

PRIME MINISTER

Talks with the Prime Minister of Mauritius: 25 July

The Prime Minister of Mauritius, Mr. Jugnauth, is coming for talks tomorrow at 1200 followed by lunch. He will be accompanied by:

Dr. Ghurburrun - Minister of Planning and Development

Mr. Gayan - Minister of External Affairs

Mr. Bacha - Perm. Sec. in the Prime Minister's Office

Mr. Rifkind will be present from the FCO: he will just have returned from a visit to Ethiopia and the Seychelles.

Mr. Jugnauth will also be seeing Mr. Tebbit and Lady Young.

Some very elaborate briefs (73 pages) are attached with personality notes. I suggest you read only the steering brief and underlined passages elsewhere. Main points boiled down onto a card are attached.

Notes for a toast also attached.

CDP  
24 July 1984

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

23 July 1984

Dear Charles,

Visit of the Prime Minister of Mauritius: Talks with  
the Prime Minister at 1200 on Wednesday 25 July

The Prime Minister will be holding talks with Mr Anerood Jugnauth QC, Prime Minister of Mauritius, at 1200 hrs on Wednesday 25 July, as part of his official visit to Britain as a guest of Government. Mr Jugnauth previously called on the Prime Minister on 11 October 1982. On this occasion he will be accompanied at the talks by two members of the Mauritian delegation (we do not know who as yet), which comprises:

The Minister of Economic Planning and Development.  
Dr Beergoonath Ghurburrun;

The Minister of External Affairs, Tourism and Emigration,  
Mr Kumarsingh Gayan;

The Prime Minister's Permanent Secretary,  
Mr Bninod Bacha.

Mr Rifkind will also attend the talks.

I enclose a set of briefs. Mr Jugnauth will also be calling on the Secretary of State for Trade at 1445 on Wednesday 25 July, and on the Minister for Overseas Development at 1630 on Thursday 26 July. Lady Young will be calling on Mr Jugnauth at his hotel at the beginning of his official programme on Monday 23 July.

Our High Commissioner has told us that Mr Jugnauth is greatly looking forward to his visit. In spite of his Government's emphasis on economic rather than political matters, Mr Jugnauth is likely to raise the issue of Mauritius's claim to the British Indian Ocean Territory, for internal political reasons, but has also said that he accepts that the Prime Minister will reiterate what she told him in their talks in October 1982. He may also raise the subject of British Council representation in Mauritius, and ask for more development aid; defensive points for these are covered in the enclosed briefing.

Yours ever,

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

TALKS BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF MAURITIUS, THE HON. ANEROOD JUGNAUTH QC. 1200 25 JULY 1984

INDEX OF BRIEFING

1. Steering Brief
2. Leading Personality Reports
3. Political
4. Economic
5. UK/Mauritian Trade
6. Aid
7. British Council
8. Overseas Students
9. IPPA
10. Sugar/Lome Convention
11. Bi-lateral Defence Matters
12. Indian Ocean
13. Air Services
14. Commonwealth Heads of Government Meeting (CHOGM): NASSAU 1985
15. Security of Small States
16. Port Louis, Mauritius, New High Commission Offices

East African Department

Foreign and Commonwealth Office

July 1984

## VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK:

JULY 1984

## STEERING BRIEF

1. Mauritius, with a population just short of a million, occupies a position in the Indian Ocean of potential strategic importance. The island was ceded to Britain by France in 1814 and remained a British colony until becoming independence from Britain as a Commonwealth realm in 1968. Mauritius' historical antecedents are reflected in her languages; English is the official language but French is widely spoken. India has also had close traditional ties with Mauritius and almost half the total population are Hindu Indo-Mauritians.

2. The last official visit by a Mauritian Prime Minister was by Sir Seewoosagur Ramgoolam (now Governor General) in August 1981. Mr Jugnauth became Prime Minister of an MMM (Mouvement Militant Mauricien) Government in June 1982 and in this capacity he called on the Prime Minister in London on 11 October 1982. Following a Cabinet split in March last year, Mr Jugnauth formed a new party (Mouvement Socialiste Mauricien) and, in alliance with the Labour Party and Social Democrats, won a convincing victory in new elections held last August.

3. Predictions that the Alliance would quickly split up have not been fulfilled, and although the new Government showed early signs of being heavy-handed, they have also shown that they can be flexible (eg over the proposed Newspapers and Periodicals

/Amendment Bill).



Amendment Bill). Jugnauth has largely spent the last year in Mauritius, keeping the Alliance together, and is now confident that his Government will last the full term until the 1988 elections.

4. Mr Jugnauth's new Administration has proved pro-Western, and moderate in the manner in which it has pursued the Mauritian claim to the British Indian Ocean Territory (in contrast to the stridency of his first 6 months in power). Mauritius could exercise a moderating influence on other governments in the Indian Ocean, notably the Seychelles, which has been more amenable to Soviet influence. Notwithstanding underlying communal rivalries, the democratic manner in which Mauritius has accomplished two dramatic changes of political power has been exemplary. The Government are following orthodox economic policies and have given precedence to economic realities rather than political aspirations.

5. We are trying to capitalise on this change of emphasis. When Mr Alex Fletcher visited Mauritius last September he concluded an agreement to provide a line of mixed credit worth £12.3 million (£3.0 million ATP) to be spent on British exports over the next three years. Plessey still expect to win a sizable portion of the Plaisance Airport contract (with a UK content value of up to £17.6 million). Although Mauritius has considerable economic problems, mainly on account of the poor price for sugar on the world market, she is protected to some

/extent



extent by her substantial EC quota under the Lomé agreements (we import the bulk of this).

6. Our High Commissioner has told us that Mr Jugnauth is greatly looking forward to the visit. He has also told our High Commissioner that he will, for internal political reasons, raise the issue of Mauritius' claim to the British Indian Ocean Territory but accepts that the Prime Minister will reiterate what she told him at their talks in October 1982. Mr Jugnauth is also likely to express his wish to see a British Council representative reinstated in Port Louis and ask for more help on scholarships. No funds are available to meet either request at present. Defensive points are in Brief nos 7 and 8 respectively. If he asks for more development aid, it should be explained that our Mixed Credit Line has not yet been utilised. Our most serious concern is over the cavalier and high handed way in which the Mauritians have, on the basis of incomplete information, decided to terminate the Cable and Wireless' franchise. The Prime Minister has been briefed to raise this issue (Brief No 5). The Mauritian behaviour is particularly surprising in that Cable and Wireless is the biggest British investment in Mauritius and also in view of the Mauritians desire to promote inward investment from the UK. A Mission led by the Deputy Prime Minister visited Britain in May to promote inward investment, and it is hoped to sign an Investment Protection and Promotion Agreement during the visit, if the Mauritians can let us have in

/time



time the answers to questions which we have put to them.

7. Against this background, our objectives for this visit are:
- (i) to consolidate the pro-Western pragmatism of the present Mauritius Government
  - (ii) to keep the dispute over BIOT sovereignty in cold storage
  - (iii) to deflect any requests involving additional expenditure
  - (iv) to promote our commercial interests in Mauritius.

East African Department  
Foreign and Commonwealth Office  
July 1984



The Hon Anerood JUGNAUTH MLA QC

Prime Minister, Minister of Defence and Internal Security,  
Minister of Information, Minister of Reform Institutions and  
Minister of External Communications.

Member of the Legislative Assembly (MLA) for Piton-Riviere du  
Rempart. Hindu. Vaish caste.

Born 1930. A lawyer (attended Lincoln's Inn) who was appointed  
a Queen's Counsel in 1980. A former President of the Mauritius  
Family Planning Association.

Jugnauth's political career began with the Independent Forward  
Bloc (IFB), a radical populist party with support amongst lower-  
caste rural Hindus, which he joined in the early 1950's. First  
elected MLA for his present constituency in 1963, on an IFB ticket.  
He was in London for the Mauritian Constitutional Conference of  
September 1965 as Deputy Leader of the IFB and served in the pre-  
independence government as Minister of State in the Finance Min-  
istry (November 1965 to 1967) and Minister of Labour (1967-8).  
He was made Attorney-General after Mauritian independence in 1968  
but walked out of the Cabinet the following year together with  
four other IFB members.

After leaving Government he was employed in the Crown Law Office  
as Senior Crown Counsel, a post he resigned with effect from  
February 1972 to join the Mouvement Militant Mauricien (MMM),  
a more dynamic and radical force than the declining IFB. He  
became President of the MMM in 1974 and Official Leader of the  
Opposition following the general election of December 1976. Prime  
Minister Ramgoolam included him in his delegation to the CHOGM  
meeting in London in June 1977, and is rumoured to have (unsuccess-  
fully) urged Jugnauth to join with him in a Government of National  
Unity. With the victory of the MMM/Parti Socialiste Mauricien  
(PSM) alliance at the general election of June 1982 the Prime  
Ministership went to Jugnauth. However following a Cabinet crisis





and his expulsion from the MMM, Prime Minister Jugnauth formed his own political party, the Mouvement Socialiste Militant (MSM), and in alliance with the Labour Party and the Parti Mauricien Sociale Democrate (PMSD) won the subsequent general election of August 1983.

Married. His wife is an inspector of primary schools. Has a son and a daughter, both in the UK. His son studied law at Buckingham, his daughter has a degree in bio-chemistry and is married to an Indian doctor trained at Cambridge.

---

East African Department  
July 1984



DR BEERGOONATH GHURBURRUN

Hindu (low caste)

Minister of Economic Planning and Development

Born 1928. Studied medicine in Bordeaux 1952-55 and in Paris 1955-56.

Practised as doctor in France and Morocco.

1963 nominated to Legislative Council. Minister of Social Security 1965-58, Commerce and Industry 68-69, Communications 69-71, Labour and Industrial Relations 71-76, Minister of Health 1980-82. Defeated with rest of Labour Party in 1982 election. August, re-elected Minister of Health in MSM/Labour Party/PMSD Alliance. 1984 succeeded Sir S Boolell as Minister of Economic Planning and Development. Leader of the Labour Party in Legislative Assembly. Married to a Doctor who trained in Ireland and Britain. 1 daughter.

East African Department  
July 1984

CONFIDENTIAL

GAYAN, Anil Kumarsingh

Minister of External Affairs, Tourism and Emigration

Born 22 October 1948. Hindu. Nephew of Sir S Boolell

Educated Royal College, Curepipe, London School of Economics (LLB); called to the Bar (Inner Temple 1973). Crown Counsel in 1974, Senior Crown Counsel in 1977. From 1974-82 was Mauritian representative to the 3rd UN Conference of the Law of the Sea. In 1982 he was a member of the prosecution team which represented Seychelles in the mercenaries trial. Elected to the Assembly and to Curepipe Town Council in 1982. A confident and self-contained individual who is well disposed towards the UK but works hard at a non-aligned image.

