

Defence Interests in the Indian Ocean

The British and United States Governments have had under consideration proposals for joint defence facilities in certain islands belonging to the Mauritius and Seychelles groups. Subject to the agreement of the Governments of Mauritius and the Seychelles, the British Government are prepared to detach from Mauritius and the Seychelles now, in order to hold them available for use by the British and United States Governments, the following islands:-

From Mauritius, the Chagos Archipelago (including Diego Garcia); from the Seychelles, the islands of Aldabra, Farquhar, and Desroches. Brief notes on these islands are attached.

The intention is that these islands should be constitutionally separated from Mauritius and the Seychelles and established by Order in Council as a separate British administration. Whilst no final decision to proceed has yet been taken, the general idea is that Great Britain should be responsible for the cost of acquisition of the islands in question and for compensation generally and that the United States Government would finance the construction costs of the defence facilities which they require, sharing the use with Great Britain.

2. There is a firm requirement for the establishment of radio communication station and supporting facilities,

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including an air-strip, on the island of Diego Garcia, and work on permanent facilities for this purpose is likely to start next year. As regards all the other islands, the requirement is in the nature of insurance for the future: no firm plans exist for early defence developments on them, but it is possible that various facilities may be required in future years.

3. It would be necessary to resettle the labour force associated with the coconut plantation on Diego Garcia, amounting to about 500 people. No other movement of population is contemplated at present.

4. The British Government do not wish the Governments of Mauritius and the Seychelles to incur any expense or loss as a result of the proposals.

5. The British Government are now initiating discussions accordingly with the Governments of Mauritius and the Seychelles, with a view to securing their reactions to the proposals and to establishing the amount of compensation likely to be required. No final decisions will be taken until the outcome of these discussions is known.

6. The British Government regard these developments as having great importance in the context of future security in the Indian Ocean area.

BRITISH EMBASSY,
MANILA.
28 July, 1965.

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western point of view of what was proposed. He thought, however, that there might well be a great hullabaloo at the United Nations and Canada would have to consider carefully how best she could help us if that were so. He was speaking without briefing but he seemed to recall that Canada had been specially associated with a resolution at the United Nations some years ago condemning the transfer of sovereignty of any part of a state without the consent of the inhabitants. The Department of External Affairs would be grateful for more information about how consultation with Mauritius and the Seychelles would be conducted. Would the Legislative Assembly of Mauritius and the Legislative Council of the Seychelles be consulted and if so were the inhabitants of the islands earmarked for detachment directly represented in those bodies? ~~Had~~ ^{Did} we contemplated some method of direct consultation with the inhabitants of the islands in question? Satisfactory answers to these questions might well make it easier for Canada to help us at the United Nations. I pointed out that the populations involved were very small and, in the case of the Chagos Archipelago, were "mostly contract labour from Mauritius and the Seychelles". This might mean that their real homes were in Mauritius and the Seychelles and that they only went ^{to} in the Chagos Archipelago for brief contract periods, not for permanent residence. I promised to make inquiries about this and to ask you for any further information you could give us at this stage to answer Mr. Beattie's queries

/and

25 June, 1965.

George Newman of the American Embassy called on me on 24 June to deliver a Memorandum (copy enclosed) in which the United States Government express their readiness in principle "to provide a contribution to the detachment costs of islands in the Indian Ocean from Mauritius and the Seychelles, up to one-half of the estimated \$10m. total, through deduction of an agreed amount of United Kingdom payments due in research and development surcharges". Newman added, on instructions and in explanation of the first part of the third sentence of the second paragraph of the Memorandum, that the United States Government would stipulate that this financial transaction should remain secret and that it should not appear that the Americans had contributed to any sums which H.M. Government might pay to Mauritius and the Seychelles. The Americans felt sure that we should agree on this point.

2. I thanked Newman for this communication and asked him whether he could be more precise about the research and development surcharges. I understood that these surcharges have been waived on the Phantom and the Hercules. It was true they were to be paid on the F.111 but it was not yet certain that we should be purchasing this aircraft; and I wondered whether the Americans had in mind Polaris missiles and equipment (see Article XI 1(b) of the Polaris Sales Agreement). Newman said that he had raised this very question with Washington, who seemed convinced that there would be no difficulty in finding the sum required through a waiver of surcharges, even if the F.111 was not brought into the reckoning. He added that the details of the waiver would be worked out in the meetings proposed in the second sentence of the second paragraph of the Memorandum.

3. On the question raised in the last paragraph of the Memorandum, I told Newman that it was certainly my understanding that a settlement with the Seychelles on detachment would bring in its train the conclusion of the agreement on the satellite tracking station on Mahe.

