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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

September 14, 1954

MEMORANDUM FOR THE BOARD ASSISTANTS

SUBJECT: Evacuation of KMT Irregulars from Burma: Proposed Use
of Residual Funds.

Attached is a memorandum from the OCB Working Group on NSC 146/2 and NSC 166/1, submitted by Mr. E. W. Martin, Acting Chairman, dated September 9, 1954. I understand that Embassy Bangkok which originated the proposal is desirous of receiving an early reply in order to inform the interested parties of U.S. intentions. The Department of State has therefore requested that this matter be taken up as early as possible.

It is suggested that this matter receive at least preliminary discussion on Friday, September 17, at the meeting of the Board Assistants and that, if possible, the Board Assistants be in a position to act for their principals on the working group recommendation.

Elmer B. Staats
Elmer B. Staats
Executive Officer

Attachment:

Memo for EO, OCB, from the Acting
Chairman, OCB Working Group on NSC 146/2
and 166/1, dated 9/9/54, same subject
as above, with attachment.

NSC review(s) completed.

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September 9, 1954

MEMORANDUM FOR EXECUTIVE OFFICER, OPERATIONS COORDINATING BOARD

SUBJECT: Evacuation of KMT Irregulars from Burma: Proposed Use of Residual Funds

The NSC 146/2 Working Group met on September 8 and as directed by the Operations Coordinating Board took under consideration the problem of whether U.S. funds remaining after the official termination of Phase III of the Evacuation program should be used for the evacuation and resettlement of subsequent stragglers. Embassy Bangkok, which originated the proposal that residual funds be so used, points out that nearly \$75,000 still remain in the fund available for transportation. This would be more than sufficient to transport 600 stragglers to Formosa, where the resettlement expenses for this number of persons would be well within the unused portion of the FOA commitment.

The Working Group recommends that authorization be granted for continuing use of residual funds (both FOA counterpart and special funds) as required for the evacuation and resettlement of up to 600 persons, without fixed time limit. The CIA member of the Working Group, however, reserves the right to withdraw or qualify his support for this recommendation if his Agency perceives some objection to the recommended course of action.

A memorandum discussing the problem in greater detail is attached.

/s/ E. W. MARTIN

E. W. MARTIN
Acting Chairman
OCB Working Group on
NSC 146/2 and 166/1

Attachment:

Memorandum for OCB Working Group,
NSC-146/2, Subj: Burma-China
Evacuation: Proposed Use of
Residual Funds - with Tab A
attached, (Secret)

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MEMORANDUM FOR CCB WORKING GROUP, NSC-146/2

SUBJECT: Burma-China Evacuation: Proposed Use of Residual Funds

Problem:

To determine whether U. S. funds remaining after the official termination of Phase III may be used for the evacuation and resettlement of subsequent stragglers.

Background:

On June 16, 1954, the CCB agreed that, while the regular program of evacuating Chinese irregulars from Burma to Formosa had been successfully ended, it would be permitted to take care of such stragglers as might present themselves in a reasonable period, in order to terminate the task set by the U.N. in an orderly manner to the satisfaction of all concerned. The cut-off date for the activity of the Joint Military Committee was to be no later than September 1, 1954; and without specifying an exact cut-off in numbers the general scope of further U. S. support was to be limited to the remainder of the 1500 evacuees planned on for Phase III, of which only 836 had been already evacuated. Full transportation costs were to be paid from the unobligated dollar balance available for that purpose; resettlement costs on Taiwan were to be met from FOA counterpart which had been set aside for a total of 1500 evacuees; Thai costs were to be met from the unexpended FOA counterpart balance also available for handling a comparable number.

On August 30, 1954, Embassy Bangkok recommended that after the termination of the Joint Military Committee on September 1 the Embassy be authorized to use the remaining available funds to provide transportation for stragglers and arms to Formosa, provided the persons and weapons were certified by the appropriate Chinese and Thai authorities. It was pointed out that after the close-out 45 foreign forces would already remain in Thai custody, of whom about one-half were willing to evacuate; that the Thai were concerned about the disposition of these persons, and others who might subsequently come into their custody; and that only 51 stragglers had been actually evacuated during the May-September close-out period, although some \$75,000 had been allocated for transportation.

Discussion:

Immediate U. S. responsibility in the Burma-China evacuation, as represented by participation in the Joint Military Committee, ended as of September 1 with the evacuation of 5731 troops and 874 dependents. This achievement may be considered a success: the back of the "KMT problem" has been broken and the Burmese Government has formally thanked the U. S. for its contribution toward "easing a situation beset with tensions and difficulty."

In a more general political context, however, the U. S. is committed to continued interest in the problem. While we have made it clear to Burma

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and Thailand that there are limitations to what might be achieved through Joint Committee activity, we have stated in the U.N. and have assured the Burmese Government that our interest will not cease with the end of formal evacuation. Selected excerpts to this effect are cited in Appendix A. And not only do our own pronouncements point to continued help, but the Department of State believes that it is in the U. S. interest in Southeast Asia to effect--and to receive credit for effecting--as lasting a solution of the "KMT problem" as possible. Our complete withdrawal at this stage would probably be construed by both Burma and Thailand as a failure, at least in part, to live up to our promises of continued interest.

