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NAVSO 5216/5 (7-66) S/N 0104-904-1760

UNITED STATES GOVERNMENT

DEPARTMENT OF THE NAVY

Memorandum

OP-00 FILES: 11000/3
29 h/c

Op-614/dgb

Ser M001771P61

DATE: 12 MAY 1968

FROM : Op-61

TO : Op-002

SUBJECT : Point Paper; forwarding of (U)

90A-5-2-68
Put in SII DONE
Friday Book, pls.
K/002

Ref: (a) Your oral request of 1 May 1968

Encl: (1) Point Paper, Subj: Diego Garcia, recent events and current status (U)

1. (U) Enclosure (1) is forwarded herewith as requested in reference (a).

James W. O'Grady

JAMES W. O'GRADY
Director, Planning Policy Division

Copy to:
Op-06
Op-60
Op-09

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Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

POINT PAPER

Subj: Diego Garcia, recent events and current status (U)

JCS EFFORT (S)

- JCSM 226-68 to SECDEF dated 10 April 1968 resulted from most recent JCS action on Diego Garcia.
- This JCSM ~~recommends a joint base including C5A/B52~~ capable airstrip and troop staging facilities as well as ~~naval support facility and communications station.~~
- Price of full package about \$46M.
- JCSM being staffed in OSD with SA having lead and coordinating with ISA.

NAVY SIDE EFFORT (S)

- Diego Garcia discussed at SECNAV/CNO-DEPSECDEF luncheon on 16 April.
- As a result DEPSECDEF requested ISA to coordinate with Navy and provide him a paper which would bring him up to date on the subject and bring out the issues. Paper to reflect the views of SA, but their concurrence not required.
- This paper also being staffed in OSD with action in the Policy Planning Staff of ISA.

EVENTS SINCE 16 APRIL (S)

- Planning meeting chaired by Director, Policy Planning Staff held 18 April. OSD/ISA, SA and FMRA and OPNAV were represented.
- Navy presented a position paper and recommended course of action at that meeting. See TAB A.
- Supplemental planning data both oral and written was provided during the week of 22 April.
- Bulk of above info centered on possible use of Diego Garcia as:
 1. Polaris operating base
 2. Naval Communication facility
 3. Fall-back base for Mid East Force

DOWNGRADING AT 12-YEAR INTERVALS

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TAB
A

TAB
B

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- Bulk of info was requested by Systems Analysis, presumably for their use in cost-effectiveness analyses.

TIMING (S)

- No timing has been imposed on staffing the JCSM. Original OSD suspense date was 16 April. Previous JCSM on the same subject was dated July 1967 and received a SECDEF reply in November 1967.
- When queried as to timing, DEPSECDEF's office laid an end of April deadline on ISA for their paper. A 10 day deferment has since been obtained and paper is now due by 10 May.

EXPECTED OSD ACTIONS (S)

SYSTEMS ANALYSIS

- Appears to be using their input to the ISA paper as concurrent staffing on the JCSM.
- They assigned a new man to this effort who was reported to be open minded on the subject.
- SA position is obviously negative.
- It is expected that SA will again oppose the idea-probably on the same grounds as they did last fall-that there is no current military requirement and that expenditures can therefore not be justified.
- SA may well recommend that decision be deferred until completion of Special State/Defense Study on overseas bases now scheduled for December.
- Idea is not believed to have received attention within SA at a level above the regional division head.

ISA

- Believed to be in favor of going ahead with a portion of the project to provide initially an austere support facility which might later be expanded.
- Attention has been given at the Deputy Assistant Secretary level with Dr. Halperin believed to be in favor of the above position.
- Mr. Warnke's position not known but he is believed to be at least open-minded on the subject.

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CURRENT BRITISH INTEREST (S)

- Current British interest was sounded and reported in London's 8538. See TAB B.
- Although not currently capable of any substantial financial investment, British are interested and could probably be induced to show their flag in some sort of joint base command and tenancy.

RECOMMENDATION (S)

- Urge DEPSECDEF not to be unduly influenced by Systems Analysis using following rationale:
 1. Project is analogous to an insurance policy. Low premiums now could lead to large returns later if military requirement does develop.
 2. Failure to make small commitment now, might make it impossible to meet future requirements.
 3. We are trying to buy preparedness which is never cost-effective.

