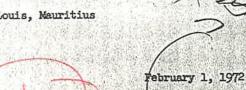
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EMBASSY OF THE UNITED STATES OF AMERICA

Port Louis, Mauritius



OFFICIAL-INFORMAL SECRET

James K. Bishop, Jr., Esquire Department of State (AF/C) Washington, D. C.

Dear Jim:

I appreciate your sending me a copy of Phil Hilbert's letter to Dave Newsom commenting on our A-246. While I am sure your draft reply will effectively dispose of the various arguments he raises, I would like to comment on several aspects:

Phil's letter confirms the two main points which prompted our airgram. First, the Department of Defense was ignorant of the number and nature of the population of Diego Garcia when the basic agreement with the UK was concluded, and in the intervening years DOD has not clarified in its mind the actual position. Second, DOD acknowledged its responsibility for the removal of the Hois by payment of \$14 million to HMG; Phil makes plain that subsequently the USG has done little or nothing to assure that HMG properly dispensed that money or manifested interest in seeing that the Ilois were justly compensated.

On the first point, it is of course absurd to state that there "was no connection except by happenstance between Mauritius and any of its related islands ... no ethnical or geographical relationship whatever..." or to imply that Diego Garcia had "no fixed population." While we have done no deep research in the history of the Diego population, there is no question that the island has been inhabited since the Eighteenth Century. A "large and costly" British naval expedition caused the return to Port Louis of Franch planters back in 1786 (see the enclose extract). Suffice it to point out that Article 20(4) of the Mauritian Constitution confers citizenship on all persons born

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