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NND 909023

By

NARA Date 8/13



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ACTION PM-05

INFO OCT-01 AF-12 EUR-20 CIAE-00 INR-08 NSAE-00 RSC-01

NEA-13 AGR-20 AID-28 COM-08 E-15 FRB-02 TRSE-00

XMB-06 OPIC-12 TRSY-11 CIEP-01 LAB-06 SIL-01 SAL-02

HUD-02 INT-06 OEP-01 H-02 L-04 NSC-10 P-03 RRS-01

SS-20 USIA-12 RSR-01 /234 W

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R 181641Z MAY 71

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5284

INFO DOD

AMEMBASSY PORT LOUIS

CINCNAYCOMM

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C O N F I D E N T I A L LONDON 4528

SUBJ: BIOT - RELOCATION

REF: A. LONDON 3138; B. LONDON 2391; C. LONDON 1445

1. COX AND KNIGHT (FCO ATLANTIC AND INDIAN OCEAN DEPT) GAVE US
 RUNDOWN MAY 17 ON CURRENT STATUS UK/GOM NEGOTIATIONS ON
 RELOCATION. BRITISH HOPES NOW SEEM PINNED PRIMARILY ON
 AGELEGA DEVELOPMENT OPTION, WHICH ON BASIS OF RECENT DEVELOPMENTS
 APPEARS ONCE MORE TO BE VERY MUCH IN THE RUNNING.

2. BRITISH HAVE SENT THEIR OWN COPRA EXPERT (WINDSOR OF OVERSEAS
 DEVELOPMENT ADMINISTRATION) TO AGELEGA FOR FIRST-HAND STUDY.
 WINDSOR'S INITIAL TELEGRAPHIC REPORT ESTIMATES AGELEGA
 PLANTATIONS CAPABLE OF CONSIDERABLE EXPANSION, AND COULD
 ABSORB AT LEAST 100 MORE LABORERS (FCO READS THIS AS 100
 FAMILIES). MINIMUM TIME FOR THIS AMOUNT OF ABSORPTION WOULD BE

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ABOUT 18 MONTHS (TO BUILD NECESSARY HOUSING AND INFRASTRUCTURE) ASSUMING FUNDS WERE MADE AVAILABLE TO SUBSIDIZE PLANTATION DURING PERIOD (4-5 YEARS) UNTIL NEW PLANTINGS COME IN TO ECONOMIC PRODUCTION.

3. BRITS ALSO DISPATCHED TWO EXPERTS TO MAURITIUS TO LOOK AT POSSIBILITY OF COPRA PRODUCTION THERE TO EMPLOY EX-BIOT ILOIS NOW IN MAURITIUS. THEY CONCLUDED ON ECONOMIC, ETYMOLOGICAL, AND LAND-USE GROUNDS THAT COPRA PRODUCTION IN MAURITIUS NOT FEASIBLE.

4. MOULINIE MEANWHILE HAS BEEN TALKING TO MAURITIAN OFFICIALS ABOUT AGELEGA. HE SAW RINGADDO WHO REPORTEDLY WAS ENTHUSIASTIC AND AGREED TO GIVE MOULINIE A FREE HAND IF HMG WILL FINANCE. MOULINIE HAS TOLD BRITISH THAT GIVEN SUFFICIENT INVESTMENT, HE SEES NO REASON WHY AGELEGA COULD NOT ABSORB ALL OF THE 103 NON-SEYCHELLOIS FAMILIES NOW IN CHAGOS, AND THINKS IT MAY EVEN BE POSSIBLE LATER ON TO TAKE SUBSTANTIAL NUMBER OF THE ILOIS NOW IN MAURITIUS. MOULINIE IS LARGEST SHAREHOLDER IN COMPANY WHICH HOLDS LEASE TO PRESENT AGELEGA PLANTATIONS. THIS IS SEPARATE FROM MOULINIE COMPANY WHICH RUNS CHAGOS PLANTATIONS UNDER CONTRACT TO BIOT COMMISSIONER.

