

Department of State TIPE

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51 - 42 ACTION PM-05

AF-12: EUR-20 CIAE-00 INR-07 NSAE-00 RSC-01 INFD: OCT-01

L-04/ H-02: SS-20 NSC-10 /083 068114

RI 121220Z JULI 70: FMI AMEMBASSY LONDON TO SECSTATE: WASHDC 8751 DOD! WASHDC INFO: AMEMBASSY PORT LOUIS!

SEELCERELT LONDON 5494

SUBUL BIOT RESETTLEMENT

REF LONDON 3168 10 19/78

1. FONOFF LETTER OF JULY 7 ENLARGES UPON URWICK'S EARLIER INDICATION (REFTEL) THAT AGELEGA RESETTLEMENT PLAN APPEARS INFEASIBLE . AGELEGA STRUCKIBY 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

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 DUES IT DEFER

MOULININE HIMSELF UPON HIS RETURN TO SEYCHELLES IN AUGUST BUT

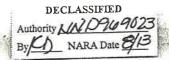
REAL RISK RESETTLEMENT WILL NOT BEGIN IN TIME TO MEET OUR CONSTRUCTION TIMETABLE? FONOFF APPARENTLY DOES NOT IN EITHER CASE CONTEMPLATE APPROACHING GCM UNTIL AGELEGA DEFINITIVELY

CLEARLY CONSIDERS AGELEGA OPTION REMOTE.

TALKS UNTIL AFTER CONGRESSIONAL APPROVAL ASSURED AND RUN RULED OUT, BUT SEEKS EARLY INDICATION US VIEWS BEFORE IT HAS TO: MAKE FUNDAMENTAL DECISION ON HOW TO PROCEED.



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3. REIGOM REACTION, FONOFFIRECALLS 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! FARLAS: IS! KNOWN HE! HAS! KEPT THIS! CONFIDENCE. BUT IF!

RESETTLEMENT TALKS: ACUTALLY OPENED! INVOLVING: OTHER MAURITIAN

MINISTERS, FONOFFI 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 PROPOSALI (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:

Romgort