OUTGOING TELEGRAM Department of State

JUN 21

INDICATE: COLLECT X CHARGE TO Dept

SECRET

Classification

ACTION: Amembassy LONDON

8063

INFO: USUN

Amembassy NAIROBI

REF: Indian Ocean Islands (Embtels 5263, 5537, 5561)

JOINT STATE/DEFENSE MESSAGE

Subject to any comment Embassy may wish first to submit for consideration, Memorandum below should be used as basis oral state-🔾 ment and left with appropriate officials FonOff.

Memorandum based on SecDef decision contribute up to \$14 million to detachment cost in form of deduction from UK payments due to US on R&D surcharges. Use of offset technique as method of contribution selected by SecDef as most practical way of meeting British request. We would not wish US contribution to detachment costs become matter public knowledge, but we nevertheless will propose record contribution in way which explicitly maintains principle R&D surcharges and makes clear US has offered tangible collectible assets to further detachment project. Last sentence of second paragraph covers assurance intended to keep British in 1ead

OSD/ISA:RBronez:ras 6/21/65

classification approved by: G/PM -

AFE - Mr. Mulcahy OSD/ISA - Mr. Lang BNA - Mr. Judd 9/7 (substance)

G - Amb. Thompson

(SUBSTANCE)

S/S = Mr. Tuell RODUCTION FROM THIS SIFTED"

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FORM DS-322

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Authority NNO 959000

BWAN NARA Cat. 14-17

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Mith respect to defense responsibilities east of Suez and avoid any suggestion US prepared assume this British role. Same consideration governed SecDef decision on Aldabra air staging facility, which was that while US would consider helping British construct such British facility (with assurance of US use whenever needed) there is no intention to construct such US facility there. Request Embassy particularly avoid disclosure contents previous sentence to British.

Copy of Memorandum will also be provided British Embassy,
Washington. Advise urgently when Embassy would plan provide Memorandum
to British. XXXXXXX

"MEMORANDUM

On April 30, 1965, the British Embassy in Washington informed the Department of State that the Government of the United Kingdom was prepared to proceed with the constitutional detachment of the Chagos Archipelago from Mauritius, and of Aldabra, Farquhar, and Des Roches from the Seychelles. At that time it was also explained that the costs of such detachments, bearing in mind the necessity of obtaining acceptance of the proposals by the colonial governments concerned, could by current estimate come to as much as 10 million pounds. In this regard, the British Embassy conveyed the suggestion of the

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Government of the United Kingdom that the United States Government consider the possibility of providing a contribution toward these costs.

The United States Government is prepared in principle to provide a contribution to the detachments' costs, up to one-half of the estimated 10 million pounds total, through deduction of /agreed amount from UK payments due on K&D surcharges. It would be prepared to have appropriate authorities of the two Governments meet as early as possible in London for the purpose of discussing the matter further. At that time, the United States authorities would wish to discuss the manner in which the contribution might be recorded and to discuss further the principles on which access to the is ands, following their detachment, would be available to the United States. In order to avoid any misunderstanding, the United States wishes to make clear that its contribution to the detachment of the islands concerned is not based upon any intention on the part of the United States to assume British responsibilities in the Indian Ocean area, but on the contrary is premised on the understanding that Great Britain will continue to discharge those responsibilities.

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"The United States authorities assume that the anticipated settlement with the Seychelles would also bring about the satisfactory conclusion of the present draft agreement concerning the USAF satellite tracking station on Mahe."

END

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