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DATE CLOSED

7 JUNE 2001

Series: MONTSERRAT

File Title: Relations

Part: 3

| Date | From | То | Subject | Class | Secret |
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| 26/06/1998 | Cab Off | PM | Montserrat | R | 0 |
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| 01/10/1998 | MOD | DID | International Development Committee on Montserrat | U | 0 |
| 17/01/2001 | | FCO | From HE Governor, Montserrat: Need for a prison | R | 0 |

From HE The Governor: A J Abbott OBE



Government House Montserrat

17 January 2001

C J B White Esq OTD FCO Telephone: (1 664) 491 2688/2689 Facsimile: (1 664) 491 8867

> Aw cc: 25 28

Qua John, MONTSERRAT: NEED FOR A PRISON

- 1. As you are aware for the last three years I have been a strong advocate in favour of building a permanent prison to replace the one lost in pyroclastic flows in Plymouth when it had to be evacuated in 1996. An eight cell Remand Centre was built by DFID in August 1999 and I am most grateful for that since it has served an extremely useful purpose, and indeed, will continue to do so once we have built the new Police Station on an adjoining site.
- 2. I had expected the negotiations for the next three year Country Policy Plan to cover the period April 2001 March 2004 to have taken place by now.

 Unfortunately, for a variety of reasons, these talks have not yet commenced. My term of office terminates in three months time when I move into retirement. It is unlikely therefore that there will be time to complete negotiations on the question of a future Prison on Montserrat before I depart. However, I regard the issue of a prison of such great importance to both HM Government and Montserrat that I would not wish to depart before making my concerns evident to all interested parties. My paramount concern is for the civil rights of Montserratian prisoners where I believe HM Government to be extremely vulnerable. In addition, there are equally powerful economic and health especially mental health arguments for taking immediate action to improve the prison regime on Montserrat.
- 3. The current situation is that prisoners, other than minor offenders, are sent offisland to serve their sentences. Those convicted for the most serious crimes go to prison on the Turks and Caicos Islands whilst the others are sent to the British Virgin Islands. Currently we have eight in Grand Turk, including six serving life sentences, and another six in the BVI. There are eight prisoners in the Remand Centre in Montserrat but this number fluctuates constantly and often we have many more. The

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main reason why prisoners are sent off-island is because in accordance with international practice we are not allowed to keep sentenced prisoners in the same custodial centre as remand prisoners. In addition we do not have enough space to house long-term prisoners. Nor do we have facilities to cope with serious offenders, nor is there any facility to provide for segregation. This includes no special provisions for the mentally ill or women prisoners.

- 4. The cost of sending and keeping prisoners overseas is currently around £ 315,000 per year. DFID have recently said that they will not pay this direct but rather shift the responsibility to the Government of Montserrat (GoM) to do so. Despite DFID assurances that there will be funds for the GoM to cover these costs the question seems to be arising as to whether these expenses should be borne by DFID or the Foreign and Commonwealth Office. From where I sit in Montserrat this would seem to bode ill for the future if it is not clear who is going to accept responsibility for financing this aspect of Government in Montserrat. The irony, of course, is that had we built a prison when I first suggested it, it would already be paid for (with change to spare) from the money we have spent keeping prisoners overseas.
- 5. The economic case for the construction of a permanent prison on Montserrat is compelling, but this is not the main thrust of my argument. My concerns rather are over our contravention of human rights. Prisoners have no opportunity to be visited by their families or lawyers; they serve their sentences in unfamiliar surroundings amongst foreign inmates. Although there are Montserratian warders in one of these countries (which we also pay for) the prisoners have little exposure to their own culture and are an isolated minority. They do not have access to a Prison Visiting Committee or their own Church representatives, and instead rely on the voluntary interest of one or two Montserratians living in those Territories. In my opinion it is only a matter of time before HM Government is taken to court over these violations. In this respect I would also draw your attention to the recent report by Chris Gibbard, Prison Reform Coordinator, who argues firmly in favour of a new prison, and in whose opinion, we are clearly vulnerable under the new European Human Rights legislation.
- 6. There is one other human rights angle which I would like to bring out. This is the question of the mentally ill. There is a high proportion of mentally ill amongst the population of Montserrat, yet there is no secure facility to house them if they break the law. Instead they are kept in the Remand Centre with the other prisoners and given periodic medication, often powerful sedatives to calm them down. Eventually they are released, then they do not take their medication, re-offend and are remanded again. There are a few regular offenders who are in this vicious circle. They need a secure place where they can be properly monitored and treated. Ideally, this should be a separate facility. The Remand Centre is clearly not the right place for them, but a

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new prison with a secure and separate annexe would at least provide a temporary solution. In this context I should point out that we have recently had to conduct an enquiry into the alleged beating of a mentally ill prisoner by one of the guards. This prisoner destroyed his cell and was a constant nuisance to his fellow prisoners. Although a prosecution is unlikely, it highlights the need for the mentally ill to have special facilities and for the prison officers to receive much needed control and restraint training.

7. I hope the above gives a clear picture of the difficulties faced on Montserrat. I believe HMG is greatly exposed on this issue and strongly recommend that immediate steps are taken to secure funding for a new prison. I therefore urge that this project be given high priority during the forthcoming Country Policy Plan talks and is not allowed to be pushed onto the back burner again. For this reason I am giving this letter and enclosures a wider circulation to Departments in Whitehall that will have an interest.

Best wishes, Tony albert.

A J Abbott

cc: Barry Kavanagh, DFID(M)
Mike Wood, OTU, DFID
Professor Liam Donaldson, Chief Medical Officer
Jonathan Powell, Chief of Staff, No 10, Downing Street
Sir David Ramsbotham, HM Chief Inspector of Prisons



MINISTRY OF DEFENCE - WHITEHALL LONDON SW1A 2HB

Telephone 0171-21 82111/2/3

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October 1998

Dear Rob.

The Defence Secretary was grateful for sight of your Secretary of State's letter of 18 September covering the draft Government response to the International Development Committee report on Montserrat.

My Secretary of State was interested to read of the forthcoming studies to address the lessons which we can learn from the Montserrat crisis. He would be grateful if MoD officials could be consulted during these. As you know, the MoD was closely involved in the initial responses to the eruptions of the Soufriere Volcano in 1995 and 1997, and in the contingency plans to coordinate the safe evacuation of the population of Montserrat. Indeed, personnel from the Permanent Joint Headquarters at Northwood were involved in the recent simulation of the Emergency Evacuation Plan mentioned in the draft response. The lessons learnt from this are currently being evaluated.

