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ANNEX A

British Indian Ocean Territory

Problem

To make suitable arrangements for the future of the present population of the Chagos Archipelago, which forms the Eastern half of the British Indian Ocean Territory.

Nature of the Problem

2. The decision to go ahead with an austere communications facility on Diego Garcia will necessitate the evacuation of that atoll, both for security reasons and to avoid possible future trouble over the rights of any population. The United States Government may or may not require a minimum amount of unskilled labour during the construction phase (1970-1973) only. The Diego Garcia project does not require the evacuation of any other islands, but neither we nor the United States can guarantee that we might not require the other two major atolls of the Chagos Archipelago, Peros Banhos and Salomon for defence purposes at a later stage.
3. Quite apart from the need to evacuate Diego Garcia, a decision is required about the future of the whole Chagos Archipelago since the copra plantations, which provide the sole source of livelihood, cannot be run profitably without a proper development scheme requiring a new injection of capital. In addition a small but growing number of workers and their children are establishing claims to belong to the Chagos which could cause us considerable problems in the future. When the detachment of the islands was being negotiated with the Governments of Mauritius and Seychelles the U.K. Government undertook to meet the cost of resettlement of labour displaced, and this undertaking was explicitly made public in Mauritius.

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Possible Solutions

4. There appear to be two practicable solutions for the future of the inhabitants:

A: Relocation: to move certain of the inhabitants of Diego Garcia to the two other habitable atolls of the Chagos Archipelago, Peros Banhos and Salomon, and to develop on a commercial basis the existing coconut plantations on these two atolls to give them employment.

B: Evacuation: to move the whole population of the Chagos Archipelago, abandoning the plantations and returning all the workers to the Seychelles and Mauritius. This could be done over a period of years starting with Diego Garcia.

There are other possible solutions such as resettling the population in a part of the world quite new to them. The difficulties would however, certainly be considerable and would not have the advantages of the solutions outlined.

Population

5. The population of the Chagos Archipelago in March 1968 was in the region of 800 men, women and children. It is difficult to be precise about the number at present, since the islanders are accustomed to moving about quite freely. The indications are that the total has since fallen, and the figure of 800 can be taken as a maximum. In March 1968 there were 373 (56 Mauritian and 317 Seychellois) contract labourers and dependants who had no long-term links with Chagos. The remainder (about 434) were dual nationals of Mauritius and the UK and Colonies, known as Ilois, who can claim to have their main roots in Chagos

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although they too are contract labourers without fixed assets.

In addition there are an unknown number of Ilois, believed to total some 370 adults and children, who are now in Mauritius and for whose resettlement the Mauritians understandably regard us as responsible.

6. Initially it was believed that the number of Ilois was relatively small, but between 1965, when B.I.O.T. was established, and 1968 it became clear that the number of those who could claim to be Ilois was greater than had been estimated. Furthermore, although the number is still small, they may present a more awkward problem of status than had been foreseen. It had always been envisaged that, as islands became needed for defence purposes, any workers who needed to be displaced would be re-settled outside the B.I.O.T.; and when Mauritius became independent in 1968 we succeeded in having the Ilois included among those who automatically became Mauritian citizens on independence. After independence they no doubt continued to regard themselves as Mauritians and they may be so regarded by the Government of Mauritius; but we could not take away from the Ilois their right to citizenship of the U.K. and Colonies by way of connection with Chagos (e.g. by birth there). Nor could we remove the possibility, which is a growing one as the years go by and as more children and grandchildren are born that, regarding themselves as people of Chagos, some of them might one day claim a right to remain in the B.I.O.T. by virtue of their citizenship of the U.K. and Colonies; or have such a claim made on their behalf.