10 April 1968
AUSTERE FACILITY AT DIEGO GARCIA

Soviet-Indian relations have apparently aroused DOD interest which may result in a revision of previous SECDEF position concerning the establishment of a naval facility on Diego Garcia. The Middle East Countries are looking for indications of U.S. interest in seeking increased U.S. presence to support them. The establishment of a naval facility at Diego Garcia would greatly assist in providing this reassurance and such a facility would provide the U.S. with an expandable military response whenever and wherever needed in the area.

In July 1967 the JCS recommended that U.S. proceed with the unilateral, if necessary, development of an austere naval facility on Diego Garcia. The facility would initially include an:

- a. Anchorage sufficient for CVA Task Group and 5-8 auxiliaries.
- b. Airstrip, 8000 ft loong (logistic support).
- c. POL Storage for 415 K bbls.
- d. Austere communications support.
- e. Messing/berthing facilities for 198 men.

The installation was estimated to cost \$26 million and require 36 construction months to become operational and 48 to complete.

SECDEF deferred decision on construction of such facility; however, changing situations prompted JCS to originate reclama proposal in March 68 for immediate development of joint U.S. military facility. Incorporation of Army/Air Force requirements into the original naval facility precept expanded certain portions of the facility and increased rough price estimates accordingly. Joint U.S. military facility consists of:

- a. Anchorage sufficient to support:
 - (1) Squadron of Polaris Submarines and tender.
 - (2) Surface combatant ships (CVA Task Group).
 - (3) Naval mobil logistic support forces.
 - (4) Underway Replenishment forces.
 - (5) Amphibious Forces.
 - (6) Middle East Force elements.

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NOTE: This enumeration appears to be an enlargement of the initial harbor concept; however, is nothing more than a more detailed listing of force/types expected to use the harbor. The harbor would be exactly the same as that proposed for the Naval Facility with the possible inclusion of an additional finger pier.

- b. Airstrip expanded to 12,000 ft loong (C-5A/B-52 capable)
- c. POL Storage for 515 K bbls.
- d. Austere communication system.
- e. Personnel support facilities, storage, roads and maintenance systems.

The installation was estimated to cost \$4.4 million and require about the same construction time.

Price differential is based upon Program Cost Estimates developed in an Architectural and Engineering Study conducted for the Naval Engineering Command as expanded to include price projections for increased Facilities resulting from joint requirements.

Projected cost did not include Naval Space Surveillance or Strategic Intelligence Collection Systems.

RECOMMENDED ISA COURSE OF ACTION

1. Notify State Department of DOD decision to unilaterally proceed with immediate development of an austere facility on Diego Garcia.
2. Request State advise the U.K. of the U.S. decision, obtain permission to proceed with initial construction effort.
3. Invite U.K. participation along parameters set forth in JCSM 420-67 but advise that lack of U.K. participation will not negate U.S. decision to proceed unilaterally.
4. Advise U.K. of extent of U.S. development and make available general details of facility as included in NAVFACENGCOM A&E Study, stressing that construction would be incremental with most recent JCS joint U.S. military facility as ultimate goal.
5. Concur in JCS proposal for joint U.S. military facility proposed in JCSM 226-68 as objective but because of budgetary limitations authorize immediate development of only that portion currently included in A&E Study with subsequent decisions to expand facility to incorporate joint requirements.

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TAB APOLARIS SUBMARINE OPERATIONS

1. ~~The U.S. does not operate any Fleet Ballistic Missile Submarines (SSBN) in the Indian Ocean at this time, however,~~ the following developments would make operations in this area desirable or necessary.

a. Increase in Soviet ABM defense orientated to cover missiles launched from CONUS and present operating areas.

b. Increased Soviet ASW activities in present operating areas.

c. The loss of overseas bases such as Rota, Spain; Holy Loch, Scotland.

d. Increase in number of targets not in range or at maximum range from present operating areas.

e. Requirement for a forward base to increase on station time to provide additional alert throw weight.

It is now estimated that the Soviets are now in fact actively pursuing development of their ABM defenses and are increasing ASW capability by development of new equipment and extending their fleet operating areas.