Copies of this letter go to the private secretaries of DOP members, the Home Secretary and the Health Secretary, and to Sebastian Wood.

(H D KERNOHAN) Private Secretary

Rob Shooter Esq PS/Secretary of State for International Development MM

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DFID Department for International Development

94 Victoria Street, London SW1E 5JL

From the Secretary of State

Telephone: 0171-917 0134 E-mail: c-short@dfid.gtnet.gov.uk

The Rt Hon Robin Cook MP Secretary of State for Foreign and Commonwealth Affairs Foreign and Commonwealth Office King Charles Street London SW1A 2AL obust! Ans/9,
(8 September 1998

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INTERNATIONAL DEVELOPMENT COMMITTEE: MONTSERRAT - FURTHER DEVELOPMENTS

I enclose a copy of the draft government response to the Select Committee's recent report on Montserrat which I intend to submit on 23 September. FCO, Home Office and Treasury officials have been consulted on the text. I am sure that you will agree that it takes a suitably robust tone in describing government policy.

I am copying this minute to members of DoP, Frank Dobson, Jack Straw and to Sir Richard Wilson.

PCLARE SHORT

yours Sicoely,

Rob Slister

(Agreed by the Secretary of State and signed in her absence)

Pa Sila

DRAFT (3)

REPLY TO INTERNATIONAL DEVELOPMENT COMMITTEE'S REPORT:

MONTSERRAT - FURTHER DEVELOPMENTS

- 1. "We welcome the Government's positive response to the two previously unanswered recommendations and urge some belated recognition that there are organisational lessons for the future that can be learned from the treatment of the Wadge and Isaacs report. But our more general conclusion is one of displeasure that to the First Report of this Committee in a new Parliament the Government should produce a response which was incomplete and fell short of the standards we expect. We criticise this failing, perhaps another unhappy example of DFID/FCO coordination, and trust that it will not happen again."
 - Since responding to the First Report of the Committee, FCO and DFID working methods and practices have improved and now secure effective coordination. The Foreign Secretary's letter of 15 May made good the omissions in our response to that Report, and explained the Government's position on the Wadge and Isaacs report.
 - As the Committee is aware, two DFID studies will address the lessons to be learnt from the Montserrat crisis: a study of Caribbean Overseas Territories Disaster Preparedness and an ex—post evaluation of the response to the Montserrat emergency itself. Following these studies, procedures will be reviewed to see if any further changes are needed.
 - The Committee might like to know that, following the Foreign Secretary's letter of 15 May, a major simulation of the Emergency Evacuation Plan was carried out on 1 August.

2. "We conclude that the Government has failed to address the main organisational weakness identified in our previous Report. There will always be unnecessary tensions and inefficiencies if DFID money is used to fund FCO political priorities."

Both the FCO and DFID have reviewed the way in which their structures for dealing with Overseas Territories' issues can be improved taking into account, among other things, the Committee's recommendations. A new department for the Overseas Territories has been set up in the FCO; and an Overseas Territories Unit is being formed in DFID. The two organisations will work closely together. The two responsible Ministers, Baroness Symons and George Foulkes have set up a joint liaison committee to coordinate the two Departments' work. Decisions on the allocation of development assistance to Overseas Territories need to take account not only of political and development considerations but also issues such as environmental and security. Consultative mechanisms are in place to ensure that all inter-Departmental views are given due weight.

The Select Committee felt that responsibility and resources for the Dependent Territories should be in the same Department. We understand the Committee's reasons for this recommendation. However, both the International Development Secretary and the Foreign Secretary have already made it clear that having considered all the options they believe the arrangements made are the best available. There is no capacity within the FCO budget to deal with emergencies such as that resulting from the Montserrat volcano eruption and the FCO does not have the broad range of expertise required to manage the assistance programme for the Overseas Territories. The FCO must obviously retain responsibility for political issues in the Overseas Territories. The Committee also noted that in the case of a humanitarian emergency, DFID could supplement the work of the FCO with its own funding and personnel. Indeed, this is the present situation with regard to Montserrat.

- 3. "The real reason for a continuation of the status quo is a lack of political will."
 - Changes have been made to rationalise and simplify existing structures and to strengthen mechanisms to provide the best possible support for the Overseas Territories. The political will necessary to sort out the muddled arrangements inherited from the previous administration has been clearly demonstrated.
- 4. "We note, however, that the review of the Dependent Territories is yet to be completed. We urge the Government to consider its position before the review is finalised."
 - The results of the review will be announced in a forthcoming White Paper. Ministers are confident that the new procedures for handling the administration of Overseas Territories (OT) matters will ensure effective discharge of HMG's responsibilities to Montserrat and the other OTs. There are no plans to make further changes to FCO and DFID responsibilities.
- 5. "The inability of Montserratians to have access to 65 per cent of their savings must be a significant constraint on the economy and reconstruction of the island. We are surprised that the High Court has not returned to the issue of the Montserrat Building Society and would urge all those involved in the process to do their utmost to end this paralysing uncertainty."
 - HMG has made it clear to the Directors of the Montserrat Building Society, the Chief Minister and Minister of Finance, and the Registrar of Companies that it will not directly or indirectly assist the institution. The Society, which is a private institution, is insolvent, only partially liquid and not commercially viable. HMG has no locus to approach the Court directly.

The Government shares the Committee's concerns about the effects on the economy and reconstruction of the island. DFID have provided infrastructure and services to the value of £67m since the crisis started; in turn, this has provided significant stimulation of the economy. Some investors have already withdrawn 35% of their savings and they may recover more if the Society is put into liquidation. They may or may not choose to re-invest any withdrawals from the Building Society in Montserrat; some who have relocated have taken their money abroad. DFID's development programmes are the best investment HMG can make in Montserrat. Such aid reaches the maximum number of individual Montserratians.

6. "The Government Response to the Montserrat Report stated that "HMG does not consider it appropriate to underwrite insurance on damages relating to natural events". In the case of Montserrat we do consider it to be appropriate, at least during this period of uncertainty as to the future activity of the volcano, and again recommend that the United Kingdom Government intervene."

HM Treasury does not consider that underwriting insurance for Montserrat would be a proper use of public funds. HMG does not provide insurance cover for other damage caused by natural events, whether in other Overseas Territories or in the UK.

