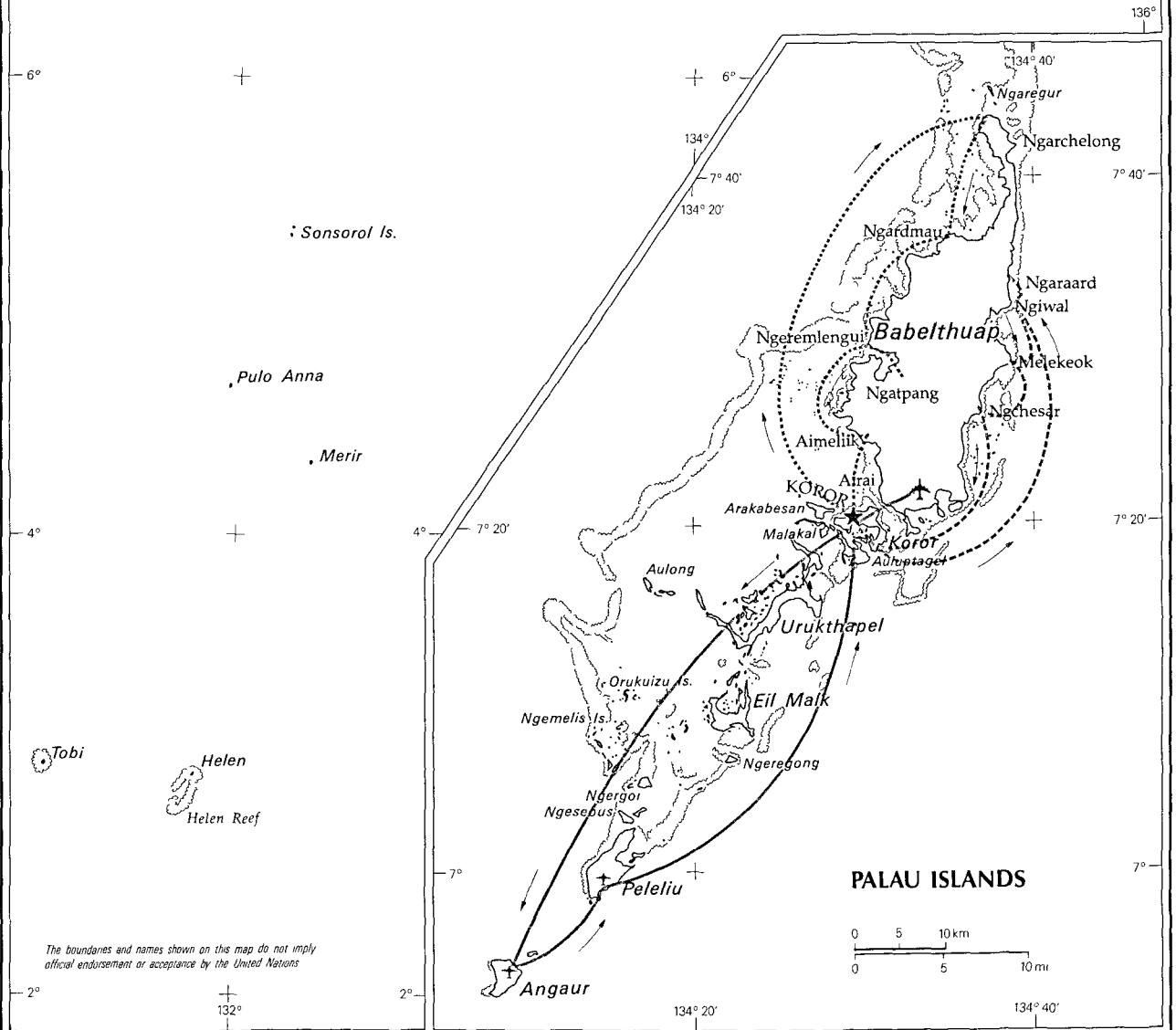
1. Statement read to the Mission on behalf of the President of Palau on 10 April 1989
2. Statement read to the Mission on behalf of the Senators and House of Delegates, Third Olbiil Era Kelulau (National Congress of Palau)
3. Copy of resolution creating a Commission on Future Palau/United States Relations (RPPL No. 3-1)
4. Position statement on the future political status of Palau
5. Statement read to the Mission on behalf of Palau's Governors
6. Statement submitted to the Mission on behalf of the Traditional Leaders
7. Statement read to the Mission on behalf of the members of the Commission on Future Palau/United States Relations
8. Petition read to the Mission on behalf of Concerned Educators of Palau
9. Petition submitted to the Mission by the Governor of Ngiwal State
10. Petition read to the Mission on behalf of Otil A Beluad
11. Petition submitted to the Mission by Concerned Senior Citizens of Palau
12. Statement submitted to the Mission by the President of Palau on 17 April 1989

* The communications have been placed in the files of the Secretariat and are available to members of the Trusteeship Council for consultation.

