

MEMORANDUM OF INFORMATION FOR THE FILE

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EXECUTIVE

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LETTER, MEMO, ETC.

TO:

Gen. Serrano

FROM:

Gen. Janka

SUBJECT:

Report to Congress on High Guian
Relocation

Chagos Archipelago

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MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

October 8, 1975

MEMORANDUM FOR: GENERAL SCOWCROFT

FROM: LES JANKA *for*SUBJECT: Report to Congress on Diego Garcia
Relocation

OBE —
NSC clearance in line
given by Janka in line
of Scowcroft action
10/12

On September 19, I convened a LIG meeting with State and Defense representatives to discuss burgeoning Congressional concerns over the removal of the transient labor force from Diego Garcia. It was agreed by the LIG that we should move quickly to put the issue to rest before some Congressional committee called for special hearings or the matter became a contentious issue in the mark up of the Defense appropriation bill containing funds for the Diego Garcia expansion. You OK'd (Tab B) a strategy of drafting an Administration report providing full details on the background of this issue which would be consistent with, but in fact preempting, a requirement posed by Senator Culver's amendment to the State Department authorization bill for the President to submit to the Congress a full report on the background of the removal by November 1. (The authorization bill has not yet gone to conference, so we still have a chance to knock out Culver's amendment as irrelevant.)

The comprehensive report drafted by State and Defense is at Tab A. Current plans are to have this report transmitted on Friday, October 10, to the Chairmen of the Foreign Relations, International Relations, and Armed Services Committees of both Houses by Ambassador McCloskey. The report has been reviewed within the NSC staff by Denis Clift, Dick Boverie and Bob Oakley. We all agree that this is a good and forthcoming report which puts the Administration in a completely decent light. We are also working with State to be absolutely certain that the British have been

specifically consulted on and acquiesce in the release of this report. (They had not yet done so at 1500 today, but we have worked closely with the British throughout the uproar over this issue and they have been fully responsive so far.)

I feel strongly, however, and Denis Clift agrees, that there should be no classified attachments to this report as the draft indicates on page 9. I suggest that we tell State to remove the reference and instead leave McCloskey's cover letter to the Chairmen, offering to provide them to the Committee as classified background documents to be discussed only in Executive session.

DC *BO* *DB*
Denis Clift, Bob Oakley and Dick Boverie concur.

RECOMMENDATION

That you approve the release of the attached report to the Congress without the classified attachments.

_____ APPROVE

_____ DISAPPROVE

RECEIVED
1974
GERALD R. BUSH

Same as L (a3) Heag?
5-6-64

REPORT

On the Resettlement of Inhabitants of the Chagos Archipelago

The British Indian Ocean Territory was established in 1965, in order to meet future UK and US defense needs. At that time the four island groups (Chagos Archipelago, Aldabra Islands, Farquhar Group, and Desroches) which comprise the territory were sparsely populated, essentially by contract workers and their dependents who had been brought to the islands to work in coconut plantations. Some 1,000 persons of Seychellois and Mauritian extraction inhabited the Chagos Archipelago, which includes the island of Diego Garcia. This report addresses, within the limits of information now available, the demography of the Chagos Archipelago, the reason for relocating this population, and the financial and other arrangements for their resettlement.

Demography

As part of US-UK planning to make the islands available for defense purposes, a joint Anglo-American survey had previously been conducted in 1964. It indicated that the population of the three habitable islands in the Chagos Archipelago, Diego Garcia, Peros Banhos, and Salamon, was approximately 1,000, of whom about 640 were considered Mauritians and some 360 Seychellois. On all three islands, the sole economic activity was the production of copra and other coconut products at plantations owned since 1962 by the Chagos Agalega Co. headed by Mr. Paul Moulinie of Mahe, Seychelles. On Diego Garcia, of a population of about 485, all but about 19 were workers on the coconut plantations, or their dependents. (The 19 included 6 officials at a meteorological station, 12 administrative employees, and one unemployed). The male workers, of whom there were about 204, were mostly (80 percent) under contract of two year duration for married men and 18 months for bachelors.

On Peros Banhos and Salamon the entire population of 291 and 219 respectively, was dependent on the coconut plantations, except for 4 administrative employees and 2 unemployed on Peros Banhos.

Historically, it appears that coconut plantations were established by Europeans in the Chagos Archipelago as far back as the 18th century. In early times the plantations used slave labor and in more recent times corvee labor imported primarily from Mauritius and the Seychelles. In 1964, it was typical practice to bring in Seychellois and Mauritians on 18 month to 2 year contracts at about \$3 to \$4 per month, plus housing and rations.

