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*2.2*  
*(received 4th February)*

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RECEIVED IN REGISTRY 16 MAR 1971 HGB 18/2
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# BRITISH INDIAN OCEAN TERRITORY

## RESETTLEMENT OF THE INHABITANTS OF THE CHAGOS ARCHIPELAGO

### PROBLEM

1 The time has come to implement arrangements agreed in principle by the previous Administration by which, in view of the construction of an American naval communication facility on Diego Garcia in the British Indian Ocean Territory (BIOT), we should resettle the population of the Chagos Archipelago, of which Diego Garcia forms part, partly in Seychelles and partly, subject to negotiations with Mauritius Government, in Mauritius.

2 It is also desirable to reaffirm our refusal to issue licences for oil and other mineral exploration within BIOT.

### RECOMMENDATIONS

3 I recommend that officials be authorised now to implement the policies described in paragraphs 1 and 2 above; and that we open negotiations with the Mauritius Government about resettlement there, ad referendum to Ministers.

### BACKGROUND AND ARGUMENT

A 4 A map of BIOT is at A and a Background Note on Diego Garcia prepared for the British delegation to the Commonwealth Conference is at B.

### POSITION OF THE UNITED STATES

5 The United States Government have recently confirmed that their security arrangements at Diego Garcia will require the removal of the entire population of the atoll by July if possible. This is no surprise.

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We have known since 1965 that if a defence facility were established we should have to resettle elsewhere the contract copra workers who live there. It is desirable moreover, to arrange for the total evacuation from the Chagos Archipelago of the present population, who are essentially migrant workers. If BIOT is to fulfil the defence purposes for which it was created, there should be no permanent or even semi-permanent population in respect of which we might in time incur, under Chapter XI of the UN Charter, a variety of obligations including the "sacred trust ... to develop self-government."

6 In April 1969 the then Secretary of State obtained the concurrence of the then Prime Minister for the resettlement of the inhabitants of the Chagos Archipelago on the lines now recommended. This was done in the expectation that the US authorities were about to go ahead with their facility. Congress however rejected the proposal, and further action on resettlement was necessarily deferred until American intentions became clear. When the proposal was again submitted to Congress, no approach was made to the Mauritian authorities about resettlement plans in deference to representations by the United States authorities that no overt action should be taken which might prejudice the outcome of Congressional hearings. Now, Congressional approval has been obtained, and the US Government are anxious to begin work.

THE PROBLEMS OF RESETTLEMENT

7 There are now about 829 people in the Chagos Archipelago, of whom about 359 live on Diego Garcia itself and the remainder on the two other inhabited atolls of Peros Banhos and Salomon. Of the total, 386 are dual citizens of the United Kingdom and Colonies and of Mauritius (they are known as Ilois). As far as we know, neither the Ilois themselves nor the Mauritius authorities are aware of their dual nationality. There are

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C also 35 citizens of Mauritius, and 408 citizens of the UK and Colonies from Seychelles ("Seychellois"). A population chart is at C.

8 There will be no difficulty in returning the Seychellois to Seychelles, but there would be strong political objections in Seychelles to attempting to settle the Mauritians or Ilois there.

9 In December 1965, a question in the Mauritius Legislative Assembly asked for confirmation that certain obligations in respect of BIOT had been definitely undertaken by the British Government, including, whether all Mauritians then living in Diego Garcia would be resettled in Mauritius; whether the costs of repatriation would be met from the British Exchequer; whether all costs of rehousing them would be met by the British; and finally whether work would be found for them by the British Government. With the approval of the Colonial Office, the Mauritius Government spokesman gave the following answer:

"The British Government has undertaken to meet the full cost of the resettlement of Mauritians at present living in the Chagos Archipelago."

The reply did not refer to the place of resettlement; nor does it ever seem to have been specifically established between the UK and Mauritius Governments that this resettlement would be in Mauritius. But that has been the implication and understanding on our side, and we do not expect the Mauritias Government to dispute it in principle.

