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SECRET

CYPHER/CAT A

MEDIATE SEYCHELLES

TO C

COMMONWEALTH OFFICE

TELNO BIOT 62

12 OCTOBER 1968

SECRET

YOUR TELEGRAM NO. BIOT 63: DIEGO GARCIA.

HOUSING ON PEROS AND SALOMON IS ONLY SUFFICIENT TO ACCOMMODATE PRESENT LABOUR FORCE AND TO MOVE ILOIS FROM CHAGOS TO THESE ISLANDS WOULD INVOLVE RETURNING SEYCHELLOIS WORKING THERE, TO SEYCHELLES OR DIEGO GARCIA. FORMER WOULD CAUSE ADVERSE POLITICAL COMMENT AND PUBLICITY AND LATTER WOULD MAKE IT IMPOSSIBLE TO DISGUISE THE MOVE AS COMMERCIAL OPERATION. ADDITIONALLY, TO MAKE MOVEMENT PALATABLE, SOME CARROT IS NEEDED AND TO MOVE ILOIS NOW FROM DIEGO TO INFERIOR QUALITY HOUSES ON OTHER ISLANDS WOULD CAUSE DISCONTENT.

- 2. I HOPE YOU WOULD RECONSIDER YOUR PROPOSAL. /?GP OMITTED ?TO/ ENABLE QUICKEST POSSIBLE MOVE I SUGGEST THE FOLLOWING ACTION IS NECESSARY:-
 - (A) TO DECIDE WHETHER PEROS AND SALOMON ARE TO BE DEVELOPED AND, IF SO,
 - (B) TO ORDER AND ERECT PREFABRICATED HOUSING, TO INCREASE LABOUR FORCE TO PRESENT STRENGTH PLUS DIEGO ILOIS AND ASSUMING SUITABLE PREFABRICATED BUILDINGS ARE AVAILABLE IN SOUTH AFRICA, RESETTLEMENT COULD BE COMPLETED IN ABOUT SIX MONTHS FROM DECISION TO DEVELOP ISLANDS. AS THIS TAKES US AT BEST TO PERIOD WHEN AMERICAN DECISION IS EXPECTED AND PUBLICITY WILL BE AT MAXIMUM, IT SEEMS DANGEROUS /?GP OMITTED ?TO/ OFFER NO ALTERNATIVE ADVANTAGES AND I WOULD PREFER TO BEGIN RESETTLEMENT AFTER DEFINITE DECISION TO GO AHEAD ON DIEGO GARCIA IS TAKEN. IN THIS CASE ACTUAL MOVEMENT OF ILOIS WOULD NOT TAKE PLACE UNTIL ALMOST ONE YEAR AFTER DECISION BY WHICH TIME INTEREST MAY WELL HAVE WANED.

SIR H. NORMAN WALKER

FILES

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