



## United States Department of the Interior

OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

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Dear Mary,

First things first - I deeply appreciated your letter. Needless to say, being selected for flag initiates a rather overwhelming chain of events - but an enjoyable one. The nicest part of the whole business is hearing from friends. Shirley and I were both very grateful for your kind words. She says to tell you that I can get a new yellow shirt but she's afraid that I am now emotionally attached to the old one.

Now back to mundane things. Your telegrams and calls have been extremely helpful. While probably not a full scale revolt there are certainly some traumatic developments afoot in Palau. To say the least it's fascinating, although I'm not sure whether I should feel alarmed or comforted.

Your questions about our Palau land plans are the same questions which we are pondering here. It is just not clear to us, Mary, what will be possible. From the outset Salii has insisted that we should deal with and through the JCFS for our land requirements. While it is now clear that at least some of the districts do not consider the JCFS empowered to speak for them on land, the general position of the JCFS has not changed. Salii has admitted privately that in the end we may have to deal directly with local leaders on land, but he has never said this publicly. At Barbers Point the JCFS land committee acknowledged this problem and assured us that they would solve it. But as yet nothing has been done (that we know of) to sort out this difficulty.

The U.S. position, as I understand it, is that we are content to work out the leases with local leaders or the JCFS. But we must be convinced that the party we are dealing with can speak authoritatively and commit the land. We are most interested in a lasting and stable land arrangement and are willing to do what is necessary to get such an agreement. The question of who would receive payment would follow, I assume, along the same lines. Surely, it will be difficult for the Micronesians to reach agreement among themselves on this issue. Both the central and district governments will want a slice of the pie and will be attempting to protect their interests. However, at some point we will nave to insist that they resolve this dilemma. We cannot reduce our requirements just because they change the negotiating format, but we can be flexible in all other respects.

> DECLASSIFIED/RELEASED ON JUL 10 1985 UNDER PID-VISIONS OF B.C.12356 DV NMCS D.R.DOLLI, USM SPECIAL ASSISTATE, OMSN

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I am aware that this doesn't answer your questions. The fact is we don't have the answers at this stage and are still feeling our way. Palau and its problems are part of this whole package. How we handle public land will no doubt influence the form and outcome of the land negotiations. It is incumbent on us to develop a position on the public land question and we are doing that. This will probably delay the next session, but we see no other alternative right now.

Haydn has tentatively agreed to open informal talks with the Marianas on 7 May and formal negotiations on 14 May. Haydn and one other will probably go to the DISTADS Conference on 7 May and then on to Saipan. Jim and an advance party will arrive around 6 May and the remainder about 12 May. For reservations I would suggest you make:

(1) reservations for three on 6 May for an indefinite period; ()

(2) for two on 10 May; and ( Woyda and conjunio)

(3) for six on 12 May. (rest delegation)

As Jim told you by phone we leave the choice of hotels up to you - either the Royal Taga or Hafa Adai are satisfactory. If you think for political reasons we should patronize Joe Ten then arrange for rooms in the Hafa Adai. I suggest a separate room for each person. This seems to make for better tempers and we may be there for an extended period.

Haydn hopes to see Senator Salii in Hawaii during the first week of May or in Guam a week later, but we have no confirmation on this as yet. I am sending Admiral Morrison a copy of the completed Marianas study, you may want to look at it in Guam.

We will be calling you as our plans are refined and on various and sundry questions before we depart Washington.

Looking forward to seeing you in Saipan, Mary. With warmest regards, I am

I.S. Encloredces accopy of 'talking points' given to Pargelinan's advisors Filed-Mariana

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