Status LNO 63 C Narch 12, 1973

TO: SECSTATE
COMTWELVE SAN FRANCISCO
JCS/SECDEF
CINCPAC
WHITE HOUSE
CINCPACREP GUAM/TTPI
USUN NEW YORK
AMEMBASSY CANBERRA
AMEMBASSY TOKYO

FROM STATUS LNO NO. 63 C

PASS TO DEPT INTERIOR FOR OSN (ACTION) AND DASTA (INFO)
STATE FOR EA, IO/UNP, L/UNA
COMTWELVE FOR AMB WILLIAMS
DEFENSE FOR OSD/ISA
WHITE HOUSE FOR HOLDRIDGE (NSC)
USUN FOR AMB BENNETT
AMEMBASSGES CANBERRA AND TOIYO FOR POL

SUBJECT: NEXT ROUND OF MICRONESIAN STATUS TALKS; LAND IN PALAU

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LAZARUS SALII, CHAIRMAN OF JOINT COMMITTEE ON FUTURE STATUS, HAS TOLD ME THAT IN LINE WITH RECENT TELEPHONE CONVERSATION HE HAD WITH COMMITTEE'S ATTORNEY PAUL WARNKE, HE IS THINKING IN TERMS OF NEXT ROUND OF STATUS TALKS TO BEGIN ABOUT MAY 15 IN MONTERREY. HE STRESSED MICRO-NESIANS WOULD WANT TO PROCEED WITH NEGOTIATION OF DRAFT COMPACT, FOCUSSING ON TITLES OF PRIME CONCERN TO THEM: FINANCE, TERMINATION, TRANSITION.

SALII THEN REFERRED TO HIS LETTER OF FEB 22 TO AMB WILLIAMS, COPY OF WHICH HE SUBSEQUENTLY FURNISHED TO ME. ON QUESTION OF U.S. LAND NEEDS IN PALAU, HE SAID JCFS WOULD REQUIRE A WRITTEN STATEMENT FROM USG THAT U.S. DISAVOWS ANY CLAIM TO ANY PUBLIC LANDS IN PALAU (WITH EXDEPTION OF THAT ACTUALLY IN USE SUCH AS LAND FOR POST OFFICE BUILDING). SALII DECLARED SIMILAR STATEMENT MUST BE MADE BY TT GOVERNMENT. IN ANSWER TO QUESTION FROM ME, HE SAID SUCH DISCLAIMERS MUST BE MADE BEFORE THERE CAN BE ANY NEGOTIATION FOR SPECIFIC PIECE OR PIECES OF LAND. PALAUANS KNOW WHO ALL THE M OWNERS ARE, HE DECLARED, AND WHAT LAND THEY OWN, AND ONCE THEY RECEIVE BACK THEIR LANDS THROUGH BLANKET DISCLAIMER, THERE WOULD BE NO DIFFICULTY IN SUBSEQUENTLY NEGOTIATING LAND OPTIONS WITH INDIVIDUAL OWNERS. OFFICIAL CONFIRMATION OF INDIVIDUAL LAND TITLES IS MOVING SO SLOWLY, SALII SAID, THAT PROCEEDING ON THAT BASIS "MIGHT TAKE 25 YEARS." HE SAID LAND SURVEY TEAM "WOULD NOT BE WELCOME AT THIS TIME IN PALAU."

SALII STRESSED HIS POINTS EXRMMENX STRONGLY: U.S. HAS NO CLAIM TO PALAU PUBLIC LANDS AND THIS MUST BE MADE CLEAR; THIS HAS BEEN PALAUAN POSITION "FOR A LONG TIME" AND MUST BE ACCEPTED BY U.S. PRIOR TO NEXT ROUND OF TALKS; IF NO AFFIRMATIVE REPLY IS RECEIVED TO SALII'S LETTER, JCFS WILL ASSUME U.S. NO LONGER HAS MEXTER NEED FOR MILITARY LAND IN PALAU.

(MORE)

Drafted by Status LNO:MVTrent

I TOLD SALII I WAS SURPRISED AT WHAT, DESPITE HIS COMMENT, WERE SOME NEW ELEMENTS IN THIS SUBJECT OF U.S. MILITARY LAND REQUIREMENTS IN PALAU, AND THAT SURELY HE MUST BE AWARE THAT WHAT HE OUTLINED SEEMED HARDLY TO SUGGEST AN AREA OF NEGOTIATION SINCE, UNDER HIS PROCEDURE, THE U.S. WOULD, IN EFFECT, BE GIVING AWAY ALL ITS CARDS WITHOUT ANY ASSURANCE OF RETRIEVAL OR EVEN FAVORABLE CONSIDERATION. I PRESSED POINT OF DESIRABILITY THAT LAND ISURVEY TEAM SHOULD GO TO PALAU AT EARLY DATE FOR PURPOSE OF SELECTING LAND DESIRED AND THUS FACILITATION SPEED-UP OF INDIVIDUAL TITLE CLARIFICATION ON THOSE LANDS SELECTED FOR OPTION. SALII SEEMED TO GIVE NOT AN INCH AND REPEATED HIS EARLIER ASSERTION THAT LAND SURVEY TEAM WOULD NOT BE WELCOME, PRIOR TO FULFILLMENT OF CONDITIONS HE HAD OUTLINED.

COMMENT: IT SEEMS TO ME LIKELY THAT PALAUAN POLITICS AS EXXXEN SHOWN UP DURING RECENT CONGRESS, WITH ROMAN TMETUCHL, TIMOTHY OLKERIIL, FRANCISCO ULUDONGXANHXXEMXEKEMXH TAKING LEADING ROLES (WITH TOM GLADWYN A SOLID SUPPORTER FROM THE SIDELINES), ARE RESPONSIBLE IN LARGE PART FOR THIS HARDENING OF ATTITUDE. IT IS OBVIOUS THAT PALAUANS' CHIEF WEAPON WXXXX ACAINST US IS CIRCUITOUS TALK AND GENERAL OBFUSCATION OF ISSUES. IF RPT IF MILITARY LAND OPTIONS IN PALAU ARE ESSENTIAL TO US (AND OF COURSE THIS MUST BE CAREFULLY JUDGED BY OTHERS) IT LOOKS TO ME AS IF WE WILL I HAVE TO GO AXX AHEAD WITH STEPS TO ACQUIRE THEM. THIS WOULD MEAN SENDING LAND SURVEY TEAM NOW, OR AS SOON AS POSSIBLE, THUS TAKING ADVANTAGE OF LIMBO IN WHICH STATUS ISSUE TEMPORARILY LIES.

TRENT