



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

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20 February 1961

Brig. General Chester V. Clifton  
Military Aide to the President  
The White House

Dear General Clifton:

At the White House meeting Saturday morning, the President expressed particular interest in the developments with regard to the shooting down on the Burma-Laos-Thailand frontier of the P4Y aircraft sent by the Chinat government (GRC) to reprovision their irregular Chinat forces on that frontier.

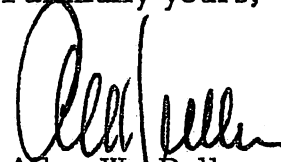
I attach a copy of a cable which I have just received from the CIA representative in Taipei. He has been in close touch with high Chinat officials and particularly with Chiang Ching-kuo, the Generalissimo's son regarding recent developments in this matter. A copy of this message has been transmitted to the State Department.

The suggestions in paragraph 6 of this telegram represent only the views of our own representative and I would not myself conclude that the course of action he supports is the only available

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line of procedure in this difficult situation. This, however, is a policy matter on which, I believe, the State Department is submitting its views.

Faithfully yours,



Allen W. Dulles  
Director

Enclosure

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February 19, 1961

1. I have been in almost daily contact with Chiang Ching-kuo since night 16 Feb. when fate of P4Y shot down Burma revealed to GRC by message from irregulars in Burma border area delivered at my house to Chiang Ching-kuo, I Fu-en, General P'Eng (C/S GRC Armed Forces), and General Lai (G-2 GRC Armed Forces) who were all at dinner there. They immediately advised me and have been consulting frequently since.

2. I have warned Chiang Ching-kuo innumerable times and on 17 Feb. again said that maintenance organized military forces Burma and air resupply from Taiwan were internationally damaging to both Govt of Republic of China and the U. S. and in event major public furor would jeopardize present close cooperation between GRC and the U. S. Reply has always been that Chiang Kai-Shek support of irregulars was firm policy based on belief that:

A. Irregulars are anti-Communist Chinese group whom GRC cannot desert completely to surrender and starvation without great loss of prestige for GRC with Chinese people Taiwan, Mainland, and overseas Chinese areas.

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B. GRC can withdraw disciplined organized military force but these number only in hundreds whereas thousands of "refugees with rifles" longtime residents of Burma border area would not come to Taiwan.

C. "Resettlement" in sense finding livelihood and friendly environ for refugees impossible in Burma and feasible in Thailand or Laos only with full political and economic support from U. S. , which hitherto thought lacking.

D. Able-bodied young anti-Communist Chinese should be employed somehow against Communists if only as local semi-mercenaries supporting Boun Oum-Phoumi govt in Laos against Pathet Laos.

E. Gimo loyal ally of U. S. but has found no solution irregular problem except allowing their destruction by hostile Burmese and Chicoms or trying sustain them in being in hopes they eventually useful in resisting ChiCom intrusions Southeast Asia which Gimo considers inevitable. Have so far regretfully chosen latter alternative as only honorable course for GRC towards own people who have fled ChiComs.

F. No MAP supplies received since GRC established Taiwan have been used Burma therefore GRC policy is no violation ties with U. S. though known contrary U. S. views.

3. I have advised Chiang Ching-kuo who reported immediately to the Gimo 18 Feb 1961 that, in view P4Y shutdown publicity, continued air resupply and maintenance organized ChiNat military force Burma border area might cause major restriction joint intel programs. Chiang Ching-kuo reported 18 Feb that the Gimo appreciated dangers in situation and Chiang Ching-Kuo thought he would welcome constructive solution backed by the U. S. if it insured safety, economic means of livelihood and local access to essential supplies for ChiNat Refugee communities. In GRC view this means leaving those in Laos at least lightly armed. If such plan could be worked out with cooperation Lao and possibly Thai govts., GRC would then consider withdrawing organized forces willing come Taiwan and set up commercial supply channels via Bangkok or Vientiane while abandoning military resupply from Taiwan,

4. At 1300 on 19 Feb. Chiang Ching-kuo consulted me with proposition which he had just cleared with the Gimo which GRC hoped would relieve international embarrassment to the U. S. which GRC

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recognizes is inherent in situation. GRC willing offer withdraw all military forces from Burma and repatriate to Taiwan those willing leave. Any unwilling leave Burma would no longer be resupplied by GRC. In return, GRC would want U. S. aid in effort to resettle remainder in Taiwan or in civilian refugee communities in Thailand or elsewhere. In addition would expect tacit U. S. support for GRC arrangements with Royal Lao Government to permit three to five thousand irregulars already in Laos to remain there with retention arms sufficient to defend selves against Pather Lao or other Communist forces in Northern Laos. GRC and RLG would not say anything publicly about these forces and ask only that the U. S. not pressure GRC or RLG to disarm them.

5. If U. S. really wants "repatriate and resettle" irregulars and will permit Boun Oum-Phoumi Lao Government make arrangement saving face for GRC with Chinese community, this solution probably would relieve international tension. I believe this best deal which would be bought by the Gimo. After initial agreement in principle via CIA channels, GRC would make suggestion to Dept. of State in form of reply to recent State query on "repatriation and resettlement" and would work out details with Department of State. The Gimo requests U. S. reply via CIA by 1200 hours 20 Feb. Taipei time since situation urgent.

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6. With respect to sanctions, believe hints about them already made by me more effective than action if we are trying for constructive way out. If reprisals necessary, first choice should be cancellation delivery C-130; second choice cancellation implementation "wild dragon" ops plan, and third choice suspension entire MAP program. All of these are drastic moves probably bringing more harm than good to the U. S. as well as GRC. Therefore urge accepting this GRC offer or finding formula similar para four above acceptable U. S. which I believe I can convince Chiang Ching-kuo and the Gimo. If formula approved in principle along these lines, then GRC would immediately approach Department of State locally.

7. Believe this maximum GRC can be expected give on this issue without reprisals which probably counter-productive. Request reply and guidance within twenty-four hours.

8. Will brief Ambassador Drumright promptly but have not had time do so yet.

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