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

**SECRET**

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- OP-002
- OP-003
- OP-004
- OP-005
- OP-006
- OP-00C
- OP-00D

IN REPLY REFER TO  
Op-61FS/dgb  
Ser 001791P61  
12 JUN 1967

MEMORANDUM FOR THE CHIEF OF NAVAL OPERATIONS

Via: Deputy Chief of Naval Operations (Plans and Policy) 21/6/13

Subj: Navy Proposal for Fleet Support Activity on Diego Garcia (S)

Ref: (a) Op-61 M of I to SECNAV of 31 May 1967

1. My Memo, reference (a), reported that we believed that ISA was more favorably inclined toward the Navy proposal than had been the case in the past. You asked what accounted for the change.

2. The principal objections within ISA had been raised in the Plans and Policy Division where the Action Officer, a senior Air Force Colonel, had been neither personally nor professionally sympathetic to the Navy proposal. His views carried sufficient weight in the Plans and Policy Division that there was no unanimity within ISA as to the position to be recommended to Mr. McNaughton.

3. That officer has since been transferred and the present Action Officer and his associates are more sympathetic. I would not want to read too much into a change in watch at the Action Officer level but the change in attitude has been sufficiently striking to warrant notice.

4. All of the above paragraphs are classified Secret.

*The Med east Crisis may also have contributed*  
Copy to:  
Op-09

*Very Respectfully*  
*James W. O'Grady*  
JAMES W. O'GRADY  
Director, Politico-Military Policy Division

DOWNGRADING AT 12-YEAR INTERVALS

NOT AUTOMATICALLY DECLASSIFIED

DOD DIR 5200.10

Op-61 R/S No. \_\_\_\_\_

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

00 BRIEFED  
8 JUN 1967

CNO BRIEFING SUMMARY

IN REPLY REFER TO  
Op-61FS/ret  
Ser 001772P61

**SECRET**

MEMORANDUM OF INFORMATION FOR THE SECRETARY OF THE NAVY

Subj: Navy Proposal for Fleet Support Activity on Diego Garcia (S)

1. Assistant SECDEF (ISA) McNaughton called a meeting of OSD and Navy representatives on 29 May at 1630 to discuss the Navy proposal for a US built, UK manned fleet support facility at Diego Garcia. The meeting was a direct outgrowth of your conversation with Secretary McNamara on 19 May.

2. In addition to the Navy proposal, Mr. McNaughton wished to consider also a memorandum from OSD/Systems Analysis commenting on an earlier version of the Navy plan. (Your memorandum of 24 February proposing unilateral US construction of the facility.) The Systems Analysis memo concluded that the facility was of marginal usefulness and that no decision should be made to approve construction unless the UK were willing to participate and until the survey was completed--essentially a repetition of Mr. McNamara's decision on the Navy PCR in November 1966.

3. Mr. McNaughton noted that talks were scheduled with Prime Minister Wilson about the 7th of June on the whole East of Suez question and he thought that, if Diego Garcia were to be discussed, it should be in that context. He wanted the JCS to address the problem but was doubtful that they could furnish the kind of detailed analysis desired in time for the talks. Mr. McNaughton was interested in the Systems Analysis comments on the cost effectiveness aspects but did not believe these were the determining factors. His principal concerns were whether the facility would contribute to the maintenance of a UK presence East of Suez and whether it would unacceptably widen the US commitment in the Indian Ocean area.

4. Accordingly, he requested ISA (Plans and Policy - Dr. Halperin) to prepare a position paper on the Navy proposal for the June US-UK talks which would consider three problems: the cost effectiveness utility of Diego Garcia, the usefulness which the Navy proposal might have in US efforts to maintain a UK presence East of Suez and the possible political and military impact of a US Navy presence in the Indian Ocean.

5. Continuing the meeting in Dr. Halperin's office, it was decided not to act on the Systems Analysis memorandum at the present time, to ask the JCS to examine the contingency usefulness of the Navy facility without setting a deadline on the paper, but, in the meantime, asking them to comment on the ISA position paper. (The JCS are already working on the contingency problem as a result of a recent CINCLANT message asking for endorsement of the Navy proposal and the OSD request will presumably be coordinated with this action. Because of this it may be possible for JCS to complete their study earlier than otherwise could be expected. We are enquiring about this.)

DOWNGRADING AT 12-YEAR INTERVALS

NOT AUTOMATICALLY DECLASSIFIED

Op-61 R/S No. \_\_\_\_\_

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Ser. 001772P61

6. Op-61 Comment. The most encouraging outcome of the meeting was to shift the focus of attention from Systems Analysis objections to the proposal to the politico-military issues, i.e. what the facility could provide for the US in the Indian Ocean and what role it could play in helping retain a UK presence. These issues have been continuously subordinated by the OSD working level to the cost effectiveness consideration and I believe the proposal is now in much better perspective. We have no details as yet on the agenda for the Wilson talks nor on where the Navy proposal will fit. We have been promised an opportunity to comment on the position paper. It is quite apparent that Mr. McNaughton, while not committing himself, is interested in the proposal and that ISA is more favorably inclined towards it than has been the case in the past. *6-867*  
*06*  
*Why?*

7. All of the above paragraphs are classified Secret.

*James W. O'Grady*

*cc: 09*

JAMES W. O'GRADY  
Director, Politico-Military  
Policy Division

Copy to:  
UNDERSECNAV

Op-60  
Op-06  
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