4. Newman enquired when we expected to make the approaches to Mauritius and the Seychelles: the State Department were in favour of early action and anxious that they should have at least a week's notice of the date on which the approaches were to be made. I said that it now looked as though we should be acting as during the week beginning 19 July, but I could not be precise at the moment. I undertook to give as much notice as possible.

5. It seems to me that the American offer is a pretty handsome one considering that our original agreement implied

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Telephone: ABBey 1266, ext.

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15th July, 1965

My dear Sir,

Please refer to Trafford Smith's letter of 8th July about UK/US Defence facilities.

2. My Secretary of State has now discussed the timing of the approach to the Mauritius and Seychelles Governments with the Governor of Mauritius, Sir John Rennie, and has agreed that discussion should be initiated during the week beginning 19th July. In discussion with Sir John Rennie and Lord Oxford during the Oxford Conference last weekend it became plain that, to fit in with the normal pattern of meetings of the Council of Ministers in Mauritius and of the Executive Council in Seychelles, the actual approach to unofficials should be made on 23rd July in Mauritius and on 22nd July in Seychelles.

3. We shall be preparing and circulating before the end of this week a final text of the draft telegram of instructions to Mauritius and Seychelles. We should be grateful to have your agreement and that of the other Departments concerned to this text by the evening of Monday, July 19.

4. Meanwhile two other points in connection with this exercise have come up as a result of discussions with Sir John Rennie and Lord Oxford at the Oxford Conference, both of which concern the Americans and on both of which we should be grateful if you would consider making an early approach to the Americans. The points arising are -

- (i) the question of a U.S. sugar quota for Mauritius,
- (ii) the question of employment opportunities in Diego Garcia for the people at present in that island during the construction phase.

5. As regards (i), our draft telegram, as you know, asks the Governor of Mauritius to steer his Ministers off making any demands for increased immigration facilities into Britain and for a U.S. sugar quota (paragraph 3 of the draft telegram). The Governor thinks that it is likely that both points may come up and although he will do his best to steer his Ministers off the idea of increased immigration into Britain, he very much doubts whether he will be able to restrain them from making a demand for a substantial U.S. sugar quota. This matter has apparently already been mentioned in the Press in Mauritius in connection with the Act which I understand is at present going through Congress, and the Governor thinks that it is very likely indeed that this subject will be raised by his Ministers. In discussion with us he spoke in terms of a quota of 100,000 tons as being likely to satisfy his Ministers; but this of course is in the nature of guesswork until the matter is raised.

6. As regards (ii) in paragraph 4 above, you will have seen from Trafford Smith's letter of 13th July to Patterson about administrative arrangements in the detached islands after detachment, that it would greatly ease the resettlement operation and also the difficulties with which Seychelles will in any case be faced if it were not necessary for all the people at present on Diego Garcia to be evacuated as soon as the island is made available to the Americans. We very much

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FOREIGN OFFICE

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hope therefore that the Americans will agree that improved opportunities for / should be made available to as large an extent as possible to the people at present on Diego Garcia during the construction phase. To the extent that this will ease difficulties in Seychelles (and also in Mauritius), which could otherwise be acute, it would be likely, if the Americans could take a forthcoming line over this, to facilitate acceptance of the proposals as a whole by the two Governments. I realise that the Americans indicated earlier that they did not rule out employment opportunities but I think that something rather more definite than this, if it is possible, would be helpful.

7. In discussion with the two Governors at Oxford we agreed that the Foreign Office should be asked to represent these two points urgently to the Americans. I do not imagine that it will be possible to say anything to the Governor of Mauritius on the sugar quota before he consults his Ministers on the defence proposals but as it seems that the question of the allocation of additional quotas under the U.S. sugar legislation is now very close, it is in our view important that the point should be put as strongly as possible to the Americans as soon as possible. As regards the question of employment opportunities in Diego Garcia we would hope that you will be able to secure some rather more forthcoming indication than hitherto from the Americans on this point in time for us to let the Acting Governor Seychelles know before he consults his unofficials before the 22nd July.

Yours ever,
Tony

(A. J. Fairclough)

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By Bag

FROM FOREIGN OFFICE AND COMMONWEALTH RELATIONS OFFICE TO
CERTAIN MISSIONS

No. GUIDANCE 297 Corrigendum

20 July, 1965

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DISTRIBUTION

Please make following amendments.

Paragraph 3, 2nd sentence, after "have been made" insert word "public"; and after "colleagues, make" insert word "defensive".

[Copies sent to C.O. for overseas distribution]

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BRITISH EMBASSY,
MANILA.

- 2403 1965

24/122 28 July, 1965.

24/122/5 (CM)

Dear Department,

I enclose a copy of the informal piece of paper on defence interests in the Indian Ocean which the Ambassador left with the Philippine Foreign Secretary this morning. Our telegram No. 225 refers. The American Ambassador had seen the Foreign Secretary shortly before the Ambassador's call.

