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PMW/B-12
July 27, 1966

VISIT OF PRIME MINISTER WILSON
OF THE UNITED KINGDOM
Washington, July 29, 1966

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DECLASSIFIED
BACKGROUND PAPER Authority E.O. 11652 SEC. 5(A) and (D)
By up, NARS, Date 11-28-77
Indian Ocean Projects

As negotiations with the British covering U.S. participation in the British Indian Ocean Territory (BIOT) project approach the conclusive stage, both governments are focusing upon their respective future defense requirements in the area.

HMG has just this month indicated a positive interest in constructing an Air Staging Facility (\$78.4 M) on Aldabra and is planning to conduct a definitive engineering survey of the island in September. This, of course, has direct budgetary implications as well as a likely balance-of-payment impact. They have approached us with a construction cost sharing (50 per cent) proposal (in return for joint usage) and a related invitation for U.S. participation in the survey. DOD has this under study.

The USG (Navy) has developed a package (\$45 M) which encompasses austere port, communications, POL and air staging facilities for construction on Diego Garcia. This project is not, as yet, fully approved nor budgeted. A related preliminary engineering survey has been budgeted, however, and is programmed for this fall. The U.K. has not been informed of these plans. It would not of course relate to HMG fiscal problems.

The prospect of melding the U.S.-U.K. interests appears, at least at this point in time, quite attractive. At any rate it is clearly to our own advantage to maintain momentum, keep the British committed and involved and at the same time to obtain some highly useful facilities.

A more complete review of this subject is provided in the attached Information Memorandum.

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Group 4

Downgraded at 3 year Intervals:
Declassified after 12 years

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Attachment:

Information Memorandum

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