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Origin ACTION: Amembassy LONDON
Info: INFO: Amembassy NAIROBI
" PORT LOUIS (POUCH)
" NEW DELHI
CINCLANT
CINCUSNAVEUR
CINCPAC
CINCSTRIKE
OL-9 MAHE SEYCHELLES
US MISSION UN

Joint plan, 1 consult
+ other direction re
removal by us
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STATE

JOINT STATE/DEFENSE MESSAGE

SUBJECT: Diego Garcia

REFERENCES: A. State 261628, Oct 25; B. London 12335, Sept 4
C. London Memcon, Nov 27; D. Port Louis 925, Dec 12
E. London A-5202, Dec 13; F. London 15226, Dec 17
G. London 15255, Dec 18; H. London 391, Jan 16

1. You may inform HMG that Diego Garcia project was included in FY 70 DOD military construction (MILCON) budget request presented to Congress last week. DOD proposal envisages construction of same \$26 million facility outlined to UK last July (State 195858), plus \$11 million for procurement of communication equipment. Incremental funding will be spread over three fiscal years.
2. As you advised HMG in October per reftel A, Diego proposal appears in MILCON budget request and will be presented to House Armed Services Committee as classified line item, on which hearings

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Drafted by: J/PM: Capt. L. From; OSD/ISA: PEBarringer: ncs: 1/30/69
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NEA/INC-Mr. Van Hollen EUR/BMI-Mr. Cheslaw P/PG-Mr. Tobey IO/UNP-Mr. Gleysteen
OSD/ISA-Mr. Earle NAVY/OP-61-RADM Weinert OSD/I&L-Capt Walther ISA/PP-Capt Hale
ISA/NESA-Col. Kravitz ISA/AF-Cdr Peters OSD/PA-Cdr Wright OSD/COMPT-Mr. Boss
DIA-Mr. Chappeaux OSD/LA Mr. Shumate SECRET SAFUSI-Mr. Hilbert
FORM 8-65 DS-322 Classification SCI - Mr. Bowie
H - Miss Holger

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(which will be in executive session) are not expected to be held until March or April. Only after Armed Services Committee has also given its approval to project will decision be made regarding method of construction, i.e., use of private US contractor or Naval Construction Forces (NCF). If latter are available, their use would significantly reduce US balance of payments impact and appreciably shorten construction time. However, under NCF alternative our needs for local unskilled labor during construction phase would be minimal or non-existent.

3. We fully recognize need to consult with HMG regarding these matters, and intend to do so in detail when our plans are firm. However, we trust British, including BIOT Administrator, will understand basic principle that no military construction may be undertaken without Congressional approval. As stated in State 274609 (Nov 20), we have no plans for use of Peros Banhos and Salomon Islands, with proviso that absence of current plans does not preclude consideration of utilizing other islands in archipelago should this become desirable at later date. On this basis, we have no objection to UK proposal to request Moulinie to draw up plans for expanded development of two northern islands.

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Note: extensive consultation + joint planning of removals

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Info:	<p>4. We are mindful of our obligation under 1966 agreement to use Mauritian and Seychellois labor to maximum extent practicable, consistent with US policies, requirements and schedules. However, we hope that <u>no action will be taken on status of Diego migrants until decision as outlined above has been reached.</u> Our present <u>feeling is that we still desire ultimate removal of all migrant laborers from Diego after six months notice to lessees in accord with confidential agreed minutes to BIOT agreement,</u> but no rpt no firm decision has been made at this stage. We share British view that it would be politically unwise to relocate Diego workers on Mauritius where there are already serious problems of unemployment, and we, therefore, have agreed to the use of Peros Banhos and Salomon Island to relocate them and others from the Archipelago who may in future have to be relocated as previously indicated State 274609. We believe it would not be useful hold discussions with HMG this winter on land requirements, use of Mauritian and Seychellois labor, or transfer elsewhere of copra workers now on Diego, but as we understand UK need to do advance planning we will endeavor open discussions as soon as possible on a meaningful basis. (See para 3 above).</p>

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5. Re last point, we were disturbed by report in Port Louis 800 (Nov 4) of request by BIOT Administrator to hire 50 Chagos-born laborers now living on Mauritius, and to transport both them and their families to Diego Garcia. In view of our stated desire for transfer of copra workers presently on Diego (State 216641 (Aug. 7) as modified by State 274609), movement of 50 additional workers to Diego would seem both illogical and inconsistent with stated UK intentions at time of entering into BIOT agreement--that only personnel remaining on BIOT island used for defense purposes would be US or UK military or civilians connected with facilities.