5. WITH THESE ENCOURAGING REPORTS IN HAND, LORD LOTHIAN DISCUSSED MATTER WITH RAMGOOLAM DURING RECENT VISIT TO LONDON. RAM "SEEMED TO ACCEPT" THE IDEA OF AGELEGA RELOCATION. HE SAID THAT THERE WOULD HAVE TO BE A JOINT PLAN APPROVED BY BOTH GOVERNMENTS, IT WOULD HAVE TO BE UNDERSTOOD THAT NOBODY WOULD BE MOVED TO THE ISLAND AGAINST HIS WILL, AND THOSE WORKERS IN CHAGOS WHOSE CONTRACTS WERE BEING PREMATURELY TERMINATED WOULD HAVE TO RECEIVE A LUMP-SUM PAYMENT IN COMPENSATION. RAM DEMURRED WITH BRITISH CONCLUSION ABOUT A MAURITIAN PLANTATION, AND WANTED POSSIBILITY STUDIED FURTHER. (BRITS CONFIDENT HIS OWN EXPERTS WILL TALK HIM OUT OF THIS.)

6. FCO ON BASIS OF INFORMATION NOW AVAILABLE ESTIMATES DEVELOPMENT COSTS ON AGELEGA AT SOMETHING OVER A QUARTER MILLION POUNDS. THEY WOULD PROBABLY AGREE TO LUMP-SUM PAYMENTS TO CHAGOS WORKERS OF 500 RUPEES. AS THEY SEE SCENARIO NOW, NEXT STEPS WOULD BE:

WILL WRITTEN REPORT FROM WINDSOR, WHO IS BASED IN SEYCHELLES.

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- B. FURTHER CONSULTATIONS WITH RAMGOOLAM.
- C. DETAILED PLAN FROM MOULINIE.
- D. APPROVAL FROM RAMGOOLAM AND RINGADOO.
- E. BRITISH MINISTERIAL APPROVAL.

BRITS WOULD MEANWHILE MAKE NO FURTHER PROPOSALS REGARDING ILOIS IN MAURITIUS UNTIL IT IS CLEAR WHETHER OR NOT THEY CAN BE FOLDED INTO AGELEGA PLAN.

7. FCO SAYS RAM ALSO RAISED THE QUESTION OF OIL EXPLORATION IN CHAGOS. HE DID NOT PRESS ANY MAURITIAN CLAIM BUT ASKED WHETHER HMG AND USG WOULD BE WILLING TO LIFT THE BAN ON EXPLORATION. LORD LOTHIAN TOLD HIM THIS WOULD BE "EXTREMELY DIFFICULT." RAM GRUMBLED THAT AMERICAN OIL INTERESTS "WERE STILL ACTIVE IN THE CHAGOS AREA." FCO SAYS IT HAS HAD OTHER RECENT INQUIRIES ABOUT OIL EXPLORATION, AND ONE INQUIRER STATED THAT A MR. JACK GRYNBERG, AN AMERICAN CONNECTED WITH THE UNION CORPORATION, CLAIMED HE HAD IMPRESSION FROM CONVERSATIONS IN WASHINGTON THAT WE WOULD NOT OBJECT TO OIL EXPLORATION. IN VIEW OF RAM'S REMARK AND THIS REPORT, FCO ASKED IF WE COULD CONFIRM THEIR EARLIER UNDERSTANDING THAT WE WOULD RESIST ANY ATTEMPT TO EXPLORE FOR OIL AND THAT UNTIL THEY HEARD DIFFERENTLY FROM USG, THAT UNDERSTANDING WAS ENTIRELY CORRECT. FCO ASKS IF WE CAN IDENTIFY GRYNBERG.

8. FINALLY, BRITS WERE GRATIFIED THAT RAM DID NOT RAISE QUESTIONS OF MAURITIAN SUGAR QUOTA, IMMIGRATION, OR EMPLOYMENT OF ILOIS ON DIEGO GARCIA. ANNENBERG

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