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BIOT WORKING PAPERSPaper No.5 - Evacuation & Resettlement of  
Inhabitants of Chagos Archipelago

This paper deals with the evacuation and resettlement where necessary of the people at present working in the Chagos Archipelago together with their families:-

	<u>Seychellois</u>	<u>Ilois</u>	<u>Mauritians</u>
Peros Banhos	65	168	11
Salomon	22	138	23
Diego Garcia	230	128	22
	317	434	56

In this total there are 282 men, 171 women and 354 children. As noted in earlier papers there are also approximately 370 Ilois at present in Mauritius thought to be awaiting re-employment in Chagos, and it must be assumed that any public statement regarding resettlement would lead some or all of these people to apply to be treated on the same basis as the Ilois at present in the Chagos.

2. Our information about possible ways of resettling the people with a claim to resettlement is very limited, and it is only possible in this paper to deal with the subject in general terms.
3. The main object of evacuation and resettlement would be to solve once and for all the latent political problem of the continuing present of the Ilois in Chagos, a problem which cannot be resolved by relocation of these people in Peros Banhos and Salomon on the lines discussed in Paper No.4.
4. In considering evacuation of the whole of the Archipelago it should be noted that a different time scale could be applied to Diego Garcia on the one hand and Peros Banhos and Salomon on the other. According to available American estimates of the construction time-table it will be necessary to evacuate the people from Diego Garcia (other than any temporarily kept there in employment on construction) in early 1970. There seems to be no strong reason why evacuation of Peros Banhos and Salomon should not be deferred to a later date; and it might be possible to make use of these islands for a time to accommodate some of the people from Diego

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Garcia (although this might well require the provision of additional housing).

5. The background to the problem of evacuation of the Chagos Archipelago lies in the adverse employment situation in Mauritius and Seychelles, and the absence of other hopeful destinations for the people

Possible Destinations

6. Mauritius and Agalega

The island of Mauritius itself suffers from 20% unemployment and the High Commissioner, Port Louis, reports that the Government of Mauritius are unlikely to welcome the return of some 250 families except on generous compensation terms. This could be expected to include elements for housing, relief work payments and family allowances. They might argue that it would be nearly impossible to find suitable employment for them, since there is no copra industry in the island into which they could be absorbed, that a resettlement of this size would increase the pressure on existing educational and health facilities that the Ilois and their dependents would be a long term liability and that additional facilities should be financed by us in the areas where they are resettled. The Mauritians may also be expected to raise again the question of the resettlement of the Ilois at present in Mauritius.

7. A more satisfactory solution might be to negotiate resettlement of Mauritian citizens from Chagos in the only coconut producing island within Mauritian territory, viz. Agalega. This had originally been our intention when B.I.O.T. was established in 1965. We cannot assess the chances of success in this, which would involve complicated negotiations; but the possibilities should certainly be explored. The (limited) further information we have about Agalega is set out in the Annex.

8. Seychelles

Judging from the figures which we have in London the unemployment situation in Seychelles is even worse than that in Mauritius. An unemployment rate as high as 27% has been reported. As in the case of Mauritius, however, these figures need interpretation in the light of local conditions before deductions are based on them.

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9. There are hopes in Seychelles of economic development resulting from the construction of the new airport and the Governor has reported that, notwithstanding the serious unemployment problem in the colony, it would be possible for the Seychelles to accept the return of the Seychellois formerly working in B.I.O.T. But he has made it clear that resettlement of Ilois or Mauritians in Seychelles territory would be unacceptable, both economically and politically.

Other Destinations

10. The sombre employment situation in both Mauritius and the Seychelles raises the question of other possible destinations for people who can claim resettlement. It has been suggested that the purchase of a copra producing island or islands, possibly in the Maldives, should be considered. At first sight, prospects in the Maldives are not encouraging but it may be desirable to explore any such possibilities in greater detail, although it can be assumed that they would prove expensive (Mr. Moulinie was paid about £660,000 for the freehold of the Chagos Islands.)

Claims of Separate Elements in the Population11. Seychellois

There are no special nationality or political problems in the return of the Seychellois migratory labour force to Seychelles on the expiry of their current contracts. In view, however, of the undertaking by H.M.G. conveyed to the Government of Seychelles to meet the cost of resettling any displaced labour, it is conceivable that if resettlement becomes a public issue the Seychellois may well claim special arrangements for "resettling" them as against severance pay in respect of any unexpired period of their contracts.

