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DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON, D. C. 20350

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IN REPLY REFER TO

Op-61FS/gsb  
Ser 001504P61

10 JUN 1966

MEMORANDUM OF INFORMATION FOR THE SECRETARY OF THE NAVY

Subj: Chagos Archipelago: Current Status (U)

1. At year's end our position with respect to the Chagos is as follows:

a. The OSD-ordered review of the need for a communications station on Diego Garcia - completed by the Joint Chiefs on 15 December - concluded as expected that the previous requirement had been overtaken by events and that the high cost of construction did not warrant establishment of a station at this time. As a follow-up to the study, commanders of unified commands have been requested to submit comments and recommendations concerning communications, operational, logistical, or any other requirements in the area.

b. OSD has approved a budget line item for military construction on Diego Garcia for \$250,000. This was the item for which Navy made a reclama in September when there was a possibility that its deletion might have an adverse effect on negotiations the British were then undertaking for detachment of the islands from Mauritius and Seychelles. Although the item remains, it is for FY 1968 and not FY 1967 as we requested so it does not provide money for any project we may develop in the near future. In light of the conclusions of the JCS review, we would expect the item to be dropped in the 1966 budget program review unless circumstances change.

c. In response to a U. K. inquiry about the communications project, Embassy London has formally reviewed the current status with them. In effect this confirms what we told them informally in September.

d. We expect to conclude an agreement with the U. K. shortly on terms of access and use of the islands on quite favorable terms and we do not think the communications station decision will affect this.

e. It inescapably will affect the willingness of the U. K. to proceed with the acquisition of private land titles and

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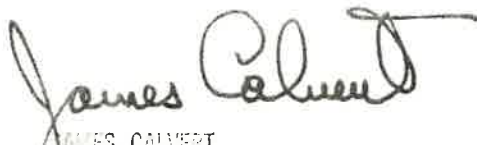
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removal of population from Diego Garcia, the island of particular interest to us. We can hardly expect the U. K. to undertake to remove people from arable land in the absence of a U. S. requirement for the land but in informing them of the communications station decision we have urged them to go ahead with acquisition of land titles, pointing out that the special arrangements we have made for financing our share of the costs are of limited duration. We have not yet had a formal U. K. response but initial informal reaction indicates the financing argument may carry weight.

2. It is disappointing to all of us that, after OSD had agreed to pay up to 14 million for the U. S. share of detachment and associated costs, it has not been possible to secure our use of Diego Garcia by putting a communications or similar facility on it. We may well find occupation at a later date a more costly and politically difficult process than at present.

3. However, we have secured our principal objective, removal of the islands from the main currents of anti-colonial pressure - this is not to say the issue will not continue to plague us in connection with the islands - and their reservation for joint US-UK defense purposes.

  
JAMES CALVERT  
Director, Politico-Military Policy Division

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