In view of the time constraints, I shall skip the usual formal greetings to all the deserving dignitaries.

This is my first appearance before this body but I am not unfamiliar with the workings of the UN, having begun my UN-related activities as long ago as 1975.

President Sam Nujoma said the other day that he first began lobbying the UN in 1960. I can not claim the same amount of experience as I am slightly younger than brother Nujoma.

I first walked into this building in December 1975, in the midst of a North American winter, having never seen snow in my life, to appear before the Security Council. I learned then, and since, that not all UN resolutions are implemented. But I also learned that, in spite of its shortcomings and failings, the UN offers us hope, and that we must cling onto this hope for it gives us the strength and courage to continue. For our country, the hope was finally realised when Timor-Leste was ushered into nationhood in 2002 under UN stewardship. This proved to me that the convictions, dreams and faith of a people can be mightier than the might of armies.

We pay tribute to President Nujoma as one of the elder statesman who leaves office in a gallant way, handing over to his people a proud and prosperous nation.

Another African statesman who bids farewell to this august body is my friend Joaquim Alberto Chissano - freedom-fighter, veteran diplomat and world statesman - who is relinquishing formal duties as Head of State.

When Chissano took office in 1986, following the untimely death of President Samora Machel, he received a country in the grips of civil war. Hundreds of thousands of persons had been displaced and the economy was paralyzed. With steely determination, patience and serenity, Chissano pulled his country out of the abyss and guided his people into a new era.

Over the years we come across human beings of great moral courage who can teach us inspiring and enduring lessons about the values of compassion and tolerance.

From Nelson Mandela, we learned a great lesson in humility. In 1995, we went to South Africa, determined to meet Mandela. We visited our ANC friends and were warmly received by everyone, including Cosatu leaders.

two weeks. Well, I didn't want to waste your time, so I decided to meet you now."

We had a conversation that lasted at least 30 minutes and only ended when Mandela's doctor intervened to say that the president must rest. Incidentally, Mandela did not seem very pleased with his doctor's decision.

When our good friend, the Secretary-General, visited Timor-Leste in May, 2002, to preside over the formal transfer of sovereignty to our elected President, I said to him, "Mr. Secretary-General, you are going to lose your job as President of Timor-Leste." I can assure Your Excellencies that Kofi Annan did not seem too upset to be relinquishing this unpaid and difficult job. We thank him for his wise stewardship of Timor-Leste's transition to independence. We know that he and his wife Nana suffered during the days of violence in September, 1999, and we know that we have in him a dedicated friend and loyal supporter.

We can not fail to pay tribute to our beloved friend Sergio Vieira De Mello, who was brutally murdered in Iraq just over a year ago. Our people wept over his death. But Sergio will always live in us. His passage through Timor-Leste, his charisma, energy and smile will be with us forever. Our tribute goes also to all the UN personnel who lost their lives in our country and in many other difficult regions around the world.

We offer our sincere condolences and solidarity to the peoples and governments of Russia, Spain, Indonesia and Australia, the latest victims in a seemingly endless catalogue of barbarity committed by fanatics.

Today we are a free and sovereign nation, slowly building the institutions of state that we believe will best serve our people.

It was only a little over two years ago that the UN Secretary-General Kofi Annan handed over power to our elected President. Since then, we have made real progress in some sectors such as public administration, education and health. Yet, we are failing in other areas. Though allow me to preface this by saying that, overall, the situation in Timor-Leste is peaceful, stable and politically dynamic.

The most fragile sector of the administration in Timor-Leste is the judiciary. We have very few trained judges, prosecutors or lawyers. Most foreign businesses feel unable to trust our judiciary. Small-time offenders languish in jail without trial. And there are no short term solutions. We are committed to creating a strong and independent judiciary but this is still many years off. We thank those countries that have assisted us in improving our judiciary and we plead with them to continue their efforts for many years to come.

We are grateful to Australia, the UK and Malaysia for their generous support in enhancing the operational competence of our security forces. Australia and the UK are jointly supporting the training of our police force, while Malaysia provides training and logistical support to our Unidade de Reserva da Policia. We are sensitive to, and welcome, constructive criticism of our police force.

Working with our partners and friends we are confident that, in the end, we will have a capable force which can hold the trust of our people.

Our economy is limping along; doing much better than anticipated when the UN began to drastically down-size its presence in 2002. We are confident that in two to three years we will experience a strong economic growth as a result of revenues from oil and gas, as well as capital investment in public infrastructure such as roads, bridges, ports and airports, telecommunications, public housing, health, agriculture, fisheries and tourism. We should then be able to begin drastically reducing unemployment and poverty.