The Committee suggests that more could be done to encourage the restoration of insurance cover on the island. The provision of insurance cover is a commercial judgement for insurance companies to make. HMG has no influence over these companies. However, it is simplistic to suggest that HMG's policy is to wait until commercial conditions allow the resumption of cover; HMG is actively creating those conditions and has remained in close and regular contact with the industry. The same conditions that will allow economic regeneration in Montserrat will also allow the reintroduction of insurance necessary for that regeneration. DFID's projects, such as the Small Business Scheme and the Soft Mortgage Scheme, will help to kick start the insurance business.

Furthermore, the latest scientific report indicates that the risks to the areas north of the Belham River are now assessed as comparable to those on some other Caribbean islands with volcanoes in repose; insurance companies are currently studying this report. Exploratory talks continue between UK officials and insurance companies, to examine ways in which cover can continue to be available for risks on Montserrat. As part of this, we keep insurance companies informed of HMG measures to create an appropriate climate for economic recovery on island. We are pleased to report that one insurance company has recently decided to offer all types of cover (except life) to businesses and residents in Montserrat outside the Exclusion Zone. They are not, however, offering cover against volcano-related events.

7. "We recommend that DFID provide the Committee as soon as possible with an estimated costing of the Sustainable Development Plan, including a projected yearly breakdown of expenditure. We recommend that expenditure on the Dependent Territories be excluded from calculations of progress towards the UN target of official development assistance as 0.7 per cent of GNP."

The Select Committee has misunderstood the nature and purpose of the Sustainable Development Plan (SDP). The SDP is not intended to be a costed project pipeline. Instead, it will be a strategic document setting out the policy framework that will be adopted by the Government of Montserrat (GoM) to rebuild the island. It will link national development goals to individual government activities to ensure consistency across government policies and activities. It will, indeed, need to be informed by the resources likely to be available, but it would be inappropriate for it to cost activities in each sector and then seek to allocate resources between these. Rather, the SDP will provide the basis for GoM to undertake these through other more appropriate planning exercises. The most important of these will be the production of a Country Policy Plan (CPP) in agreement with HMG. The CPP will, among other things, allocate the £75 million of DFID resources to specific sectors. A copy of the CPP will be made available to the Committee as soon as it is agreed.

A number of Dependent Territories, though not all of them, are currently included in Part 1 of the DAC list of countries in receipt of financial flows from the donor community, i.e. they are classified as eligible for oda. The DAC list is reviewed every three years. As long as Dependent Territories remain in Part 1 of the list, UK assistance should obviously be classified as oda.

- 8. "We would value evidence from the Department that there is a realistic possibility of Montserrat escaping dependency on United Kingdom development assistance."
 - There is clear evidence that economic activity is recovering on Montserrat. The initial tranche of loans through the DFID-funded Business Programme has been allocated. The factory shell is now fully occupied. The amount of land in agricultural cultivation has doubled over the last year to about 50 acres. Every month, new commercial premises open. As a result GoM revenue performance for the first half of 1998 has been stronger than envisaged suggesting that total collection over the year may be higher than original budgetary estimates.
 - The backlog of investment is being addressed by the substantial portfolio of DFID funded projects. With the recent scientific assessment, that the volcanic risks have fallen to similar levels in other volcanic Caribbean islands, we expect that the private sector will meet a higher proportion of future investment needs.
 - There are therefore good grounds for expecting that the extent of Montserrat's dependancy on United Kingdom development assistance is now starting to diminish. But it would obviously be premature to speculate on the likelihood of Montserrat graduating to the stage when it will no longer require any HMG financial assistance.

9. "The United Kingdom Government must face up to its responsibilities to the people of Montserrat. Such an outcome would be at least one benefit to emerge from these unhappy events."

The Committee's recommendation refers to Montserratians in the UK. Since Montserratian evacuees first arrived in the UK, the Home Office Community Relations Unit (now called the Race Equality Unit) has been responsible for liaising with refugee voluntary agencies and Montserrat community groups in the UK on the arrangements for the settlement of Montserratians.

Initially, the Montserratian community provided support to the evacuees on a voluntary basis. After further eruptions in 1997, however, the Assisted Passage Scheme was introduced and the numbers arriving increased dramatically. It became clear at that point that the volunteers would be unable to continue in their work without financial assistance.

From August 1997, the Montserrat community organisations began working with the refugee voluntary agencies, experienced in settlement programmes, to draw up costed proposals to assist Montserratians to access statutory benefits and services to support the work of the volunteers in the Montserrat communities.

These discussions resulted in the following two initiatives:

- a) a contract was placed with Heathrow TravelCare, a registered charity, to provide a reception service for Montserratians arriving at both Heathrow and Gatwick airports; and
- b) a community support project, known as the "Montserrat Project" was set up to provide community support to Montserratians who have responded to the Government's offer of voluntary relocation.

Both these projects are funded by the Home Office.

As the Select Committee noted, HMG's total support to Montserrat and Montserratians in the Caribbean region over a six year period is expected to total around £135 million; that does not include support given to Montserratian evacuees in the UK. Evacuees have access to the full range of benefits in the UK (health, education, welfare and housing). They also have the right to work. On 21 May 1998, Montserratians in the UK, Montserrat or the Caribbean region were offered the right to settle in the UK indefinitely. We cite this as evidence that HMG is facing up to its responsibilities.

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RESTRICTED Prime Minister To note that the volcano has gove quiet; Brandt has also calmed down; and Depts wound whitehall appear to be PHILIP BARTON working nell together on this now.

MONTSERRAT

Philip 26/

SUMMARY

Airport feasibility study has been completed. Depending on scientific assessment in July, a preferred option for a new airstrip has been identified. Good progress on most projects, although issues surrounding the suitability of the Bank of Montserrat are delaying the soft mortgage scheme.

DETAIL

I chaired a further meeting here today attended by officials from Home Office, HM Treasury, MOD, FCO, DfID and DETR.

Political and Geological Developments

The volcano has continued to be quiet, following a reduction in activity on 8 March. A full scientific risk assessment is due to be carried out in mid-July. The output of this will be a terrain risk map, which will detail the primary threat from volcanic activity and secondary risks such as mud flows. On the political front the relations with the Government of Montserrat have noticeably improved with the Chief Minister showing appreciation for the efforts of HMG.

Airstrip feasibility study

A draft report and executive summary has been received from the consultant engineers. This takes account of the sudden decrease of volcanic activity noted in March. The aim has been to work in partnership with the Government and people of Montserrat and depending on the scientific risk assessment in July it seems that a preferred option has been found. This involves the construction of a 600m airstrip at Geralds near the existing helipad site. This would cost £13 million and realistically would be operational in the third quarter of 2000. It would take twenty seat aircraft which would be sufficient for all passenger traffic for a population up to 5,000. In addition, bunds would be constructed to protect the existing airport at Bramble against further damage from mud slides at a cost of £2 million. This would preserve the option of reopening the airport if the volcano were to become

permanently dormant in the future. This airstrip is longer than the one which would be constructed at Geralds and could therefore take forty seat aircraft to service the increased traffic that would arise following the volcano becoming permanently dormant. At this point the new strip at Geralds would be mothballed at minimal cost. This proposal would cost a total of £15m, with £10m being available from the European Development Fund.