12. Muritians

The 56 Mauritians do appear to represent a resettlement commitment as H.M.G. have undertaken to pay for the resettlement of all Mauritians, including Ilois, who may be returned to Mauritius following their evacuation from Chagos (see Paper No.2).

13. Ilois

It is the Ilois who present the main problem (see Paper No.3). They have traditionally worked and lived in Chagos and can claim no skills other than those of coconut plantation workers. The

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movement of this class therefore would involve not only uprooting them from their traditional homes and settling them elsewhere but also providing them with a new livelihood, unless they can be resettled in an area where a copra industry exists. As noted earlier, the main island of Mauritius has no established copra industry.

14. From the political point of view it seems clear that resettlement in Mauritian territory would provide the best (perhaps the only) final solution to this problem. The difficulty is likely to be the economic one noted above. The problems and cost involved in resettling the Ilois in Mauritius cannot be assessed without an approach to the Mauritian Government. In view of the grave economic and social problems of the country they must be expected to negotiate for the best possible terms of resettlement. Humanitarian consideration and the need for us to avoid adverse publicity in Mauritius and elsewhere (notably at the U.N.) would be factors in the situation.

15. From the British viewpoint, considering the need to reach a reasonable settlement in an atmosphere which would not generate adverse publicity and its international repercussions it would be necessary to deal with the problem in close co-operation with the Mauritius Government. It would obviously be preferable to avoid the presentation of a dramatic or sudden exodus from the whole of the Chagos Archipelago, and it would be possible to do this, as noted earlier, by dealing with Diego Garcia early in 1970, and the rest of the Chagos later at whatever tempo was judged desirable. Continued use of Peros Banhos and Salomon in this way could give us valuable time while full agreement is being sought with the Mauritian Government. This course might however involve problems of presentation of the decisions taken, which fall outside the scope of this paper.

Pacific & Indian Ocean Department

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B.I.C.T. WORKING PAPERSPaper No. 6: Oil and Mineral Rights and -  
Exploration for Oil in Chagos

Two recent applications from U.S. oil companies and an enquiry from a firm of Mining Consultants in Switzerland for permission to explore for oil in the Chagos Archipelago have led us to examine the undertaking given to the Mauritius Government on the subject of minerals and oils when the Chagos islands were detached from Mauritius. The result of this re-examination is set out in Paper No. 2.

2. In brief it was agreed at the time (though not so far as we can trace published) that the benefit of any minerals or oil discovered in or near the Chagos Archipelago should revert to the Mauritius Government. In public the Mauritius Government said in effect that:-

- (i) there has never been any indication of minerals in the Chagos Archipelago, which is a string of coral atolls;
- (ii) the British Government has no intention of allowing prospecting for minerals while the islands are being used for defence purposes. The position thereafter would be covered by the agreement that if the British Government decides that the Chagos Archipelago is no longer required for defence purposes the islands will be returned to Mauritius.

3. In October, 1968 a subsidiary of the Signal Companies Inc. asked for permission to explore the Chagos Archipelago for hydrocarbons. The basis of their approach was that the nature of the Chagos uplift is still very much in doubt. The relevant part of their letter reads as follows:-

"There are three possible explanations as to why this large shallow area exists, namely:

1. It is eroded granite intrusion similar to the situation that exists in the Seychelles.
2. It is volcanic in origin, having been formed by plateau type basalts similar to certain areas in India.
3. It is an arch of sedimentary rocks.

Possibility No. 3 is the one that attracts us."

4. The letter made it clear that the Company would require an understanding that after exploration they would have the right to negotiate a concession for hydrocarbons in the Archipelago and surrounding waters "to a depth of say

/200 fathoms".

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200 fathoms". A similar approach was received from Atlantic and Oceanic Resources Ltd. in December. The Commissioner was instructed to reply in both cases that the application had been given full consideration "but I regret that it is not possible to grant you permission to conduct any survey or exploration on the Chagos banks." In January Atlantic and Oceanic Resources asked the Commissioner to elaborate on the reason why permission was denied; no instructions have yet been sent to the Commissioner on the line to be taken in reply to this second approach. The third enquiry was received in February 1969 from Petroconsultants S.A., Petroleum and Mining Consultants, Geneva who are acting for an unnamed client. The Commissioner has not yet replied to this latest application.