ITINERARY OF THE
 UNITED NATIONS VISITING MISSION
 TO PALAU
 TRUST TERRITORY OF THE PACIFIC ISLANDS
 April 1989



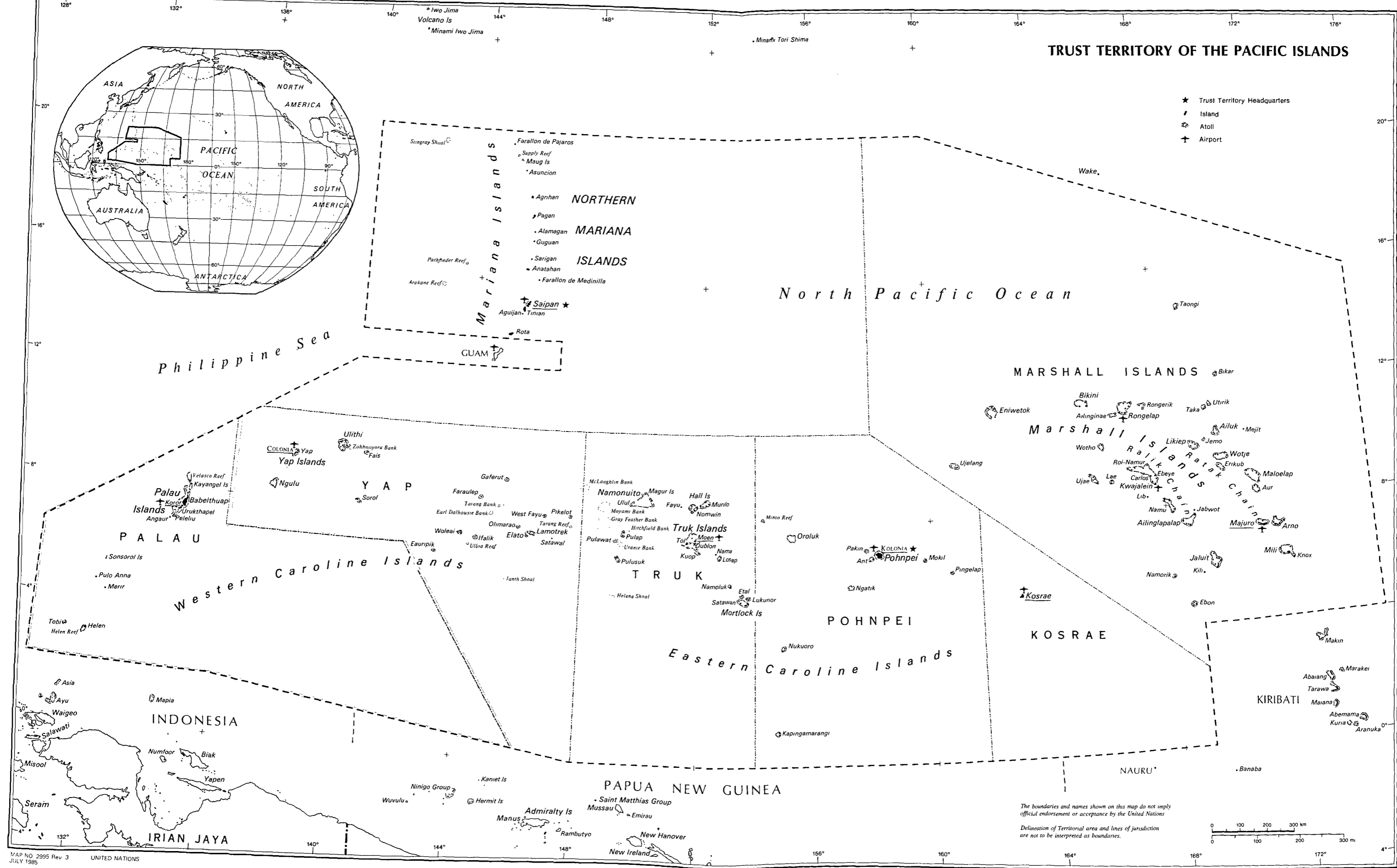
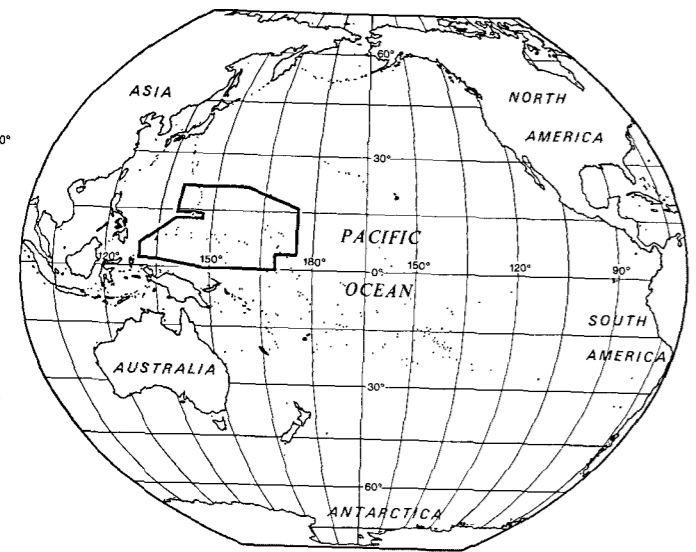
NORTH PACIFIC OCEAN



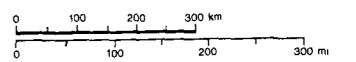
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations

TRUST TERRITORY OF THE PACIFIC ISLANDS

- ★ Trust Territory Headquarters
- ⬮ Island
- ⊖ Atoll
- ✈ Airport



The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.
 Delineation of Territorial area and lines of jurisdiction are not to be interpreted as boundaries.



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