2. The Soviets are no doubt fully aware that the U.S. does not operate any Fleet Ballistic Missile Submarines (SSBN) in the Indian Ocean, in that they have oriented their anti-ballistic missile systems toward the north. The Soviet planners see 90% of the alert U.S. strategic offensive forces deployed in a threat area which constitutes about 10% of the defense perimeter surrounding major USSR urban and industrial centers. This concentration is the result of the polar orientation of most U.S. ballistic missile systems. The only threat that avoids this narrow arc derives from a few Strategic Aircraft Command (SAC) flight programs and the U.S. Navy Polaris weapons systems. The consolidation of threat entry envelope vastly simplifies the Soviet Anti-Ballistic Missile (ABM) effort and doubtlessly reduces the related military expenditures by a significant amount. From a strategic point of view, the existing concentration of U.S. offensive strategic forces within the geographic boundaries of CONUS should be extended to present Soviet planners with a threat expanded over a greater azimuth. Approximately 2900 nautical miles of the Southern perimeter of the USSR can be overflown from Indian Ocean launch stations. About 800 nautical miles of this entry envelope can also be penetrated from Mediterranean launch sites. Thus, there remains a 2100 nautical mile "window" along the southern Soviet border which can be penetrated only from Indian Ocean stations. Such an extensive increase in the entry envelope

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complicate Soviet ABM efforts and would tend to offset some of the strategic advantages which will accrue to the USSR through employment of the Fractional Orbit Bombardment System (FOBS) currently under development.

3. The Soviet Navy presents no significant ASW threat to FBM submarines at present. Even though they are expanding their ASW capability they probably will not develop any vastly improved capability against the SSBN during the near future; with the possible exception of the Mediterranean Sea area, where their fleet activity has vastly increased and there is the possibility of their obtaining operating bases. Deploying FBM submarines into the Indian Ocean will necessitate dilution of the Soviet ASW effort. The northern portion of the Indian Ocean offers to the present submarine strategic system about 2 million additional square miles of operating area within which productive counter-force targeting of time sensitive USSR and CPR targets is permitted. This operating area is derived from calculations employing a missile with a nominal range of 2500 nautical miles Polaris/Poseidon Missile).

4. The Indian Ocean is the only sub-arctic operating area, from which large portions of both the USSR and CPR can be targeted from a single submarine. Furthermore, use of the Indian Ocean area permits targeting of both countries without overflight of the other. There are approximately 1750 DGZs in the USSR, European Satellites, CPR and NK that are within range of a 2500 nm Polaris/Poseidon missile launched from the Indian Ocean.

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TAB B

COMIDEASTFOR

The recent Arab Israeli war resulted in the rupture of diplomatic relations with the UAR, Sudan and other Arab countries and resulted in the closure to the U.S. of all Saudi and Bahrein facilities. Ships of COMIDEASTFOR were denied access to virtually all oil in the Middle East. Only the fuel obtained from Ethiopia permitted a U.S. presence in the Red Sea. These supplies were utilized to exhaustion and had the crises continued U.S. Naval Forces soon would have been forced to withdraw.

The prospect of losing existing naval communications facilities in that portion of the world continues to haunt all those concerned with a U.S. presence in the Indian Ocean area. The uncertainty of continued communications support from NAVCOMMSTA Asmara can be partially resolved by relocating the functions to Diego Garcia. Although some gapping may occur the combination of an Air Transportable Communications Unit (ATCU), augmented for limited fleet broadcast, and a satellite shore terminal will provide reliable communications for all foreseeable Middle East Area operations from Diego Garcia.

The Department of State is currently conducting an in-house overall review of the U.S. position in the Persian Gulf, Red Sea, Indian Ocean area. In view of recent events, thought has been given to the possibility of transferring COMIDEASTFOR from its present base to Diego Garcia.

It is understood that this study may be introduced within the IRG in the near future for study and comment.