Married with 2 children. His wife has a BSc (Hons) from the LSE and a MSc (Hons) from SOAS, London.

CONFIDENTIAL



BACHA, Bhinod

Permanent Secretary, Prime Minister's Office

Born 8 July 1941. High caste Hindu.

Educated at Royal College, Port Louis, Durham University (BA Hons, 1966). Joined Civil Service in 1969 as Administrative Assistant to the Prime Minister's Office, rising swiftly to Permanent Secretary by 1982. Was also concurrently Secretary for Defence 1980-82. Was also for short while Private Secretary to the Governor General. Has had courses in Langley, Virginia and London as background for his overall supervision of the National Intelligence Unit (formerly State Security Service). Originally Ramgoolam's chosen "flier", he survived the MMM/PSM Government successfully and seems a potential Cabinet Secretary - almost the only post open to him which would not signify demotion. An efficient civil servant and a likeable individual. Somewhat nervy manner and a chain-smoker.

Widower with one child; his wife died in tragic circumstances early in 1984.



Lunch only

H.E. MR DURMA GIAN NATH

Mauritius High Commissioner to London since November 1983.

---

Born 29 May 1934 at Triolet, Mauritius. Obtained a BA, (Hons) Delhi and an MA, Delhi. Also followed courses in International Affairs and Diplomacy in New Delhi, Berne and London.

From 1963-66 he was an education officer in Mauritius followed by a period spent in the Prime Minister's office (1967-68). Thereafter he was seconded to the Mauritius High Commission in London for four years until 1972 when he was made First Secretary. In 1976 he was made Deputy High Commissioner in London before his promotion as Ambassador of Mauritius to the Arab Republic of Egypt in March 1982.

Our High Commissioner in Port Louis considers that Mr Nath's appointment as High Commissioner in London could be seen as a gesture towards the low-caste Hindus who, despite early fears rallied to the alliance during the general election (21 August) and as recognition that there is a role for career members of the Diplomatic Service as Heads of Mission and of Mr Nath's undoubted hard work while Deputy High Commissioner in London.

Mr Nath who is married with three children, is a small, rather portly man.

East African Department  
July 1984



*Lunch only*

Mr Harris MUNGROOSING

Deputy Director of the National Intelligence Unit and Head of the Anti-Drug Squad.

Mr Mungroosing has been attending the Second Commonwealth Symposium on Commercial Crime at Jesus College Cambridge.

He forms part of the Mauritius Delegation at the request of the Prime Minister's Office, but will not be taking an active part in meetings during the visit.



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK:  
JULY 1984

BRIEF No 3: POLITICAL

POINTS TO MAKE

Threats to stability in the Indian Ocean

1. Interested in Mauritian views, especially on political developments in Seychelles, just visited by Mr Rifkind, and Madagascar.

Anglo-Mauritian Relations

2. Political relations now in good repair. We must keep them so.

Indian Peace Zone (if raised)

3. Still no agreement on what IOPZ would mean in practice. Until greater agreement and in view of Soviet presence in Afghanistan and Horn of Africa, we believe it premature to set date for conference on IOPZ.

Mauritian Claim to Sovereignty over the Chagos Archipelago (if raised)

4. The position is clear and well known we have sovereignty over these islands. We have, however, undertaken to cede them to Mauritius when no longer required for defence purposes. The Non Alignment Movement's declaration has no legal force.

Mauritian Access to the Outer Islands of the BIOT (if raised)

5. We have agreed to permit Mauritian vessels to have access to the outer islands of the BIOT and its territorial sea. We have informed the owners of those vessels most likely to be concerned and they have welcomed the arrangement. We have  
/authorised



authorised two vessels to fish in Chagos waters and a third request is under consideration. The licensing system is designed to ensure that:

- a) we know who in advance is going there on legitimate business;
- b) there is no over-exploitation whether of coconuts or fish; our concern is not to build up new industries but to facilitate activities of a traditional character.

Will we support Mauritian aims to obtain labour and food supply contracts for Diego Garcia (if raised)

6. In principle, we do support these objectives, if Mauritian bids are competitive and if contracts are available, and we have made these views known to the United States Government. Understand that some 150 Mauritians have been recruited to work on Diego Garcia.

Dismissal of two Mauritian Contract Workers (if raised)

7. Matter of dismissal of the two contract workers employed by the US company FEBROE is a matter between employer and employee in which HMG is not involved.

The Republic Question (if raised)

8. Mauritius' constitutional development is for Mauritius to decide. Any change need not affect bilateral relations.

More Money for the Ilois? (if raised)

9. The £4 m ex-gratia payment which HMG paid to the Government of Mauritius on 28 October 1982 was a full and final payment and we do not envisage making a further payment.





VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO: 3 POLITICAL

ESSENTIAL FACTS

1. In June 1982, Paul Berenger's Movement Militant Mauricien (MMM), in alliance with Harish Boodhoo's Parti Socialiste Mauricien (PSM), landslide victory in the elections thus breaking the hold which Sir Seewoosagur Ramgoolam's Labour Party had had on power since Mauritius became independent in 1968. The MMM were themselves roundly defeated in a general election, held on 21 August 1983, by a new alliance between Anerood Jugnauth's Mouvement Socialiste Militant (MSM), incorporating the PSM, and the Labour Party, together with Sir Gaetan Duval's Parti Mauricien Socialiste Democrate (PMSD). Of the sixty directly elected seats in Mauritius, the alliance obtained 38 seats, the PMSD 3 and the MMM 19. The Organisation du Peuple Rodrigues (OPR) retained both seats in the island of Rodrigues and under 'the best loser' system 3 members of the MMM (including Berenger), one member of the PMSD and 4 members of the MSM alliance were also declared elected.

2. The short duration of the previous Government was caused essentially by disagreement between Berenger, then Minister of Finance, and Boodhoo's PSM over economic measures. When Jugnauth sided with Boodhoo it became only a question of time before a break came as friction increased. On 22 March 1983, Berenger and ten of his Ministers resigned. Jugnauth, isolated from the MMM, formed his own party, the MSM and in May, Boodhoo's PSM became incorporated in the MSM. Berenger took on the role of leader of the opposition, and with continued uncertainty about Jugnauth's ability to command a majority in the Legislative Assembly, he dissolved Parliament on 17 June and called a general election. Victory for Jugnauth reflected Hindu solidarity and nervousness about Berenger, a white of French descent.

3. Given the disparate nature of the personalities who now hold office in the Cabinet, there are still doubts about whether the

/Coalition



Coalition can survive, although the Alliance did survive the sacking of Sir Satcam Boolell, the Labour Party leader and then Minister of Economic Planning and Development, in February.

4. There have been signs of an increasing toughness in the government's domestic policy. For example, after negotiations with the IMF, inevitably unpopular rice and flour price increases were announced. In addition, there has also been pressure within the Alliance to exercise overall control over Sugar production as the key sector of the economy. In April, the government passed the Newspapers and Periodicals (Amendment) Bill which required all publications to lodge a bank guarantee of Rs 250,000 (£13,800) to cover compensation for libel. The effect of this would have been to put many of the smaller newspapers out of business. It was claimed that this was an infringement of press freedom and that the government was seeking to put the Opposition newspaper, 'Militant', and others critical of it out of business. However earlier this month, the government reneged and accepted the findings of a Joint government-press Committee Report and agreed that newspapers would not now be required to deposit a bond as a security. Additionally charges against 44 journalists, who were arrested for protesting against the proposed Bill, have been dropped.

5. Thus while the government has not always shown a sure touch domestically, Jugnauth has thus far managed to keep his team together but the defeated MMM will be hoping that the Alliance will not hold together and that there will again be a need for fresh elections within the next two years.

#### EXTERNAL POLITICAL

6. The Alliance Government has remained non-aligned but has shown in its external policies that it is prepared to put economic issues, such as solving its unemployment problems, before political posturing. The Deputy Prime Minister, Sir Gaetan Duval, has set the pace on this by leading Investment Missions to the Far East (including Hong Kong) and Europe. Mr Jugnauth is reportedly disillusioned

/with



with the Soviet Union and the Government now looks to its traditional friends (the UK, USA and France) for aid and economic support. We can however expect a continuation of policy of strict non-alignment and support for Third World interests (eg support for ANC, SWAPO and PLO). The Government will continue to work towards the demilitarisation of the Indian Ocean and return to Mauritius of the Chagos Archipelago (Diego Garcia) and Tromelin Island. India, mainly for communal reasons (Mauritius is 54% Hindu), has a great deal of influence in Mauritius. Mr Jugnauth closed down the Libyan Mission in Port Louis in January and expelled its members for alleged interference in Mauritian internal affairs.

#### ANGLO-MAURITIUS RELATIONS

7. Our interests in Mauritius are principally political and strategic: to limit opportunities for Soviet influence in the area. We are important to the Mauritians because we take the major part of Mauritius' principal export, sugar (we took 72.4% in 1982) under Lome arrangements, and because we are a significant aid donor (£1.78m is allocated in the Framework to Mauritius for 1983/4). We hope to be able to offset our balance of payments deficit if Plessey win a share of the Plaisance Airport Contract with ATP support (UK content £17.6m), and we have been able to offer the Mauritians a mixed credit line of £12.3m (ATP content £3m) to be used for British exports. We are somewhat concerned however about the Mauritian decision to end the Cable and Wireless franchise and replace it with a nationalised telecommunications company. Our relations with Mauritius have traditionally been good, apart from minor irritants (eg over student fees and cultural efforts); the major political irritant in our relations being the issue of sovereignty over the Chagos Archipelago (Diego Garcia)

#### VISITS

8. The last official visit by a Mauritian Prime Minister was by Sir Seewoosagur Ramgoolam (now Governor-General) in August 1981. Mr Jugnauth became Prime Minister of an MMM government in June 1982 and in this capacity he called on the Prime Minister in London

/on



on 11 October 1982. He and his delegation will be leaving London for South Korea on Monday 30 July.