There was no modern administration on the islands of the Chagos Archipelago. Plantation managers appeared to have exerted absolute powers, except for infrequent visits by magistrates from Mauritius or the Seychelles. According to all available information, no persons resident on the islands owned land there. Although there were instances of families who had worked there on a contract basis for two generations, data is too fragmentary to reveal how many were in this category. The 1964 report states that "the islands were in fact estates organized and administered on much the same principle as were, for example, the German plantations in the Cameroons some thirty years ago." The report further states that "there was little evidence of any real sense of a distinct community evolved by the special local environment," and that "attachment to the island in recent years was fostered by the easy-going ways of the old company rather than to the island itself. The impact of the new company has loosened the old ties, and if there is a distinctive way of life on the islands it is Seychellois rather than Mauritian, being African in origin and evolved around the coconut palm."

Despite the basically transitory nature of the population of these islands, there were some often referred to as "Ilois", who were oriented more toward the islands than toward Mauritius or the Seychelles. In the absence of more complete data, it is impossible to establish the status of these persons and to what extent, if any, they formed a distinct community. The 1964 report states that of the total population of Diego Garcia, perhaps 42 men and 38 women, with 154 children might be accepted as Ilois. At that time, no more than 3 men and 17 women could be regarded as having their permanent homes on the island. Any survey of the "Ilois" is complicated by the varying usage of this term, which sometimes refers to those oriented toward life on the islands, sometimes to all those born in the Chagos islands regardless of extraction or orientation, and sometimes (in its legal sense) only to those of Mauritian extraction born in the Archipelago.

With this background, the authors of the 1964 Anglo-American report were able to comment that, "if it becomes necessary to transfer the whole population there will be no problem resembling, for instance, the Hebridian evictions. Alternative employment on a new domicile under suitable conditions elsewhere should be acceptable."

The Decision to Resettle

The Anglo-American Agreement of 1966 for "Availability of Certain Indian Ocean Islands for Defence Purposes" (TIAS 6196) provides that the islands of the Chagos Archipelago as well as other islands comprising the British Indian Ocean Territory (BIOT) would be made available as required to meet the needs of both governments for defense. The British Government completed purchase of the lease holds of the copra plantations held by the Chagos Agalega Company by 1967, while allowing continued operations under revocable leases until such time as the islands might be required for defense purposes as envisaged in the 1966 agreement. Since the island populations were almost totally dependent on the plantations, it followed that defense use would require the relocation of the workers and their families. Under the agreement, the British Government, which retained full sovereignty over the BIOT, assumed the responsibility for all administrative arrangements including any required resettlement, when islands were required for the defense needs of either country.

One of the main considerations in setting up the British Indian Ocean Territory was that the islands were thinly populated primarily by contract laborers and their dependents, whose attachment to a specific locale was tenuous, as confirmed by the 1964 Anglo-American survey. It was anticipated that when an island such as Diego Garcia was required for defense purposes the plantations would be closed and the workers and their families relocated, and no persons would remain there except official United States and United Kingdom personnel assigned to, or residing on, the station, with the possible exception of foreign contractors temporarily required for the construction of military facilities or the dredging of harbors. There were several reasons for desiring unpopulated islands for military use. Security was a factor considered by both governments. The United States

was concerned about the social problems that could be expected when placing a military detachment on an isolated tropical island alongside a population with an informal social structure and a prevalent cash wage of less than \$4.00 per month. It appears that the United Kingdom also was concerned with the problems involved in establishing civil administration for islands it was considering developing for military purposes.

Resettlement

In 1969, the British made tentative plans for moving the workers and their families from Diego Garcia to make way for the austere joint communications facility which was then being considered by the US Congress. Several alternative relocation sites were considered, including the islands of Peros Banhos and Salomon in the Chagos group. However, the plantations on these two islands were deteriorating and could not be maintained without a considerable investment which was not feasible unless the islands could be exempted from military use for at least twenty years. As such a commitment was not possible, and to avoid relocating islanders twice, the British undertook to move everyone from the islands of Diego Garcia, Peros Banhos, and Salomon. Mauritius was chosen as the relocation site when other alternatives proved either economically unviable or otherwise impracticable.

The Government of Mauritius claims to have informed all of the islands in 1965 that with the detachment of the islanders from Mauritius to form the BIOT, workers should seek employment elsewhere. Whether because of this notice, or normal fluctuations in the cycle of copra production, or an absolute drop in economic activity, the population of the Chagos islands declined from about 1000 in 1964 to about 807 in 1968. When the British carried out their resettlement operation in late summer of 1971, some 360 persons were moved from Diego Garcia and 470 from the islands of Peros Banhos and Salomon, a total of 830.