The UN and its constituting members have been very generous and remain committed to completing the job of nation-building we started together in 2000. But we are conscious that we are just a small dot on the world map and that there are competing and urgent claims for the attention of the UN.

We are building solid relations with all our neighbours, in particular with Indonesia. While our country endured 25 years of an often brutal occupation which resulted in the loss of an estimated 200,000 lives, we recognize that the other side also lost thousands of its soldiers, and many Indonesian families mourn their dead - human beings just like us.

Here we wish to congratulate the Indonesian people and their leaders for their great experiment in democracy. Few imagined in 1999 that, within only a few years, the fourth largest nation in the world and the largest Muslim country, would emerge as a vibrant democracy.

We hope that by mid-October, Timor-Leste and Indonesia will be able to conclude and sign a formal agreement on our common land border. While we have agreed on the demarcation of 90 per cent of the land border, there are still some segments to be resolved.

Talks are underway between Australia and Timor-Leste to rectify our differences of interpretation of the International Law and State practice on maritime boundaries between coastal states. The Timor-Leste side shares the view of the majority of the international community that, where there are overlapping claims between two coastal states, the principle of equidistance should apply. Furthermore, according to geologists, Timor-Leste and Australia share the same continental shelf.

Australia and Timor-Leste, neighbours and friends, should be able to resolve our differences in an amicable and fair manner which will do justice to our people. The vast Timor Sea contains some of the richest proven oil and gas reserves in the region, and a fair and equitable share of these resources would rapidly lessen Timor-Leste's dependence on external assistance.

Mr. President, Excellencies,

Allow me to address some issues that are of concern to us. In the past 20 years or so, our world has been the stage for several major conflicts; namely, the

invasion of Iran by Saddam Hussein in the 80s which resulted in the death of over a million people. Chemical and biological weapons were unleashed on both civilians and combatants. The world turned a blind eye when thousands of Kurdish and Iranians were gassed to death by the man known as "the butcher of Baghdad".

Soon after the end of the Iraq-Iran war, the same regime in Baghdad unleashed another invasion, this time against the State of Kuwait. A coalition of countries intervened and Kuwait was freed but not without wanton destruction of hundreds of oil wells that were set alight by retreating forces.

In the 90s, the European continent, believing that it had shaken off the demons of war from its recent past, woke up to the tragic ethnic wars in the Balkan region. The last chapter of the Balkan wars was the war in Kosovo where simmering ethnic tensions threaten the fragile peace in that area. It took some time for the international community to act but at least Bosnia and Kosovo were eventually freed through UN and NATO interventions.

Most of us have now relegated the Cambodian tragedy of the 70s to a footnote in our intellectual library. But let us not forget the almost universal indifference to the genocide unleashed by the Khmer Rouge regime.

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that finally intervened in 1979 and put an end to the Khmer Rouge regime. Yet the brave Vietnamese were not applauded for saving a whole nation; rather, they were castigated by the powers that be.

Around the same time as the Cambodian tragedy, genocide was taking place on the African continent, in Uganda. The Organization of African Unity and the Security Council neither debated nor took any action in regards to the situation in Uganda under Idi Amin. Instead, the sham values of state sovereignty and the principle of non-interference were upheld.

It required the moral courage of a Julius Nyerere to put an end to Idi Amin's genocidal rule.

If there had been a lone world leader with moral courage who had ordered his country's armed forces to intervene in Rwanda in 1994, would he have been hailed as the saviour or vilified as the aggressor?

The UN and, in particular, the Secretary-General have been criticized for their alleged failure to act on Rwanda. But it is too convenient to lay the blame on the UN when, in most past cases of alleged inaction by the UN, the real blame lies at the door of the powers that be.

In selectively recalling some of the most flagrant cases of our collective failure to prevent wars and genocide, our sole intention is to provoke reflection on the failings and weaknesses of the UN with a view towards exploring ways of making our organisation — for it is the composite of all our countries — a more effective custodian of world peace.

Allow us to add some thoughts to the ongoing debate as to how we can realise an improved United Nations. However, we wish to preface our views on UN reform by stating that we do not believe that a simple expansion of the Security Council membership will suffice to strengthen the UN. It may make the Council more representative by better reflecting current global demographics and power-balances, but it will not necessarily make it more effective.