5. The U.S. Embassy in London were informed in general terms of our intention to reject applications for mineral exploration. In a letter dated 3 February (to Mr. Sykes from Mr. Oplinger) the Embassy commented as follows:-

"We concur with your rejection of applications from private firms for mineral exploration of Diego Garcia. We would have no objection to such exploration in other islands of the archipelago on the clear understanding that all such activity would be halted immediately if a future U.S./U.K. decision were made to use the islands in question for defence purposes under the 1966 agreement. In this connection, we would appreciate any information on the current status of the question of exploration and exploitation of mineral rights. Has there been any recent clarification of this question, and are there any outstanding differences between your Government and the Government of Mauritius regarding mineral rights?"

Pending re-examination of the position we have not replied to the questions raised in this letter.

Possibility of Discovery of Oil: Technical and Commercial Aspects

6. Large scale discoveries of oil seem unlikely in this area, but without detailed surveys it is impossible to rule out the possibility. If oil is found in the Indian Ocean it would constitute a new and stable source better placed in relation to markets in Western Europe and Japan than the Persian Gulf. If exploitation was to be left to U.S. companies, however, Indian Ocean oil fields might constitute a threat to the marketing of oil produced by British companies in the Middle East, thus affecting the U.K.'s foreign exchange earnings. As yet there is no case for encouraging British companies to do more than keep a watching brief on the situation or for allowing the remote prospects of finding oil in this area to affect other considerations.

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7. If some American view was accepted, it could allow exploration over a very wide area (subject to definition) and might settle once and for all the question whether oil is to be found in Chagos. But the American requirement that "all such activity would be halted immediately" if the islands concerned were needed for defence purposes would make it impossible to include in an exploration permit any absolute right to exploitation.

8. The question arises whether the decision on evacuation of the whole Archipelago or relocation of the people from Diego Garcia in Peros Banhos and Salomon should be taken into account before reaching a decision about exploration for oil. It can be argued that evacuation would strengthen our hand in resisting pressure to allow exploration; if we allowed the islands to continue to be used for copra this would provide at least a debating point for the people who were pressing us to allow exploration for oil. But there does not seem to be as much weight in this point as in those arising from the interest of the Mauritius Government.

Interest of Mauritius Government

9. The Mauritius Government are aware of the interest being taken by oil companies in the Indian Ocean, which includes an interest in their own territory and waters around St. Brandon and the Cargados Carajos Shoal. We do not know whether they have yet been informed of the interest of the U.S. oil companies in Chagos. When they become aware of this and know about American plans for Diego Garcia, we must be prepared for them to press us to allow exploration, perhaps on the basis suggested by the U.S. Embassy, i.e. for the whole of the Chagos excluding Diego Garcia. Against the background of the grave economic and human problems which afflict Mauritius, it would be possible to represent the U.K. Government as depriving the people of Mauritius of a possible chance of help in their difficulties. It is also possible that if we seek the co-operation of the Mauritius Government over resettlement of the Ilois they will try to bargain for exploration to be allowed in Chagos; and this point may carry more weight than the one touched on in the previous paragraph.

Balance of Arguments

10. There are a number of uncertain factors in the situation and the balance of arguments for and against exploration may well change within the next few months or years. A decision now to allow exploration (with or without rights of exploitation) in any part of the Chagos Archipelago might then prove to have been premature.

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Conclusion

11. In view of the overriding Anglo/U.S. defence considerations, for which the British Indian Ocean Territory was set up, and our firm notification in 1965 to the Mauritius Government that we had no intention of allowing prospecting for minerals, we should maintain our policy on denying permission for exploration in Chagos (and any other B.I.O.T. islands if the question arises there). We should explain to the U.S. Government how we stand with the Mauritius Government on this subject and tell them that we regard it as essential to maintain a firm refusal to grant permission for exploration for the whole of the territory. We should endeavour to agree with the U.S. Government a form of words which indicated that this refusal resulted from the need of both the U.K. and U.S. Governments to reserve the islands for an indefinite period for defence purposes.

Pacific and Indian Ocean Department

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