5. This option involves the re-location of some 70 houses to facilitate construction. Fifty of these were due to be replaced anyway and despite some local opposition DfID think that the plan can be sold to the population of Montserrat. The Governor will definitely support the plan and in private the Chief Minister will realise that this is the best option available. Whilst there is only one operator in the region currently capable of servicing a 600 metre runway and this monopoly is of some concern, DfID are working on several options for increasing competition. Final recommendations on the airport will be put to Claire Short in the autumn following further consultations with the islanders and in the light of the scientific assessment in July.

Montserratians in the UK

- 6. Departments have identified the need to monitor the long-term health of Montserratians affected by volcanic activity and check how well they are settling in the UK. This would consist of four elements:
 - a basic survey of Montserratians resident in the UK;
 - a subsequent survey of their health;
 - research into secondary data;
 - a survey of the health of the Montserratians still in the Caribbean region.
- 7. The Home Office are currently seeking quotes for this project. It is proposed that:
 - the initial survey of Montserrats in the UK would be undertaken and financed by the Home Office;
 - the subsequent survey of their health would be undertaken and financed by the Department of Health;
 - researching in secondary data and the health survey of Montserrations in the Caribbean region would be undertaken and financed by DfID.

This allocates the financial burden on the basis of usual Departmental responsibilities. The Ministerial Group (OT) are to meet on 27 July, where this arrangement could be finalised.

Housing construction

8. To date 195 houses have been built directly by the UK and other donors and 432 are either being built directly or being built by the Provision of Materials Grant. In addition, DfID are preparing projects to extend the Materials Grant and provide shelters for people with special needs. The Chief Minister of Montserrat is satisfied with the UK's commitment to build what housing is necessary.

Soft Mortgages

9. There has been little progress on this as questions still surround the suitability of the Bank of Montserrat as a partner. This is largely due to the slowness of the bank in providing information as requested by DfID. On the island the demand for the soft mortgage scheme is still strong. The Chief Minister will shortly be putting pressure on the Bank of Montserrat and the Eastern Caribbean Central Bank to speed up the release of the necessary data. DfID are looking at the potential for partnership with other institutions in the region, if the Bank of Montserrat does not prove suitable, and are consulting a bank on Trinidad. The approach will be to continue putting pressure on the Bank of Montserrat, while actively pursuing the identification of other partnership institutions in order to implement the scheme as soon as possible.

Small enterprise schemes

10. This process is underway with two schemes up and running, one on the Montserrat and one on Trinidad.

Remand centre

11. This is shortly to go out to tender with a view to a contract being completed during August.

Retirement and gratuity payments to public servants on the island

12. This is going ahead well. Gratuity payments are to be made in July and letters offering Civil Servants voluntary redundancy were sent out in May. Usefully, those off the island largely decided to accept redundancy whilst those on the island decided to stay working.

Replacement of relocation package

13. A fund was announced in April to allow NGOs to support people close to destitution. Following a minimal initial take up rate by individuals DfID are now making direct approaches to NGOs and projects involving refugees should be operating in July.

Other Issues

- 14. The <u>evacuation plan</u> has been completely revised and redrafted and exercises are due to take place shortly. Virgin Atlantic are beginning a regular weekly flight servicing a number of locations in the Caribbean beginning on the 26 September. They are also arranging a concert in Montserrat and Trinidad on 29 September, Richard Branson is due to visit Montserrat in a few weeks.
- 15. I aim to convene a further meeting in the autumn to report on the final decision on the airport options.
- 16. I am copying this to Private Offices of DOP Ministers and those attending the meeting.

DAVID FISHER

26 June 1998



Department for International Development 94 Victoria Street, London SW1E 5JL

Telephone: 0171-917 0134

From the Secretary of State

The Rt Hon Robin Cook MP Secretary of State for Foreign and Commonwealth Affairs Foreign and Commonwealth Office King Charles Street London SW1A 2AL TOP- JEH

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10/ 9 June 1998

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MONTSERRAT SUSTAINABLE DEVELOPMENT PLAN

We have now agreed with the Government of Montserrat a text of the draft Sustainable Development Plan (SDP) to be circulated for public consultation.

I am sure that you would agree that it is essential that discussion of the SDP be set within a financial framework - to make clear that DFID resources are finite, and that HMG and GOM will need to prioritise between competing claims. I therefore intend, in parallel with the publication of the draft SDP on Thursday 11 June, to respond to an arranged PQ indicating that DFID will make available £75 million over the period 1998/99-2000/01 for Montserrat.

This figure will cover all DFID expenditure related to Montserrat, including budgetary aid, emergency aid, development projects and assistance to evacuees. It seeks to provide sufficient resources, taking account of other donor support, to meet the reasonable needs of those who have chosen to remain on the island. It represents an investment of £25,000 for every Montserratian currently on the island and an increase of 25% on DFID expenditure over the last three years.

In the event that the volcano enters a permanent state of repose, we would expect most of the people of Montserrat to be able to retake responsibility for their own livelihoods and for the private sector to take a leading role in rebuilding the economy - not only in restoring normal commercial activity but also in co-financing the rehabilitation of the island's infrastructure. In these circumstances DFID would clearly need to review the nature of its assistance to ensure that it provided the necessary catalytic support to the private sector and for self-help initiatives.

\ Public consultation on the SDP will take

Public consultation on the SDP will take place over the next 6-8 weeks and will include joint HMG/GOM presentations in the UK and Caribbean region. I hope that it will be possible to reach agreement on a final version by early August. This would then set the context, together with the DFID resource framework, for HMG/GOM negotiation of a Country Policy Plan.

I am copying this minute to members of DOP and to Sir Richard Wilson.

CLARE SHORT

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The Rt Hon Alistair Darling MP Chief Secretary HM Treasury Parliament Street London SW1

05 MAY 1998

Dear Mistain,

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JEH C. PB AL PU

EVACUEES FROM MONTSERRAT

Thank you for your further letter of 21 April in response to mine of 23 March about the proposal to offer settlement to Montserratian evacuees in the UK and those still in the Caribbean.

