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W. Counsell

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Mr. Sykes

- c.c: Mr. A. Lee (P.I.O.D.)
Mr. E. M. Counsell (E.A.D.)
Miss T. Solesby (S.A.D.)
Mr. A. Papadopoulos (U.N. (Political)D.)
Mr. P.A. Wilde (F.P.A.D.)
Mr. J. Cornish (P.U.S.D.)
Mr. J. M. Stewart (DS 11, M.O.D.)

U.S. Refuelling and Communications Facility at Diego Garcia (B.I.O.T.)

Mr. Oplinger of the U.S. Embassy called this morning to discuss the proposed U.S. Refuelling and Communications Facility at Diego Garcia. Mr. Lee, P.I.O.D., was present during the call.

2. The present state of play is that the project has been approved by two Senate Committees and by one Committee of the House of Representatives. It is still before the House Appropriations Committee but the Administration think that it will be approved by this Committee within a week. The next stage will be for the Senate Appropriations Committee to prepare a "mark up": a list of Defence Department projects in order of priority. This should be completed in early November.

3. Congress will then be asked to approve two Bills authorising and appropriating money for Defence Department expenditure. The Administration expect that the Defence Authorisation Bill will pass Congress by the end of November and the Defence Appropriations Bill by the end of December. Until these Bills have been passed by Congress, the U.S. Administration wish to avoid any consultation with outside bodies or other Governments that might result in leaks. Mr. Oplinger said that it was feared in Washington that public outcry against the establishment of a U.S. defence facility in the Indian Ocean might possibly in the present critical climate of opinion towards defence expenditure, induce Congress to cut the appropriation for the Diego Garcia facility from the Bills.

4. When asked whether the Diego Garcia facility would appear as an unclassified item in the Authorisation or Appropriations Bill, Mr. Oplinger replied that he understood the project would be unidentified, being covered by a general heading such as 'Classified Construction Projects'.

5. Mr. Oplinger said that he had been instructed by Washington to inform us that the U.S. Administration had decided to make use of a Navy Seabeas

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(Construction) Unit for the construction work on the Diego Garcia facility (except for some dredging work which a private U.S. contractor would be engaged to undertake). There would be no requirement for local labour for construction work.

6. The timetable for construction on Diego Garcia which the Americans would like to adopt (provided we agree and Congress approve the project) is:

(a) 1 April 1970

Construction personnel and equipment arrive Diego Garcia.

(b) First Month (April)

- (i) Survey made.
- (ii) Base camp (Eclipse Bay) and industrial area (2 miles south east of Simpson Point) put up.
- (iii) Work on airstrip (north of Point Marianne) begun.
- (iv) Interconnecting roads.

(c) Second Month (May)

Cantonment Area (Eclipse Bay) built.

(d) Third Month (June)

- (i) Work on POL storage and transmitter site (at southern site of island) to begin.
- (ii) Road made between Point Marianne and transmitter site.

To ease the problem of relocating the contract labourers the Construction Unit would only seek access to areas on the island in stages as the need arose.

7. The U.S. Administration will not be able to give H.M.G. the six months formal notification required under the terms of the Agreed Minute to the 1966 B.I.O.T. Agreement (to enable H.M.G. to give the lessee of the plantations on the islands six months notice) until the two Bills have been approved by Congress (i.e. not until after Christmas). The Administration would like all the contract labourers on Diego Garcia to be removed from the island within six months of this formal notification being given.

8. We informed Mr. Oplinger that we would consult others in Whitenall and also the B.I.O.T. Commissioner about the timetable he had proposed and let him have our views. As we would be unable to speak to the Mauritian Government about resettlement until after the two Bills had passed Congress (because of the risk of a leak), it was unlikely that we would be able to resettle the Mauritian contract labourers on Diego Garcia on either Mauritius or on Aradega by July 1970 (assuming that formal notification was given us on 1 January 1970). We would have to discuss with the B.I.O.T. Commissioner the possibility of temporarily relocating the contract labourers on

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Diego Garcia on the copra plantations at Peros Banhos and Salomon as an intermediate stage in the resettlement process.

