

48. Memorandum From the Deputy Secretary of Defense (Nitze)¹

Washington, June 15, 1968.

MEMORANDUM FOR

Chairman, Joint Chiefs of Staff
 Secretary of the Navy
 Assistant Secretary of Defense (ISA)

SUBJECT

Proposal for a Joint US Military Facility on Diego Garcia (U)

A JCS memorandum dated 10 April 1968² proposed the establishment of a \$44 million joint military facility on Diego Garcia to enable the US to respond militarily to contingencies in the Indian Ocean area. I have reviewed the reasons presented by the JCS and have concluded that no justification exists at present for the establishment of a major support facility. We can reasonably anticipate that logistic requirements for the introduction of American forces into South Asia or the Middle East will be met by local governments in the event of serious crises in these areas.

I do believe, however, that adequate justification exists for the construction of a modest facility at Diego Garcia. This facility—including ship-to-shore communications, telemetry, scientific, and intelligence monitoring capabilities, and attendant support installations—would provide us increased future flexibility at moderate cost. It could provide a potential backup site in the event that MIDEASTFOR cannot be based at Bahrein after the UK withdraws. In addition, some of our activities at Kagnev Station, Ethiopia, could be transferred to Diego Garcia should the security situation in Ethiopia warrant a reduction in our military presence there. The establishment of the facility would also demonstrate to concerned leaders that we are not totally uninterested in the area.

Should further study reveal that Polaris submarine operations in the Indian Ocean are both feasible and desirable, Diego Garcia could serve as a useful site for replenishment and support. No additional construction or maintenance costs would be incurred in providing such support since the necessary anchorage work would have been accomplished. Moreover, we could in the future move quickly to Indian Ocean basing for Polaris should the Soviet ABM capability or ASW threat change suddenly.

¹ Source: Washington National Records Center, RG 330, OSD Files: FRC 73 A 1250, Indian Ocean 323.3, 15 Jun. 68. Secret. A copy was sent to the Assistant Secretary of Defense (SA).

² Document 47.

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Consequently, I approve in principle the concept of a modest facility, and the development of a plan for its construction to include austere communications, POL storage, an 8000 foot runway and anchorage dredging, at a cost of approximately \$26 million. This plan, including engineering specifications and Program Change Requests, should be submitted for my review by the Secretary of the Navy, in coordination with the Joint Chiefs of Staff. Submission should be made in time for development of the FY 1970 budget.

The Assistant Secretary of Defense for International Security Affairs should coordinate with the Department of State to make an early approach to the British to obtain agreement to fly a British flag over the facility and to obtain whatever financial and manning participation may be possible. These negotiations should be undertaken with the clear understanding that implementation of any agreement is subject to final approval and release of funds by the US Government.

Paul H. Nitze

49. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, July 3, 1968, 1912Z.

195858. Subj: US Military Facility on Diego Garcia. Ref: London 8538.² State/Defense message.

1. Following lengthy consideration here, decision has been reached in principle to establish modest US military facility at Diego

¹Source: National Archives and Records Administration, RG 59, Central Files 1967-69, DEF 15 IND US. Secret. Jointly drafted in G/PM, and by DOD/ISA Director of the Office of Foreign Military Rights Affairs Philip E. Barringer on June 28; cleared by Irving Cheslaw of the Office of UK Affairs, Deputy Assistant Secretary of State for African Affairs Thomas H.E. Quimby, Carleton S. Coon, Jr., of the NEA Office of India, Ceylon & Nepal Affairs, Admiral James W. O'Grady of OPNAV, Thomas T. Huang of the Office of the Assistant Legal Adviser for Military and Regional Affairs, Deputy Assistant Secretary of Defense for Plans and Arms Control Morton H. Halperin, Bader (DOD/ISA), Kerr (DOD/ISA Office of International Logistics Negotiations), Major General Orwat (J-5), Deputy Assistant Secretary of Defense for International Security Affairs Ralph Earle, Deputy Assistant Secretary of State for European Affairs Winthrop G. Brown, and Deputy Assistant Secretary of State for Politico-Military Affairs Philip J. Farley; and approved by Deputy Under Secretary of State for Political Affairs Charles E. Bohlen. Repeated to CINCUSNAVEUR, CNO, CSAF, and Nairobi.

²Telegram 8538 from London, April 30, reported that in principle the British Government would have no serious problem with the United States undertaking development of military facilities on Diego Garcia under terms of the December 1966 agreement. (Ibid.)

