

SECRET

OUTWARD TELEGRAM

FROM THE SECRETARY OF STATE FOR THE COLONIES

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Draft on Pnc 93/592/01

TO (1) MAURITIUS
(2) SEYCHELLES

Cypher

Sent 19th July, 1965. 18.00 hrs.

IMMEDIATE
SECRET (AND PERSONAL) TO MAURITIUS

- (1) PERSONAL No. 198
- (2) No. 219

To (1) Your telegram Personal No. 61.

To (2) Your telegram Personal No. 56.

U.K./U.S. Defence Interests.

Matter has now been considered by Ministers in light of your advice. Americans have been informed that while we could not agree to their proposals in full we are nevertheless willing in principle to pursue proposed joint development further on the basis that, subject to the agreement of the two Governments, which we regard as essential, we would be prepared to detach from Mauritius and Seychelles and make available for our own and American use the following islands:

the whole of the Chagos Archipelago (including Diego Garcia),
Aldabra,
Farquhar and Desroches.

The position is thus that, whilst no final decision to proceed has yet been taken, provided that total compensation necessary to secure agreement of Governments of Mauritius and Seychelles is not too large, project will be proceeded with. As you know basic intention is that Britain should be responsible for cost of acquisition of necessary islands and compensation generally whilst Americans would finance construction costs of defence facilities.

2. For your own information Ministers were when considering the matter, aware of my views on probable elements in compensation necessary to secure acceptance of these proposals by Governments of Mauritius and Seychelles as follows:-

- (i) unavoidable costs in respect of
 - (a) compensation for island owners;
 - (b) costs of resettlement of displaced labour;
- (ii) probable demands by Governments for compensation in respect of loss of territory (additional to existing and anticipated development assistance under normal arrangements) which might comprise -
 - (a) provision of a grant to Seychelles sufficient to cover the cost of a full length civil airfield on Mahé (which we assume might be £2-3 m.);

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/(b)

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(b) provision of a capital grant to Mauritius, the amount being almost certainly not less than that involved in (a) above;

(iii) willingness to finalise on generous terms draft agreement covering the American Tracking Station in Seychelles which must in any case be settled as soon as possible and which unofficials would be likely to insist upon before considering any further facilities for Americans;

(iv) possible additional demands from Mauritius -

(a) to cooperate in a scheme to enable substantially more Mauritian emigrants to settle in Britain;

(b) to make efforts to secure American agreement to a substantial sugar export quota for Mauritius to the U.S.A.

3. Expenses as at (i) in preceding paragraph are clearly avoidable. So too no doubt are some substantial compensation payments on lines of (ii). As to (iii) we recognise that in this latter context this should not present undue difficulty. As to (iv) both these possible demands would cause us grave difficulties and we sincerely hope that Governor Mauritius will be able to steer his Ministers off making them.

4. As indicated above no final decision on this project has yet been taken. In view of appreciable total compensation which seems inevitable we have raised with Americans questions whether, without departing basically from division of costs of project indicated in paragraph 1 above, they would be prepared to make some contribution to compensation costs. The Americans have stated that they are prepared in principle to make such a contribution. They have however stipulated (and we agree) that as fact and the method of payment, which would not be direct, must be kept strictly secret, and they attach the greatest importance to this. In any case, before Ministers here can take a final decision on whether project should go ahead, we need some clear indication as to amount and nature of compensation necessary to secure Mauritius and Seychelles agreement.

5. Ministers have therefore directed that discussions should now be opened with Mauritius and Seychelles Governments on proposals outlined in paragraph 1 above. The object of this initial round of consultations with -

(to (1)) your Ministers

(to (2)) members of your Executive Council would be:-

(i) to secure their reactions to proposed development on lines indicated in paragraph 1 above;

(ii) to attempt to clarify likely compensation demands so as to enable us to gauge what it might be necessary to offer to secure willing and public acquiescence in proposed developments.

/You

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You should not, of course, in these initial discussions indicate contents of paragraph 2 above. You should explain that before the British Government finally decides whether to go ahead with the project it is necessary to have some idea of its likely cost since, if this were too high, it might not be possible, in view of current overseas finance difficulties, to proceed with it at all. The British Government does not wish -

(to (1)) Mauritius

(to (2)) Seychelles

to incur any expense or loss as a result of the operation and will naturally be responsible for meeting the cost of compensating landowners and also the cost of resettlement of displaced labour. In addition, the British Government recognises that it would be reasonable for the Governments of Mauritius and Seychelles to expect some element of compensation in view of the proposed detachment of territory and would welcome an indication from those Governments of their views as to the level of compensation likely to be required to make the project acceptable to their public opinion.

6. In putting the matter to your unofficials you should indicate that as regards Diego Garcia there is a firm requirement for the establishment of Communications Station and supporting facilities including an airstrip. As regards the remainder of the islands (including the remainder of the Chagos Archipelago) you should indicate that the requirement for these is in the nature of an insurance for the future, that no firm plans exist for early defence developments on them but that it is possible that air and/or naval facilities may be required in future years. In addition, you should make plain points about timing of movements of population and about use of local labour mentioned in paragraph 1 of my telegram -

(to (1)) Personal No. 66

(to (2)) No. 75.