9. Relations have been enhanced by the heightened level of diplomatic activity over the past eighteen months with several Ministers visiting Britain including the Deputy Prime Minister Sir Gaetan Duval. He called on the Secretary of State as part of an official visit on 7 December 1983 and again on 16 May of this year when he was in Britain leading an Investment Mission from Mauritius. The Minister of External Affairs, Mr Gayan, also called on the Secretary of State on 23 September 1983. Other Ministers to have visited in the last year or so are the Finance Minister, Mr Lutchmeenaraidoo (May 1983) who call on Mr Squire, and Mrs Bappoo, Minister of Women's Rights and Family Affairs (May 1984) came to Britain on a sponsored visit, accompanied by the Prime Minister's wife Mrs Juganth. Mr Boodhoo, former Deputy Prime Minister and now Government Chief whip will be visiting Britain as a sponsored visitor for about 10 days from the beginning of August. Ministerial visits from Britain to Mauritius have included one by Mr Alex Fletcher MP, PUSS (28 September - 3 October 1983) and Mrs Linda Chalker MP then PUSS at the DHSS, (April 1981), Mr Squire, Assistant Under-Secretary at the FCO, visited Mauritius in September 1983 .

#### DIEGO GARCIA

10. Mauritius is publicly hostile to military use of Diego Garcia, the main island in the British Indian Ocean Territory. In 1966 the British Government agreed on grounds of broad national interest to make the British Indian Ocean Territory available for the defence purposes of the United Kingdom and the United States. A US naval support facility has been constructed on Diego Garcia, which is the largest island of the Chagos Archipelago. The Chagos Archipelago was ceded along with Mauritius and Seychelles to Britain by France in 1814. For reasons of administrative convenience it was then administered from Mauritius until it was detached to form part of the British Indian Ocean Territory.

/11. Despite



11. Despite the fact that the Mauritian Council of Ministers agreed to its detachment in 1965 and the fact that the British Government have agreed to cede the Chagos Archipelago to Mauritius when it is no longer required for defence purposes, the previous Jugnauth Government of Mauritius (1982-83) pursued their claim to the sovereignty of the Chagos Archipelago in international fora, most recently at the NAM Non-Aligned Movement Summit in Delhi in March 1983. In the final communique, the Mauritian claim was endorsed and Diego Garcia singled out as the only military base, while Soviet facilities in the Indian Ocean (at Aden and Socotra in the PDRY and at Dhalak in Ethiopia) were ignored. There was also a call for the early return of the Chagos Archipelago to Mauritius.

12. This NAM communique was disappointing and unhelpful. The issue is now a non-aligned issue for others such as India and the Soviet Union to promote and make mischief of. The Mauritians, however, changed their tune on the claim after Jugnauth reconstituted his Cabinet on 28 March, 1983, following the resignation of Berenger and other Ministers. We were then told that issue would forwith be played in a low key.

13. The Mauritians have so far been as good as their word. At the UN General Assembly in September last year the Mauritian Prime Minister asserted the Mauritian claim to Diego Garcia in moderate and measured terms. This was the minimum consistent with maintenance of their claim and was in keeping with their new low-key approach to the problem. Surprisingly and gratifyingly, the issue of the Mauritian claim was not mentioned in the NAM communique at the end of their meeting at the UNGA from the 4th to 7th October 1983, and the Mauritians have since accepted that is an issue on which we have agreed to disagree and maintained a low-key approach.

#### MAURITIUS ACCESS TO THE BIOT

14. In July and August last year we discovered that there were two Mauritian fishing vessels, the Romaya and the Nazareth, in

/BIOT



BIOT territorial waters. The Romaya was illegally collecting coconuts on Peros Banhos and there was evidence of landings there by crew members of the Nazareth. They were asked to leave by the Royal Naval Liaison Officer (BIOT), and complied with the request (there were contingency arrangements to ensure that the Romaya would do so). The question of coconut collection is an issue upon which the Mauritians feel strongly. The issue was raised with us by a number of Mauritian ministers including the Prime Minister and Minister of External Affairs. We, accordingly, reviewed our policy on access to the Outer Islands of the BIOT. The Secretary of State agreed to the introduction of a licensing system to control access by Mauritian Vessels and a senior FCO official, Mr Squire, informed Mauritian Ministers of this change during his visit to Mauritius (28 September - 3 October 1983). The owners of the vessels most likely to be involved have been informed by our High Commissioner and they have welcomed the news. So far the owners of two fishing vessels have sought, and obtained, permission to fish in Chagos waters.

#### MAURITIAN CONTRACT WORKERS ON DIEGO GARCIA

15. As part of the Mauritian Government's low-key approach to Diego Garcia and their need to solve their unemployment problems, the Mauritian government decided last year to lift its ban on the recruitment of Mauritian contract labour to work there. They sought our help and we informed the Americans that we were in principle in favour of this if it could be arranged. We understand that up to 150 Mauritian contract workers have been recruited. The first party of 75 Mauritian workers are due to arrive soon.

16. This new move to recruit contract workers from Mauritius as well as from the Philippines which is the main source of labour, has had one or two recent teething problems. The contractors Febroe sacked two members of the three-person advance party from Mauritius which arrived at the end of May for breach of contract for participating in political activity. The two men wrote a letter to the Prime Minister enclosing a newsletter complaining about

/conditions



conditions for the contract workers on Diego Garcia, which they copied to the Deputy-Prime Minister and the leader of the Opposition. As dismissal for breach of contract is a matter for Febroe and their employees we do not want to be drawn in. However, there is the possibility that Jugnauth may be tempted to raise the matter during his visit here. This possibility is balanced by the fact that the Mauritian government will probably wish to play the issue in a low key to avoid jeopardising the agreement with Febroe to employ Mauritian contract workers.

17. The Mauritians are also concerned to obtain the contract to provide the Facility on Diego Garcia with fresh fruit and vegetables, although at present these are supplied from another source. When the next opportunity for tender comes up, the Mauritians would be free to apply for the contract along with their competitors.

#### THE ILOIS

18. In January of this year, a delegation from the Ilois Trust Fund presented a letter to the US Embassy in Port Louis, which petitioned for £4 million to be paid to the Trust Fund by the US government. In October 1982 the British Government made an ex gratia payment of £4 million to the Mauritian Government for the Ilois Trust fund. This payment was made with the express purpose of assisting with the resettlement of the Ilois in Mauritius. During the negotiations the Ilois claimed £8 million should be paid to them. However the amount finally agreed in 1982 was warmly welcomed by the government of Mauritius, and both they and the Ilois community were fully associated with it.

19. This new claim does not receive the backing of the Mauritius government who continue to take a tough line against any extravagant demands by the Ilois. The response of the US Embassy to the Ilois claim has been to say that they cannot consider it, as the Chagos Archipelago is the responsibility of the British government. Our view continues to be that the payment of £4 million in 1982 represented a generous full and final settlement of Ilois claims adequate to achieve its purpose.

/VISIT



## VISIT OF SIMON WINCHESTER TO THE BIOT

20. Simon Winchester, a Sunday Times Journalist recently visited the Salomon Islands aboard an Australian yacht and attempted to gain access to Diego Garcia earlier this month. Mr Winchester had written to the FCO in January 1983 asking if he could visit and had been told at that time that this was not possible as access to the islands was limited to those with an operational need to visit. He chose to ignore this advice and went out to Diego Garcia by yacht but was not granted permission to land. He left Diego Garcia on 9 July intending to sail to Mauritius.

21. Having been thwarted in his plans to visit Diego Garcia, we suspect that on return to Mauritius (he is likely to arrive there about 23 July) he may be tempted to write up a story about the Ilois and it would be embarrassing if a hostile story were to be published about the BIOT or the Ilois during Mr Jugnauth's visit here.

## THE MOVE TO A REPUBLIC

22. In December 1983 the Constitution of Mauritius (Amendment No 2) Bill, designed to make Mauritius a Republic was debated in the Legislative Assembly. The Opposition added 12 amendments to the bill which were not acceptable to the government and the bill was voted down. In spite of the failure of their bill, Jugnauth's MSM/Labour Alliance remains committed to giving Mauritius Republic status, while remaining within the Commonwealth. The Government then said that they had no plans to reintroduce the Bill during the Governments life-time. Earlier this month, however, in his winding-up speech before Parliament recessed, Jugnauth said that his Government 'cannot give up this solemn commitment (ie to introduce a republic) but it still seems unlikely that he will reintroduce a bill before the next general election which on present timing is not due until 1988.

East African Department  
July 1984





VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK:

JULY 1984

BRIEF No 4: ECONOMIC

POINTS TO MAKE

1. Mauritian Economy

Understand that you, like we, are concerned to solve your unemployment problems. Greatful if you could tell me what the prospects are for Mauritius overcoming its economic difficulties.

2. Grateful, in particular, to know what benefits have occurred from the Inward Investment Promotion visits led by Sir Gaetan Duval to the Gulf, the Far East and Europe.

Indian Ocean Commission

3. Understand that formal Meeting of Foreign Ministers of the Commission met in Seychelles in January. What progress towards integration do you see being made in the near future.

East African Department  
Foreign and Commonwealth Office  
July 1984



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF No 4: ECONOMIC

ESSENTIAL FACTS

REVIEW OF THE ECONOMY

1. Since 1979, Mauritius has achieved significant progress in reducing external and internal financial imbalances under four consecutive IMF stand-by arrangements. The external current account deficit and the overall fiscal deficit have been reduced, and the inflation rate has declined sharply. Despite the progress made in the financial sphere, the underlying growth rate has been rather low and the rate of unemployment has risen to an unacceptably high 20 percent. The slow growth has been due in large part to the effects of adverse weather on sugar output (on which the economy is largely dependent) and a lack of buoyancy in the export manufacturing sector, which has been constrained by world recession.

2. Real GDP increased by 7 percent in 1982/83, mainly as a result of the recovery of sugar production to a normal level (688,000 tons) after two years of adverse weather conditions. Economic growth in 1983/84 was originally forecast to be about 3 percent, slightly higher than the average rate for the previous four years, but revised projections indicate that the rise in real GDP was less than 2 percent. Due mainly to protracted drought in 1983, sugar production fell to 605,000 tons, down 12 percent from 1982/83 and this year's harvest is forecast to be still less at 580,000 tons. Nonsugar agricultural production, which was heavily damaged by a cyclone in late December 1983, is expected to show a decline in 1983/84, but both the manufacturing sector and tourism are projected to begin to show strong growth. The recovery in these sectors reflects the increase in activity abroad as well as the improvement in competitiveness of Mauritius over the past year.

3. The average rate of inflation, which was 11 1/2 percent in 1982, eased markedly in 1983 reflecting the slackening off in import prices and the moderation in wage increases. Price increases are

/projected



projected to be rather greater in the first half of 1984 as a result of the depreciation of the rupee against its major trading partners, upward adjustments in many administered prices, and a general easing of price controls. Present projections indicate that the rate of inflation in 1983/84 would be around 7 1/2 percent, compared with the programme target of 9 percent.