2. I am sending a copy of this letter to Chancery Washington.

Yours ever
Nicholas Bayne
(N.P. Bayne)

South-East Asia Department,
Foreign Office,
LONDON, S.W. 1.

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28 July, 1965.

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In his letter of 26th July Sam Falle said that we would be replying direct to the questions in paragraph 5 of your letter to him of 14th July about defence interests in the Indian Ocean.

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2. The basic point affecting all the questions which you ask is the future of those people at present on the islands which are to be detached. Our understanding is that the great majority of them are there as contract labourers on the copra plantations on a number of the islands; a small number of people were born there and, in some cases, their parents were born there too. The intention is, however, that none of them should be regarded as being permanent inhabitants of the islands. Islands will be evacuated as and when defence interests require this. Those who remain, whether as workers on those copra plantations which continue to function or as labourers on the construction of defence installations, will be regarded as being there on a temporary basis and will continue to look either to Mauritius or to Seychelles as their home territory.
3. The answers to your specific questions are, so far as we can see (and subject to any comments the Foreign Office may have), as follows:-
- (i) The islands will form a separate territory to be established by Order in Council (cf. the establishment of the British Antarctic Territory in 1962).
 - (ii) As I have said, there will be no permanent inhabitants and those remaining there on a temporary basis will continue to be Mauritians or Seychellois, as the case may be, and have no separate national status.
 - (iii) In the absence of permanent inhabitants the obligations of Chapter XI of the United Nations Charter will not apply to the territory and we shall not transmit information on it to the Secretary-General (cf. the British Antarctic Territory).
 - (iv) Again, in the absence of permanent inhabitants no questions of constitutional development arises, but it is correct, of course, that the islands themselves will remain British possessions.
 - (v) Our present intention is that Her Majesty's Representative will be the person holding office as the Governor of Seychelles and that he will have power to make laws for the territory.
 - (vi) The detailed arrangements for the future of those people at present on the islands have yet to be made.
4. As you know from Sam Falle's letter we hope that it will not be necessary for you to take any initiative in New York or to make any statement at least at present. This letter is therefore for your own background guidance and not to be drawn upon without clearance from London. We appreciate that as soon as our intentions become public knowledge, you are liable to be questioned on the proposals and as Sam Falle said in his letter more detailed instructions will follow when we can see how things are likely to develop.
5. I am sending copies of this letter to Watt (C.R.O.) and to Falle (Foreign Office).

(a) Resettlement

- (i) People from Diego Garcia (and any other islands when evacuated) should be resettled in other out-islands rather than in Mauritius or Seychelles.
- (ii) Resettlement on other detached islands to be avoided if possible.
- (iii) Aim at resettling as many as possible of the people from Diego Garcia (and certainly the Mauritians who are "ileois") on Agalega.
- (iv) American agreement to employ maximum number of locals on Diego Garcia during construction phase, to be sought so as to ^{speed} ~~speed~~ resettlement and so as to increase prospect of there being alternative work available in Seychelles by ^{time} ~~time~~ any Seychellois who could not be absorbed in Agalega returned to Kabs.

(d) Staff for High Commissioner We thought High Commissioner would need one good

~~Expatriate~~ administrative officer plus local assistant plus supporting local staff for High Commissioner and Administrative officer; local staff to be recruited in Seychelles.

(e) No separate buildings, telegraph facilities, etc. needed for High Commissioner.

(f) Ship. Need for High Commissioner to have shipping available (over and above that at present serving Seychelles islands) to enable him to administer in particular Chagos (and also handle resettlement operation) is accepted in principle.

We have not yet gone into question of how this need would be met

4. Financial

- (a) Taxes. No taxes or duties to be raised and no development incentives to be provided by High Commissioner in detached islands.
- (b) Seychelles Government to continue to derive revenue (e.g. export duty on copra and income tax from owners) in respect of detached islands; if any change required in Seychelles law to make this possible, there would be no objection to this.

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20 July, 1965.

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I enclose a copy of a letter I have just received from Eleanor Emery in Ottawa which describes the typically high-minded Canadian reactions to our proposals on the Indian Ocean Islands.

Although I could certainly concoct a reply of sorts from material on our files I think it would be preferable to provide the Canadians with authoratative answers to their enquiries drawn direct from the fountainhead. I should be most grateful if you could provide the material for our reply. As a hullabaloo may occur without notice at any time from now on I would like to deal with this fairly quickly, and as I shall be on leave for a fortnight from next week what we would like best of all would be a paragraph or two suitable for direct quotation in our reply to Ottawa.

I hope this will not be too much trouble. A copy of this with enclosure goes to Martin Morland.

(J.S. CHAMPION)

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