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MEMORANDUM TO THE EXECUTIVE OFFICER, OCB

Subject: Food Relief for Mainland China

References: NSC 146/2 and NSC 166/1

NSC REVIEWED 6/13/07 NO OBJECTION TO DECLASSIFICATION AND

The OCB Working Group on NSC 146/2 and NSC 166/1, at the direction of the OCB, held a special meeting on August 19 to consider the question of possible offers of food relief for Mainland China flood victims. The Working Group recommends to the OCB that (1) the United States take immediate steps to assist the Government of the Republic of China in financing a food offer to be made by and in the name of the Government of the Republic of China in accordance with the proposition outlined in Taipei's TOUSFO 232 of August 13 (attached) and that (2) other plans which involve overt United States participation in food relief offers, should not be pursued at this time.

Taipei's proposal presents an opportunity to enhance the prestige of the Government of the Republic of China, while discrediting the Chinese Communist regime. The prospects of the Chinese Communists' accepting a food offer from the Chinese Nationalists are extremely remote. In any event, a serious offer would improve the international position of the Government of the Republic of China. Whether the offer is accepted or rejected, the Chinese Communists would be placed in a difficult position, which could be exploited by overt and covert media, stressing (1) the inability of the Chinese Communist regime to manage its problems, despite its much-vaunted water conservancy and flood control projects, and (2) the inevitability that the policies of the regime (expropriation even of peasants' emergency supplies of grain and export of this "political rice" to buy war supplies from the Soviets, failure to make proper repairs of the dikes, faulty engineering in the largely Soviet-directed water conservancy and flood control projects, concentration on a few "show piece" projects to impress foreign visitors, etc.) would lead to compounded distress among the Chinese people in time of natural disaster.

It is essential that the hand of the United States should not appear in the offer of the Chinese Government. Special arrangements will therefore be required for financing the project.

The consensus of opinion of the Working Group was that the United States should not participate in any plan of food relief which would substantially solve the communists' problem for them. This would be inconsistent with and might seriously undermine our policies of economic pressures against the regime. Sizeable portions of any large-scale aid might well be diverted as barter for war supplies or for the needs of workers in the heavy industrial development program. In view of the fact

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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

August 23, 1954

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MEMORANDUM TO THE OPERATIONS COORDINATING BOARD

SUBJECT: Flood Relief for Mainland China

REFERENCE: HSC 146/2 and HSC 166/1 (China)

BACKGROUND

The Board at its meeting of August 16 discussed possibilities for US action in respect to the flood disaster in Communist China, and directed the OCB working group to explore the matter further. The attached working group memorandum on the subject is summarized below.

DISCUSSION

The working group notes that direct US food offers to Communist China are contrary to US policy, but that indirect US support of an offer by the Government of the Republic of China (GRC) presents advantages consistent with policy, in enhancing the prestige of the GRC and discrediting the communist regime.

Support of the GRC offer is proposed by Embassy-USOM/Taipei. (See attached Taipei, TOUSFO 232, August 13.) The Taipei proposal is to purchase and ship 20,000 tons of surplus rice owned by GRC to mainland ports in GRC or neutral ships under a safe conduct guarantee. Above tonnage represents one month's rice requirement of 1,680,000 persons at Taiwan consumption rate, perhaps 2 million at mainland rate. The total cost to the US is estimated at \$3,100,000 to \$3,600,000.

Embassy Tokyo feels that such a course would not remain concealed as far as the Japanese are concerned, though it would be better than a straight US offer. (See attached Tokyo 370, August 16.) The views of General Hull were sought but were not available at time of writing.

Discussion has affirmed that acceptance by the communist regime is highly improbable, and in this connection their refusals of the US offer in 1950 and the current offers of the Red Cross are pertinent.

RECOMMENDATIONS

It is recommended that the Board approve the following courses of action:

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This paper was discussed at the 6 Aug Board Asst's meeting - A covering memo recognizing that we can't do much into the Sabilitis is to be prepared - certain textual changes made & presumably it will come back to the Bd. Assts on 13 Aug - and to the Board on 18 Aug -

We have a CIA annex which outlines our proposed plans & also says why we haven't accepted some of the suggestions in the last 2 parts of these papers - 1

do not suggest circulating
our papers before the
meeting but the DDCL
may want to speak to
the subject of our general
capabilities, as outlined,
& as to why we didn't
accept the suggestions.

WSP

STAT

[Redacted]

~~can prepare~~

~~summary of DDCL, if wanted.~~

discuss with

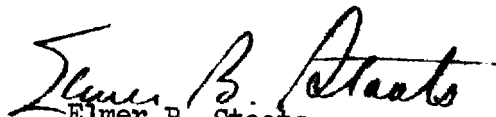
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1. The US take immediate steps to assist the GRC in financing a food offer to be made by and in the name of the GRC in accordance with the proposition outlined in Taipei's TOUSFO 232 of August 13;
2. Other plans should not be pursued at this time, though consideration might be given them later;
3. Special financing arrangements should be made to assure concealment of US participation;
4. Origination of propaganda exploitation should be through the GRC.


Elmer B. Staats
Executive Officer

Attachments:

- COPY - Memorandum to the Executive Officer, OCB, Subject: Food Relief for Mainland China, from Walter P. McConaughy.
- COPY - Telegram from Taipei No. TOUSFO 232, August 13, 1954.
- COPY - Telegram from Tokyo No. 370, August 16, 1954. (Limited distribution of this attachment.) *late papers will be done 24 Aug 54*

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that serious epidemics are almost certain to follow the current devastation, the fear was expressed that any exclusively United States delivered food would prompt accusations of germ warfare, in the attempt to explain communist inability to cope with the epidemics.

It was recognized, however, that it is characteristic of the American people to desire to help any people in time of great suffering, and that considerable public opinion might be marshaled in favor of food relief for the Chinese. The difficulties of ensuring that relief actually reaches the sufferers might not be evident to the average American. Consideration might appropriately be given at a later date, as the effects of the food shortage become more evident, of an offer of food through the UN and/or in conjunction with several food-surplus Asian countries, in the light of circumstances obtaining then, including such factors as the developing climate of world opinion, the likelihood of communist acceptance or rejection, and the effect which the magnitude of the regime's difficulties might have on its willingness to accept a mechanism of delivery which would clearly reveal the source of the aid, actually reach the people and otherwise satisfy the legitimate expectations of a genuinely humanitarian project. These prerequisites do not now appear possible of attainment.

If the time should come when it appeared appropriate to entertain the considerations of the preceding paragraph, the decision should be very carefully weighed in the light of the highly important considerations mentioned in the paragraph which precedes it.

The Working Group believes that at all times our attention should be directed to the character and degree of possible internal political reverberations arising from the food crisis and subject to exploitation not only to the interest of the United States and the Free World but ultimately perhaps to the emancipation of the mainland Chinese themselves. "A people do not starve quietly."

/s/

Walter P. McConaughy
Chairman, OCB Working Group
on HSC 146/2 and 166/1

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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across the sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark is sufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

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