4. The level of unemployment, estimated at nearly 20 percent in 1983, continues to be of major concern to the authorities. A decline in manufacturing employment since mid-1982 was halted in late-1983 and an increase in employment in the EPZ (Export Processing Zones) has been evident in the early months of 1984. However, the sugar industry has continued to shed labour over the past year and employment in Government has stagnated because of financial constraints. With the labour force estimated to be increasing by about 2 percent a year, Mauritius needs rapid growth in manufacturing and services to reduce the unemployment rate to a more tolerable level.

#### GOVERNMENT POLICY

5. The new Alliance Government has given primacy to solving Mauritius' unemployment problems. They have embarked on a policy of finding jobs for Mauritians both abroad, and through investment, at home. Sir Gaetan Duval, the Deputy Prime Minister, has led investment missions to the Gulf (2,000 Mauritians work in the Gulf States) and the Far East, including Hong Kong. In May Sir Gaetan Duval led missions to France, FRG and the UK, Dr Ghurburrun was also part of the delegation. The desire to secure jobs for Mauritians abroad has led the Alliance Government to reverse an earlier ban on Mauritians being employed on Diego Garcia. This has been partially successful: 150 Mauritians have secured jobs on the Island. The Deputy Prime Minister is also known to favour closer trade links with South Africa (negotiations are, we believe, in progress for a line of credit) but has yet to carry the rest of the Cabinet on the issue.

/6. The



6. The Alliance Government's first Budget last Autumn was clearly designed to allay fears about the possible content of the new government's economic policies by renewing its commitment to tackle unemployment, improving the existing Social Welfare System, and not increasing income tax. At the same time it explicitly reaffirmed the government's commitment to continuing with the stabilisation programme agreed with the IMF. A second Budget, introduced last month followed the same trend of improving the Social Welfare System and not increasing income tax. With the exception of 10% surcharge on all imported goods, the Budget is widely considered to be generous and will result in a deficit of about one billion rupees.

7. Efforts are being made to boost tourism and the fishing industry with Mauritius looking mainly to France to exploit their maritime reserves (mainly tuna-fishing). The government are also concerned to increase their control over the sugar industry upon which most of their export receipts depend. The prospects for income from this year's crop are not helped by low prices on the world market and the two cyclones which struck the island at the end of last year resulting in a poor crop estimated at 580,000 tons. The Government is also relying on companies in the Exports Processing Zones (EPZs) to increase export earnings from manufactures (Mauritius is currently the world's largest exporter of knitted sweaters).

#### THE INDIAN OCEAN COMMISSION (IOC).

8. A meeting of the Foreign Ministers of the Commission met in Seychelles in January. The Government of Mauritius is looking to the Indian Ocean Commission, of which it is a founder member along with Seychelles and Madagascar, to advance common regional objectives, but progress has been slow so far and is likely to continue to be slow in the immediate future. There is also likely to be friction between Mauritius which is the most pro-western in outlook, and its more radical fellow members. Sir Gaetan Duval, the Deputy Prime Minister is known to favour the inclusion of South Africa and Reunion in the IOC and one concern of the Government is the admission of Mauritian /goods



goods into Réunion under ACP arrangements although this had not, up to now, been considered in the context of the IOC. The Mauritian government continues to take a pragmatic view and does not appear to want to see the Commission being politicised. Our hope is that the IOC will have a moderating and stabilising effect upon its members. Mauritius hopes that it will be able to play a part in the future economic development of Madagascar. Mr Jugnough has intimated to us that in his view the Government of Madagascar had recently become noticeably easier to deal with. Mauritian consultants have already won one contract to carry out a study for the IOC.

East African Department  
Foreign and Commonwealth Office  
July 1984



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO.5: UK/MAURITIAN TRADE

POINTS TO MAKE

GENERAL

1. Have been concerned for some time at the imbalance of trade between the UK and Mauritius. Hope that our Line of Credit will go some way towards compensating for this and that projects will be identified and disbursements start promptly.

AIRPORT PROJECT

2. Pleased that agreement has been reached between Mauritius Government and Plessey Airports over the basic scope for works they wish Plessey to undertake in the development of Plaisance Airport.

3. Assure Mr Jugnauth that HMG has commitment to the project (demonstrated by our ATP offer) and is working as speedily as possible towards final contract signature.

4. (Defensive Line). Appreciate that Mr Jugnauth will be disappointed that the contract has not yet been concluded but explain the value for money check currently being undertaken (at the Mauritians' request) is an essential requirement for both our Governments.

CABLE AND WIRELESS

5. Point out that we are not happy about action of this sort being taken against a British firm particularly when there appears to be a lack of candour and of prior consultation.

Ensure that Mr Jugnauth is aware that we will be vigilant in ensuring that C & W gets proper and prompt payment for its assets if no more satisfactory resolution can be found.



7. Underline our scepticism about the substitution of the public sector for the private sector in telecommunications services which is against the international trend.

8. Point out that the decision not to renew C & W's licence may well have serious repercussions amongst other potential UK investors who were considering setting up in Mauritius.

---

Department of Trade and Industry

July 1984



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984  
BRIEF NO.5: UK/MAURITIUS TRADE

ESSENTIAL FACTS

UK/MAURITIUS TRADE

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>Jan-May</u>		<u>£ millions</u>
					<u>1983</u>	<u>1984</u>	
UK exports to Mauritius	24.7	21.6	20.9	22.5	8.4	9.3	
UK imports from Mauritius	145.2	97.5	114.5	128.4	49.5	60.8	

UK exports to Mauritius in 1983 consisted mainly of food and live animals (£5.6m), machine and transport equipment (£4.4m), manufactured goods (£5.1m) and chemicals and related products (£3.1m). In the same period Mauritian exports to the UK were principally sugar (£107.7m), together with articles of apparel and clothing accessories (£8.0m), fish products and preparations (£3.5m) and textile yarns and fabrics (£2.4m).

In 1982 (the latest year for which figures are available) the UK took 33.2% of Mauritius' exports with France taking 21.7%, the United States 7.8% and West Germany 4.0%. Bahrain (oil) was the leading supplier to Mauritius with 14.9% of the market, followed by France with 10.13%, South Africa with 8.9% and the UK with 8.8%.

The balance of trade between the UK and Mauritius is heavily weighted in the latter's favour principally because of our obligations under the Lome Agreement to import sugar from Mauritius. In the late 70s the UK experienced some problems with the import of Mauritian jerseys and T-shirts which were adversely affecting UK manufacturers. As a result a Voluntary Restraint Agreement was signed with Mauritius, and although the Agreement has now lapsed Mauritian textile exports to the UK have diminished considerably suggesting that Mauritian manufacturers are diversifying their export efforts.

ECGD COVER

ECGD credit insurance cover for short-term business is available without limit.





Section I medium term cover is limited to £5m, Section II medium term cover for general business is limited to £30m (including Line of Credit commitments). These amounts have so far proved adequate.

#### UK LINE OF CREDIT

Last October Mr Alex Fletcher, Parliamentary Under Secretary of State at the DTI visited Mauritius and signed a Memorandum of Understanding offering the Mauritian Government a concessional Line of Credit to be used for projects and business to be agreed between the two Governments.

The essential characteristics of the package are:-

- (i) an ATP input of not less than 20% of the UK element in connection with each of the projects selected up to a maximum overall grant of £3m;
- (ii) in association with (i) above an ECGD-backed Line of Credit up to £9.25m.

Project appraisal discussions have been taking place between officials of the two Governments and the bulk of the funds are likely to be used to assist the private sector in Mauritius. Proposals which have come forward for utilising the funds include new investment for the sugar industry, a deep sea tug, computer equipment and an HS 748 aircraft.

#### PLESSEY AIRPORT PROJECT

Plessey Airports are close to finalising a contract with the Mauritian Government for the second phase development of Plaisance Airport. The project which Plessey have been pursuing for over 6 years is worth £10-14m to the UK and involves the installation of airfield lighting, nav aids, power distribution and tele-communications equipment. An ATP offer has been made in support of Plessey's proposals. The French were awarded the contract for the initial phase of the development, including preparation of a master plan, and the Chinese will be constructing a new terminal building.



At the request of the Mauritians for an independent consultant, the Civil Aviation Authority (CAA) have been appointed by ODA to ensure value for money and advise on the proposed contract terms. British Airports Authority (BAA) will be appointed for the second phase of the consultancy to assist the Mauritian Airport Project Unit in overseeing the Plessey contract and with overall co-ordination on work to be performed by other foreign contractors involved. ODA had hoped that CAA would have produced their report in time to enable contract signature to take place during Prime Minister Jugnauth's visit. It is now apparent following a recent visit to Mauritius by CAA representatives, that their final report will not be produced until mid-August.

Prime Minister Jugnauth may well be disappointed that we are not yet in a position to finalise the contract. It should be explained that we are working urgently towards it. However, it is in the Mauritian Government's interest that a proper value for money check is undertaken as well as being necessary for the UK Government to be satisfied for public accounting purposes.

At a London reception in May hosted by Mr Fletcher for the Mauritian Deputy Prime Minister, the latter expressed concern at the delay in finalising the contract (which had been agreed in draft between the Mauritians and Plessey Airports). Mr Fletcher subsequently exchanged correspondence with Mr Raison who assured him that ODA were doing all they could to conclude an acceptable contract. Mrs Thatcher and Mr Jugnauth also exchanged letters about this project some 18 months ago (copies attached).

#### CABLE AND WIRELESS

Cable & Wireless (C & W) have been seeking a renewal from the end of this year of their licence to operate the external communications of Mauritius. The revenue from this operation is worth approximately £3m pa. They provide similar facilities in about 40 countries. They have up to now been the largest UK investor in Mauritius which is actively encouraging foreign investment to set up there in order to stimulate export-orientated industry.

In March, without any previous consultation, C & W were informed by the Mauritian Government that they did not intend to renew C & W's licence. They had apparently



reached this decision some months earlier on the advice of an Indian expert.

There will inevitably now be a rundown of C & W's services during the year in the light of their imminent withdrawal. The Mauritian Government have not yet made their position clear on compensation for C & W or on whether they will seek to take over C & W's assets in Mauritius. A new company, Overseas Telecommunications Services, has been set up in Mauritius to take over C & W's responsibilities and is under the direction of the Prime Minister's Office.

In early May C & W representatives visited Mauritius and established contacts with both the Prime Minister and his Deputy. At the time the Mauritian Government appeared outwardly receptive to the points made to them by C & W in respect of the implication of their decisions and the responsibilities which the new company should have to face. In essence, these cover the pressing requirements for major capital development projects and their funding, together with the requirements for the appropriate support services for the new company's operations.

