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FOR ITS PART, THE U.S. HAS BEEY SILEYT OH THE MARSHALLS AND PALAU MOVES. A KEY TO ADRICAH PEACTIOU MIGHT EE FOUAD, HOWEVER, IH A PADER PRESENTED TO THE SYMPOSIYM OF THE AMERICAH
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## Dateline Saipan Bureau

SAIPAN－－Micronesian Senator Lazarus Sadi，chairman of the Joint Committee on Future Status，expressed concern yesterday－over signs that American representatives at the temporarily－stalled status negotiations might take a ＂hard－line＂approach at the next round of talks，tentatively scheduled to begin May 20 in Washington．
Salii said in light of more ＂separatist＂rumblings in the six－district Trust Territory，the United States＂seems confident it can deal not only with the Marianas separately，but also with the Marshall and possibly other districts in separate negotiations and in effect， bypass the Congress of Micronesia．＂

Following the lead of the Marianas，the Marshall District Legislature last week passed a bill to create their own status committee－and the Palau legislature is also reportedly studying a separate states alternative．

Salii said word reached Saipan yesterday that the U．S．deputy representative for Micronesian status negotiations，James M ． Wilson，indicated at a symposium in Washington last week that the American delegation might no longer be willing to preserve the current direction of the talks，now geared towards completing a compact of free association to be presented to the Micronesian people and their congress for approval．
Wilson was appointed by President Nixon last fall and has wide experience in negotiations on military matters，which may reflect U．S．concern over defense interests here．

Describing his source as an ＂unimpeachable Washington attorney，＂Salii said Wilson indicated he didn＇t care whether Micronesia wanted free association or independence，just that＂he wanted to get on with it．＂
＂The United States is assuming a devil－may－care
attitude because it＇has＇．the Marianas，and that the Marshall Islands will not opt for independence and cut off their money supply，＂the source stated．＂By forcing the decision on Micronesia，it will probably split up the districts into manageable，or more economical，chunks for the USS．＂

Saiii charged it has been known for some time that the United States was employing ＂divide and conquer＂tactics in the islands，and said separate talks by individual districts was ＂playing directly into American hands．
＂The U．S．has known for some time our bonds of unity were weak．They are making those bonds weaker．If Micronesia is to survive，we must negotiate as a united people，＂he declared．

Salii is expected to meet with chief U．S．negotiator Ambassador Franklin Haydn Williams early next month in Majuro，Marshall Islands，as a prelude to the next round of talks．


Apr11 24, 1973

## CONFIDENTIAL

Mr. Lawrence 5. Eagleburger Acting Assistant Secretary International Security Affairs Office, Assistant Secretary of Defense Department of Defense

## Dear Larey,

I have noticed that my letter to you of March 2, 1973, concernjing coordination between the Departments of state and Defense on base rights matters has been cited by DOD in one of the Micronesian Negotiations papers as evidence that the U.S. may be, expelled from its bases in the shilippines.

I would like to make it clear that in my view there, is little likejihood that the united states presence in the philippjnes, or in Japan and okinawa, will be terminated or significantly altered in the foreseeable future; We may face difficult negotiations which will require thet we meet some philippine requirements in return for similar comesseions on their part, but I doubt that theso negotiations will. leavo us in an intolerable situation.

One of the key elenents to successful base negotiations With the Fhilippines is the tacit guid pro quo. If we can provide a sufficient inducement to the philippines i feel confinent they will be appropriately responsive. In this connoction the provosed guid pro quo for basing options in Palau, whioh I understant the Interior Department has estimatod could run to twenty million dojlars annually, should be examined to sea if this money could not be applied instend in the philippines, where it would appear to be more cost-efrective. We are reguesting twenty-two million
dollars for fy 1974 , but current philippino dollars for FY 1974, but current philippino MAP levels are ruming at about seventeen million dollars annually.

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I would appreciate it if you would have this clariEication of my views inserted in the Defense Department's contribution to the mioronesian study so that there will be no confusion of the record on this point.
sincerely yours,


Ronald I. Spiers Director Bureau of PoliticoMilitary Affairs

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