10 However, with at least 40,000 men (representing 20% of the labour force) already without work Mauritius has a formidable unemployment problem. In our High Commissioner's view failure by the Mauritius Government to tackle the unemployment could lead to outbreaks of disorder, perhaps comparable to those which in September 1970 led to appeals for British military assistance. The High Commissioner advises that, because

of the already high level of unemployment, we must expect negotiations with the Mauritius Government about the resettlement of the people from the Chagos Archipelago to be difficult and the terms demanded high.

There are already about 100 families now in Mauritius whose contracts to work in Diego Garcia have not been renewed. The Mauritius Government have been asking how we intend to fulfil our obligations to these people. An answer has been delayed pending a decision about resettlement as a whole.

11 Ideally, we ought to try to settle as many of these people as possible in British territory. There would, however, as stated above, be strong political objections in Seychelles (which has its own economic and over-population problems) to accepting back any other than its own people. The possibilities of resettling Mauritian citizens and Ilois elsewhere in the Indian Ocean area have been re-examined but without success, and it is doubtful if they would wish to go anywhere but Mauritius. However, it may be possible, subject to the concurrence of the Mauritius Government, to resettle as many as 50 Ilois or mono-Mauritian families on the Mauritian island of Agalega, to work on copra plantations run by Moulinie & Company the firm who manage the existing plantations in BIOT. Whatever the result of the proposed negotiations with the Mauritius Government, it will be necessary - if the US deadline for clearing the Diego Garcia is to be met - for the inhabitants to be moved temporarily to plantations on Peros Banhos and Salomon, which are also in the Chagos Archipelago. The Governor of Seychelles has confirmed that there will be no practical difficulties in accomplishing this, and that adequate housing and welfare facilities exist for those who are to be moved. Such a measure would, however, be only an interim one.

#### COSTS

12 The total cost of establishing BIOT was originally estimated at £10 million, allocated to the Ministry of Defence Vote. (The US Government secretly contributed the equivalent of £5 million). Of the £10 million, £3 million was originally allocated for building an airport

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in Seychelles, £3 million to Mauritius in cash, and £4 million for the purchase of islands from private owners for resettlement and for contingencies. The allocation for the Seychelles airport was notional and in order to build a viable international airport capable of taking modern jet aircraft the cost has risen to over £5million. (An analysis of expenditure is at D). Consequently, virtually no balance now remains which could be used for resettlement purposes. It is certain that additional funds will be required for resettlement.

13 It is estimated that the cost of resettling the Seychellois in Seychelles may not exceed £10,000 (including costs of termination of contracts and passages). A preliminary figure of £55,000 has been put forward by Moulinie & Co. for the proposed scheme for settling 50 families on the Mauritian island of Agalega. The costs of resettlement in Mauritius are at this stage impossible to assess, as we do not know the sort of price the Mauritius Government may ask. The High Commissioner has recommended that a Special Adviser be appointed to examine resettlement possibilities in consultation with the Mauritius Government.

OIL & MINERALS

14 Part of the price which the Mauritius Government may ask in any negotiations may be a relaxation of the policy to which we have so far adhered, that no surveying or exploration for oil or other minerals is allowed within the Chagos Archipelago, so long as the whole area is set aside for defence purposes. Mauritian interest stems from an assurance given in 1965 that the net benefit of any oil or minerals discovered in or near the Chagos Archipelago would revert to the Mauritius Government. It is not thought that there are any significant resources of oil, gas or minerals in Chagos but some foreign companies have applied for oil

exploration licences. It seems right to maintain the ban on mineral and oil exploration for the present, but we should review the need for it with US officials in case it might prove to be in Britain's interests to allow some relaxation in the course of negotiations with Mauritius about resettlement of the Ilois.

15 So far there has been relatively little public or Parliamentary interest in BIOT; and such interest as has been shown has been mainly concerned with conservation on Aldabra (where a nature reserve is being established). But neither we nor the Americans can conceal the fact that the creation of facilities for the US Navy in this British Colony means the evacuation and resettlement of several hundred people; and if, as seems likely, negotiations with Mauritius are prolonged, the episode may well attract publicity, and critics of our Indian Ocean strategy may be expected to make the most of it.

