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P5

Background on the Resettlement of the
Population of the Chagos Archipelago

RELEASED IN PART
B1, 1.4(B); 1.4(D)

B1

(U) The British Government established the BIOT in 1965. The State Department report explains that, under the 1966 agreement, the U.S. arranged to finance one half of the cost of establishing the BIOT, not to exceed \$14 million, by waiving fees associated with the British

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purchase of the Polaris missile system. The report further states that the U.S. "share of the BIOT financing was not assigned to resettling the population or to any other specific activity."

(U) According to the report prepared for the Senate, the British completed the purchase of the lease holds of the coconut plantations run by the Chagos Agalega Company in 1967, allowing the plantations to continue operating under revocable leases until the islands were needed for defense purposes. In his testimony, Churchill explained that substantial investment was necessary if the archipelago's plantations were to remain economically viable and that the likelihood that the islands would be required for defense purposes made this investment impractical. As the report says, since the archipelago's population was almost totally dependent on the plantations, "it followed that defense use would require the relocation of the workers and their families."

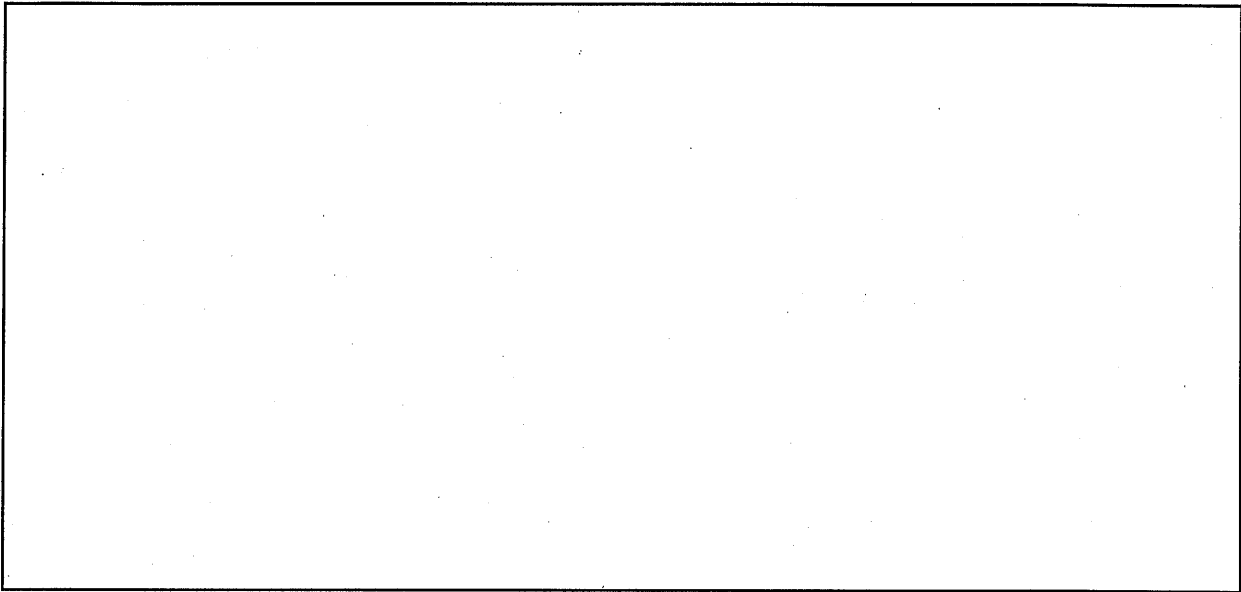
(U) The 1975 State Department report indicates that the total number of persons removed from the islands between 1971 and 1973 was 829, with about 400 workers voluntarily leaving the Chagos to settle in Mauritius between 1965 and 1970. The Chagos Agalega Company carried out the physical relocation of its workers. George

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Churchill told Congress that he had "no evidence that force was used" and "quite a lot of evidence that there was no force used." No British or U.S. servicemen were involved, despite media reports to the contrary.



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