

SECRETARY OF DEFENSE

Capt Byrne

10 MAY 1968

SYSTEMS ANALYSIS

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: Proposal for a Joint U. S. Military Facility on Diego Garcia (U)Summary

I have reviewed the reasons advanced by the JCS for constructing, at an estimated cost of \$44 million, a joint military facility on Diego Garcia, and I believe that you should not approve investment in such a base at this time. Originally we thought that a Diego Garcia base, if constructed jointly with the British, might prolong U.K. presence east of Suez. The British now have firmly decided to withdraw all their forces from east of Suez by the end of CY 1971. The JCS now propose that we construct a military facility on Diego Garcia without U.K. participation, arguing that an Indian Ocean base is needed to enable the U.S. to respond militarily to contingencies which might arise there.

Current intelligence suggests that there is no immediately likely contingency that would require the added capability which a military facility on Diego Garcia would provide, nor is there any urgency to support an early decision. The value of the island as a base is being considered by the Special State-Defense Study Group on overseas base requirements. My staff is supporting their work analytically. When that study is completed in December we will be in a better position to evaluate the strategic and military need for a joint military facility on Diego Garcia.

The strategic advantages and disadvantages of a unilateral U.S. military expansion into the Indian Ocean have not been thoroughly analyzed, and I believe they should be before any such move is made. The attached memo to the JCS responds to their arguments for the immediate construction of a Diego Garcia base and allows reconsideration of the proposal when the report of the Special State-Defense Study Group is completed. My more detailed reasoning is set forth below:

Background

Our original interest in an Indian Ocean base stemmed from a desire to discourage the British from withdrawing their forces from east of Suez. We were prepared to underwrite the costs of a joint US-UK base, because we wanted

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to keep an ally in the area and because a U.S. attempt to replace the British could entail new commitments, would subject the U.S. to an intense propaganda attack, and might in the long run be a destabilizing influence. A fifty-year US-UK agreement signed in December 1966 permits single-owner and joint facilities on the four island groups of the British Indian Ocean Territory (BIOT). The U.K. has now decided firmly not to participate in any joint facility except to furnish its flag, and to withdraw its forces from east of Suez by the end of CY 1971. Since the U.S. will continue to retain a base option and will be able to establish a base unilaterally later, there is no reason to act now.

Military Arguments

The central military argument advanced by the JCS is that a logistic support base is required on Diego Garcia to enable the U.S. to make an effective military response to contingencies which might arise in the Indian Ocean area. The number and severity of possible contingencies along the Indian Ocean littoral is seen as increasing because of the growing influence there of the USSR and CPR, the chronic instability of local governments, and the British decision to withdraw all its forces by the end of CY 1971. A greater and more politically independent U.S. military capability in the Indian Ocean is therefore viewed as a requirement. More specifically, the JCS say that a joint military facility on Diego Garcia would provide: (1) cost effective support for a sustained and independent naval show of force; (2) a staging base for airlifted troops deployed in the Indian Ocean area, and (3) an independent refueling capability for MIDREASTFOR. This added capability exceeds what would be required for a U.S. military response to contingencies which are likely to occur in the Indian Ocean.

Although no specific contingencies are mentioned in the current JCS proposal, in their last memo they outlined 17 specific contingencies for which a Diego Garcia base might have value. Two of these contingencies concern an attack on the northern Indian border or Indian-protected border states by the CPR. The unlikely possibility of a Soviet attack south is not discussed. Current intelligence indicates, however, that Indian armed forces are capable of protecting their country with limited or no U.S. assistance. The JCS state in the JSOP 70-77, "India is credited with the capability of stopping a non-nuclear Chinese communist attack from the north before it reaches the Indian plains," and that "U.S. land force requirements (in South Asia), even in the event of determined CPR incursions, most likely would be limited to provision of various logistic support units, supplies, equipment and air defense units." Barring the improbable situation where we would be intervening in India without the Indians requesting it, any support we provided would be moved directly to Indian ports and airfields. There would be no reason to stop at Diego Garcia and thus its role in this sort of contingency is unclear.

The other fifteen contingencies consist of possible local wars or insurgencies in various places from Burma to East Africa, with the USSR or CPR aiding one party in each of them. In response to this type of contingency the U.S.

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has three options: (1) diplomatic moves with no military action; (2) diplomatic moves combined with military presence (i.e., naval show of force), and (3) diplomatic moves with direct military aid (force and/or support). The first is by far the most likely U.S. response, and in this case a Diego Garcia base would have no value.

In the second option, where a naval show of force would be the appropriate U.S. response, a logistic support facility on Diego Garcia becomes cost-effective in terms of on-station time only if (1) the requirement for the naval presence exceeds the at-sea time of the carrier task force and (2) temporary access to local ports and facilities is not available.