While the Thai accepted the OCB decision of June 16 with good grace they had already made it clear that they would have preferred the Committee to continue seeking out evacuees--rather than passively receiving those who presented themselves--and thus to dispose of 2-3000 more foreign forces. The Burmese, who estimate that some 5000 irregulars still remain on their soil, recognize that the basic problem is now Burma's; and they are confident they can handle it provided no more supplies or reinforcements are received by the irregulars from outside. The Burmese and the Thai are in the process of setting up a joint border commission to handle problems arising from the presence of the irregulars and from other causes. But while policing problems can undoubtedly now be taken care of by these two nations, the problem of disposal will remain. In the view of the Department of State there is at present no better way of fulfilling our commitment to continued helpfulness than by contributing our residual resources to the evacuation of such stragglers as may be rounded up by the Burmese and the Thai--provided these are willing to evacuate and are acceptable to the Chinese Government. It would, moreover, be helpful to our position in the U.N. to be able once more to assure the General Assembly of our continued willingness to cooperate.

According to Embassy Bangkok a little less than \$75,000 remains in hand for transportation. This would represent 664 potential evacuees at the reduced C.A.T. rate of \$110.70 a head, but would bring the all-over total for Phase III to 1551. FOA's commitment for resettlement in Phase III was limited to 1500. It is therefore suggested that we agree to transport and resettle up to 600 stragglers, which arrangement would not only fall well within the FOA commitment but would leave a safe margin in transportation funds for the relatively inexpensive shipment to Taiwan of such arms as may be turned in. At the time of the OCB decision there remained sufficient FOA/Thailand counterpart to care for some 2000 evacuees. Sufficient of this money should also be held available to cover Thai expenses, as was done during the regular evacuation.

As recommended by Embassy Bangkok no evacuees would be accepted who were not certified by the appropriate Thai and Chinese authorities.

In view of the termination of formal U. S. participation there would appear to be no need to set a time limit on the use of the funds in question. By not setting such a limit we should be enabled to show continuing tangibility

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evidence of our willingness to help. On the other hand, if we now withdraw our limited financial support entirely, and the Burmese and the Thai come to us with the problem of what to do with the foreign forces in their custody--as they almost certainly will-- we should be confronted with the alternatives of (a) refusing further help, or (b) going through a whole new procedure for obtaining funds to help. Since it now appears doubtful that more than 50 evacuees a month will be rounded up, it would appear that the most economical course would be to use up the money still available in furtherance of the political ends for which it was originally allocated.

Recommendation:

That authorization be granted for continuing use of the various funds under discussion, within the limitations and in the manner described above, as a tangible demonstration of continued U. S. interest in the problem in question.

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September 3, 1954

Clearances: []

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Tab A

SELECTED EXCERPTS. U. S. STATEMENTS IN U.N. AND TO
BURMESE GOVERNMENT OF CONTINUED INTEREST IN
PROBLEM OF CHINESE NATIONALIST IRREGULARS

Excerpt, DEPTTEL 255, October 3, 1953, to Rangoon:

(From instructions to Ambassador Sebald re submission of the Chinese proposals for Phase I to the Burmese Government. Sebald reported on October 5 that he had included these points in his approach.)

"In your talks with Burmese authorities you should point out proposed action is stage (repeat stage) in final solution. Make clear continued understanding and sympathy of U. S. Government and its desire continue exploration further useful steps following presently contemplated movement and also of any assistance U. S. might be able tender GUB toward restoring its authority over its own territory ... Also indicate that if this first stage can be completed, U. S. Government would be glad study means continuing its good offices to continue provide facilities further evacuees if any present themselves and to observe activities and possible outside ties of remaining Chinese irregulars."

Excerpt, Statement of the U. S. Representative in the U. N., November 4, 1953:

"Before closing, I should like once again to state that the interest of my country in this problem will not cease with the evacuation of the 2,000 troops and their dependents. After they have left Burmese soil, we would hope to be able again to consult with the interested parties regarding what further action might usefully be taken and I can assure the members of this Committee that as long as the countries directly concerned continue to find our efforts helpful, the Government of the United States stands ready and willing to be of use."

Excerpt from President Eisenhower's Replies to Letters on the Subject from Burmese Prime Minister:

January 7, 1954: "You may rest assured of my appreciation of the seriousness of the difficulties which this problem has created for Burma and of my continued interest in a solution."

April 6, 1954: "In closing I assure you of my continued interest in the problem ..."

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ROUTING AND RECORD SHEET

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FROM:

OCB

TELEPHONE

NO.

DATE

14 Sept 54

TO	ROOM NO.	DATE		OFFICER'S INITIALS	TELEPHONE	COMMENTS
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FORM NO. 610
APR 55

REPLACES FORM 51-10
WHICH MAY BE USED.

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