It has now become apparent that the Mauritian Government's decision regarding C & W had been based on an incorrect assessment of the situation and had failed to appreciate therefore all the implications. In May the Mauritian Prime Minister undertook to have the matter reviewed but C & W now believe that this is merely a facade to keep them at bay. Despite an assurance from the Deputy Prime Minister to C & W that the report on which the decision to remove C & W would be made available to them so that C & W could contribute to the possible Government review, this has so far not been received despite representations from the British High Commission. Nor, despite full co-operation from C & W have they been consulted by representatives of the new company. In addition C & W are concerned that the Mauritian Government have made inaccurate public statements about Commonwealth countries' decreasing involvement with C & W and supposed world-wide trends to greater Government participation and regulation of telecommunications, when in fact the converse is true. These statements, an attempt to place their own decision in a wider context, are potentially damaging to C & W's international position.



(50)

*Prime Minister  
Mauritius*

10th December 1982

*your excellency,*

It was indeed a pleasure to meet you during my short stay in London in October last and to exchange with you views on issues of mutual interest to our two countries. I should like to thank you in particular for your prompt attention to my request for the release of funds for the Ilois.

During our discussions, we touched upon the subject of the possible involvement of your Government in the financing of the Plaisance Airport Redevelopment Project. We deeply appreciate the interest of your Government in participating in this important infrastructure project. We feel that British financial assistance would be useful in procuring equipment and services of British origin for this project.

It will be possible to determine the nature and extent of the involvement of your Government once the Master Plan which has been commissioned becomes available in mid-March 1983. We also need to finalise negotiations with the Chinese Government on the project components which can be implemented using the very soft loan of UK £13.0 million with the Chinese Government is making available for this project. Once these are finalised, we will be in a position to indicate the specific components in which your Government can participate.

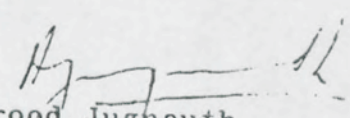
Meanwhile, we have been given to understand by the representatives of Plessey Airports Ltd that your Government would be prepared to give us a grant of UK £5 million, in addition to an ECGD loan for the various components of the project. It was brought to our attention that prevailing ECGD rates will be revised upward as from January 1983, in particular the interest rate chargeable would be increased in line with the OECD consensus. We would be grateful if your Government could consider freezing these terms for Mauritius as far as the Plaisance Airport Redevelopment Project is concerned.

I take/

Her Excellency Rt Hon Mrs Margaret Thatcher  
Prime Minister of the United Kingdom  
10, Downing Street  
London

I take this opportunity to express our appreciation for the assistance which your Government has been providing to help us in our development efforts. I hope that the friendly relations, which exist between our two countries, will be strengthened further in the years to come.

With warm personal regards.

  
Anerood Jugnauth  
Prime Minister



10 DOWNING STREET

THE PRIME MINISTER

JEM 10212	
RECEIVED	1 1983
INDEXED	✓ H

20 January, 1983

*Dear Mr. Sigmund,*

JEM 02612

Thank you for your letter of 10 December 1982. I too much enjoyed our meeting and was glad to have the opportunity to discuss with you matters of mutual concern to our countries. I was pleased to be able to meet your request for help in speeding up the payment of the ex-gratia sum which we had agreed to make to your Government to assist with the resettlement of the Ilois in Mauritius.

I would like to assure you of our interest in the opportunities you envisage for the United Kingdom in connection with the development of Plaisance Airport. As you point out, you will not be able to determine the nature and the extent of any UK involvement until Aeroports de Paris have produced their master plan and until you have conducted further negotiations with the Chinese. I know that Plessey have keenly pursued the project over a number of years and I am confident of their ability to produce results of the highest standard.

We for our part will need to consider afresh the question of aid in relation to whatever revised proposals are put to us, but I hope that we would be able to respond positively at the appropriate stage. It would therefore be particularly helpful if you could arrange for our High Commissioner to receive a copy of the master plan as soon as it becomes available.

Regarding the ECGD terms that would apply, I can say that provided the business we are asked to support represents a major order for UK capital equipment, maximum credit terms repayable

/ over

over 10 years can continue to be considered. However, because the Ministry of Economic Planning and Development were unable to give a firm commitment to place the business with Plessey before 31 December 1982 the interest rate applicable will be that obtaining under the OECD consensus when a firm commitment is made.

I am grateful for your expression of appreciation for the assistance we have given in helping with your country's development. I too look forward to maintaining and deepening the bonds of friendship between our two countries.

With very best wishes.

*Yours sincerely*

*Nargant Datta*

---



The Hon. Aneerood Jugnauth, Q.C.



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO 6: AID

POINTS TO MAKE

1. What progress is being made with programme of adjustment following agreement on second Structural Adjustment Loan with IBRD?
2. We hope changes in type of aid, from project to programme aid, were helpful. (Defensive: let us see how present arrangements work out before considering further aid.)
3. We hope recent agreement on Aid and Trade provision and commercial credit will be helpful.  
  
(DEFENSIVE: PRIMARILY FOR MR RAISON.)
4. Expect good progress to be made with Plaisance Airport but it is important that Government of Mauritius gets good value-for-money. We await report from the Civil Aviation Authority.
5. Hope to maintain technical cooperation at the present level.
6. Cannot consider request for new loans or projects for capital aid at present.
7. British assistance includes our £2.3 million share of EC aid under Lome II.
8. Sorry we cannot give help from aid programme for the Indian Ocean Games. (British taxpayers might not think such aid essential!)
9. We hope to issue contract very shortly for consultants on energy planning.  






VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1983

BRIEF NO 6: AID

ESSENTIAL FACTS

#### Structural Adjustment

1. Mauritius is in receipt of a \$40 million Structural Adjustment Loan from the IBRD. The Bank imposed a condition that there should also be a \$5 million Technical Assistance Loan indicating their concern that the resources be put to good use. Agreement with the Bank was reached in December 1983.

#### Requests for Aid

2. During an official visit to Britain in 1982 Mr Jugnauth put requests to the Prime Minister for a new £6 million project loan and a new £2 million programme loan. After further discussion it was agreed that £1.2 million of uncommitted funds for an existing project loan be converted from project to programme aid. Up to £3 million from the Aid and Trade provision, linked with up to £9.25 million of commercial credit, was offered for the purchase of UK goods and services. A further mixed credit offer was made in support of a bid by Plessey Airports Limited. The proposed aid framework contains no provision for any new capital aid pledge to Mauritius but ATP will be continued and we envisage maintaining TC at the present level.

#### ATP: Mixed Credit

3. A Memorandum of Understanding was signed in September 1983, by Mr Alex Fletcher, PUS, DTI, on a trade promotional visit to Mauritius for offer of up to £3 million from ATP linked with up to £9.25 million of commercial credit for the purchase of UK goods and services. A developmental and economic assessment of various project proposals is being undertaken. Possibilities include: Sugar Industry; Computerisation (Unified Revenue Board); Vehicles; Berthing Tug; Marine Equipment; Vehicles for Police and Bedford Buses; an HS 748 aircraft for Air Mauritius.

#### Plaisance Airport: ATP: Plessey's

4. An offer of up to £4.4 million ATP plus £13.2 million credit covered by ECGD was made in September 1983 in support of a bid by Plessey Airports Limited subject to a value-for-money check by British consultants. Subsequent discussion



showed some Mauritian officials unhappy with Plessey's expensive turnkey proposals and use of South African contractors. We think there were disagreements within Mauritian Government which have been resolved by our offer of ATP/TC to finance a consultancy to provide the value-for-money check before the Government of Mauritius signs a contract with Plessey and to provide professional advice in monitoring and supervising the work.

Difficulties with Plessey's, who did not want British Airports Authority as consultants for the first phase, have been resolved by appointing the Civil Aviation Authority. We expect the CAA report mid-August.

#### Computers

5. Mr Raison agreed in principle that ODA could undertake a study, without any commitment on capital aid, of computer requirements for Mauritius Ministry of Finance. Mauritian Minister of Finance hoped for CCTA input which cannot now be significant. Terms of Reference for the proposed study have taken into account a World Bank study and loan for an integrated computer system in the Government sector. Proposals from consultants for ODA financed study have been put to Government of Mauritius with our recommendations on which should be accepted.

#### Technical Cooperation

6. Our manpower input is currently 6 long-term technical cooperation posts in a variety of spheres, and one KELT\*Officer who will be in post at the Mauritius Institute of Education, during this year. The annual cost of this programme for 1984/85 will be around £200,000. The training programme for 1984/85 has a budget of £323,000 which should provide for about 57 new awards and the continuation of 6 current awards.

7. We are providing equipment to the value of £67,000 for UNFPA project on Maternal and Child Health and Family Planning, on Rodrigues, 400 miles from the mainland.

#### Capital Aid

8. The capital aid programme is running down. Present loans could be fully used within about 2 years. Our major projects are the Northern Plains Irrigation Scheme, towards which we are providing £3 million (and the CDC £2 million), and the associated Vacoas Aqueduct project (cost £250,000).

\*Key English Language Teaching

/On the



On the island of Rodrigues we are assisting with the civil works and the installation of a Radio Booster Station at a capital cost of around £320,000 plus consultants fees.

#### EC Aid

9. Mauritius receives under Lome II up to 21.5 million ECU (approximately £13 million), of which we are paying 17.76% (£2.3 million). To date 11.5 million ECU have been committed to project aid. In addition, loans of 4 million ECU from EIB's own resources have been sanctioned.

#### Indian Ocean Games

10. In July 1983 a circular was sent from the Ministry of External Affairs, Tourism and Immigration to all Diplomatic missions accredited to Mauritius, seeking financial and technical assistance for the Games which are to be held in August 1985. We replied that we could not support the use of aid funds in this way. A further approach was made in December 1983 but our response was unchanged. It appears that Britain and the USA are the only countries not prepared to assist.

#### Energy Planner

11. In August 1982 ODA agreed to meet the costs of a long-term energy planner to assist the Government of Mauritius in strengthening the technical capabilities of the Energy Planning and Development. TCO recruitment proved unsuccessful so it was agreed to engage consultants. Complexity of the GOM's exact requirements caused delay. However the Technical Proposal submitted by PA International Management has been accepted and a contractual letter will issue shortly.

Eastern and Western Africa Department  
Overseas Development Administration  
18 July 1984



## UK AID PROGRAMME FOR MAURITIUS

Aid Framework Allocation

<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>	<u>1987/88</u>
£2.080m	£2.000m	£2.000m	£1.300m (to be confirmed)

Capital Aid

Disbursements in recent years have been as follows:

<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u> (estimate)
£1.089m	£0.857m	£0.240m	£1.400m

2. The Mauritian Prime Minister may raise the question of whether or not we can provide more "scholarships". We are however already providing a great deal of support. The question of scholarships is dealt with in Brief No. 8. This makes clear that in 1983/4, HMG funded 33 Mauritius students under a variety of scholarship schemes. If any additional funds become available in 1985/6 every effort will be made to accommodate at least one or two of the Laureate scholars within FCO scholarships and awards schemes. In addition, under ODA's Technical Co-operation Programme for 1984/5 the Mauritians will receive 57 new training awards and 6 current awards will be continued.