7. The question of resettlement has legal and financial aspects. We do not expect any legal difficulties in repatriating the

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Seychellois to Seychelles or the few single nationality Mauritians to Mauritius; but the legal status of the Ilois, all of whom are dual nationals of Mauritius and the U.K. and Colonies, complicates the issue. The financial aspects of repatriating the Seychellois will turn on possibilities of employment for them in Seychelles and the attitude taken up by the Government of Seychelles. We hope, however, that it should be possible to avoid any substantial expenditure on resettlement for them. The main problem is presented by the Ilois all of whom are dual nationals of Mauritius and of the U.K. and Colonies; and the Mauritian Government will no doubt look to us to meet resettlement costs both for these and for the few single nationality Mauritians. The possibility of settling Ilois in the Seychelles has been considered but the Governor has advised that such resettlement would be politically unacceptable locally.

Plantations

8. All three major atolls in the Chagos have coconut plantations which are exploited for the copra industry. The main one is in Diego Garcia (8,700 acres) and there are smaller ones in Peros Banhos (3,000 acres) and Salomon (2,000 acres). The plantations are in a rundown state since it has not been possible to develop them properly pending decisions on defence use of the islands. The previous owners have formed a new company (Moulinie & Co. (Seychelles) Ltd.) which is now managing the plantations for H.K.G. on an ad hoc basis. They estimate that the plantations on Peros Banhos and Salomon could be expanded and run as a profitable commercial enterprise if the necessary capital (put by them at £126,000 over five years) was /injected.

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injected. Provided that the price of copra remained stable they would expect a return on capital after the first five years. Since Peros Banhos and Salomon might one day be needed for defence purposes we are not able to give security of tenure to any commercial enterprise and it can be assumed that H.M.G. would either have to provide the investment capital or give a firm guarantee of compensation if the atolls should be required for defence purposes.

9. The estimates prepared by Mr. Moulinie make provision only for the rudimentary educational and health services which have been provided by the plantation owners in the past. If the plantations were to be developed under Government control it would be necessary to spend more money on housing and social services. The Administrator considers that an additional sum of £61,250 capital expenditure would be required over five years, making a total of £187,250.

10. During the five-year development programme it is estimated that there would be employment for 250 men and 150 women in Peros Banhos and Salomon (in addition to management and service staff). When the development programme has been completed it is estimated that there would be employment for 150 men and 90 women. It therefore appears that if Mr. Moulinie's development plan is sound the adult Ilois at present in the Chagos (up to 104 men and 102 women) could continue to find a livelihood there in the long term but that it would not be possible to provide a livelihood in Peros Banhos and Salomon for the Ilois now in Mauritius. There would also remain:

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- (a) the problem of employment for the growing Ilois children (up to 228 at present in Chagos),
- (b) in the longer term the problem of population increase and the problem of rising expectations (e.g. demands by the people that the Government should provide modern educational, health and social services).

United Nations Considerations

11. As an administering power, we accept "as a sacred trust" under Chapter XI of the U.N. Charter several obligations towards "peoples" who "have not yet attained a full measure of self-government"; in particular "to ensure their political, economic, social and educational advancement" and "to develop self-government".

12. At the time of the establishment of B.I.C.T., Ministers were aware that a new colony was being created but it was not envisaged that there would be any permanent inhabitants. Indeed these islands were chosen because we and the Americans especially wished to have complete freedom of manoeuvre, uncomplicated by internal political situations. On this assumption, assurances were given in the U.N. and elsewhere that the present inhabitants are essentially migrant contract workers and their families who would, if necessary, be moved and resettled. We did not need to deploy this aspect in detail because no interest was shown in these people at home and the attack in the U.K. was devoted entirely to "the disruption of the territorial integrity of Mauritius" and to the "military base" aspect. These attacks virtually petered out when Mauritius became independent without objecting to the detachment of her former dependencies and

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no plans to construct facilities matured. Furthermore B.I.O.T. has never been inscribed on the Agenda of any U.N. body as a colonial territory.

