

DEFENCE FACILITIES IN THE INDIAN OCEAN

Brief for the Secretary of State's Discussion with
Mr. Rusk, 4 p.m., Monday, 10 May, 1965

Flag A 49) The Embassy in Washington has carried out the instructions
Flag B in our telegram No. ³⁵⁸² ~~3584~~ of ^{30 April} ~~1 May~~, based on the decisions
reached at the Defence and Overseas Policy Meeting of 12 April.
The issues for discussion with Mr. Rusk fall under the
heads of:

- A. Scope of project.
- B. Finance: possible U.S. contribution.
- C. Approaches to Mauritius, Seychelles
and other Governments.

These are dealt with below.

A. Scope of Project

2. We assume that the Americans are satisfied with the
scope of the project as now defined, i.e. of the maximum
list proposed by the Americans, we have dropped the three
islands to which they gave low priority, namely

Agalega (Mauritius)
Coetivy }
Cosmoledo } (Seychelles)

and we propose to aim for the detachment of the following:-

Diego Garcia (Mauritius), on which the U.S.

have plans for a communications station.

Remainder of the Chagos Archipelago

Aldabra }
Farquhar } Seychelles.
Des Roches }

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The Colonial Secretary attaches importance to making sure that we and the Americans are agreed on this point. The Secretary of State might therefore begin by making sure that Mr. Rusk is content about it, and could explain, if necessary, that we have omitted these islands because the defence interest appeared to us slight and undefined, and because we wished (for political and financial reasons) to keep the number of islands to be detached as low as possible.

B. Finance: Possible U.S. contribution

3. State Department officials expressed some dismay at what they took to be a suggestion that they should foot the bill for £10 million. The Secretary of State may therefore wish to tell Mr. Rusk that this is an outside estimate based on the need to achieve a speedy acceptance of the project by the local Governments. If we not settle quickly (which must mean generously) agitation in the colonies against "dismemberment" and "foreign bases" (fomented from outside) would have time to build up to serious proportions, particularly in Mauritius, where the political balance in a multi-racial society is easily upset. This could lead to disorders in the colony and would provide a most unsatisfactory start to the plans for defence facilities.

4. As regards a contribution by the United States towards the initial costs, the Secretary of State might suggest that it would be useful for officials to come here soon to discuss ways and means supposing that Mr. Rusk is able to say that the U.S. Administration can contemplate, in principle, making some contribution.

5. We must acknowledge that this is a change from the bargain struck at the official talks in February 1964. (It was agreed then that H.M.G. should be responsible for the initial costs of

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the detachment of the islands chosen, or any compensation, while the Americans should pay for the construction cost of any facilities, of which we are to have joint use at all times.) But our economic difficulties, particularly in the defence field, have increased and our estimate of the compensation required to secure a smooth passage for our proposals locally is much greater than we thought then. With the defence review in progress, aimed to find ways to cut down expenditure, it is a difficult moment to find new money for this project. This is why we have had to ask the Americans to consider making some contribution to the (increased) initial costs. Ideally, we would hope that the United States could provide their contribution in the form of direct reimbursement to the United Kingdom towards the cost of compensation, re-settlement and economic aid to the territories. We realise that the Americans may have domestic difficulties in making this sort of payment. Another possibility would be for the Americans to finance economic aid themselves (one example would be the construction of a civilian airfield for the Seychelles). We know they were unwilling to consider this earlier, but they may like to reconsider it in the light of what they now know about the financial difficulties of the proposed project. It would be useful to have any other suggestions from Mr. Busk as to how payment might be made.

6. There is one point to which the Ministry of Defence attach importance, though it does not need raising explicitly at this stage. We ought not to give the impression that no British facilities whatever are under consideration anywhere

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on these islands. As the Americans know, we have been considering a plan for a naval oil storage depot on Diego Garcia for some time. However, this plan is not yet definite and is in any case small compared with the facilities envisaged by the Americans sooner or later on Diego Garcia and the other islands. It does not invalidate our general argument that the facilities on the islands are expected to be primarily American and that they should therefore help us in financing the acquisition of the islands.

C. Approach to Mauritius and Seychelles Governments and to other Governments

7. The Colonial Secretary has now agreed (his minute of 5 May) Flag C

an early approach to Mauritius and the Seychelles is desirable, subject to the satisfactory conclusion of discussions with the Americans on the scope of the project and on "compensation costs". The Secretary of State may wish to confirm this to Mr. Rusk, and emphasise that we are keen to press on with this project. Once the problem of costs has been resolved, it will be for us to put the proposals to the Governments of Mauritius and of the Seychelles.

8. Before making this approach, it will be necessary to concert action with the Americans, to be taken either separately or together, in capitals of countries bordering on the Indian Ocean. Such action will probably have to be taken immediately after proposals have been put to the Mauritius and Seychelles authorities, to guard against the danger of a garbled version of the proposals leaking to the press first. The Secretary of State may like to ask for Mr. Rusk's views on the line we should take in capitals, and in public if the news should break prematurely. He may wish to say that our own inclination would be to explain the scope of the project (which is much more limited than press stories have suggested), point out

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that we were taking great care to see that the local inhabitants were fully protected, adding an assurance that the establishment of the facilities (to begin with, little more than a communications station) did not mean that either H.M.G. or the U.S.A. intended intervention in the affairs of the country concerned which was (in most cases) several thousand miles away. The Secretary of State might suggest to Mr. Rusk that this aspect could be dealt with along with the financial problem in discussions in London at official level.