FCO/ODA

July 1984



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UNITED KINGDOM:  
JULY 1984

BRIEF NO: 7. BRITISH COUNCIL

POINTS TO MAKE

1. Will the British Council reinstate the London Appointed Post?  
(Defensive).

Regret that at present the British Council do not have sufficient funds to reinstate the London Appointed Post. Nevertheless we are pleased that the Council are able to continue some of their activities: they have maintained their Library with its sizeable stock of books and are able to fund a sizeable Books Presentation Programme. They also maintain a Technical Cooperation Training Programme and have funds for visits and exchanges between institutes of Higher Education.

CULTURAL RELATIONS DEPARTMENT

July 1984



RESTRICTED

VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UNITED KINGDOM :  
JULY 1984

BRIEF NO : 7. BRITISH COUNCIL

ESSENTIAL FACTS

GENERAL

1. The British Council was established in Mauritius in 1950. In 1980 due to cuts in the Council's budget the one London Appointed office was withdrawn, and the British High Commission took over responsibility for the Council's programme. Senior Mauritians and the British High Commissioner are keen to have the London Appointed post re-instated. It does not however rate high on the Council's list of priorities and could only be re-established at the expense of cuts elsewhere. In the absence of a British Council presence the High Commission spends a fair amount of its time on education and cultural work.

MAIN ACTIVITIES

2. The Library is run by six locally engaged staff. It has a stock of 13,500 volumes and a membership of 3,732. There is also a Books Presentation Programme totalling £8,000 for 1984/85 which is administered by the British High Commission.
3. The Technical Cooperation Training Programme has an allocation of £323,000 for 1984/85. Three ODA funded Seminars are also planned for 1984/85.
4. It is hoped to have a KELT Officer in post in September. The Council also has funds for visits and exchanges between Institutes of Higher Education.
5. There are occasional cultural manifestations. The British High Commission receives Council films and exhibitions.

CULTURAL RELATIONS DEPARTMENT

July 1984

RESTRICTED

VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO. 8

OVERSEAS STUDENTS: MAURITIUS

POINTS TO MAKE

1. HMG particularly welcomes students from the Commonwealth. New measures of support reflect this. Of £46 million available over three years rather more than half is being spent on Commonwealth students.

2. Mauritius benefits from a number of HMG-funded award schemes: limits to what we can do.

(If raised)

Home Fee Status

3. Cannot afford to grant home fee status to all Commonwealth students. Cost would be so high as to be unacceptable.

(If raised)

Lomé Renegotiations: ACP Students in the Community

4. Student fees are not actually covered by Lomé. However, the Member States confirm that questions relating to the situation of ACP students and their access to education in the UK may be examined within the appropriate bilateral framework. We will continue to encourage the training of ACP students in their country of origin or in another ACP state, wherever possible or practicable.

(If raised)

Help for Government of Mauritius Laureates

5. We recognise that Mauritius has a special problem, and will continue to support students from Mauritius where possible. Our High Commission in Port Louis is already in receipt of £20,000 under the FCO Scholarships and Awards Scheme and is aware of the additional strain on scholarship funds caused by the ending of the Laureate awards. If any additional funds become available in 1985/86 every effort will be made to accommodate at least one or two of the Laureate scholars within FCO Scholarships and Awards Scheme.

/ESSENTIAL

## ESSENTIAL FACTS

1. Mauritius benefits from the following HMG-funded award schemes:-
  - (a) ODA's Technical Cooperation Training Programme  
In 1983/84 Mauritius received £305,000 under this scheme and will continue to benefit in 1984/85.
  - (b) FCO Scholarships and Awards Scheme  
In 1983/84 five awards were made and in 1984/85 £20,000 has been allocated to Mauritius for new awards.
  - (c) Commonwealth Scholarship and Fellowship Plan  
In 1983/84 there were 16 students from Mauritius in Britain under this scheme.
  - (d) Overseas Research Students Awards Scheme  
8 students succeeded in winning awards in 1983/84 under this globally competitive scheme.
  - (e) British Council Scholarships  
There were 4 British Council scholars in the UK in 1983/84.
2. The full cost fees policy was introduced in 1979 and replaced the indiscriminate subsidy given to all overseas students by a more selective policy of targetted support.
3. HMG announced in February 1983 that it would increase its measures of support (£65 million a year) for overseas students by £46 million over the three years 1983/84 - 1985/86.
4. There have been no previous Mauritian ministerial representations on overseas students, during meetings with UK ministers.
5. Laureates  
In the past the 8 boys and 8 girls who obtained the best results in the Cambridge HSC were given awards by the Government of Mauritius, but in March this year it was decided that this state scholarship

/system





system should be brought to an end, and that the Laureates should be encouraged to use scholarships available from donor countries. In view of this the Ambassador has requested more FCO SAS funds in 1985/86 to absorb 2 of the Laureates. Unfortunately, funds are so limited we are unlikely to be able to increase any country's allocations in 1985/86.

6. There is a University of Mauritius.

10 July 1984

Cultural Relations Department



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO 9

INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

Points to Make

1. Regret that it was not possible to agree a text so that signature could take place during present visit. Keen to sign an Agreement and look forward to signature in near future.

Essential Facts

1. IPPAs are intended to stimulate the flow of investment between the two signatory States. They provide for the protection of existing and future investment under the law of the host country; for the payment of prompt, adequate and effective compensation in the event of expropriation; and for the independent settlement of investment disputes. We have IPPAs with 22 countries, 16 of which have been ratified (attached).

UK/Mauritius IPPA

2. Our model text was handed over to the Mauritians in 1981. The new Government responded favourably in 1983, but it was not until our further approach in March 1984 that the Mauritians took some action. A week before a Mauritian investment mission led by Deputy Prime Minister Duval arrived in the UK in May, we received the text approved by the Mauritian Cabinet. This followed our model closely except for two major differences: -

- (i) it excluded existing investment from cover of the Agreement; and
- (ii) it excluded the Article providing for independent international arbitration.

These are fundamental elements of our IPPAs. The Mauritian text was therefore unacceptable to us.

/ 3. The



3. The position was explained at the time to Mr Duval by FCO officials. Mr Duval foresaw no difficulty in meeting our requirements but said that the necessary amendments would have to be approved by the Mauritian Cabinet. The aim would be to reach agreement on a text in time for it to be signed during the visit to the UK of his Prime Minister.

4. We were hoping to receive confirmation from the Mauritians that they could accept all the amendments which we had proposed, by 20 July, in time for the documents to be prepared and the signature to go ahead. Unfortunately, we have now been notified (20 July) that despite a Cabinet meeting on 19 July, the Mauritian Government are unable to approve the final draft of the IPPA. The Foreign Minister accepts that a signature will not now be possible but the delegation will probably want to discuss this subject during their visit. We are keen to sign an IPPA with Mauritius and we will continue to work towards this.

TRADE RELATIONS AND EXPORTS DEPARMTENT

20 July 1984

UK BILATERAL INVESTMENT PROMOTION AND PROTECTION AGREEMENTS

Country	Date/Signature	Date of entry into force
Egypt	11 June 1975	24 February 1976
Singapore	22 July 1975	22 July 1975
Korea	4 March 1976	4 March 1976
Romania	19 March 1976	22 November 1976
Indonesia	27 April 1976	24 March 1977
Malailand	28 November 1978	11 August 1979
Jordan	10 October 1979	24 April 1980
Sri Lanka	13 February 1980	18 December 1980
Senegal	7 May 1980	9 February 1984
Bangladesh	19 June 1980	19 June 1980
Philippines	3 December 1980	2 January 1981
Lesotho	18 February 1981	18 February 1981
Papua New Guinea	14 May 1981	22 December 1981
Malaysia	21 May 1981	Not yet in force
Paraguay	4 June 1981	Not yet in force
Sierra Leone	8 December 1981	Not yet in force
Yemen Arab Republic	25 February 1982	11 November 1983
Belize	30 April 1982	30 April 1982
Cameroon	4 June 1982	Not yet in force
Costa Rica	7 September 1982	Not yet in force
St Lucia	18 January 1983	18 January 1983
Panama	7 October 1983	Early 1984



VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984  
BRIEF NO 10A : SUGAR

POINTS TO MAKE

1. Recognise importance which ACP producers, particularly Mauritius, attach to this issue.
2. Realise that you would like an increase in prices expressed in ECU. But important to recognise that, in practice, MCA changes will give you an increase in "real money".
3. This improvement in ACP prices must be compared with the freeze in prices to Community growers of sugar beet, sugar manufacturers and refiners of raw cane sugar which will apply in 1984/85. It is politically unrealistic to expect the Community to pay higher prices to the ACP than its own producers.
4. (If appropriate) UK supports efforts within Community to hold down sugar production. Community's decision to freeze prices to be seen in this context. If ACP producers were to receive a higher price, it would be difficult for refiners to purchase and process ACP sugar at a profit. Such a squeeze on the margins of Tate & Lyle cannot be in the interest of the ACP
5. (If appropriate) If the ACP guaranteed price were set at such a level in relation to the price for white sugar that the refiners could not afford to buy your supplies, ACP sugar would have to be purchased at the guaranteed price by the Community and would probably have to be re-exported. How long such a situation could continue is debatable. But in any event it would convert the Protocol from a trade to an aid agreement and revive ideas that the Community should finance the direct export to other markets of ACP sugar which currently supplies Community refiners. In such circumstances it is doubtful whether the Protocol or British cane sugar refining industry could survive.