The cost savings in at-sea replenishment which Diego Garcia affords over Subic Bay are marginal and could never justify the cost of the new base (See table below). A carrier task force could stay at sea about fifteen weeks for such a deployment. Pilot fatigue and maintenance for catapult equipment, which are the critical factors, vary with the amount of flying required: This would be at a minimum as the ships would be deployed only as a show of force. Consequently only if it were necessary to deploy a carrier task force for more than fifteen weeks would a base at Diego Garcia even begin to pay for itself. The likelihood of long unilateral deployments to the Indian Ocean is very small. In fact, the U.S. has never made a major naval deployment to the Indian Ocean and the only recent naval deployment (apart from SVN) exceeding fifteen weeks was the 22 week period beginning in 1958 when the Seventh Fleet moved to the Formosa Straits.

COMPARISON OF AT-SEA REPLENISHMENT COSTS
DIEGO GARCIA vice SUBIC BAY
(Thousands of Dollars)

	Bahrain Available	Bahrain Not Available
Subic Bay a/ (Average total cost one carrier task force for six month period)	4,933.3	7,455.6
Diego Garcia a.b/ (Average total cost one carrier task force for six month period)	4,815.1	5,438.3
Savings with Diego Garcia per six month period	118.2	2,017.3
Diego Garcia c/ Ten year operating costs	56,641.7	56,641.7
<u>Number of six month contingencies in ten years necessary to break even</u>	<u>479.2</u>	<u>28.1</u>

- a/ Cost represents average of twelve different Indian Ocean deployment areas.
b/ Includes \$238,000 cost of moving a repair ship (AR) to Diego Garcia from Subic Bay.
c/ Consists of construction costs for naval part of facility (\$26,105,000) plus its ten-year operating cost (\$30,536,670).

SOURCE: Navy Study, "Analysis of the Utility of Proposed Replenishment Facility at Diego Garcia".

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In the third option, where direct military aid is the U.S. response, Diego Garcia might have a military value as a refueling stop for transport aircraft. For example, were air access routes from the Mediterranean denied to U.S. aircraft carrying supplies to a beleaguered Middle East country which had requested our assistance, a refueling stop at Diego Garcia might permit entry to the country from the Indian Ocean side. It does not seem likely that such contingencies will occur in the near future, but it is precisely this possibility which the Special State-Defense Study Group on overseas bases is looking at in detail. Systems Analysis is furnishing analytic support here. Conceivably a Diego Garcia base might be justified were that study to determine that air access from the Indian Ocean would be needed in the 1970s and that a base on the island would be the most effective way to achieve that capability. I do not believe, however, that this capability is of such immediate need that a decision on the Diego Garcia base cannot await the results of the study now in process.

In view of the refueling difficulty which the MIDEASTFOR encountered during the Arab/Israeli conflict in June, 1967, the JCS have pointed out that a Diego Garcia facility could serve as a fallback base should local ports be denied permanently. However, as there is no immediate expectation that such ports will be permanently closed to MIDEASTFOR, and as it might be possible, even if that were to occur, to station the force at another local port, (e.g., Massawa), or to use resupply vessels, it would be premature to invest now in a Diego Garcia facility for this purpose. Moreover, it is not clear what purpose could be served by the flag ship and two destroyers which constitute MIDEASTFOR if no local ports were opened to it.

The JCS also propose that Diego Garcia would be an appropriate base for a SSBN squadron deployed into the Indian Ocean. The crucial question, however, is whether such a deployment is needed. The JCS reason that an Indian Ocean deployment of SSBNs would force the Soviets to spend more money on their ABM system and would also significantly dilute their ASW threat. It is not at all certain that a U.S. Indian Ocean deployment would prompt the Soviets to expand the area of coverage of their ABM system. They have not extended it to protect against our SSBNs now deployed in the Mediterranean, and it is therefore difficult to assume that they would extend it to protect against the much smaller threat which an Indian Ocean deployment would represent. The Soviet ASW threat to our SSBNs in present operating areas is practically nonexistent. The technical problems associated with locating and tracking an SSBN have not been resolved. An effective U.S. system is not expected for a decade, and Soviet ASW technology is five to ten years behind ours according to current intelligence. The U.S. now possesses an assured destruction capability even against a greater than expected threat. Therefore a deployment of SSBNs to the Indian Ocean will not be needed for many years.

The JCS also point to three additional requirements which could be fulfilled if a facility on Diego Garcia were available: (1) early detection of Soviet FOES launched across the Southern hemisphere, (2) strategic and fleet

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communications in the Indian Ocean, and (3) intelligence collection. The cost of performing these activities would be an addition to the basic investment of \$44 million as outlined in the JCS memo.

A radar situated on Diego Garcia would permit coverage of only 25% of the path envelope of FOBS launched from the Soviet Union at CONUS. A picket ship stationed west and south of Australia equipped with a 1200-mile range radar could effectively cover the entire launched corridor. It would be more expensive to support such a ship from Diego Garcia, rather than Perth which is 50% closer to the ideal ship site. Furthermore other systems are being developed which will permit ICBM or FOBS detection at launch.