13. Over half the population of the whole B.I.O.T. (i.e. including the Western half, as well as the Chagos Archipelago) are Seychellois, with a small proportion of Mauritians who cannot claim U.K. citizenship. They present little problem for us in U.K. terms. The problem of the Ilois is so far unknown outside British and perhaps Mauritian Government circles. When the Diego Garcia project is announced, it is expected that the attack in the U.N. will be on the establishment of a "military base" in a dependent territory; but this could amount to no more than the blame attached to us for allowing military facilities in many of our other territories. If the attack on the Diego Garcia project is sustained until the autumn session of the General Assembly curiosity may be expressed about the present inhabitants. Provided H.K.G. have plans for resettling them outside B.I.O.T., which could be carried out in the near future with the friendly agreement of the parties involved (principally the Mauritian Government and the Ilois themselves) we could continue to refer to the inhabitants generally as essentially migrant contract labourers and their families. But we would find it difficult to continue to describe the Ilois as essentially migratory, if H.K.G. do not choose to resettle them outside B.I.O.T. or if there proved to be no acceptable place to which they could migrate. In that event H.K.G. would run the risk - if the numbers and character of the Ilois became known to Parliament or in the U.N. - of being forced to

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acknowledge a Charter responsibility to develop self-government and social services for an irremovable population with all the financial and administrative consequences that that would imply.

Humanitarian considerations

14. In the interests of the Ilois themselves we should seek to achieve a smooth and gradual change of employment for them. It will also help to combat criticism if we can present any move as a change of employment for contract workers who have no fixed assets, rather than as a population resettlement. At first sight re-location of all the Ilois at present in Chagos on Peros Banhos and Salomon would appear to be in the best interests of the Ilois themselves since they could be given immediate employment in a familiar environment. In the longer term, however, it might prove that their existence in these islands was precarious. Even if they did not have to be evacuated later for defence reasons, they would still be dependant on a one-crop economy. Furthermore Mauritian immigration legislation might change and those dual citizens of Mauritius and the U.K. and Colonies living outside Mauritius might then lose their rights of entry to Mauritius. As against this, we must recognise that there is widespread unemployment in Mauritius and that on the Mauritian mainland itself there are no copra plantations in which these workers could use their skills. There are however copra plantations on the Mauritian island of Agalega, at present worked by contract Seychellois labourers which might provide a suitable outlet for some of the Ilois if this could be negotiated with the Mauritians and the operating company. The Commissioner of B.I.O.T. advises that the Ilois would be perfectly happy to go to Agalega if they

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could be given employment. We cannot judge the likelihood of being able to arrange suitable employment for them in Agalega without entering talks with the Mauritians and the Agalega Company, who manage the Agalega plantations. If such talks went well we might then be in a position to consult the Ilois themselves to ascertain whether they would prefer to go to Agalega or to mainland Mauritius thus giving them at least an element of choice.

United States Views

15. The United States Government have indicated that their preference is for total clearance of the Chagos since this avoids possible trouble in the future. Nevertheless they would be prepared to acquiesce in the continued development of Peros Banhos and Salomon with the proviso that the absence of current defence plans for Peros Banhos and Salomon should not be taken as precluding consideration of their use and evacuation for defence purposes at a later date.

Financial Considerations

16. At the time of the establishment of B.I.O.T. in 1965 it was estimated that total expenditure on acquiring and establishing the Territory would amount to about £10 million. Under a particularly Secret arrangement which was kept hidden both from Parliament and the United States Congress, the Americans agreed to pay up to £5 million of this total as a once-and-for-all contribution, and in return we assumed the full liability for any costs of resettlement subsequently incurred. The United States Government having duly paid their £5 million, we cannot look to them for any further contribution. The sum of £10 million has been allocated as follows:

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Mauritius	£3,000,000
Land purchases (B.I.O.T)	1,013,200
Ship for use in administering B.I.O.T. (say)	116,000
Seychelles Airfield (say)	<u>5,700,000</u>
	<u>9,829,200</u>
Balance remaining (estimated)	<u>170,800</u>
	<u>10,000,000</u>

H.M.G. agreed to provide the airfield at Mahe in the Seychelles in return for the detachment from Seychelles of the islands of the western B.I.O.T.: Aldabra, Farquhar and Desroches. The original estimate of £3 million was subsequently increased to the ceiling of £5.7 million shown in the above table and this largely accounts for the smallness of the balance of the £10 million now remaining for resettlement purposes. It is unlikely that any future for the population can be assured without some expenditure in excess of the present estimated balance remaining.