## ESSENTIAL FACTS

1. Mauritius depends heavily on sugar exports, the bulk of which come to the EC under the Sugar Protocol to the Lome Convention. The Protocol provides guaranteed access for a fixed quantity of sugar at guaranteed prices.
2. Under the Protocol the guaranteed price has to be negotiated annually "within the range of Community prices". In practice the guaranteed price for ACP raw sugar has normally been set at the level of the EC raw sugar intervention price, which the ACP regard as the lowest point in the EC price range but which the EC regard as the highest which could be offered without infringing the principle of Community preference and harming the interests of the sugar refiners (Community producers actually receive this price minus the general production levy of 2%).
3. Negotiations for this year's price, which was due to come into force on 1 July, ought to have been concluded by 1 May but they have been difficult. Community sugar prices were frozen in terms of ecu, giving the Commission, who negotiate on behalf of the Community nothing to offer in response to the ACP claim for recoupment of their cost increases, which they claim amount to 8½%. The Commission were, however, able to point out that the ACP suppliers will benefit, by about 3½%, as a result of the changes agreed in the Community's monetary compensatory amount (MCA) system, the effect of which is to reduce positive MCAs (which the ACP pay as levies) and to increase negative MCAs (which they receive as subsidies).
4. At an ACP Ministerial level negotiation with the Commission at the end of June, the ACP rejected the 'offer' of an unchanged guaranteed price and asked for the issue to be referred to the co-chairmen of the ACP/EC Council of Ministers. We believe that this is prelude to a grudging acceptance of the offer but there is a risk that it could lead to the invocation of the arbitration procedure provided for in the Protocol. If this procedure was



invoked, we believe that the result could be damaging. If the ACP lost their case, they would have gained nothing and would be forced to accept the Community's offer. If they were to win, they would expect to get more than the refiners can afford to pay, in which case the Community itself would have to buy the sugar and re-export it onto the world market. This would mean that the ACP would have what would be effectively an aid agreement, not a trade agreement, and could well revive EC Development Commissioner Pisani's ideas that the Community should subsidise the direct export of ACP sugar onto the world market. The Sugar Protocol itself would thus be brought into question and the viability of Tate and Lyle's whole refining operation in this country would be put seriously in doubt.

European Community Department (External)

18 July 1984



1013

VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984  
BRIEF NO: 1013 : LOMÉ CONVENTION

POINTS TO MAKE

1. UK looks forward to successful conclusion by the autumn to the current negotiations on a successor to the Second Lomé Convention.
2. Reasonably pleased with the outcome of the Ministerial Conference at the end of June in Luxembourg. Confident that the outstanding issues can be wrapped up at the further limited Ministerial meeting to be held (probably in October).
3. UK disappointed that our partners were not able to agree to a more substantial offer to the ACP on trade. While UK will continue to urge our partners to be more positive, realistically, there is probably not much more that can be achieved.
4. (If question of venue of signing ceremony is raised) Sorry that the host will not be Commonwealth country: we would have been happy for the next Convention to have been Port Louis I. But naturally accept ACP decision that next Convention will be signed in Lomé.
5. (If asked about the size of the next EDF) Community had only preliminary discussion about the size of the next European Development Fund (EDF). It has always been understood that a decision on this will not be taken until the end of the negotiations; and we are not there yet.
6. (If pressed about the United Kingdom position on aid) We have always said that any increase in the size of the EDF will be difficult for us. Nonetheless, we are prepared to see some increase, to take account of such factors as new ACP accessions (Angola and Mozambique). But must understand that United Kingdom aid programme is finite, and that any money which goes to the EDF will be lost to our bilateral programmes (the bulk of which go





to Commonwealth countries) and to other multilateral aid.

7. (If asked about "policy dialogue") Community's proposals for a dialogue with ACP States, to ensure that EDF projects are set in the right policy context, are important. Should not be seen as infringements of ACP sovereignty, but as joint commitment to make best use of aid resources, by combining EC money and development experience with ACP recipient's own priorities. Glad that negotiations have now got away from rhetoric and that the two sides have been able to discuss pragmatically ways in which procedures for the programming of EC aid can be improved.

8. (If human rights is raised) No question of EC wanting to interfere in internal affairs of ACP States. Merely seeking reference in next Convention (could accept preamble) to standard international texts already agreed by EC and ACP. There may be certain circumstances (eg Amin's Uganda) where it could be right to ensure that Community aid was directed specifically to population and not used in support of a Government responsible for gross violations of human rights.



## ESSENTIAL FACTS

1. Mauritius is one of 64 African Caribbean and Pacific (ACP) countries which are party to the Second Lome Convention. The Convention expires at the end of February next year and negotiations on a successor are well under way. The Fourth Ministerial Negotiating Conference was held in Luxembourg on 28-30 June.
2. We are reasonably content with the outcome of the Luxembourg meeting. Although it did not take matters as far, let alone to a conclusion, as the French Presidency had hoped, useful progress was made on many of the issues. A further Ministerial Meeting will be held under the Irish Presidency (probably in October) to wrap things up before the next Convention is signed (the ACP have now decided that the signing will again be in Lomé : the Mauritians failed in their bid to get the ACP to adopt their capital, Port Louis).
3. The most disappointing aspect of the Conference was the reluctance of our partners, despite UK efforts, to make any significant concessions to the ACP in the trade field.
4. The question of the size of the aid package for the next Convention (the European Development Fund) has been discussed twice in restricted Council sessions within the Community, but no agreement has been reached and no offer has been made to the ACP. Nevertheless the UK is widely (and accurately) regarded as having the most restrictive attitude to an increase.
5. Whilst it is improbable that Mr Jugnanth will raise points of detail on the Lome negotiations, it is possible that he may mention the "policy dialogue" and/or human rights. The Community has been trying to persuade the ACP of the merits of the concept of policy dialogue (ie a dialogue on the policies pursued by ACP states in the sectors for which EC aid is requested). The ACP were at first very suspicious, fearing Community attempts to



undermine their sovereignty, and tried to reject the notion on policy dialogue out of hand. But they have now come to realise that many of their fears were unfounded and have been prepared to discuss pragmatically the scope for improvements in the programming of Community aid. This is really all the Community was ever after, and we are quite happy to abandon the phrase "policy dialogue" itself.

6. The ACP were also opposed (as they were in Lome II) to the Community's proposal that there should be a reference in the next Convention to human rights. They believed that the EC was seeking a lever to stop its aid coming to any ACP country which was in EC eyes guilty of human rights violations. There is however now a good chance that the ACP will accept the Community's modest proposal for a reference, probably preambular, which quotes from the UN charter and mentions the Universal Declaration on Human Rights. The Community has already taken an internal decision which would enable it, if it so desired, to suspend any aid which was of direct benefit to a particularly repressive ACP regime.

European Community Department (External)

17 July 1984



CONFIDENTIAL

Visit of the Prime Minister of Mauritius to the UK: July 1984

Brief No.11: Bilateral Defence Matters

POINTS TO MAKE

MILITARY TRAINING ASSISTANCE SCHEME (UKMTAS): (if raised)

1. Glad that we are providing military training assistance and hope this is making a useful contribution to the development of the Mauritian forces.

ROYAL NAVY SHIPS VISITS (if raised)

2. Glad that last visit by ships of the Armilla Patrol was such a success. Since then operational requirements have meant that the patrol ships must stay closer to the Gulf. When situation eases, hope that it will be possible to resume visits to Port Louis.

3. Regret that commitments elsewhere, including South Atlantic, preclude visits to Indian Ocean by other RN ships. But situation will be kept under review.

Defence Department  
Foreign and Commonwealth Office  
18 July 1984

CONFIDENTIAL



CONFIDENTIAL

Visit of the Prime Minister of Mauritius to the UK: July 1984

Brief No.11: Bilateral Defence Matters

ESSENTIAL FACTS

MILITARY TRAINING ASSISTANCE SCHEME (UKMTAS)

1. Mauritius does not have a standing Army but maintains para-military branches of the police: the SMF (Special Mobile Force) and GIPM (a French trained anti-terrorist/hijack unit). Subsidised military training in the UK and training assistance in-country from Loan Service Personnel (LSP) are provided under UKMTAS for the SMF. In FY 1983/84 the UKMTAS allocation was £130,000 rising to £150,000 this year. We do not reveal the size of the allocations to UKMTAS recipients.
2. Eight SMF personnel attended various Army courses at MOD establishments last year, and places have been secured for Mauritian students to attend Sandhurst and the Army Staff College in Camberley.
3. During discussions last December with members of the Directorate of Military Assistance from the MOD, Mr Jugnauth expressed his appreciation to the UK for the continued presence of a two-man (Major and WO1) advisory team with the SMF.

RN SHIPS VISITS

4. The ships then comprising the Armilla Patrol (HMS Andromeda and HMNZS Waikato) visited Mauritius from 25-29 August 1983, shortly after the election victory of the MSM Alliance. The visit gained considerable diplomatic credit and helped strengthen links with the new Government. It has not been possible to arrange further RN visits to Port Louis. For some time the Armilla Patrol has been at a maximum of 5 days steaming from the Gulf; Mauritius is at 7 days distance. A further visit will be considered when the period of notice is relaxed, but this is not likely in the near future.
5. No other RN ships are expected in the area for some time.

CONFIDENTIAL



CONFIDENTIAL

VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UK: JULY 1984

BRIEF NO 12: INDIAN OCEAN ZONE OF PEACE (IOPZ)

POINTS TO MAKE

1. Urge caution over proposals for a Zone of Peace in the Indian Ocean.
2. Still no agreement on what an IOPZ would mean in practice. Views are as far apart as ever. Until we reach a greater measure of agreement, it is premature to set a date for a conference.
3. In considering proposals for an IOPZ we cannot ignore the Soviet presence in Afghanistan and the Horn of Africa, and the present conflict in the Gulf.
4. We doubt that a conference on IOPZ would help to resolve conflicts in these areas; could prejudice the legitimate defence interests of other states.
5. If all states adhered to fundamental norms and principles of international law and behaviour the political and security situation in the Indian Ocean region would be greatly improved and the economic climate enhanced.

CONFIDENTIAL



CONFIDENTIAL

ESSENTIAL FACTS

1. The Indian Ocean Zone of Peace (IOPZ) proposal dates from a resolution sponsored by Sri Lanka in 1971. We abstained on it in part because it could be harmful to UK interests because of possible exclusion of Western military presence in a key area; especially the Gulf approaches. The US Naval Support Facility on Diego Garcia is a prime consideration for us and the US.
2. Within the UN Ad Hoc Committee (New York), which is engaged in considering the proposal, we pursue a line of constructive criticism designed to maintain our relations with regional states while ensuring that no new constraints are put on Western naval forces.
3. Concept enjoys wide support among the Non-Aligned Movement (NAM) although more as an issue on which they can demonstrate solidarity than because of any particular enthusiasm for the proposal. Mauritius is a member of the Ad Hoc Committee and follows the general NAM line. They also use the Committee to voice their claims of sovereignty over Diego Garcia. The Soviet Union and her allies give cynical support.
4. At last year's UN General Assembly the resolution on IOPZ inter alia called for the committee to make decisive efforts in 1984 to complete the preparatory work with a view to the opening of a conference in Colombo, Sri Lanka, in the first half of 1985. The resolution was adopted by consensus (which is the usual procedure) with the US making it clear that they were not part of the consensus, as they did not consider that full account of their views had been taken during the drafting of the resolution. They have since said that they will only remain in the committee if they can be confident that it will proceed on the basis of

/consensus.

