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DPIS/1.

February 3, 1969

Richard A. Sykes, Esq., C.M.G., M.C.
Defence Department
Foreign and Commonwealth Office
Whitehall, S.W.1.

Dear Richard:

We have been informed that the proposed project for a naval facility on Diego Garcia was included (without identification) in the FY 1970 Department of Defense military construction budget request presented to Congress last week. The proposal envisages construction of the 26 million dollar facility as outlined to you last July, plus 11 million dollars for procurement of communications equipment.

As we advised Robin Johnstone in October, the Diego Garcia proposal will be identified as a classified line item when the military construction budget request is presented to the House Armed Services Committee. Committee hearings, which will be in Executive Session, are not expected to be held until March or April.

We fully recognize the need to consult closely with your Government regarding the Diego Garcia project, and intend to do so in detail when our plans are firm. You will understand, of course, that we cannot undertake actual construction without Congressional approval, and some of the details of our planning will perforce remain undetermined until the House Committee has held its hearings and given its approval. For example, many of the administrative planning details will depend upon the method of

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construction, i.e., whether we use a private U.S. contractor or Naval Construction Forces. If the latter are available, both the foreign exchange costs and construction time would be reduced, and our need for local unskilled labor would be minimal or non-existent. This and other key questions cannot be answered until the hearings are completed.

In the meantime, however, it may be useful to give you Washington's present views on a number of questions of mutual concern.

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1. As indicated in my letter to Robin Johnstone of November 22, we have no plans for the use of Peros Banhos and Salomon Islands, with the proviso that the absence of current plans does not preclude consideration of using other islands in the Chagos Archipelago should this become desirable at some later time. On this understanding, we have no objection to your proposal to request Moulinie to draw up plans for expanded development of the two northern islands. We are mindful of our obligation under the BIOT Agreement to use Mauritian and Seychellois labor to the maximum extent consistent with our requirements and construction schedules. Our best present estimate is that we still desire ultimate removal of all migrant laborers from Diego Garcia after giving six month's notice to the lessees in accord with the confidential agreed minutes to the BIOT Agreement, but no firm decision has been made at this stage. We share your view that it would be politically unwise to relocate Diego workers on Mauritius where there are serious unemployment problems, and have therefore agreed to the use of Peros Banhos and Saloman Island to relocate them and others in the archipelago who may in the future have to be moved. However, we hope that no action will be taken on the status of Diego workers until the basic decisions outlined above have been made. We will then endeavor to open meaningful discussions as soon as possible.

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On this point, we have recently had a report of a request by the BIOT Administrator to hire 50 Chagos-born laborers now living on Mauritius, and to transport them and their families to Diego Garcia. In view of our desire to transfer most or all of the copra workers elsewhere, we are somewhat concerned about the possibility of continued movement of additional workers to Diego. I wonder if you can provide us with any clarification of this report and your views on the subject. ★

2. In the course of our conversations during Bob Remole's visit here last December, you put to us a number of points concerning BIOT problems. I have been asked to give you the following responses or comments:

(a) We are puzzled by the request of Sir Hugh Norman-Walker that future activities in BIOT should be "mounted" out of the Seychelles. Although the presence of the USAF tracking station on Mahe does give us a reliable communications point for the Indian Ocean area, we wonder whether this suggestion is intended to apply to activities which would otherwise be staged through Mauritius, or directly from east coast ports. In any event, we would prefer to await the message you expected to give us soon on the general question of communications before taking any position.

(b) We will henceforth be particularly careful to keep the U.S. Commander of the Mahe tracking station fully informed regarding all activities undertaken in the BIOT. We fully agree that this is desirable; I am sure it is understood that he is not a diplomat and does not represent the U.S. Government.

(c) Regarding the general question of advance notice, we will of course give you as much notice as possible of our intentions in BIOT, consistent with the sometimes difficult problems inherent in reaching timely internal decisions.

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(d) With regard to the physical layout of the proposed Diego installation, our plans are based on the 1967 survey report. We have not received details of Sir Hugh Norman-Walker's reservations concerning the layout, but would be happy to consider any additional information he may have submitted that might be useful to us.

(e) Our requirement (if any) for local labor in the construction of the facility, as explained above, will not be known until after the House Armed Services Committee hearings.

(f) We would suggest that copra production on Diego Garcia be continued until we are in a position, later this Spring, to establish a construction timetable.

(g) J/PM (formerly G/PM) in the Department of State is now the primary point of contact for BIOT matters, and coordinates with other interested bureaus within the State and Defense Departments.

3. When and if a facility on Diego Garcia comes into operation, the current Mauritian meteorological service now being provided from Diego would apparently become redundant, since a comparable service could be furnished to the Mauritian Government by the U.S. Navy. Alternatively, the present meteorological station could possibly be moved elsewhere in the archipelago and continue to furnish the same kind of weather information.

4. We concur with your rejection of applications from private firms for mineral exploration of Diego Garcia. We would have no objection to such exploration in other islands of the archipelago on the clear understanding that all such activity would be halted immediately if a future US/UK decision were made to use the islands in question for defense purposes under the 1966 agreement. In this connection, we would appreciate any information on the current status of the question of exploration and exploitation

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of mineral rights. Has there been any recent clarification of this question, and are there any outstanding differences between your Government and the Government of Mauritius regarding mineral rights?

5. We will, of course, consult with you regarding notification to other interested Governments in the area, but we do not wish to take such a step at this time. We believe it would be most appropriate to do so in connection with the Department of Defense presentation to the House Armed Services Committee.

6. Notwithstanding our desires, we recognize there is a danger of premature leakage before the Committee hearings are held. To preserve our general credibility, we believe that any public statement we find it necessary to make at this time should take into account the facts previously given out, and, to the extent that security permits, prepare the ground for an eventual announcement of the decision to proceed with facilities in the BIOT. In the event that a public statement becomes unavoidable, therefore, we propose using the following:

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

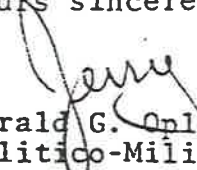
(The U.S. representative in the United Nations Committee of 24 made a statement on July 19, 1967, acknowledging that the U.S. and U.K. had an agreement permitting the establishment of "refueling and communications facilities" in the BIOT, but disclaiming plans to build a "military base".)

Please let me know if this press guidance is acceptable to your Government.

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7. Finally, if asked about the Geodetic Satellite teams now in Diego Garcia, we would respond with the form of words agreed last August (beginning "The UK has authorized the US to place a temporary NGSP station on Diego Garcia..."), as amended in November with an additional paragraph on the composition and schedules of the three teams. I would appreciate it if you will confirm that this agreed line continues to be acceptable. ←

Yours sincerely,


Gerald G. Onlinger
Politico-Military Affairs

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