In this connection with reference to O.A.G. Seychelles telegram No. 104, whilst the Americans have indicated that they would not rule out possibility of employing Seychelles labour in connection with construction of facilities we know that this is likely to be difficult for them; any long-term employment possibilities once defence facilities are operational are extremely unlikely. O.A.G. Seychelles should not therefore take initiative in raising this matter with members of Executive Council; if point is raised by them there would be no objection to saying that British Government recognises importance to Seychelles of additional employment opportunities and will certainly bear the point in mind. For your own information we, of course, have in mind in this connection that if civil airfield is built on Mahé as part of quid pro quo this would generate very considerable employment possibilities.

7. I assume that you will judge it useful to stress the importance of these developments in the context of future security in the Indian Ocean area. However, both we and the Americans are anxious to play down this argument and also the American strategic role; these aspects are liable to arouse particular suspicions and hostility in some of the countries around the Indian Ocean.

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In instructions to British and American posts abroad, therefore, as little as possible is being said about these points. I must leave it to you to decide how to deal with this dilemma; I suggest that if necessary you should say merely that in the short run we welcome joint Anglo/American developments in the area, even though their practical effects would be limited at first to communication and supporting facilities on one island. In the longer term we would regard the possible eventual construction of air or naval staging facilities on one or more of the islands as a potential contribution to the security of the area, to the benefit of all concerned. You should add that H.M.G. hope that the proposals will be welcomed in Mauritius and Seychelles and that they attach considerable importance to securing the support of

(to (1)) your Ministers

(to (2)) members of your Executive Council

to them.

8. You should explain that it would be intended that the islands in question should be constitutionally separated from Mauritius and Seychelles and established, by Order in Council as a separate British administration. The Americans would not be prepared to go ahead on any other basis. Any suggestion of the islands required being made available on the basis of either leases or defence agreements with Mauritius or Seychelles must therefore be ruled out.

9. The above is also the answer to the point raised in O.A.G. Seychelles telegram No. 118 i.e. the Americans would not go ahead on any basis except excision. Excision would, of course, not repeat not) affect constitutional relationship between Seychelles and Britain which would in any case be developed in the future as in the past in consultation with Unofficials in Seychelles. There could be no objection to O.A.G. Seychelles speaking on these lines to members of Executive Council if matter is raised; for his own information, with reference to his telegram No. 108 and paragraph of his telegram No. 118 I am satisfied that integration would be most unlikely to be acceptable to Parliament here.

10. Present intended scope of development is as indicated in paragraph 6 above and you should not go beyond this. We recognise however that in light of recent newspaper speculation you may be asked about possibility of islands being used in connection with nuclear forces. If this point is raised you can only say that it is an established point of both British and American policy never either to confirm or to deny the presence or absence of nuclear weapons in any base; or to confirm or to deny the intended use of any defence facility in connection with nuclear weapons. This policy is adopted for obvious reasons and if point raised you must ask your unofficials to accept this; you could, however, point out that at present all that is intended is communications facilities in Diego Garcia.

11. In putting matter to -

(to (1)) your Ministers

(to (2)) members of your Executive Council

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please emphasise strictly confidential nature of proposals and stress that at this stage they should give no publicity to any part of them or discuss them with anyone, except amongst themselves.

12. I understand from recent discussions in London with Governor, Mauritius, that he will put matter to Council of Ministers on Friday, 23rd July. I also understand from Governor, Seychelles, that Executive Council normally meets on Thursdays and I suggest, therefore, that O.A.G. Seychelles should raise matter with Executive Council on 22nd July. If Governor, Mauritius, wished to give advance information on matter to Premier there would be no objection to him doing so also on 22nd July. Grateful urgent telegraphic confirmation that these timings will be followed. Subsequently grateful also for telegraphic confirmation after you have spoken to unofficials that you have done so, in order that we can institute follow-up through posts in Commonwealth and foreign countries.

13. If you require further guidance before putting the matter to your unofficials I shall be very willing to supply any information you may need. A separate telegram will be sent before 22nd July in reply to O.A.G. Seychelles telegram No. 143 covering arrangements for administration of detached islands after detachment on lines recently discussed here with Governor, Seychelles and Governor, Mauritius; telegram will be repeated to Governor, Mauritius.

14. I should be grateful if as soon as possible you could let me know unofficials' reactions and, in particular, let me have estimates of the likely cost of compensation.

(Encryption sent to Ministry of Defence for transmission to Mauritius)

Copies sent to:-

Ministry of Defence	- Mr. G.W. Wright
Ministry of Overseas Development	- Mr. I.H. Harris
Treasury	- Mr. J.A. Patterson
Foreign Office	- Mr. E.H. Peck
Commonwealth Relations Office	- Mr. L.B. Walsh Atkins

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