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ACTION EUR 20

INFO SS 20, GPM 04, H 02, NSC 10, CIAE 00, INR 07, NSAE 00, P 04, RSC 01,
USIA 12, NEA 13, AF 09, L 03, RSR 01, /106 W

R 301621Z APR 68
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 3271
DOD WASHDC
INFO CINCUSNAVEUR

S E C R E T LONDON 8538

SUBJ: DIEGO GARCIA

REF: DEF 6967

1. FOLLOWING REPRESENTS TENTATIVE BRITISH VIEWS RE DIEGO GARCIA (PARA 3 REFTEL) CULLED FROM LOW KEY SOUNDINGS BY EMBOFF WITH SYKES (HEAD DEFENSE DEPT, FORN OFF), HIS DEPUTY, BROOKE TURNER; CAMPBELL, ASSIST SEC, (PTBICY, MOD) AND CAMPBELL (PACIFIC AND INDIAN OCEAN DEPT, COMMONWEALTH OFFICE):

A. IN PRINCIPLE HMG WOULD HAVE NO SERIOUS PROBLEM WITH

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US TAKING ON DEVELOPMENT OF MILITARY FACILITIES ON DIEGO GARCIA UNDER TERMS OF 1966 BIOT AGREEMENT ALTHOUGH OBVIOUSLY ANY US PROPOSAL ON THIS QUESTION WOULD HAVE TO BE PUT TO MINISTERS FOR APPROVAL.

B. UK DOES NOT HAVE ANY SERVICE REQUIREMENT (RAF OR ROYAL NAVY) FOR ANY PROJECTED FACILITIES AT DIEGO. RAF IN PARTICULAR WOULD WELCOME PRESENCE OF STANDBY FACILITIES AT DIEGO TO COMPLEMENT UK LOC TO FAR EAST VIA PERSIAN GULF AND GAN. HOWEVER UK DOES NOT HAVE BUDGET RESOURCES TO PARTICIPATE IN DIEGO DEVELOPMENT. AS MOD CAMPBELL SUCCINCTLY PUT IT THE EROSION IN RECENT YEARS OF MOD BUDGET, CAPPED BY DEEP DEFENSE CUTS IN

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JANUARY, HAS RESULTED IN THIN "GRUEL RATIONS" FOR SERVICES. ERGO PROSPECTS FOR MOD PUTTING MONEY INTO DIEGO, PARTICULARLY IN VIEW OF ITS EAST OF SUEZ CONTEXT, RANGE FROM MARGINAL TO NON-EXISTENT. SYKES SOMEWHAT LESS PESSIMISTIC ON THIS POINT IN RESPONSE TO EMBOFF QUERY. HE SAID THERE MIGHT BE FAINT POSSIBILITY OF BRITISH "TOKEN" CONTRIBUTION WHILE NOT SPECIFIC WE SECURED IMPRESSION THIS WOULD CERTAINLY RUN TO CONSIDERABLY

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LESS THAN \$1,000,000.

C. UK NOT IMPRESSED BY ARGUMENT THAT JOINT DEVELOPMENT OF DIEGO FOR MILITARY USE WOULD ENHANCE BRIT CREDIBILITY TO ASSIST FAR EAST COMMONWEALTH COUNTRIES MILITARILY FOLLOWING UK WITHDRAWAL FROM SEA BY END OF 1971. AS INDICATED ABOVE UK TAKES LINE THAT DIEGO A REDUNDANT LUXURY IN VIEW OF GAN.
D. ASSUMING US PROCEEDED IN DIEGO FACILITY PROGRAM UK WOULD BE PREPARED TO WORK OUT FINANCIAL PAYMENT ARRANGEMENTS WITH US ON ANY CONTINGENT USE OF FACILITIES BY HMG FORCES.

2. COMMENT: FOREGOING COMMENTS WHILE BLEAK WERE NOT UNEXPECTED BY EMBASSY. AS DEPT AND DOD AWARE RN HAD ADVISED CINCUSNAVEUR IN MARCH 1967 THAT IT HAD NO PRIORITY REQUIREMENTS FOR DIEGO FACILITIES. SITUATION HAS DEMONSTRABLY DECAYED SINCE WITH DEFINITIVE JANUARY ANNOUNCEMENT OF PERSIAN GULF/SEA PHASE OUT. GIVEN CONTINUED TIGHT BUDGETARY PROSPECTS HERE AND ASSOCIATED POLITICAL LIABILITY OF A NEW

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EAST OF SUEZ PROJECT, IT IS OUR CONSIDERED JUDGMENT THAT UK FINANCIAL CONTRIBUTION IS JUST NOT IN THE CARDS. IN SUM, WE PAINFULLY CONCLUDE THAT IF US WISHES TO DEVELOP DIEGO FOR DEFENSE PURPOSES US MUST BE PREPARED TO CARRY VIRTUALLY FULL FINANCIAL LOAD. BRUCE

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