Our government is not among the privileged few to be consulted by the

(We would, of course, like to assure Your Excellencies that Timor-Leste is not seeking permanent-seat status in the Security Council.)

We particularly support permanent membership status for Indonesia because we believe in the need for balanced representation within the Security Council which will encompass all the world's major civilizations and faiths. Non-inclusion of Indonesia, the largest secular Muslim country in the world, as a new permanent member would again leave the Security Council with a predominantly Christian representation.

The veto power should be eliminated and replaced by a 2/3 majority vote for all major decisions. The existing veto power has been used and abused and was at least partly responsible for Security Council's inaction.

The two-year rotation for non-permanent members should be shortened to one year so as to provide a chance for more members to serve in the Security Council.

Incidentally, my government has already received requests for support for a seat in Council for as far ahead as 2020. On the basis of the two-year rotation arrangement, it seems that Timor-Leste will only be able to offer its good services to the Security Council in 2049!

We are very pleased to report that every country we have approached so far seeking support for Timor-Leste's membership in the Council in 2049 have pledged their enthusiastic support.

In addition to possible reforms of the Security Council, there has to be a review of the workings of the UN General Assembly and of some of its subsidiary bodies, namely, the ECOSOC and the Commission on Human Rights, the Treaty bodies, as well as of the Specialised Agencies, to stream-line the bureaucracies, simplify work, reduce duplication and waste, as well as to introduce meritocracy and professionalism in the recruitment and promotion of personnel.

We also believe that there are too many UN agencies headquartered in two industrialised countries. Office space, hotels and services are outrageously expensive and offer extremely poor service. At least one of them is notoriously unfriendly towards the diplomatic community. Some agencies should be relocated to the developing world where property costs are much lower and where they can be closer to the people they are supposed to serve.

But let us be realistic, even a reformed UN system will not resolve all the world's problems. Ultimately, when facing challenges, what is required is moral and political leadership; no amount of structural adjustments to the UN bureaucracy can make up for a moral vacuum or lack of political leadership.

Mr. President, Excellencies,

As a small nation we are baffled by the apparent inability of world leaders to grasp the magnitude of the problems we face as a human family inhabiting a shrinking planet under pressure from industrialisation, pollution and competition for scarce resources such as land and water. Our ever-growing population and voracious appetite has caused the depletion of our fish stocks and forests. Every minute of every day, we destroy our river systems and pollute the very air we breathe with poisonous emissions.

The world is faced with a growing Aids pandemic, the epicentre of which is now shifting to Asia. Malaria and TB have been with us for many generations yet there is no real commitment of resources that will enable our scientists and societies to address these epidemics.

The combined ODA of the rich industrialized countries does not exceed US\$50 billion annually. Compare this with the more than US\$300 billion in subsidies provided to their farmers and industries.

Weapons-producing countries are flooding the world with all types of arms that fuel conflicts. There must be a strict code of conduct on weapons exports aimed at reducing the flow of conventional weapons to poor countries and regions in conflict. Certainly the control of weapons is not an easy task, but we could start by having a strict, binding code along the lines of the Anti-Land Mine Convention. We note that in 2003 rich countries spent some US\$700 billion in military expenditure.

We in Timor-Leste do not wish to sound ungrateful but we have reasons to be sceptical about an ODA that ends up back in the donor metropolis with only a fraction of this much-publicised aid benefiting the recipient country.

There has to be a thorough reform of ODA with a view to ensuring that developing countries actually receive what is pledged. We wonder sometimes about the usefulness of the endless meetings, study trips, evaluations, feasibility studies, etc when actually all the information required can be downloaded from the Internet by a 7 year old.

(Actually my 10-year old niece Sarah does most of the Internet searches for me and instead of paying an international consultant something like US\$1,000 a day consulting fee, she is happy with two scoops of chocolate ice-cream).

We join with the leaders of Brazil, Chile, France, Spain, and others in urging the rich of the North to allocate 0,7 per cent of its national wealth to ODA, thus meeting the target set by the UN. It is perplexing that only four small rich countries have met and/or overtaken this modest target.

Europe and the US should gradually eliminate all agriculture subsidies to farmers in the US and Europe that kill competition and market access for poor countries. It is estimated that at least an additional \$60 billion per year would flow to low- and medium-income countries if agriculture subsidies in the US and Europe were eliminated. We understand the political difficulties faced by some friends in Europe and US when dealing with the issue of subsidies. Hence, we

believe that developing countries, the EU and US should be able to reach a reasonable compromise.