A recent British report concerning this operation states that "as far as we can ascertain, the only inhabitants other than the contract workers and their families were the few Mauritian government officials at the meteorological station, contracts were generally for two years at a time, and the work force was essentially migratory in character."

This report also comments that "there were instances of families who had worked on a contract basis on Diego Garcia for two generations. We have found no evidence to support the claim that some inhabitants had roots extending back through five generations."

The physical relocation of the workers which the closure of the Chagos plantations necessitated was carried out by the Chagos Agalega Company which assumed responsibility for its workmen. We understand from the British that although there was some reluctance on the part of the older people to move, all went willingly. No coercion was used and no British or U.S. servicemen were involved.

Resettlement Financing

The British have been on record since 1965 as willing to pay appropriate compensation when relocation of workers and their families in the BIOT became necessary. The count of persons affected by the closure of plantations in the Chagos Archipelago seems somewhat unclear. In addition to the 830 persons moved in 1971, there were apparently some 400 persons who had worked on the islands and who had voluntarily settled in Mauritius between 1965 and 1970. According to Mauritian Government records, 1151 persons had a claim to compensation. Thus, the number considered eligible for compensation was higher than the number on the islands at any one time since 1964, probably reflecting the turnover of labor on the island plantations. Other differences in the numbers may be caused by deaths and births, or by the difficulties in keeping track of an essentially migrant population.

Pursuing its intent to compensate resettled persons, the UK reached agreement with the Mauritian Government in 1973 to provide 650,000 pounds sterling (\$1.4 million) to Mauritius for relief and relocation of all those who had worked or lived in the Chagos Archipelago in 1965 or later, and who subsequently settled in Mauritius. The Mauritian Government acknowledged that the 1973 payment represented a full and final discharge of British obligations in this regard, and accepted complete responsibility for the people involved, most of whom were Mauritian citizens by birth or by virtue of a 1971 amendment to the Mauritian constitution granting citizenship to a wide class of persons living in the Chagos islands.

The Mauritian Government had developed a resettlement plan for this group as early as 1969, but available information indicates that the funds provided by the UK Government remain largely undisbursed. On October 1, 1974, representatives of the resettled islanders petitioned the Mauritian Government to give each family a piece of land, separate housing, and jobs in Mauritius. The following day, the Prime Minister of Mauritius directed attention to the 1973 agreement with the UK and confirmed that resettlement efforts were being made.

Recent Mauritian Government figures indicate that of 421 families in the resettlement group, 243 heads of family were now in "settled occupations" in Mauritius. Old age pensioners account for 57, and 74 are on public assistance. Twenty eight heads of family want to return to Diego Garcia, and eight families are willing to go to Agalega Island as part of a possible resettlement scheme. (The shortfall may reflect deaths and emigration) The Mauritian Finance Minister recently stated that the Mauritian Government has decided to resettle as many of the "Ilois" as possible on Agalega island, with employment similar to their previous occupation in the Chagos Archipelago and in improved living conditions.

Financing BIOT Costs

Expenses incurred by the British Government in connection with the establishment of the British Indian Ocean Territory were as follows:

Compensation to Mauritius for transfer of sovereignty	3.0 million pounds		
Payment to Chagos Agalega Co. for transfer of freehold	1.35	"	"
Payment to Mauritius for Re- settlement of workers	.65	"	"
Construction of airport in Mahe, Seychelles	6.2	"	"
	* 11.20	"	"

*Approximately \$30.0 million. It is impossible to make a precise conversion because of the devaluation of the pound during the period when expenditures were being made.

At the time of the 1966 Anglo-American Agreement on shared use of the BIOT, the United States Government agreed to provide one half of the cost of establishing the BIOT, but not to exceed \$14 million. To date, \$11,542,000 of this amount has been provided. US financing was not applied to any specific British expenditure, but was related to the total of expenses incurred by the UK in setting up the BIOT.

US financing was provided by waiving, to the extent of \$14 million, the 5 percent research and development surcharges accruing in connection with the UK purchase of the Polaris missile system. Under this arrangement, US obligations in respect to creation of the BIOT were to be debited against a trust fund established pursuant to Article XI of the US-UK Polaris sales agreement concluded on April 6, 1963. Under the sales agreement, the British had agreed to pay a 5 percent research and development (R&D) surcharge on the cost of hardware items procured for them.

