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## ACTION

DISTR CJCS DJS SJCS(03) J3(12) J4(03) J5(02) J6(04) NMCC JRC  
 SECDEF(07) ASD:ISA(09) ASD:IL(04) ASD:PA(01) DA, CSAF CNO CMC  
 DIA(20) MCCC ANMCC NEACP FILE(1)

## PRIORITY

P 161635Z NOV 70  
 FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 1426

INFO AMEMBASSY NAIROBI PRIORIT  
 CINCSTRIKE/CINCMEAFSA

AMEMBASSY PORT LOUIS 108  
 DOD

LONDON 9475

SUBJ: DIEGO GARCIA  
 REF: LONDON 9440

1. DAILY TELEGRAPH AND GUARDIAN TODAY PICK UP SUNDAY EXPRESS STORY ON DIEGO GARCIA. TELEGRAPH STORY IS BRIEF, LOW-KEY, MERELY REPORTING FCO GUIDANCE THAT POSSIBILITY OF DEFENSE USE OF BIOT IS BEING KEPT UNDER REVIEW BY US AND UK. GUARDIAN, UNDER HEADLINE "US PLANS TO BUILD INDIAN OCEAN BASE," SAYS DOD READY TO SPEND UP TO 1.5 MILLION POUNDS ON "POWERFUL MILITARY COMMUNICATIONS CENTER" AT DIEGO GARCIA. TALKS HAVE BEEN GOING ON BETWEEN BRITISH AND US OFFICIALS ON SUCH A BASE, GUARDIAN CONTINUES, BUT NO FORMAL ANNOUNCEMENT HAS BEEN MADE SO FAR.

2. GUARDIAN STORY REPEATS SUNDAY EXPRESS REPORT THAT US MILITARY SATELLITE ABOUT TO BE POSITIONED OVER INDIAN OCEAN, SAYING PURPOSE IS MAINLY TO MONITOR RUSSIAN SHIPS BUT ALSO TO MONITOR POSSIBLE CHINESE MISSILE TRIALS OVER INDIAN OCEAN. GUARDIAN ALSO MENTIONS THAT HMG PAID THREE MILLION POUNDS TO MAURITIUS AS GOLDEN HANDSHAKE WHEN BIOT DETACHED. SAYS THAT AFTER 1965 AGREEMENT SIGNED, US AND UK ANNOUNCED THAT CONSTRUCTION OF COMMUNICATIONS CENTER AND AIR STAGING POST WOULD SOON BEGIN, BUT PROJECT WAS SHELVED. THERE WAS NO SUGGESTION AT THE TIME, SAYS GUARDIAN, THAT DIEGO GARCIA WOULD BE USEFUL AS A NAVAL BASE FOR SURFACE SHIPS OR POLARIS SUBS, BECAUSE THIS WOULD REQUIRE VAST

61(3) ...COG

60(3) 63(1) 092(7) FP(1) BFR(1) IP(5) +007

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ENCLOSURE (2) to CNO Ser/Memo 002074 PL

PROGRAM OF UNDERWATER BLASTING TO REMOVE TONS OF CORAL.

3. URWICK (DEFENSE DEPT) HAS REPEATED HIS ASSURANCE TO US THAT FCO WILL DO EVERYTHING POSSIBLE TO STICK WITH AGREED GUIDANCE, AND TO GIVE US ADVANCE WARNING IF THEY FORCED INTO OPEN. SEVERAL MP'S, MOST INSISTENTLY LABOR BACKBENCHER DALYELL, TRYING TO SMOKE OUT PRIME MINISTER WITH PARLIAMENTARY QUESTIONS. URWICK SAID HE WAS DISTURBED BY MENTION OF POLARIS OPERATIONS AND HIMALAYAN SCREEN IN EXPRESS ARTICLE, AND THOUGHT THAT THIS ASPECT AND POSSIBLE SPECULATION ON BIOT FINANCIAL ARRANGEMENTS WERE MOST DIFFICULT AREAS FOR HMG TO DEAL WITH. HE HOPED WE WOULD DO ANYTHING WE COULD TO SHUT OFF QUESTIONS AND SPECULATION ON THESE TWO POINTS.  
ANNENBERG

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