Timor-Leste is a debt-free country and we are somewhat suspicious of those who are encouraging us to borrow. We commend the rich countries that have found the moral courage and creative ways to write off or buy off the debt of the poor. But we in Timor-Leste believe that developing countries must do more to end corruption and mismanagement, reduce arms and defence expenditure, spend more on education, health and poverty eradication.

Mr. President, Your Excellencies,

We will conclude our remarks with reference to some international situations. On the on-going conflict in Western Sahara, we endorse the comments made by H. E. President Abdelaziz Bouteflika of Algeria, a country that has contributed enormously to the liberation of the African continent. On this issue, our government is guided by Algeria and the African Union.

We appeal to our senior Asian leaders, in particular, China, India, Japan, Republic of Korea and the ASEAN to redouble their efforts to find a peaceful resolution to the conflict in Myanmar. As an immediate measure, Daw Aung San Suu Kyi and other political detainees must be released and this should be followed by a process of genuine national dialogue.

This is an Asian problem and our leaders must be able to show the rest of the world that Asians can resolve their own problems. The situation in Myanmar has gone from bad to worse in recent months. The impoverished people of Myanmar are enduring a double punishment; one inflicted on them by their own military rulers, and the other by the West through the so-called "politically correct" policy of imposing sanctions which, in the end, bring harm mostly to the poorest of the poor.

On the subject of sanctions, we wish to appeal to our friends in the US Congress to rise above their parochial politics and lift all forms of sanctions on Cuba. Our American friends know that the sanctions imposed on Cuba are a typical case of double standards, motivated by Florida politics which have nothing to do with international principles.

Extremists strive in many cultures and religions. The daily news reports are dominated by the actions of a mere few fanatical Muslims. But, though they are small in number, their actions have turned Islam into a word almost equal to terrorism.

We believe that Islamic extremism as the basis for the current wave of international terrorism is a passing phenomenon. Like other extremist groups before them, namely the European terrorist groups of the 60s, they have no popular support and will be defeated by use of a multi-pronged strategy.

The terrorists have made good use of modern technology and global funds to enact their war on the West, and on all secular Arab and Muslim nations. The

key is to subvert, undermine and disrupt their ability to use modern means of communication. We must cut them off, isolate them, and deny them access to funds.

However, those fighting terrorists should be careful not to descend to their level of inhumanity. There must always be a prudent balance between legitimate use of force against terrorists and their supporters, and respect for universal human rights.

There is deep-seated resentment and anger among Muslims and many non-Muslims around the world over Israeli's policies that thwart Palestinian rights to a dignified existence and a homeland.

It should not be too difficult to imagine how a Palestinian feels when he or she watches a continuing influx of foreigners into his ancestral land and yet is denied the right of return himself.

The two-state solution agreed upon by all sides has to be rapidly resurrected and implemented as a first step towards durable peace in the region. The Palestinian intifada and suicide-bombing, as well as the Israeli policy of annexation and retaliation have deepened the anger and hatred. There has to be a way out.

The two sides should agree on an immediate cessation of all acts of violence and accept a cooling-off period which will enable mediators to implement the two-state solution.

While there may never be an agreement between pacifists and realists over the dilemma of war and peace, there has to be an agreement now that the forces of fanaticism and terrorism cannot prevail in Iraq.

Where there is a chance today for democracy in Iraq, a hasty withdrawal would deliver the Iraqi and the Kurdish peoples into the brutal hands of a Taliban-style regime that would destabilize the entire region. If I were a political leader of any consequence and I were asked about the options for Iraq, I would say retreating and conceding victory to the terrorists is not an option — the consequences would be far too high to even contemplate.

Hence, we hope that the US, which initiated the war in Iraq and gallantly freed the Iraqi people from a tyrant, will walk half-way and meet those on the other side of the debate. The US and its allies should not alone shoulder the burden of Iraq.

The Atlantic partnership is the single most important pillar of the world's security and economic well-being. Americans and Europeans share the same values of democracy and freedom; they fought together against the evils of Nazism and stood side by side to prevent Soviet domination of Western Europe. Surely, they are wise enough to overcome their differences, however deep, and give the

Last but not least, we wish to commend the Security Council for its decision on Resolution 1564 pertaining to the situation in Sudan. For many, it is too late as thousands have perished and have already been added, as mere statistics, to humanity's ever-growing catalogue of barbarities. But those who are still alive look upon the UN to save them. This resolution may do just that.

May God Almighty Bless You All.