I am grateful to you for agreeing that Departments can continue to absorb the costs of the evacuation programme from within their existing provision for this purpose. As Robin Cook pointed out in his minute of 3 April, the decision to accept Montserratian evacuees was a collective one and the principle that departments should bear their own costs from within existing provision is already established.

As I have already emphasised, the nature of the existing arrangements - with no ceiling on the numbers who may come, and with all evacuees having access to a full range of benefits - mean that the change to settled status should not result in any increased costs.

You and colleagues may be interested to know that the number of evacuees coming to the UK has now reduced to a trickle, and that some of the earlier evacuees are now beginning to return. All the evidence suggests that the majority of those who have come to the UK have been forced to do so by circumstance, rather than any desire to establish themselves here. I agree with Robin that, should the situation on the island improve, many will want to return in due course.

I shall now make arrangements to announce the offer of settlement.

Copies of this letter go to the Prime Minister, the Deputy Prime Minister, Robin Cook, David Blunkett, Frank Dobson, Harriet Harman, Clare Short, and to Sir Richard Wilson.

IACK STRAW

Your ever,

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Top JEH ge AL PB PU

Treasury Chambers, Parliament Street, SWIP 3AG

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The Rt Hon Robin Cook
Secretary of State for Foreign and Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON SWIA 2AL

21 April 1998

In Lotin

EVACUEES FROM MONTSERRAT

Thank you for your letter of 3 April in response to mine of 16 February about the costs of offering settlement in the UK to those Montserratians who have resettled elsewhere in the Carribean.

2. I note that you cannot agree to my suggestion that the Foreign and Commonwealth Office should meet the costs of offering settlement status to these Montserratians. Departments and local authorities will therefore have to continue to absorb the cost of granting settlement status to these Montserratians from within their existing provision - there is no question of the Reserve meeting this cost.

15:25





- 3. I have written similarly to Jack about the costs of offering settlement in the UK to those Montserratians currently in the UK and those still on Montserrat.
- 4. I am copying this letter to the Prime Minister, John Prescott, Jack Straw, David Blunkett, Frank Dobson, Harriet Harman, Clare Short and to Sir Richard Wilson.

ALISTAIR DARLING

FCS/98/052 CHIEF SECRETARY





Evacuees from Montserrat

- 1. I have seen your letter of 16 February to Jack Straw about the financial implications of offering settlement to evacuees from Montserrat and his reply of 23 March.
- 2. I too am unable to agree to meet any costs arising from the proposals in my letter of 7 January. First, as Jack Straw has argued, those Montserratians affected by the crisis are already entitled to come to the UK and have access to the full range of benefits, for as long as the crisis continues, whether they now live in Montserrat, in the Caribbean or elsewhere. For this reason, the right to settle in the UK will not result in any significant increase in the number of Montserratians coming to the UK. The granting of the right of settlement to these people should therefore be regarded as a sensible step, for the reasons expounded in Jack Straw's initial letter of 5 December, which will generate considerable good-will at little cost.
- 3. Second, the decision to allow Montserratians to enter the UK was one taken by HMG collectively, not one taken by any single department. As a consequence, the principle that departments should bear their own costs was recorded in your letter of 26 September 1997, following a request from Michael Meacher that the FCO transfer funds under the "new burdens" procedure. I see no basis for a change in policy now.
- 4. In reaching this conclusion, I am not swayed by Keith Bradley's argument in his letter of 16 March that granting settled status to Montserratians would allow them to remain in the UK indefinitely. If return to the island became a viable prospect, our belief is that a number of



Montserratians here would genuinely wish to return, regardless of their immigration status. For those who choose not to return, they are already in a position where it would be difficult to enforce departure.

5. Copies of this minute go to the Prime Minister, Deputy Prime Minister, Jack Straw, Keith Bradley, David Blunkett, Frank Dobson, Harriet Harman, Clare Short and to Sir Richard Wilson.

ROBIN COOK

Foreign and Commonwealth Office

3 April 1998



DEPARTMENT OF SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS Telephone 0171 - 238 0800

From the Parliamentary Under Secretary of State for Social Security

The Right Honourable Jack Straw MP Home Secretary Home Office Oueen Anne's Gate London SW1H 9AT

PEB 18/3

/6 March 1998

Dear Jack

EVACUEES FROM MONTSERRAT

I have seen Alistair Darling's letter of 16 February to you concerning the cost implications for granting settled immigration status to Montserratians currently in the UK, or still on Montserrat.

Alistair has made it clear that the additional funding required to cover the costs of implementing your proposal, or for that matter Robin Cook's suggestion to grant settled status to all Montserratians irrespective of their present country of residence, will not be made available from the Reserve.

In my letter to Robin of 20 December, I explained that DSS agreed to make special provision and fund benefit payments to Montserratians from our notional budgetary provision for declarations of upheaval. However this agreement was on the understanding that we would not be required to make offsetting savings to meet the costs of Montserrat or other more conventional upheavals.

Our agreement to fund benefit payments for Montserratians from the upheaval element of our budget recognised the temporary nature of the crisis on Montserrat. Granting settled status to Montserratians would of course allow them to remain in the UK indefinitely. There are clearly advantages in doing this. However, it would be totally inappropriate to meet the benefit costs arising from this conscious change in policy from a contigency element within our budget, especially as it would mean that offsetting savings were required from elsewhere. We would therefore look to either your or Robin's Department to cover any additional costs to the DSS budget arising from any change in immigration status. I understand that my officials will be discussing this matter with officials at the Home Office and Foreign and Commonwealth Office shortly.





I agree with Alistair's point that any decision taken regarding changing the immigration status of Montserratians should be without prejudice to the wider issue granting of full British citizenship to inhabitants of dependant territories.

I am copying this letter to the Prime Minister, the Deputy Prime Minister, Robin Cook, Alistair Darling, David Blunkett, Frank Dobson, Clare Short and to Sir Richard Wilson.

Mrs ...
Keith
KEITH BRADLEY

MOS
PSC(JD)
PSC(JR)
PSA
MW McTernan SpAd
hiz Kendall SpAd
Pern Sec
Mike Whippman PG
Pauline Berrett WH
Caroline Rookes 13P
Christine Frian 13P
Don Breveton PD
Bruce Calderwood HBP
Andrew Stott PPDI





Telephone: 0171-917 0134

From the Secretary of State

Foreign Secretary

lile PAB

2S February 1998

MONTSERRAT

Thank you for your letter of 18 February. I am pleased that you were able to see first hand the substantial progress that DFID has made over the last six months.