CONFIDENTIAL



CONFIDENTIAL

consensus. Their withdrawal would leave other Western participants, in particular the UK, more isolated in resisting progress towards a conference. We have repeatedly made clear our concern to the Americans. At the moment work in the Ad Hoc Committee is stalled because of the US position, which provides a useful shelter for other Western participants and prevents substantive progress. However, this situation cannot last indefinitely and the Sri Lankan Chairman is actively trying to patch up US concerns over the breach of consensus, during the present session of the Committee (New York 16-27 July).

CONFIDENTIAL





VISIT OF PRIME MINISTER OF MAURITIUS TO THE UK:  
JULY 1984

BRIEF NO 13: AIR SERVICES

LINE TO TAKE

(i) We are glad that the outstanding aviation difficulties were satisfactorily resolved at last years consultations.

LINE TO TAKE (if raised)

(ii) We regretted the various restrictions which the Mauritians imposed - as a result of pressure from Air Mauritius - on the number of passengers who could be carried by British Airways and Air Mauritius. The Department of Transport would be glad to arrange talks if the Mauritians wish to propose a more liberal regime.

(iii) The Department of Transport would be prepared once again to look at the Mauritian request to operate a service between Mauritius and Hong Kong. It would, however, be difficult to make progress unless and until a British airline wishes to operate a reciprocal service on the route.

(iv) If Mauritius wishes South Africa Airways to be allowed to carry passengers between Mauritius and Hong Kong on its Johannesburg-Hong Kong service they would need to persuade the South African authorities to take the matter up with the Department of Transport. The Department would not wish to become involved in tripartite discussions on what is essentially a bilateral matter.



BACKGROUND

UK-MAURITIUS CIVIL AVIATION RELATIONS

Air services between the UK and Mauritius operate under a bilateral Air Services Agreement signed in 1973 and supplemented by Confidential Understandings between the aeronautical authorities. BA operate a weekly Tri-Star service to Mauritius calling at Khartoum and Lilongwe. Air Mauritius operate a weekly B707 service to London calling at Rome and Nairobi.

2. During a meeting in London last July the aeronautical authorities agreed new arrangements giving the airlines some additional flexibility to carry "5th freedom" traffic (so that BA may now carry a limited number of passengers between Khartoum and Mauritius). The Mauritians insisted, however, on imposing limits on the number of passengers which BA could carry in and out of Mauritius - apparently under pressure from Air Mauritius (who operate a smaller aircraft on the London route but who presumably benefit under a commercial agreement from passengers who travel over Paris on one of the five weekly B707 services operated by Air France).

3. The Mauritians are anxious to develop air services with Hong Kong. The UK-Mauritius ASA makes no provision for airlines of either party to operate such services. Neither BA nor Cathay Pacific are interested in operating over the route. We have therefore declined to allow the Mauritians to operate a service to Hong Kong (although we have indicated a willingness to negotiate when a British airline wished to operate a reciprocal service).

4. Under the UK-South Africa ASA (and the corresponding arrangements between Mauritius and South Africa) South African Airways operates a Johannesburg-Mauritius-Hong Kong service on which it cannot carry passengers between Mauritius and Hong Kong. Sir Gaetan Duval has suggested that there might be tripartite discussions between Britain, Mauritius and South Africa to agree on the terms on which SAA might carry such "5th freedom" traffic. We see no advantage (and some disadvantage) in departing from the normal practice of bilateral consultations. If the South Africans wish to obtain rights for SAA between Mauritius and Hong Kong they should approach us on the matter direct. We shall then consider whether and if so what corresponding concession we should seek from them. (The South Africans would also need Mauritian agreement to the arrangement but this presumably would present no difficulty).



VISIT OF THE MAURITIAN PRIME MINISTER TO THE UK: JULY 1984

BRIEF NO 14

COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHOGM): NASSAU 1985

POINTS TO MAKE

1. Our preferred dates for the 1985 Commonwealth Heads of Government Meeting are 17/18 to 21 October.
2. The Prime Minister has confirmed her preference for these dates in letters to the Commonwealth Secretary General and to Sir Lynden Pindling.
3. The Palace have confirmed that the second half of October 1985 would suit Her Majesty.
4. We hope that Mr Jugnauth will also find these dates convenient.

Commonwealth Co-ordination Department  
July 1984

CONFIDENTIAL

VISIT OF THE MAURITIAN PRIME MINISTER TO THE UK: 23-27 JULY 1984

Brief No: COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHOGM):  
NASSAU 1985

ESSENTIAL FACTS

1. The Prime Minister has stated a preference for the next Heads of Government meeting to be in the second half of October 1985, after the Conservative Party Conference but before the opening of Parliament. She has written to Sir Lynden Pindling the Prime Minister of the Bahamas and to Mr Sonny Ramphal the Commonwealth Secretary General proposing 17-21 October 1985 as dates for the meeting.
2. The Palace have told Sir Lynden Pindling that the autumn of 1985 and in particular the second half of October would suit Her Majesty.
3. Our Missions in Commonwealth countries have been instructed to lobby their host governments seeking support for 17-21 October 1985 for the CHOGM and the High Commissioner in Port Louis has suggested that Mr Jugnauth's visit provides a suitable opportunity to consult at high level.

Commonwealth Co-ordination Department

12 July 1984

CONFIDENTIAL



VISIT OF THE MAURITIAN PRIME MINISTER TO THE UK: JULY 1984

BRIEF NO 15:

SECURITY OF SMALL STATES

POINTS TO MAKE

1. We strongly support the Commonwealth initiative on the security of small states.
2. We have already submitted an initial contribution to the Commonwealth Secretary-General's preparatory work on the study.
3. The Foreign Affairs Committee of the House of Commons is to carry out a wider study of the problems of small states and the Department has submitted a memorandum to the FAC towards this end.
4. Assume that Mauritius shares our concern that international community should seek and find satisfactory solution to this problem.

Commonwealth Co-ordination Department  
12 July 1984

VISIT OF THE MAURITIAN PRIME MINISTER TO THE UK: 23 JULY 1984

## SECURITY OF SMALL STATES

### ESSENTIAL FACTS

1. At their meeting in New Delhi in November 1983, Commonwealth Heads of Government discussed the security problems of small states in the context of the Grenada crisis. The following passage from their communiqué highlighted their concern:

'reaffirmed their commitment to the principles of independence, sovereignty and territorial integrity and called for the strict observance of these principles.... Time and again in their discussion, Commonwealth leaders were recalled to the special needs of small states, not only in the Caribbean but elsewhere in the Commonwealth. They recognised that the Commonwealth itself had given some attention to these needs in the context of economic development but felt that the matter deserved consideration on a wider basis, including that of national security. Recalling the particular dangers faced in the past by small Commonwealth countries, they requested the Secretary-General to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries, of the special needs of such states consonant with the right to sovereignty and territorial integrity that they shared with all nations'.

They also produced the Goa Declaration on International Security. The paragraph dealing with small states said:

'We are particularly concerned at the vulnerability of small states to external attack and interference in their affairs. These countries are members of the international community which must respect their independence and, at the very least has a moral obligation to provide effectively for their territorial integrity. We have separately agreed on an urgent study of these issues. Additionally, however, we will play our part in helping the international community to make an appropriate response to the UN Secretary-General's call for a strengthening of collective security in keeping with the Charter.'

2. The Commonwealth Secretariat have completed their background preparatory work on the study so commissioned. A non-governmental Consultative Group has been established to assist the Secretary-General in fulfilling his mandate. The Government strongly supports this study and has submitted an initial contribution



- 2 -

to the Secretary-General. An independent British representative (Sir Anthony Parsons) will participate in the Consultative Group. It is anticipated that, after meetings of the Group this summer, the Secretary-General on the advice of the Group will make a progress report to Commonwealth Senior Officials when they meet in December in Barbados. The full and final report will probably be published in mid-1985 so that it (and comments on it), may be considered by Heads of Government at their next meeting, in late 1985.

VISIT OF THE PRIME MINISTER OF MAURITIUS TO THE UNITED  
KINGDOM: JULY 1984

BRIEF NO: 16

PORT LOUIS, MAURITIUS: NEW HIGH COMMISSION OFFICES

POINTS TO MAKE

DEFENSIVE ONLY - if the Mauritian Prime Minister confirms recent press reports of a Mauritian Cabinet decision to create a diplomatic quarter south of Port Louis and questions the location of our new High Commission offices.

1. We needed new High Commission offices in Port Louis.
2. Most economic solution was to convert Severn Lodge, a house we own in Floreal.
3. We are in the middle of the construction stage of the project which will be completed by the end of this year ready for occupation in January 1985.
4. The new offices represent a considerable investment by HMG - £½ million.
5. We are committed to completing the construction work and moving our offices to Severn Lodge in January 1985.





ESSENTIAL FACTS

NOT  
FOR USE

(Landlord  
could sue  
us if this  
got around)

1. Following reports in 1976 that the office building swayed when heavy vehicles passed by, a PSA Structural Engineer visited Port Louis and discreetly made a structural assessment of the building. He found that the building lacked the required stability for the cyclonic conditions that occur in Mauritius and that it was not safe by British standards. The PSA recommended that we should seek alternative accommodation. An Estate Surveyor visited Port Louis in 1978 to look for new office accommodation but could find nothing suitable and a decision was eventually taken to convert and extend a surplus HMG-owned house (Severn Lodge) in Floreal into offices.

2. Plans were prepared but before proceeding early in 1983 we made a further search for offices in Port Louis. Again nothing suitable could be found. Office rental costs had in any case increased substantially and satisfactory accommodation would cost so much that it was shown to be more economic to proceed with the Floreal plan.

3. Floreal is 14 miles from the centre of town but the High Commissioner believes the location will still be operationally convenient, and that to move there would not be seen as an indication of any lessening of HMG's interest in Mauritius. The High Commissioner cleared the move with the Mauritian Prime Minister who was relaxed, saying "Mauritius is, after all, such a small place". The Mauritian Foreign Minister however expressed his disappointment about the move to Floreal when he called on the Secretary of State in September 1983.

4. On the above basis, Ministers approved the plan and work started on site in December 1983. The new offices will be completed in December 1984 ready for occupation in January 1985. Total cost is £½ million.



5. On 5 July, the Mauritian press reported that the Mauritian Cabinet had decided to create a diplomatic quarter in the south of Port Louis. Diplomatic Missions in Port Louis have not been informed officially of the alleged Cabinet decision.