The legal basis for these payments was addressed in 1965, and is summarized as follows: "insofar as the payments relating to R&D are concerned, the proposal foregoes payment up to the amount of \$14 million. This sum is not a sum owing to the United States. The exact amount of the R&D is uncertain depending on the price of the items sold. It is further uncertain in that the United Kingdom may at any time at its option cancel the Polaris purchase, without being liable for any R&D charges over and beyond those calculated on items already delivered. Also significant is the fact that Section 507 of the Foreign Assistance Act of 1961, as amended, does not require the imposition of any R&D charge whatsoever. Such a charge could have been omitted from the agreement, and was inserted in the agreement only as a matter of policy. Accordingly, the waiver of such a charge in exchange for a valuable consideration does not constitute the waiver of a charge which the Executive Branch is under a statutory mandate to collect. Viewed in this light, the United States is merely giving up one right in exchange for another right of equal or greater value."

Conclusion

In reconstructing the discussions that led to the formation of the British Indian Ocean Territory and the establishment of a joint US-UK communications facility on

the island of Diego Garcia, it is evident that the question of the island population was one of concern to both governments and that appropriate steps were taken to ascertain the numbers of people that might be affected by the closure of plantations and the nature of the communities in which they lived. While far from a complete sociological study, the 1964 Anglo-American survey report provided convincing evidence that the population of the Chagos Archipelago was essentially impermanent, largely comprised of contract laborers with ties in the Seychelles or Mauritius, and totally dependent on the coconut plantations for their livelihood. According to the report, most of the inhabitants would gladly work elsewhere if given the opportunity. Thus the removal of workers and their families from the Chagos Archipelago - for reasons that were considered compelling - seemed at that time both reasonable and feasible, provided adequate resettlement funds were made available.

While it was US policy to ensure that military facilities would be located in an unpopulated area, US and British authorities scrupulously maintained that all responsibility for the people on the islands lay with the UK, which retained sovereignty over the island. While the resettlement doubtless entailed discomfort and economic dislocation for a number of the families involved, it is clear that the UK was willing from the outset to provide adequate relocation funds and technical assistance in dealing with settlement problems. The 650,000 pounds transferred to Mauritius by the UK in 1973 is still available, and the Mauritian Government has stated that it intends to pursue a resettlement program.

Information provided by the Administration to the Congress over the years reflected the status of the population on the BIOT islands at different times. In April 1969, in a letter to Senator Symington, then Secretary of Defense Laird mentioned that the islands of the British Indian Ocean Territory had a small migratory population. Testimony before the Military Construction Subcommittee of the House Appropriations Committee in May 1970, included the statement that the British had made further plans for resettlement of the workers. In testimony before the Subcommittee on the Near East and South Asia, of the House Committee on Foreign Affairs in March 1974, it was stated that there was no indigenous population on Diego Garcia. In June 1975 the Special Subcommittee on Investigations of the House Committee on International Relations was informed that Diego Garcia was uninhabited.

Financial arrangements for the establishment of the British Indian Ocean Territory were covered in Secretary Laird's letter to Senator Symington referred to above. These arrangements have until now been closely held, since they involved sensitive negotiations among governments. Before proceeding with the US arrangement for contributing the agreed U.S. share of the expense of establishing the British Indian Ocean Territory, the Administration carefully reviewed the legal aspects of waiving the research and development surcharge connected with the Polaris Missile system being acquired by the UK.

While the US was not involved in the arrangement for resettling the population of the Chagos Archipelago, and our share of the BIOT financing was not assigned to this or any other specific activity, it should be noted that US concern for the people of Mauritius has been expressed in other direct ways. For example, in February this year units of the 7th Fleet provided cyclone relief assistance to Mauritius at a cost to the U.S. of over \$300,000. In addition the US has pledged \$25,000 to assist the victims of the cyclone.

In sum, the record shows that United States and United Kingdom officials acted in good faith on the basis of information then available to them, with respect to the issue of resettling the people of the Chagos Archipelago. There is no outstanding US obligation to underwrite the cost of additional assistance for the persons affected by the resettlement from the Chagos islands.

Classified Enclosures:

- 1 - 1964 Anglo-American Survey Report
- 2 - 1966 Exchange of Notes Regarding BIOT Financing
- 3 - Legal Brief to Circular 175, Nov. 12, 1965

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Clearances:

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PM/ISP - Mr. Leonard
S/P - Cdr. Patton
AF/E - Mr. Barber
INR/PMT - Cdr Smith
ACDA - CDR Combemale
OSD/ISA/FMRA - Mr. Barringer

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Return to Leo.

EO