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(Copy sent PM - Mr. Spiers 2/16/70)

CHIEF OF NAVAL OPERATIONS

001655 11 February 1970

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Dear Alex,

You will recall our conversation on Diego Garcia. I have enclosed the background and status paper I promised. I greatly appreciate your interest in this project and your offer to assist us in its accomplishment. If you require additional information, please call on me.

Sincerely

T. H. MOORER Admiral, U.S. Navy

Honorable U. Alexis Johnson Under Secretary of State for Political Affairs Department of State Washington, D.C., 20520 Def 15 Ind-US







DIEGO GARCIA - BACKGROUND AND STATUS

The Navy has long recognized the strategic importance of gaining a modest logistics support capability in the Indian Ocean. In recognition of this need a Navy Strategic Island Concept was developed in 1959 and approved by JCS in 1960. In essence it calls for a stockpiling of islands for contingency use of the U.S. Pursuant to this concept a bilateral agreement was signed in December 1966 between HMG and USG which granted the U.S. base rights in the British Indian Ocean Territory (BIOT). The BIOT was formed in 1965 and comprises the Chagos Archipelago (includes Diego Garcia), Aldabra, Isle des Roches and Farquhar. The selection of these islands was based on unquestioned UK sovereignty and a negligible native population. The islands were formerly part of the Mauritian and Seychelles groups.

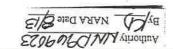
The agreement with the British provides for U.S. use for 50 years with an option for an additional 20 years. The cost of the agreement to the U.S. was one-half of the detachment costs (\$14 M) which was funded by offsetting British Polaris R&D charges.

The Navy first proposed the establishment on Diego Garcia of an austere naval facility in 1966. The proposal was approved in principle by the Deputy Secretary of Defense on 15 June 1968. The first increment of funding (\$9.6 million) became the Navy's number one priority in the FY 70 Military Construction Program. Funding for the project was omitted from the FY 70 Military Appropriations Bill by joint Senate-House Committee action during the latter stages of Congressional deliberation on the Bill. The concept of the proposed facility would have provided for modest logistic support at a total construction cost of approximately \$23 million. Although it enjoyed enthusiastic support from both House Committees concerned with military construction, it failed to win final approval due to apparent misunderstandings of two key senators.

Subsequently, Secretary of Defense LAIRD indicated that he would continue to support the facility but that the importance of the communications portion must be emphasized. Accordingly Navy submitted a modified proposal which is designed to close the gap in reliable communications coverage which exists today in the control indian (North - tay of Denial area. Communications services would include the equipment necessary for entry into the Defense Communications System, minimum ship-to-shore radio, a time-shared single channel high frequency rebroadcast facility to serve U.S. shipping and an air-ground flight service. Personnel would be limited to 164 with no facilities for dependents. Support facilities would include an 8,000 ft. runway, minimum

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waterfront facilities, personnel support buildings, utilities, POL storage to support the requirements for the facility and dredging to provide a channel and turning basin for deep draft tanker/oiler supply. The proposal has not yet been acted on by SECDEF.

Senator Russell, one of those in opposition, indicated that he might be persuaded to support the concept of the Diego Garcia project but that he would like to "hold the British feet to the fire" in order to force them to shoulder more of the burden of security in the Indian Ocean area. This concern by U.S. leaders is not new, of course. Until the devaluation of the pound in November 1967, British participation was made a prerequisite for DCD secretarial approval. The subsequent British decision to withdraw all military presence from East of Suez does not now appear to be negotiable under their present government.

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In fact, the British have cooperated with us from the beginning on the project and have invested \$14 million as their half of the detachment costs, for a project which to date only promises U.S. access to the islands of the BIOT. They have agreed to fly their flag and a small British liaison staff will be present at the facility. It thus appears that Diego Garcia will be the instrument for keeping a small British presence in an area where they would otherwise not be at all. It could even provide a basis for greater British activity in the future.

The Navy recently has had informal conversations with the Royal Navy about the possibilities of increased participation. The Royal Navy indicates that it is improbable that more than the minimum presence already agreed could be achieved. The Navy has entered into conversations on a joint intelligence effort which might result in increasing the number of UK personnel on the island.

Senator Mansfield also opposed the funding of the project but on grounds that the facility would mean a visible U.S. commitment in a new area. The Navy already operates in the Indian Ocean area. The Diego Garcia facility would provide low-profile support to make those operations more economical and efficient. If conditions in the Middle East require us to move out of our Naval Communications Station in Asmara, Diego Garcia is the only foreseeable site in which we can relocate these facilities and preserve our ability to exercise command and control in the Indian Ocean and the Middle East.

The support provided by Diego Garcia would enable us to operate Polaris/Poseidon submarines under the same positive command and control now possessed in the Atlantic and Pacific, and would cause the Soviets to cope with a nearly 360° defense problem. This cannot be construed as increased involvement, but rather, gives us an additional option for our vital sea-based strategic force.



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Senator Symington was not present when the Appropriations Committee decided to omit the project from the FY 1970 Budget. He has since indicated that he supports the project. During one of the hearings of his Subcommittee on U.S. Security Agreements he said with reference to the project "Unfortunately I was away at the time (of the Committee decision) on personal business, but I am confident that the Senate will reverse its position. The Navy wants this base and I think the Navy should have it." Senator Symington has also indicated that he would discuss the project with Senator Mansfield in an effort to get him to change his position. Senators Jackson and Thurmond have also been briefed on the project and have indicated support.

In the House, Representative Sikes has been a strong proponent of the project and has been responsible for House acceptance. Because of his efforts, the project was only defeated by Senate opposition after extensive House-Senate conferring on the Appropriations Bill. With Senator Symington and Representative Sikes spearheading support we are hopeful of favorable Congressional action for inclusion of the project in the FY 1971 Budget.