I agree that housing is a priority, and that it is key to encouraging people to leave shelters in Area 3. That is why I approved £4.8 million last week for the next tranche of 50 houses, and the provision of 100 prefabs at Lookout for those currently living in Area 3. My decision to provide prefab houses for this group rather than dormitory shelters reflects the concern that you also express that people might have been unwilling to move from one shelter to another.

I agree that further land will probably need to be serviced for those who wish to take advantage of the forthcoming soft mortgage project and any extension to the self-build schemes. George Foulkes' letter of 20 February to David Brandt indicates DFID's readiness to discuss the extent of further needs and how they should best be met.

My officials are passing over a copy of the preliminary results of the social survey. This shows that there were only 3,139 on-island at the time of the survey (November 1997); far fewer than implied by the Government of Montserrat's "head count" a few weeks earlier. The current population therefore is about 2,850 taking account of the subsequent net evacuation. On present plans they will cost the British taxpayer, over this and the three following financial years, some £117m - about £41,000 a head.

I am copying this minute to members of DOP and to Sir Richard Wilson.

CLARE SHORT



Top. FAIAPS

"FAIPS
HAIPS
PLO
Press

FCS/98/031 HOME SECRETARY

Montserrat

- 1. In my minute of 7 January, I welcomed your offer to grant settlement to Montserratians who have already come to this country, and offer it to those still on Montserrat, but I suggested that there would be considerable merit in the granting of settlement to all Montserratians, irrespective of their present country of residence. My visit to the island on 14 February has reinforced this view. It is difficult to defend denying settlement to, for example, those Montserratians living in Antigua. The Government of Montserrat has made clear it would accept those on Antigua back so it may be hard to distinguish those on the island now from Montserratians more widely.
- 2. I fear that some colleagues may have delayed their response to your minute of 5 December because of the separate discussion of citizenship for the Overseas Territories, which we are looking at but have not yet reached a decision. We need to decouple the two issues, not least because, as you have pointed out, the first islanders began arriving under the voluntary evacuation scheme in April 1996, and were given leave to enter the UK for two years. Their immigration position will need to be considered ahead of any decisions we might take on the wider question of citizenship for the Overseas Territories.
- 3. Their is a small risk that offering settlement to those still on Montserrat might be seen by the Chief Minister of Montserrat as confirming his deep-seated suspicion that HMG has a hidden agenda to de-populate the island; he regularly cites as evidence the slow provision of aid and



by contrast, the speed with which assistance is provided to Montserratians wishing to re-locate off island. We would need to give the Government of Montserrat advance warning of any decision/announcement of the offer of settlement for Montserratians.

4. I am copying this minute to the Prime Minister, Deputy Prime Minister, Clare Short, David Blunkett, Alistair Darling, Frank Dobson, Harriet Harman, and to Sir Richard Wilson.

ROBIN COOK

Foreign and Commonwealth Office 19 February 1998 Print Minister

You might like to see this account of Robin Cook's visit to Montserrat. Brandt

FCS/98/027 seems to be acking much
INTERNATIONAL DEVELOPMENT SECRETARY

more helpfully.

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file Pez 33/2

Montserrat

Philip 20

- 1. I thought it might be useful to share with you some impressions of Montserrat, which I visited on Saturday. I went with three objectives: to see the realities for myself; to consult local people about their needs; and to offer reassurance that we had no "hidden agenda" to abandon the island.
- 2. Seeing from a helicopter the volcano and the damage it has caused brings home the extent of the disaster. Even at the low level of activity which I witnessed, the steam and ash spewing non-stop out of the Soufriere Hills were a constant reminder of the volcano's destructive power.
- 3. I had lunch with David Brandt and his colleagues, and talked to people in shelters, schools and hospital wards. I was glad to see so much evidence of DfID's efforts bearing fruit and said so. The very real, and visible, progress which has been made over the last six months with the construction of housing units, refurbishment of the hospital, and provision of school classrooms has helped significantly to convince people of our good faith. Of course there is still a long way to go particularly on housing. Everyone, from David Brandt downwards, stressed that housing remains the number one priority (over 500 of the remaining population of 3200 are still in temporary shelters). So I hope it will be possible to start work very soon on the next 50 houses at Lookout: the first batch are of high quality and much appreciated.



- 4. There was a good deal of ash in the air when I visited Salem. Clearly, the local government must continue to encourage people to move further north, in line with the scientists' and medical experts' advice. But it is equally clear that few will go until they have somewhere to live: there is understandably little enthusiasm for swapping inadequate shelters in Zones 3 and 4 for an inadequate shelter in Zone 2.
- Brandt and his colleagues also ran through their other priorities: the airstrip, on which I was able to say that your people were looking urgently at the feasibility study; insurance, on which we need to maintain our efforts to persuade the companies to maintain cover in the north; the soft mortgage scheme promised by the Prime Minister, on which we clearly need to solve quickly the problems which have arisen with the idea of using the Bank of Montserrat as executive agent; and land. Here, Brandt said he would be coming to us soon with new ideas for making available Crown and other property to those who wanted to take advantage of the soft mortgage and self-build schemes but had land which was either in an unsafe area or already under several feet of ash. If the Government of Montserrat does come up with sensible proposals, I hope you will be able to look at them sympathetically.
- 6. Local people, as well as the media, pressed me quite hard on our overall level of commitment. I reiterated the assurances which the Prime Minister had given Brandt: we were committed to sustaining a community on the island for as long as it was safe for people to live there. In response to numerous questions about coordination at the London end, I explained that we had both concluded that FCO and DfID needed to work together more effectively on DT issues. The new Overseas Territories Department which we were establishing in the FCO, and which I hoped would be run jointly with DfID, was a sign of our clear determination to do this.

but Fo hope | this place tory minute will do the trick



- 7. Speaking to the press, Brandt was generally constructive. He acknowledged that the first visit by any Foreign Secretary to a Caribbean Dependent Territory demonstrated our commitment to Montserrat. He, of course, has his own political position to worry about, but seems now to understand that his strident criticisms of HMG's efforts on Montserrat's behalf have often been counter-productive: he telephoned after my return to say that he was writing to The Times to correct the misleading impression of my visit given by their reports.
- 8. While transiting Antigua, I had a useful meeting with Prime Minister Lester Bird and members of the Citizens and Friends of Montserrat support group, representing the 3000 Montserratians currently on Antigua. I asked Bird to look again at the immigration problems which many Montserratians on his island are encountering, which he agreed to do.
- 9. I am copying this minute to members of DOP and to Sir Richard Wilson.