6. Within foregoing framework, following are our views regarding individual points raised by Whitehall representatives and reported Ref C:

a. Although presence of USAF tracking station on Mahe does provide reliable communications point for Indian Ocean area, we are puzzled by request of outgoing Governor Sir Hugh Norman Walker that all activities in BIOT should be qte mounted unqte out of the Seychelles. As exemplified by arrangements for NGSP team last November, US activities may be staged through Mauritius, or directly from east coast ports, without reference to Mahe. Before taking

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firm position, however, we would prefer to await forthcoming British message on communications.

b. In view Brit request, we will be happy to keep OL-9 Station Commander fully informed regarding all activities being undertaken in BIOT, although he is not diplomat and does not represent the USG.

c. Consistent with problems inherent in reaching internal USG decisions, we will of course give HMG as much notice as possible regarding our intentions with respect to BIOT.

d. UK bill for cancellation charges concerning possible use of MV NORDVAER in Farquhar survey is being handled separately.

e. We do not understand Sir Hugh Norman Walker's reservations concerning the layout of the proposed installation. Our plans are based on 1967 Survey Report. Has Sir Hugh submitted additional information that might be useful to us?

f. As indicated above, we will not know until after House Armed Services Committee consideration extent of our requirements, if any, for local labor in construction of facility.

g. Consistent with foregoing, we would suggest that copra production be continued until US is in position, later this Spring,

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to establish firm construction timetable.

h. STATE J/PM (formerly G/PM) is point of contact for BIOT matters and coordinates with appropriate bureaus throughout Department and with DOD.

7. Refs E and G. When and if a facility on Diego Garcia becomes operational, it would appear that the current Mauritian meteorological service now being provided from Diego would be redundant. In such event, comparable service would be furnished to Mauritian Government by US Navy. Alternatively (as suggested in Port Louis A-12) existing meteorological station could possibly be moved elsewhere in Chagos Archipelago and continue to furnish same kind of weather information.

8. Refs D, F, and H. We would be pleased to have HMG reject applications of private firms for mineral exploration of Diego Garcia, for which our planning is clear and well advanced. With respect to other islands in Chagos Archipelago or elsewhere in BIOT, we would have no objection to mineral exploration being undertaken by such firms, on clear understanding that such activities would be halted immediately if future US/UK decision were made to utilize islands in question for defense purposes under 1966 agreement.

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Has HMG resolved its differences with GOM re exploration and exploitation of mineral rights?

9. We will of course consult with HMG regarding notification to other interested governments in area as requested Ref B, but do not wish to take such a step at this time. It would appear most appropriate to do so in connection with DOD presentation to House Armed Services Committee. Meanwhile, all concerned should continue to treat Diego project on classified basis.

10. Public Affairs. Notwithstanding our desires, we recognize danger of premature leaks before House Armed Services Committee hearings are held. Last week, for instance, two US publications were temporarily dissuaded from printing speculative articles regarding US plans for Diego, but we cannot know how long their accommodation will endure. We believe, at this sensitive stage that we and British should ^{reexamine} ~~XXXXXXXXXX~~ BIOT press guidance as indicated below. In this regard, the US representative in Committee of 24 made an authorized statement on July 19, 1967, acknowledging that the US and UK had an agreement permitting establishment QTE refueling and communications facilities UNQTE in the BIOT, but disclaiming plans build QTE military base UNQTE. India was similarly

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notified as indicated State 277092 (Nov 25). To preserve our general credibility, any public statement at this time should take into account the facts previously given out and, to extent security permits, prepare the ground for an announcement of decision to proceed with facilities in the BIOT. In event public statement becomes unavoidable, therefore, we propose using the following:

QTE Since concluding an agreement (subsequently published) with the UK in 1966, we have been in a continuing review with British authorities about the possible use for refueling and communications facilities on a number of islands in the Indian Ocean. Additional review and decisions have yet to be made prior to implementation of any plans. UNQTE

Please advise if this press guidance acceptable to HMG. If asked about NGSP teams in Diego, we would respond with language State 215276 (Aug. 5) as amended by State 269925 (Nov. 9) and London 14322 (Nov. 14). Please advise if this press guidance continues acceptable to HMG.

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END

ROGERS

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