17. It is difficult to cost either of the solutions under discussion accurately. As stated earlier the firm who manage the plantations for H.M.G. consider that with adequate development, requiring an injection of capital, they could make the commercial operation of Peros Banhos and Salomon viable after the first five years. It must however be recognised that every year that H.M.G. continue developing these plantations they implicitly undertake continuing responsibility for these workers and they will increasingly be expected to provide social services to meet the rising expectations of the islanders whether or not the plantations show a profit. There will also be growing administrative costs.

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18. If, on the other hand, it is decided to clear the Chagos of all population, the British High Commissioner in Port Louis has advised that the Mauritian Government are likely to insist on generous resettlement terms or other financial help for taking the Ilois (and mono-Mauritians) back. Satisfactory estimates are unfortunately impossible without at least exploratory talks with the Mauritian Government.

Comment

19. There are obvious short term advantages in solving the immediate problem posed by the need to evacuate Diego Garcia by re-locating the Ilois population of Diego Garcia on Peros Banhos and Salomon. There would be the minimum upheaval; work could be found for all those displaced and we should avoid possible difficult negotiations with the Mauritians. Nevertheless this course of action has serious drawbacks especially in the longer term. We should have to make an immediate injection of capital into the plantation. There would be a continuing and probably growing financial liability for the welfare and administration of the inhabitants. In the United Nations we would find it increasingly difficult to argue that the B.I.O.T. was without permanent population. Further moves might be necessary later if Peros Banhos and Salomon were required for defence purposes. Finally a growing number of people would establish claims as "belongers", to remain in the B.I.O.T.

20. There are also disadvantages in clearing the Chagos Archipelago of all inhabitants. It would probably be necessary to compensate the Mauritian Government, perhaps by assisting

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then with the capital development of the plantations on Agalega; and the money originally set aside for resettlement purposes will probably not suffice. If Agalega fails to provide a solution there is a risk of antagonising the Mauritians, whose goodwill is important in this context, by seeking to return to the island of Mauritius a number of people for whom employment will be difficult to find. There is also the very real problem that the Ilois may not wish to go to Mauritius unless work can be guaranteed to them. On the other hand the long-term advantages of this solution are considerable. After the initial expense H.M.G. will have no open-ended financial liability for the welfare and administration of the inhabitants of the Chagos. Our position will be more easily defensible in the United Nations and we shall have no new difficulties if the other islands of the Archipelago become needed for defence purposes. Furthermore we shall not be faced in the future with a growing number of Ilois whose children will be born with only citizenship of the U.K. and Colonies.

Conclusions

21. Total clearance of the Chagos Archipelago is clearly the best solution in the long term. The view of interested Departments (Foreign and Commonwealth Office, Treasury and Ministry of Defence) at official level is that this solution should therefore be adopted unless the short term price in humanitarian, political or financial terms proves too great. It is, however, impossible to calculate the short term price without entering exploratory talks with the Mauritians. Officials therefore conclude that the next step should be to undertake /negotiations

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negotiations with the Mauritians to see if we can achieve the return of the Ilois and Mauritians to Mauritius territory on reasonable terms. If this recommendation is approved, an appropriate time to tell the Mauritians that Her Majesty's Government would like to talk to them about the workers would be when we give them advance warning about the Diego Garcia project itself, probably in early May. Owing to the complexity of the subject and the need to try to preserve some degree of secrecy, the talks could best take place in London. The first stage would have to be essentially exploratory to try to discover the general Mauritian attitude. The talks would be ad referendum to Ministers.

1 April, 1969.

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