ROBIN COOK

hor look

Foreign and Commonwealth Office 18 February 1998



RESTRICTED - POLICY

TOP-JEH

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Jack Straw MP Home Secretary Home Office Queen Anne's Gate London SW1H 9AT

Dear Home Secretary

Propis 5KP 20/2/98
Philip 19/2

16 February 1998

EVACUEES FROM MONTSERRAT

Thank you for copying to me your minute of 5 December to Robin Cook about the immigration status of Montserratians currently in the UK and those still on Montserrat. I have also seen Keith Bradley's letter of 20 December and the replies from Robin Cook and John Prescott dated 7 and 19 January respectively. I thought that I should draw colleagues' attention to the cost implications. Although we don't know how many people might come to the UK, we do need to be aware of the possible effects on what are already hard pressed budgets.

2. I note from Keith Bradley that his department will require additional funds to cover the extra expenses arising from the proposal in your letter of 5 December. As the Reserve is under severe pressure both this year and next, I cannot agree to access to it.



RESTRICTED - POLICY

This means either you will have to meet the costs from within your own funds for 1998-99 and the future, or departments and local authorities will have to continue to absorb the cost of Montserratians already in the UK and the cost of those still on Montserrat who may wish to settle in the UK.

- 3. Similarly the costs arising to other departments and local authorities from the proposals in Robin's letter of 7 January should either be met from within his own spending plans or he should obtain agreement that they be met from within their existing provision. Again, there is <u>no</u> question of the Reserve meeting these costs.
- 4. None of the letters I have seen to date mentions the effect any decision on Montserrat will have on the related discussions between the Home Office and the Foreign and Commonwealth Office about granting full British citizenship to those inhabitants of the dependant territories who at present do not enjoy this. Any decision on Montserrat must therefore be without prejudice to these discussions and any announcement must avoid raising other expectations
- 5. I am copying this letter to the Prime Minister, Gordon Brown, John Prescott, Robin Cook, Jack Straw, David Blunkett, Frank Dobson, Harriet Harman, Clare Short and to Sir Richard Wilson.

Yours sincerely Paul Williams, Pr ALISTAIR DARLING

(Appraved by the Chief Secretary) and signal in his absence



10 DOWNING STREET LONDON SW1A 2AA

From the Private Secretary

DAVID FISHER CABINET OFFICE

MONTSERRAT

The Prime Minister has seen your minute to me of 29 January on progress on Montserrat. In relation to a new airstrip, he has commented that we must get as much money as we can from the EU. Please could you pursue this with the relevant Departments.

I am copying this minute to the Private Secretaries of other DOP members, Anthony Smith (Department for International Development) and Jan Polley (Cabinet Office).

Philip Barton PHILIP BARTON

2 February 1998

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RESTRICTED

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Prime Minister

Ref: U18/51

PHILIP BARTON

To see that reasonable progress is being made in implementing the various schemes to help montsernat. There are, however, some MONTSERRAT big decisions ahead (for example

on the airport) and therefore scope for

1. The Prime Minister asked for further advice early in the New Year on progress on Montserrat (your letter of 22 December). I chaired a meeting here on 27 January. There has been steady progress in most areas, although the tardiness of the Government of Montserrat and of some of the island institutions has not helped. Brandt will be in the UK on 4 February. Other key forthcoming dates are the Foreign Secretary's visit to Montserrat on 14 February, and the Commons debate on 18 February.

- 2. <u>Political and geological developments</u> The volcano had been quiet since Boxing Day, when severe damage (but no casualties) were caused to the south side of the island. The scientific advice to DOP in December remains extant. Brandt, while pleasant in private, continues to berate the British Government in public, for his own political reasons.
- 3. Housing construction 100 (out of 250) houses are now complete, or nearly so. Claire Short announced yesterday that the Government is finalising a further phase of housing assistance, involving the construction of the next 50 houses and the provision of plots for up to 100 more. But this can only go ahead when the Government of Montserrat agrees the specification of the houses hopefully within the next three weeks.
- 4. <u>Soft Mortgage Scheme</u> This package has been revised to make it clearer and more transparent, and to reduce the British Government's exposure, but we need to confirm the viability of the Bank of Montserrat. The Bank has been

dragging its feet, so the Bank of England had now agreed to contact the Eastern Caribbean Central Bank direct to decide whether a recapitalisation is needed. Again, this should be resolved within the next few weeks, and George Foulkes is due to raise it with Brandt on 4 February. It will, of course, be important to ensure that satisfactory financial controls are in place to administer the scheme.

- 6. <u>Small Enterprise Schemes</u> Two schemes (one on Montserrat and one on Antigua) were also announced by Claire Short yesterday. These projects should be up and running in April.
- 7. Remand centre This is making progress. Unfortunately, the estimate DFID was given last year, totalling £100K, was incomplete and the full estimate turned out to be much higher. But engineers on the island are driving this back down, and the final cost is expected to be under £200K. DFID hope to be in a position to submit to Ministers by mid-February.
- 8. Airstrip feasibility study A draft feasibility study was received on 2 January. The study ruled out the most expensive option (albeit the one which Brandt still supports in public), costing £88M. The more plausible options vary in their location and length of runway; the most promising one involves the construction of an airstrip on the existing helipad site, at a cost of £11-22M. Reopening the existing airport, which lies within the exclusion zone, is not realistic unless the volcano abates. The draft study contained a number of weaknesses, however, and a further month's work by the consultants is needed leading to a final report in March. It will be important to demonstrate the project's economic viability in order to justify EU funding; some £10M might be available. Indeed, given the Commission's stipulation that it will only support large projects the airstrip is the island's only realistic candidate for EU support. The alternative candidate for EU support (favoured by Brandt) - a wholly new port facility - cannot be justified, though there is a need to improve the existing port (at a cost of up to £1M).

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- 9. A suitable package might, therefore, involve UK funding of improvements to the existing port, and EU money (perhaps topped up by the UK) for the new airstrip, based on the existing helipad. It would be attractive for Ministers to be able to announce a combined package of this kind, perhaps in April, and DFID will investigate the scope for this. That said, the Government of Montserrat will doubtless continue to fight for its own (more expensive) preferred options, including a new port.
- 10. Replacement of relocation package The current relocation package expires at the end of March. It will need to be replaced, though the Enterprise Scheme on Antigua will help. DFID is considering the options, with a view to making an announcement before the end of March. Any replacement scheme is likely to be more modest, though it must still be substantial enough to achieve its aim of discouraging further emigration to the UK. But the Government of Montserrat itself is keen to avoid undermining the island's tradition of a non-dependency culture.
- 11. Retirement and gratuity payments to public servants on the island This is a very complicated issue, which will probably require primary or at least secondary legislation in Montserrat. Many categories of public servant are involved. DFID hopes to be able to offer advice in March.
- 12. I aim to convene another meeting late in March, with the aim of producing a more substantive report on progress and considering the latest position on evacuation planning. I am copying this minute to the offices of DOP members, and to Jan Polley and Michael Pakenham here.

