

10-12-58

[Redacted]

Dear [Redacted]

As you are no doubt aware, [Redacted] talked to Mr. Dulles and to me a few weeks ago concerning his problem of obtaining permission to bring a Giant Panda into the United States.

Subsequent to Mr. Dulles' talk with [Redacted] Mr. Dulles took the matter up with the Treasury Department. After further study by the Treasury Department, we have now been advised it still is not possible to grant the license for [Redacted] to import a Panda as it would constitute a serious departure from the basic policies underlying the Foreign Assets Control. Under the policies followed by the Treasury Department, exceptions have been made to the Foreign Assets Control policy only where some significant security or comparable national interest of the United States would be served.

When [Redacted] was in the office he left with us the following items from his files which I am returning to you herewith.

1. The background and origin of one Female Giant Panda, together with photograph of Panda, and
2. One photostat copy of a letter from [Redacted] Acting Director, Foreign Assets Control, to Mr. [Redacted]

Sincerely,

[Redacted Signature]

Executive Officer

TREA has not reviewed. Processed IAW CIA TREA arrangement letter dtd 4/11/08.

O/DCI [Redacted] : jnf 7 Feb 58

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MEMORANDUM FOR: Mr. Dulles

You said you wanted to take this
along to the next OCB meeting so
you could speak to Bob Anderson
about it.



16 Dec 57
(DATE)

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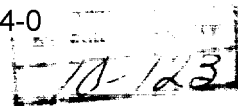
FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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UNDER SECRETARY OF THE TREASURY
WASHINGTON



January 10, 1958

Dear Allen:

For your information, I enclose a report given to me regarding possible importation of a giant panda. This would appear to close the matter for the present unless you have some further suggestions.

Best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred C. Scribner, Jr.".

Fred C. Scribner, Jr.
Under Secretary of the Treasury

Honorable Allen W. Dulles
Director
Central Intelligence Agency
2430 E Street, N. W.
Washington, D. C.

FAC Memo No. 24400

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MEMORANDUM

Re: Importation of Giant Panda in behalf of [redacted]

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All importations of goods originating in or passing through Communist China are prohibited by the Foreign Assets Control Regulations. The Regulations were issued pursuant to a determination of the National Security Council in 1950 at the time the Communist Chinese intervened in Korea.

The primary purpose of these Regulations is to prevent Communist China from gaining any advantage through financial or commercial transactions with the United States, whether direct or indirect. The major impact of the Regulations has probably been in preventing the sale of Communist Chinese merchandise to this country.

With the full concurrence of the Department of State, the Regulations have been very strictly administered ever since their adoption. Importers of merchandise from Communist China have been consistently denied licenses except where some significant security or comparable national interest of the United States was to be served. At one time licenses were granted for the importation of certain strategic commodities but no such licenses have been issued since 1952. Numerous efforts have been made to sell such merchandise here through third countries and have been prevented only by the adoption of elaborate precautions. The fact that the Communist Chinese have already received funds or property from a third country in a particular transaction in payment for their goods and will therefore not benefit further from the particular importation into the United States is, of course, no reason for the United States to authorize the importation. The adoption of a policy of allowing imports in such cases would frustrate the purposes of the Control by enabling the Communist Chinese to receive value in third countries for their indirect exports to the United States market.

For these reasons, the granting of a license for the importation of a giant panda would constitute a serious departure from the basic policies underlying the Foreign Assets Control. Accordingly, it is not believed that a license should be granted unless there is some very strong national security interest for doing so. The request in 1956 in behalf of [redacted] for a license to import a panda was denied only after careful consideration by the Assistant Secretary of the Treasury in charge of Foreign Assets Control matters. In addition to the formal letter advising [redacted] agent of this conclusion, there was considerable informal discussion with the agent in which the position of the Treasury was made clear in detail.

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It should also be kept in mind that the importation of a giant panda inevitably would receive a great deal of publicity and would lead to the necessity of a public explanation of the basis for the action.

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NEW YORK TIMES

WEDNESDAY, MAY 7, 1958.

Zoo-Bound Panda in Red China Barred by U. S. as Trade Risk

By MURRAY SCHUMACH

The giant panda has been trapped in the "cold war" of diplomacy and has been denied admission to the United States.

Though no zoo in this country has a giant panda, the clown of the animal world has been refused entry because it is a resident of Communist China.

As of last night, the State Department, despite pleas from leading zoos for clemency, was arguing that to admit the young panda—the darling of animal lovers and toy-makers—would violate the law forbidding trade with Communist China.

But one unhappy zoo official recalled privately that early this year a pair of dogs from Chinese-controlled Tibet had been admitted by way of Nepal, India and London. The dogs were for Thomas E. Stephens, a former special counsel and ap-

pointments secretary to President Eisenhower.

Though there is some doubt whether the panda in question was born in Szechuan Province, China, or in Tibet, there seems to be no question that it is now in Peiping—and for sale to the highest bidder.

Should the animal reach the United States, it seems likely that its price at least would equal the highest ever paid for an animal by a zoo.

Frederik J. Zeehandelaar, an animal dealer of New Rochelle, N. Y., who says his agent has the panda, declared yesterday that one zoo had offered \$25,000 for the white-faced character with the smoky eye-rings.

In recent years the highest price paid for an animal was

Continued on Page 31, Column 6



Associated Press

VICTIM OF COLD WAR:
The giant panda—this one is a baby—has been denied entry to the U. S. because of Communist ties.