Garcia, British Indian Ocean Territory. DOD plans for this facility as presently approved, subject to modification based on detailed engineering study, envisage construction of following:

- Austere communications
- POL storage
- 8000 ft runway
- Anchorage dredging

2. Cost is estimated at \$26 million, to be funded over two fiscal years. 36 months would be needed to make these facilities operational, and 48 months to complete them. Detailed construction plans will be based upon report of joint US/UK survey conducted in June 1967, and on "Project Rest Stop," prepared by Wall-Grad as joint venture for Naval Facilities Engineering Command. 1967 joint survey report is presumably available to interested UK Ministries, and latter document has been furnished to CINCUSNAVEUR and DAO London.

3. We recognize from refel that possibility of UK participation is slim indeed. As bare minimum, however, we consider that British flag should fly over facility and that UK liaison officer would need to be appointed in order to establish necessary relations with other HMG officials and local inhabitants. Although facility would be available for UK use under 1966 BIOT Agreement and other applicable service-level arrangements, British financial participation would permit greater adaptation of Diego Garcia facility for line of communications support to UK forces in Hong Kong, thus assuming to some extent former role of Aden in this connection.

4. Majority of work to establish Diego Garcia facility would be undertaken either by Navy construction battalions or by use of US civilian contractors. We recognize US obligation under 1966 BIOT Agreement to utilize Mauritian labor to maximum practicable extent, but trust that under that same agreement UK will also take into consideration our own balance of payments situation and consequent need to undertake project with minimum adverse B/P impact. Migrant Mauritian laborers could be utilized for some aspects of construction, but for most part would not be likely to possess requisite skills.

5. Congressional funding for Diego facility has not been secured, but is contemplated for FY 70 budget. Previous experience on such matters indicates that prior UK consent is needed before individual line items will be considered by Congressional committees concerned. Accordingly, we would hope to obtain UK agreement in principle before September 1.

6. Embassy London should outline foregoing proposals and seek HMG approval in principle for construction and installation of proposed facilities pursuant to para 2(b) of BIOT Agreement. (Authority to use the facilities is provided by BIOT Agreement and no further UK

approval is required.) London should particularly emphasize that (a) we plan no facilities at this time beyond \$26 million package listed above; (b) we attach great importance to UK participation, and hope HMG will view matter in same light; and (c) implementation of any agreement is subject to final approval and release of funds by USG.

Rusk

50. Telegram From the Embassy in the United Kingdom to the Department of State¹

London, September 4, 1968, 1037Z.

12335. Subj: Diego Garcia. Ref: State 195858 (Notal).²

1. FonOff has finally ejected its long-awaited reply to our démarche of July 5 on US-proposed project for Diego Garcia. Text FonOff's letter being pouched Department by airgram.³ Substance of British reply as follows:

2. HMG prepared to agree to proposed USG development of a facility on Diego Garcia, on understanding that

A) Normal British participation will be provision of one or more liaison officers, and UK flag flying over facility;

B) British naval ships and military aircraft shall have full rights of access to facility at all times under arrangements to be mutually agreed;

C) Administrative details of project will need to be subject of detailed negotiations before construction is due to begin. These negotiations will encompass use of Mauritian and Seychellois labor, and question of resettlement of migrant population. Brooke Turner suggests two possibilities might be considered: Removal of population alto-

gether to some locale outside territory, or onto other islands in Chagos group. In order approach this question, FonOff wishes to know US views on whether all should move, or whether ~~some of them will be offered employment~~, during and after construction phase. FonOff also wishes further info about eventual size of facility, and which, if any, of other islands in Chagos group might be required for further development.

D) Most difficult question likely to be how and when to make project public knowledge: It will clearly be necessary for both govts to concert closely over this. It is essential to preclude unfavorable reactions by Govts of India and Mauritius by taking them into our confidence before there is any possibility of project becoming publicly known or rumored. UKUN would prefer no public announcement before end of coming session of General Assembly.

3. Brooke Turner, presumably in prudence as well as courtesy, has appended copy of draft report by Dr. Stoddart on conservation at Diego Garcia. Essences synopsized in earlier Embassy reporting, but briefly recapitulated, recommend that before development of DG Atoll proceeds, further study take place by qualified entomologist, and that access to three small islets at mouth of lagoon be limited and that these be considered nature preserves.

4. We hope to be able to pass Department's thinking re points 2(C) and 2(D) in due course.

Bruce

¹ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, DEF 15 IND-US. Secret. Repeated to CNO, CSAF, Nairobi, Port Louis, CINCUS-NAVEUR, CINCSTRIKE, and DOD for OSD/ISA.

² Document 49.

³ Airgram A-4507, September 5. (National Archives and Records Administration, RG 59, Central Files 1967-69, DEF 15 IND-US)