David history

DAVID FISHER

29 January 1998

FROM THE DEPUTY PRIME MINISTER

TOP JEH CABOIT AL ON



The Rt Hon Jack Straw MP Home Secretary Home Office 50 Queen Anne's Gate London SW1H 9AT DEPARTMENT OF THE ENVIRONMENT, TRANSPORT AND THE REGIONS

ELAND HOUSE BRESSENDEN PLACE LONDON SW1E 5DU

TEL 0171 890 3011 FAX 0171 890 4399

M19/1.

19 JAN 1998

EVACUEES FROM MONTSERRAT

I have seen your letter of 5 December to Robin Cook, and his response.

I share your concern about the risk entailed in extending a proposed offer of resettlement to Montserratians who have already opted to relocate in the Caribbean. A decision has yet to be taken on whether further assistance should be given to islanders accepting this option, some of whom will be virtually destitute when assistance under the Assisted Regional Voluntary Relocation Scheme ends. If assistance to such people is terminated, or severely reduced, many may decide to come to the UK. In such circumstances, there would undoubtedly be pressure on the Government to assist people with their passage to the UK and provide for their reception here.

Robin expresses concern that excluding people who have made alternative arrangements in the Caribbean from the offer of resettlement will generate some ill-feeling amongst Montserratians and other island governments in the region. However, this could be allayed by an extension of assistance to Montserratians who are in difficulties. As Robin points out, most of these people wish to remain in the region and we must give proper consideration to the case, moral and financial, for continuing to maintain them there.

I am copying this letter to the Prime Minister, Robin Cook, David Blunkett, Alistair Darling, Frank Dobson, Harriet Harman, Clare Short and to Sir Richard Wilson.

JOHN PRESCOTT



FCS/98/004 HOME SECRETARY My sign of a response to this?

Philips

Montserrat

- 1. Thank you for your minute of 5 December about Montserratians who have sought refuge in the UK. I have delayed replying to take account of the latest scientists' report and risk analysis on Montserrat.
- 2. I am most grateful for the heroic efforts which you and your officials have made to deal with the influx of people from Montserrat in recent months. Your suggestion that we grant settlement to those evacuees who have already come to this country, and offer it to those still on Montserrat, is eminently sensible and practical. The latest scientific analyses present us with virtually no grounds for hoping the volcano will die down in the near future. On the contrary, volcanic activity is likely to continue at its current level or slightly higher for some time, possibly years, to come. We are advising Montserratians to move out of some areas where they have been able to stay until now. For the time being, however, the north of the island remains relatively safe. This means that we are not at present faced with a complete evacuation. Indeed, the Prime Minister has agreed (Philip Barton's letter of 22 December) that as long as people wish to continue to live there, and it remains safe for them to do so, we are committed to maintaining a viable community on the island. But the pressure of difficult circumstances on the island is likely to cause the trickle of departures to continue, without there being any prospect of an early return for significant numbers. There is therefore a real need for the kind of continuing support represented by your offer.

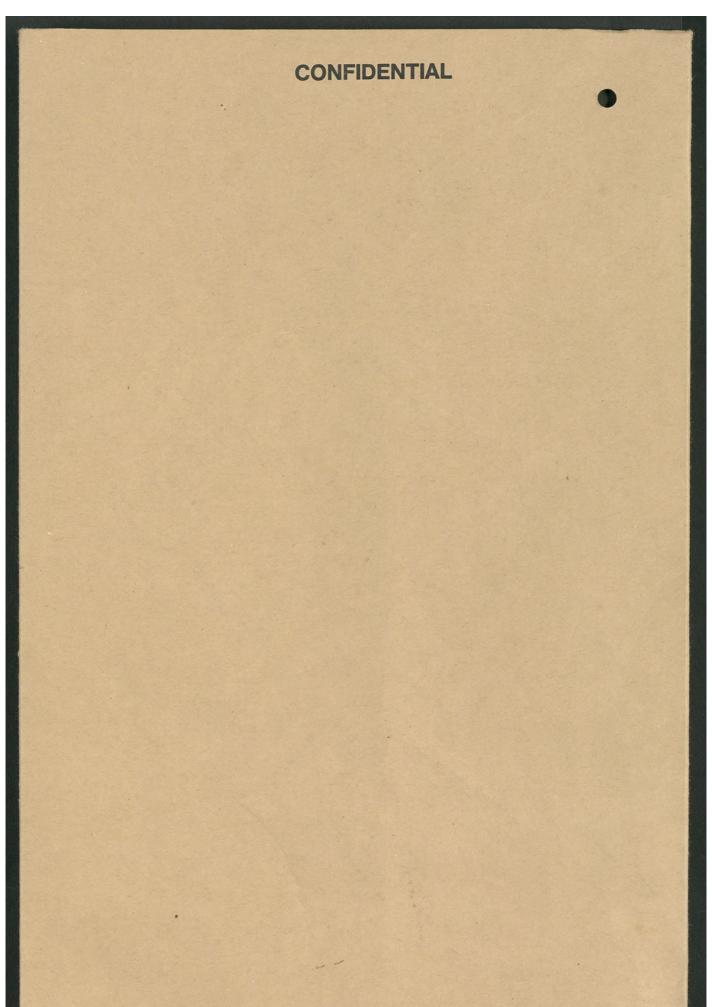




- 3. There is just one element in it which gives me difficulty. I do not think we can reasonably exclude those Montserratians who have gone, or might go, elsewhere in the Caribbean. The majority of these have gone to Antigua (c. 3000) or St Kitts (c. 1000) as the nearest places to home. They all hope to return one day. But the goodwill which the offer would generate (not only among Montserratians but also among others in the region who are watching closely how we react) could well be vitiated if it was seen to be discriminatory. I therefore hope you can agree to extend the offer to all Montserratians (many of whom, of course, will prefer to stay where they are).
- 4. I am copying this to the Prime Minister, Deputy Prime Minister, David Blunkett, Alistair Darling, Frank Dobson, Harriet Harman, Clare Short, and to Sir Richard Wilson.

ROBIN COOK

Foreign and Commonwealth Office 7 January 1998



CONFIDENTIAL