U. S. BARS PANDA AS HELP TO REDS

Continued From Page 1

\$25,000 for a pair of white rhinoceroses bought by the St. Louis Zoo.

Among the zoos that have tried to get the panda are the Bronx Zoo and the Brookfield Zoo in Chicago. The Bronx Zoo, though not optimistic, is clinging to a hope that the State Department may concede that the admission would not be a victory for international communism.

At the Chicago Zoo, the director, Robert Bean, said he had given up. This zoo exhibited in 1931 the first giant panda in this country. The Bronx Zoo has also had giant pandas, one of which, Pandora, was a star of the New York World's Fair in 1939.

"I wish," said Mr. Bean sorrowfully, "we could get a giant panda, regardless of cost."

With the State Department apparently obdurate, Mr. Zeehandelaar said he might sell the animal to the Frankfurt Zoo in Germany.

Mr. Zeehandelaar said his agent, an Austrian, had obtained the giant panda in Peiping in exchange for some hippopotamuses, rhinoceroses and giraffes.

Apart from its rarity outside the mountainous areas of southwest China and eastern Tibet, the giant panda's value is its showmanship. In appearance and behavior this member of the raccoon family is a born comic. With white body, black legs and a clown face, it is responsive to audiences and particularly beloved by children.

At maturity it reaches about six feet, weighing about 200 pounds. Though it feeds mainly on bamboo shoots in the forested areas of its birth, the panda has done well in zoos on vegetables, cereals, cod-liver oil and milk.

U. S. v. Panda

The majesty of the United States has been employed to exclude a giant panda from this country because it is an inhabitant of China. Presumably the panda couldn't care less about ideology or even about his place of residence; but under the rules as laid down by the State Department he is inadmissible. The zoos which have been bidding for him must be content merely to describe to their visitors what a panda is—or to pretend, in the fashion of the State Department attitude toward the Communist government in Peking, that he simply doesn't exist. Thus is sanctity preserved.

But is it, really? Perhaps this sort of panda-ing to rigidity is what is needed to demonstrate the futility of a policy based on fiction. The exclusion is part of the same policy as the reported prohibition against shipment of fannies to Shanghai and the reported inquiry to Hong Kong on whether the pressed ducks exported from there came from ideologically uncontaminated eggs. The effect is to make the United States a laughing stock without serving any visibly useful purpose.

By coincidence this great victory occurred almost simultaneously with the publication of a thoughtful study by the Foreign Policy Association entitled *Should the U. S. Change Its China Policy?* Eustace Seligman, a former law partner of Secretary Dulles, argues in reasoned terms that the policy should be changed; whereas Prof. Richard L. Walker of the University of South Carolina repeats the familiar arguments that it should not. We find Mr. Seligman's case by far the more persuasive.

WASHINGTON POST

8 May 58

Mr. Seligman suffers from no illusion that the

animical purposes of world communism. His argument, in essence, is that the Nationalist government on Taiwan is patently not going back to the mainland, that the Communist government in Peking is unlikely to collapse, that American policy creates tensions for the neutral countries of Asia and strains with the Allies, and that the best way of preserving the independence of Taiwan is to endorse it as an independent nation.

The strongest argument against a change in American policy, which presumably would begin with withdrawal of opposition to the seating of Communist China in the United Nations, is that it would confer additional prestige on communism. There is something to this, but it is worth inquiring whether the independent nations of Southeast Asia actually are accordingly buttressed against subversion. Part of China's attraction is the attraction of revolutionary institutions in Asia; and American policy, which inhibits full information about what is happening in China, appears to many to be persecution.

A similar situation holds for the problem of the overseas Chinese in Southeast Asia. Unquestionably some of the overseas Chinese are entrapped by Peking; but it is a fiction to think that encouragement for them to look toward the Kuomintang on Taiwan is a realistic alternative. The only fundamental solution to the problem of the overseas Chinese is to encourage efforts toward local assimilation with equal rights in the countries where they reside.

Basically what Mr. Seligman urges is application of the misnamed two-China policy—the seating of Communist China in the U. N. in a package arrangement that would include a Korean political settlement, release of American prisoners and a separate U. N. seat for Taiwan. The order of priority is open to debate, but the fundamental thesis that there is only one China, on the mainland, is hardly arguable in logic. Mr. Seligman properly stresses the importance of an independent Taiwan; surely, however, if this is important there must be more to keep it alive than the pretense that the regime in Taipei represents the mainland.

We have no thought that the Chinese Communists, who have much to atone for, would accept such a proposition at the present time even if it were offered to them. That is not the point. The American policy of total exclusion in the U. N. is under constant erosion; and the American policy of total embargo not only creates difficulties for this country's friends, but also may well make the pastures of trade with China look greener than they really are. Furthermore, as Mr. Seligman emphasizes, if ever there is to be an effective arms control or inspection arrangement, it will have to include some accommodation with China.

In short, American China policy is a losing proposition. A gradual change, so as to make trade restrictions conform to those on the remainder of the Communist bloc and so as to make possible a universal U. N. while protecting the separate existence of Taiwan, would place the United States in a far better position from which to exercise leadership. Maybe the poignant case of the State Department versus the panda will serve to dramatize

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APPROVAL	DISPATCH	RECOMMENDATION
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CONCURRENCE	INFORMATION	SIGNATURE

Remarks:
 Frank! Here is the letter from Treasury [redacted] re Panda. They tell me this is all they have except the original of [redacted] letter to them. Obviously we can't have sent that to them, so this must be all we had. [redacted] will have a copy of his own letter.

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