The need for Diego Garcia to fulfill a communications requirement is at best temporary. Both strategic and tactical communications in the Indian Ocean will be handled via satellite by 1972-1975. Strategic communications across the Indian Ocean are now accomplished by the link between Northwest Cape and Asmara (Kagnew Station). While a communications station on Diego Garcia could provide the link, should Asmara be denied to us, it would become obsolete just as it became operational because of the four-year period necessary for construction. Tactical communications to the Central Indian Ocean and Bay of Bengal are now inadequate: Communicating with a task force deployed there could be a problem, if local facilities were denied, until the satellite system is operational. Placing an Air Transportable Communications Unit (ACTU) on Diego Garcia would, in most cases, solve this problem. Placing the same unit in either Ceylon, India, East Pakistan, Burma, Thailand, Malaysia or Indonesia would provide equal or better coverage however. It is unlikely that we will have to deploy a naval task force to the Bay of Bengal at a time when access to all the above mentioned countries for the purpose of communicating with such a task force, would be concurrently denied.

There is no immediate need for Diego Garcia as an intelligence collection site. It would be useful should the Chinese choose the Indian Ocean (rather than the Pacific) as the test range for their ICBMs, but there is as yet no firm intelligence that the Chinese have even made such a decision. Furthermore alternative systems for fulfilling this future intelligence requirement have been proposed for funding. The island could conceivably serve as a site to replace some intelligence functions currently performed at Asmara, although further evaluation of this use of the island is necessary. Other sites would be preferable (e.g., the Seychelles), however, and there is no immediate need to look for an alternative for Asmara.

Strategic Arguments

While there exists no immediate military requirement for a Diego Garcia base, it is ~~conceivable that the establishment of an austere facility might~~ be advantageous for strategic reasons. The overall U.S. interest in the area is to protect the political independence of the countries there and insure them of the opportunity to stay neutral and non-aligned. In promoting these goals

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the establishment of an austere facility on Diego Garcia might serve (1) to signal a continuing U.S. interest in Indian Ocean developments and (2) to counter-balance and deter increasing Soviet influence. At the same time such a facility might change the range of options available to U.S. diplomacy. Such a move runs the risk, however, of being misinterpreted by the countries in the area and of stimulating Soviet interest and activity.

The unilateral establishment of a U.S. military facility in the Indian Ocean might be perceived by the countries in the area as a threat to, rather than a guarantee of, their independence and security. They might look upon this U.S. action as overbalancing, instead of counterbalancing, Soviet influence, and it could prompt them to move closer to Moscow in order to insure themselves a middle position between the two super powers. The net U.S. political gain might thus be zero or even negative. In addition, the construction of a facility on Diego Garcia during the period of British withdrawal would inevitably reinforce the Soviet claim that we have neo-colonialist aims, for it would appear as if we were trying to take over from the British. The Afro-Asian bloc, supported by the USSR, protested strongly in the U.N. when a joint US-UK facility was under discussion, and members of the Indian Parliament spoke out vehemently against it.

At the same time a U.S. move of this sort runs the risk of starting a US-USSR arms race in the Indian Ocean. According to the latest assessment from our Embassy in Moscow, the Soviet Union recognizes that, as the British withdraw their forces from the Persian Gulf, the USSR would run considerable risk of upsetting the nations there by moving militarily into the region. Apparently the principal Soviet objective is to block efforts by the U.S. to establish a regional military alliance or grouping that is "dominated by the imperialists". The Soviet Union, to achieve this end, has adopted a "good neighbor" posture, including frequent visits to the area by high level delegations, and tendered offers of economic and military assistance to selected nations. A U.S. facility on Diego Garcia might cause the Soviets to escalate the level of action, causing them to actively search for an Indian Ocean base of their own, or it might stimulate local fears, thus drawing indigenous governments closer to the USSR. At the present time the U.S. is in a better position to project naval power into the Indian Ocean -- Subic Bay is closer than Vladivostok. If the Soviet were to acquire an Indian Ocean base concurrently with U.S. development of Diego Garcia we could lose our present naval LOC advantage.

As long as the Soviet Union limits its Indian Ocean activity to diplomacy, it would be better for the U.S. to observe a similar limitation. We have no interest in extending into the Indian Ocean the US-USSR military confrontation unless we are forced to do so. The unilateral establishment of a U.S. military facility on Diego Garcia, no matter how austere, would run the risk of doing precisely that.

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Finally, it is clear that there is no consensus domestically on the type of scale of Asian strategic initiatives that can be supported politically. This is apparent in exchanges between George Ball and the Foreign Relations Committee. (Annex A)

Conclusion

On the basis of the above, I strongly believe that you should reject the JCS proposal to establish a joint military facility on Diego Garcia. It may be necessary to reconsider this decision should the Special State-Defense Study Group suggest that there is a valid military requirement for a Diego Garcia base.

The enclosed memorandum to the JCS is written to reflect this conclusion.

*ISA is preparing a paper on this subject;
I suggest you hold up action on this
Enclosure until you have reviewed the ISA
paper.*

Alain Enthoven

Alain Enthoven
Assistant Secretary of Defense