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ACTION PM-05

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FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 8751  
ODD WASHDC  
INFO AMEMBASSY PORT LOUIS

S EIC R EIT LONDON 5494

SUBJ: BIOT RESETTLEMENT

REF: LONDON 3168 *10/19/70*

1. FONOFF LETTER OF JULY 7 ENLARGES UPON URWICK'S EARLIER INDICATION (REFTEL) THAT AGELEGA RESETTLEMENT PLAN APPEARS INFEASIBLE. AGELEGA STRUCK BY TWO CYCLONES EARLIER THIS YEAR WITH EXTENSIVE DAMAGE COPRA PLANTATION AND PRODUCTION ALMOST AT HALT. EXISTING LABOR FORCE NOW ENGAGED IN RESTORATION AND NEW PLANTING PROGRAM; PRODUCTION WILL NOT RETURN TO NORMAL FOR AT LEAST TWO YEARS AND NEW PLANTATIONS WILL NOT COME IN TO ABSORB ADDITIONAL LABOR FOR SIX TO EIGHT YEARS. FONOFF INTENDS PURSUE MATTER FURTHER WITH PAUL MOULININE HIMSELF UPON HIS RETURN TO SEYCHELLES IN AUGUST BUT CLEARLY CONSIDERS AGELEGA OPTION REMOTE.

2. ONLY ALTERNATIVE TO AGELEGA SCHEME WHICH FONOFF SEES IS RESETTLEMENT ON MAURITIUS ITSELF. THIS POSES SERIOUS DILEMMA LONG FORESEEN AND REPORTED DETAIL IN PREVIOUS CABLES THIS SUBJECT: DOES HMG MAKE EARLY START ON NEGOTS WITH GOM WHICH COULD JEOPARDIZE CONGRESSIONAL APPROVAL, OR DOES IT DEFER TALKS UNTIL AFTER CONGRESSIONAL APPROVAL ASSURED AND RUN REAL RISK RESETTLEMENT WILL NOT BEGIN IN TIME TO MEET OUR CONSTRUCTION TIMETABLE? FONOFF APPARENTLY DOES NOT IN EITHER CASE CONTEMPLATE APPROACHING GOM UNTIL AGELEGA DEFINITELY RULED OUT, BUT SEEKS EARLY INDICATION US VIEWS BEFORE IT HAS TO MAKE FUNDAMENTAL DECISION ON HOW TO PROCEED.

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*London 5494*  
*7/12/70*

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3. RE GOM REACTION. FONOFF RECALLS THAT RAM WAS INFORMED BY MICHAEL STEWART LAST JULY ABOUT US PLANS FOR DIEGO FACILITY AND WAS TOLD HMG WOULD WANT TO DISCUSS RESETTLEMENT EVENTUALLY, SO FAR AS IS KNOWN HE HAS KEPT THIS CONFIDENCE. BUT IF RESETTLEMENT TALKS ACUTALLY OPENED INVOLVING OTHER MAURITIAN MINISTERS, FONOFF ESTIMATES HE IS LIKELY TO SPILL BEANS ABOUT DIEGO PLANS. IT WOULD THEN BECOME "DIFFICULT" TO MAINTAIN THAT TWO MATTERS NOT DIRECTLY CONNECTED, AND PUBLIC LINKAGE AND CRITICISM COULD BE EXPECTED. WE ARE HOPEFUL THAT THIS REFRESHINGLY FRANK JUDGMENT REFLECTS GENUINE FONOFF SHIFT TOWARD MORE REALISTIC APPRAISAL OF DANGERS, AND CONCERN TO SEE FACILITY ESTABLISHED. IT DOES NOT, UNFORTUNATELY, RESOLVE DILEMMA.

4. DEPT MAY WISH TO CONSIDER WHETHER SOME VARIATION OF FEB 1969 BRITISH PROPOSAL (LONDON 981) FOR USE OF PEROS BANHOS AND SALOMON ISLANDS AS RELOCATION SITE IS WORTH EXPLORING. BASIC ECONOMICS OF COPRA PLANTATIONS MAY HAVE ELIMINATED THIS AS VIABLE ALTERNATIVE OVER PAST YEAR. ON OTHER HAND BRITS MAY BE WILLING ACCEPT SOMETHING LESS THAN 20-YEAR SELF-DENIAL COVENANT SINCE THEIR ONLY RECOURSE MAY NOW BE TO ACCEPT A VERY TOUGH DEMAND FROM GOM. UNLESS DOD FORESEES PROBABLE DEFENSE USE FOR THESE ISLANDS IN NEXT DECADE, THIS MAY BE LEAST PAINFUL POTION FOR ALL PARTIES.

5. FULL TEXT OF FONOFF LETTER POUCHED.  
ANNENBERG

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