16 This Submission has the concurrence of Defence Department, Financial Policy and Aid Department, Finance Department, East Africa Department, UN (Policy) Department, Oil Department, the Legal Advisers and of the ODA and the Ministry of Defence. The Treasury have given their concurrence on the understanding that any necessary expenditure over and above the sum of £10 million allocated for the setting up of BIOT will be met from within existing TESC provisions, and subject also to the conditions that resettlement costs shall be kept as low as possible and shall be charged in the first instance to the unspent balance of the sum of £10 million. They also observe that the cost of any further recommendations will have to be considered very carefully, coming as they will on top of the considerable provision already made for establishing BIOT.

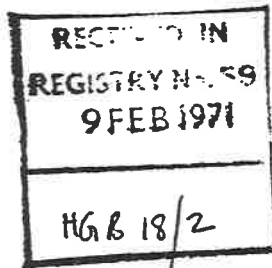
*Ian Watt*

(I Watt)

Atlantic and Indian Ocean Department

\*26 January 1971  
Circulated Feb 2nd.

Mr Scott  
Sir L Monson  
Mr Kerby



BIOT

RESETTLEMENT

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1 In his minute of 5 February, Mr Kerby asked for advice for Mr Kershaw on several points arising from my submission of 26 January. The Secretary of State and the PUS have also drawn attention to the possibility of awkward political implications;

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and the Secretary of State has specifically asked whether some of the people in the Chagos Archipelago could not be employed by us.

Employment by Her Majesty's Government

2 I take this, in context, to mean that, in the first instance anyway, we should think about employment in BIOT itself or in the Seychelles.

3 BIOT There is no serious prospect of employment in BIOT. The Americans will use the US Seabees to build their communications facility and runway on Diez Garcia; otherwise they want Diego Garcia evacuated so as to reduce to a minimum the possibilities of trouble between their forces and any "natives". They will no doubt want the same thing should they decide to put up Service installations elsewhere in BIOT.

4 There are two possible ways in which the Seychelles might help.

- 1) They could permit the resettlement in Seychelles of some of the Mauritians. When we asked the Governor about this before Christmas, he replied that the suggestion would meet with

opposition from both local parties and that he considered the scheme a non-starter. Despite this, I thought it worth casting a fly over the Chief Minister last week when the ODA were expressing concern about the size of his labour force and the consequences for the pace of development. The Chief Minister indicated no, but my approach had been most informal, and I would not think it a waste of time to try again. We might put it to him that at a time when he is short of labour and yet anxious to make quick progress with a large development programme, he might find it helpful rather than otherwise to have some addition to his labour force. We could also say that if he agreed to take some of the Mauritians, perhaps say 75 families, he would be doing us a further service, and thus strengthening the association between our two countries which he wants to promote. We should of course have to promise to contribute to resettlement, and could hardly expect to get away with less than the estimate of £1,100 per family for the limited resettlement scheme on the island of Agalega;

- ii) Agalega at present cannot take more than 50 additional families. There are 100 or so Seychelles workers on Agalega and it is just possible that they could return to Seychelles, thus making room for an equivalent number of Mauritians. For this ploy to succeed we should have not only to obtain the consent of the Seychelles Government, we should also have to obtain the consent of Mr Moulinie, who owns Agalega. As the Seychellois are better workers than the Mauritians and as the costs of passages between Seychelles and Agalega are lower than between Mauritius and Agalega, he may need some persuading.



5 If any approaches on these lines to Mr Mancham are to succeed at all they should, I think, be made at Ministerial level. He is in London for the whole of this week, and for a few days at the beginning of next.

Resettlement Adviser

6 Mr Kershaw has commented on the suggestion, originating with the High Commissioner in Mauritius that, if we do start negotiations with Mauritius about resettlement, we should appoint a Special Adviser to consider matters in detail with the Mauritian authorities. Mr. Carter had in mind Mr Hotchin who has already advised on resettlement in Rodrigues or somebody like him.

Finance

7 Mr Kershaw also asks about possible financial problems. The present position is that all the interested Departments (FCO, MOD and ODA) are on record with well argued reasons why the costs should not fall to their particular Vote. The Treasury have agreed to arbitrate but have not yet given their ruling. There may be dust and heat before departmental liability is finally determined, but there is not, I think, any disposition to argue against HMG's having to pay up.

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8 February 1971

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