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MR E. COUNSELL,
E.A.D.

US Embassy

London, England

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February 22, 1969

Richard A. Sykes, Esquire, C.M.G., M.C.
Defense Department
Foreign and Commonwealth Office
Whitehall, S.W.1

Dear Richard:

We have now heard from Washington on the general subject of resettlement of workers to Peros Banhos and Salomon Islands, and on the specific question of reserving those two islands for economic exploitation for a twenty-year period which you discussed with us on February 5 and in paragraph 2 of your letter of February 6.

As we understand it, you propose that we undertake, for a period of twenty years, not to install any defense facility on Peros Banhos or Salomon which would require evacuation of migrant workers, or in the event that such facility should be installed, that we agree to compensate for any development which takes place during the interim period.

In our view, this proposal would seriously derogate from the principles underlying the 1966 BIOT agreements, which we interpret as (1) authorizing the transfer of local workers elsewhere, together with the curtailment or closure of copra plantations or other economic activity, and (2) placing the responsibility on the U.K. Government for any relocation costs or compensation to private interests. For these reasons, we would not wish to enter into a 20-year self-denying commitment regarding the use of the two islands, nor could we undertake to

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compensate for interim economic development costs in the event we should later find it desirable to use them.

Our acquiescence to the resettlement of Chagos copra workers to Peros Banhos and Salomon was with the caveat, as you will remember, that it should not prejudice the ultimate use of those islands for defense purposes, even to the exclusion of workers if that should some day be necessary. It remains our position that neither such use nor such exclusion is presently foreseen, but we do not wish to be tied to a commitment for any given term of years.

Finally, let me say that we fully recognize the desirability of solving resettlement problems within the BIOT in a manner so as not to contribute to labor problems on Mauritius and Mahe, if that is possible. We will bear this in mind as planning proceeds. We would prefer not to stimulate movement of workers from Diego Garcia to Peros Banhos and Salomon at the present moment, since we wish to meet both your desires and our 1966 commitment regarding employment of local labor to the extent possible. We will have a clearer idea of how much employment may be feasible in March/April after Congressional review of the proposal. Accordingly, we believe that movement of workers at this time may be premature.

Yours truly,

Jonathon D. Stoddart
Chief
Politoco-Military Affairs

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