9. In conclusion, the Secretary of State may wish to add that until our Defence Review is completed, it is difficult to see how the project for these islands will fit into our deployment of forces, but that in the long term there is no doubt of its value to us and the Americans and that we should do all we can not to miss this probably unique opportunity of detaching these small and barely inhabited islands for strategic purposes.

10. A map of the Indian Ocean, with islands marked, is attached.

(E.H. Peck)
7 May, 1962

Secretary of State

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C.R.O.
Ministry of Defence

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Prime Minister

DEFENCE FACILITIES IN THE INDIAN OCEAN

At their 21st Meeting on 12 April the D.O.P. Committee invited me to initiate discussions with the Mauritius and Seychelles Governments about the proposals for U.S./U.K. Defence Facilities in the Indian Ocean set out in OPD(65)68. The Mauritius Government raised various difficulties which were reported to the Committee; but at the end of the Mauritius Constitutional Conference in September agreement was reached with the Premier, Sir Seewoosagur Ramgoolam, and a majority of Ministers present, on terms which the Committee approved at their 41st meeting on 23rd September.

2. The proposals are briefly as follows. The islands of the Chagos Archipelago, a dependency of Mauritius, and the islands of Aldabra, Farquhar and Desroches, part of the Seychelles group, are to be put under direct British administration and made available for U.S. and U.K. defence facilities. Compensation consisting of £3m is to be paid to the Mauritius Government and a civil airfield which is expected to cost about the same amount, constructed in the Seychelles. A further sum is to be paid for compensation and resettlement to the commercial and private interests concerned. H.K.G. and the U.S. Government will each be responsible for the construction of facilities they require, with provision for joint use. The United States Government have agreed to share half the compensation costs up to \$10 m. This fact is to be kept secret for Congressional reasons and in order to restrain the local governments from trying to put up the price. A U.S./U.K. agreement covering the use of the facilities is under discussion between officials.

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3. The Seychelles Executive Council have now formally agreed to accept the arrangements proposed in exchange for the compensation offered, Mauritius Ministers have also given their formal approval, subject to official confirmation that we agree to the following points:-

- (a) if the need for the facilities on the Chagos Archipelago disappears, the islands will be returned to Mauritius, and
- (b) the benefit of any minerals or oil discovered in or near the Chagos Archipelago should revert to the Mauritius Government.

The Mauritius Government had previously been told that the Archipelago will remain under British sovereignty and the British Government have taken careful note of these points. I propose to reply to their latest request that it is being further considered but that it has been necessary for the Order in Council to be made.

4. The Governor of Mauritius has also reported that Mr. Keenig and his Parti Mauricien colleagues, who were not opposed in principle to the proposals but considered that the compensation arrangements are inadequate, are now considering their position in the Government. The Governor says that if Parti Mauricien Ministers resign, it will be for local political reasons. Meanwhile they understand that no disclosure may be made of the defence discussions and they have undertaken to consult the Governor before resigning and not to make any public statements before the 12th November.

5. As the Mauritius Council of Ministers has confirmed its agreement to the proposals, it is essential that the arrangements for detachment of these islands should be completed as soon as possible.

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6. From the United Nations point of view the timing is particularly awkward. We are already under attack over Aden and Rhodesia, and whilst it is possible that the arrangements for detachment will be ignored when they become public, it seems more likely that they will be added to the list of 'imperialist' measures for which we are attacked. We shall be accused of creating a new colony in a period of decolonisation and of establishing new military bases when we should be getting out of the old ones. If there were any chance of avoiding publicity until this session of the General Assembly adjourns at Christmas there would be advantage in delaying the Order in Council until then. But to do so would jeopardise the whole plan.

7. The Fourth Committee of the United Nations has now reached the item on Miscellaneous Territories and may well discuss Mauritius and Seychelles next week. If they raise the question of defence arrangements on the Indian Ocean Islands before we have detached them, the Mauritius Government will be under considerable pressure to withdraw their agreement to our proposals. Moreover we should lay ourselves open to an additional charge of dishonesty if we evaded the defence issue in the Fourth Committee and then made the Order in Council immediately afterwards. It is therefore important that we should be able to present the U.N. with a fait accompli.

8. In these circumstances I propose to arrange for an Order in Council to be made on Monday 8th November. A prepared written Parliamentary Question will be tabled on 9th November and answered on 10th November in the terms of the attached draft. Supplementary background guidance has been prepared for use with the press.

9. If we can meet the timetable set out in the previous paragraph

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paragraph we shall have a good chance of completing the operation before discussion in the Fourth Committee reaches the Indian Ocean Islands. We shall then be better placed to meet the criticism which is inevitable at whatever time we detach these islands from Mauritius and Seychelles.

10. I am sending copies of this minute to our colleagues on the Defence and Overseas Policy Committee and to the Minister for Overseas Development.

ANTHONY GREENWOOD

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