9. There was no problem about giving notice to the lessee as H.M.G. had bought out Moulinie, the lessee of the Chagos plantations in 1967, and Moulinie was at present running the Chagos plantations as a manager on behalf of H.M.G. However the contracts given to the labourers on the copra plantations might extend beyond six months. We would look into this with the B.I.O.T. Commissioner. It appeared we would be unable to take action to stop Moulinie recruiting new labourers for the plantations (because of the risk of a leak) until January.

10. Mr. Oplinger said that after the Bills had been enacted by Congress, the reluctance of the U.S. Administration to sanction steps which would make the facility public would disappear. He had been told that the State Department 'Public Affairs Bureau' were already considering what might be said publicly about the Diego Garcia facility next year.

11. I drew Mr. Oplinger's attention to the request made by Mr. Brooke-Turner in his letter of 3 September, 1968, to Mr. Spiers of the U.S. Embassy that arrangements for accommodating the scientific interest in Diego Garcia should be discussed between our Governments before a facility were set up on Diego Garcia. I asked him whether the U.S. Administration had yet expressed any views on the recommendations made in Dr. Stoddart's report; particularly the suggestion that the three small islets of West Island, Middle Island and East Island should be considered nature reserves. Mr. Oplinger undertook to make enquiries on this point.

12. I also asked ^{Mr. Oplinger} whether Washington would shortly be presenting us with a Draft Agreement on the Establishment and Administration of the facility. Mr. Oplinger said he was not sure about this. The B.I.O.T. Agreement of 1966 already had detailed annexes on 'Customs Duties and Taxation' etc. and it was possible that Washington did not think a further formal Agreement between our two Governments necessary. I said that our assumption was that an Agreement of some sort would need to be negotiated. Mr. Oplinger agreed to seek Washington's views on this.

J. Thomas
 (J. Thomas)
 29 October 1969
 Defence Policy Department

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Legal Adviser (Mr. Aust)

U.S. Naval Refuelling and Communications Facility at Diego Garcia

You will recollect the discussions earlier this year which preceded the decision by Ministers in May that we should enter into negotiations with the Mauritian Government about resettlement in Mauritius of those contract labourers in the Chagos Islands who possessed Mauritian citizenship; the Seychellois contract labourers to be returned to the Seychelles. The U.S. Embassy have now informed us (my minute of 29 October attached) that they wish the contract labourers on Diego Garcia to be removed within six months of formal notification of U.S. intention to construct the facility being given to H.M.G.

2. The six month period of notice is that referred to in Section I of the U.S./U.K. Confidential Agreed Minute interpreting Article 2(a) (among others) of the 1966 Exchange of Notes on British Indian Ocean Territory. I attach copies of:

- (a) the Exchange of Notes,
- (b) the Agreed Minute.

3. I should be grateful if you could let me know whether the six months notice which the Americans must give H.M.G. applies to completion of administrative arrangements for resettlement of the population as well as to the notice H.M.G. requires to give to the lessee of the plantations. (Moulinic, the former lessee of the Chagos plantations, abandoned his lease sometime ago and now only operates them as a manager on behalf of H.M.G. Does this affect the period of notice the U.S. Administration are required to give H.M.G.?)

4. My own reading of the documents is that the period of notice for the resettlement of the contract labourers is subject to negotiation between H.M.G. and the U.S. Administration (i.e. we could press for longer than six months' notice if we wished).

J. Thomas
 (J. Thomas)
 10 November 1969
 Defence Policy Department

Copied (without enc.) to:-

- P.I.O.D. (Mr. Lee)
- E.A.D. (Mr. Counsell) ✓
- UN(Pol)D. (Mr. Papadopoulos)
- F.P.A.D. (Mr. Shakespeare)
- S.A.D. (Miss Solesby)