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A REPORT  
TO THE  
NATIONAL SECURITY COUNCIL

by

THE EXECUTIVE SECRETARY

on

UNITED STATES POLICY ON SOVIET AND SATELLITE DEFECTORS

April 3, 1951

WASHINGTON

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## NOTE BY THE EXECUTIVE SECRETARY

to the

## NATIONAL SECURITY COUNCIL

on

UNITED STATES POLICY ON SOVIET AND SATELLITE DEFECTORS

References: A. NSC 86  
B. NSC Action No. 364  
C. NSCID's Nos. 13 and 14

The enclosed draft statement of policy on the subject, together with a statement of the views of the Department of Justice (Annex A), prepared pursuant to the reference action by the NSC Staff in collaboration with the Ad Hoc Committee on NSC 86, is submitted herewith for consideration by the National Security Council, the Secretary of the Treasury, the Attorney General, and the Director of Defense Mobilization, at an early meeting. Also enclosed is an NSC Staff study prepared for the information of the Council in this connection (Annex B).

It is recommended that, if the Council adopts the enclosed statement of policy, it be forwarded to the President with the recommendation that he approve it and direct its implementation by all appropriate departments and agencies of the United States Government, pending a general review by the Director, Bureau of the Budget, of the organizational, administrative, budgetary and legislative problems related thereto.

JAMES S. LAY, JR.  
Executive Secretary

cc: The Secretary of the Treasury  
The Attorney General  
The Director of Defense Mobilization

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STATEMENT OF POLICY  
proposed by the  
NATIONAL SECURITY COUNCIL

on

SOVIET AND SATELLITE DEFECTORS\*

General

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**Pages 2-13 withheld in full**

~~TOP SECRET~~APPENDIX BPRACTICAL PROBLEMS INVOLVED IN A  
LARGE-SCALE DEFECTOR PROGRAMIntroduction

1. An appreciation of the general scope of the logistical problems involved in resettling a large number of defectors may be obtained in the following quotation from a letter of Mr. Charles R. McNeill, Treasury Department, to Mr. William Trueheart, Department of State:

"Any program which would result in mass defections and require the resettlement of large groups of individuals would raise serious problems both in connection with finding countries willing to accept the defectors and in financing their resettlement.

"With respect to the countries for resettlement, most of the Middle East is unable to cope with its present refugee problems. Both Israel and the Arab countries have large-scale programs for their own peoples. Australia has a program involving an immigration of 200,000 persons a year and it may be doubtful if this figure could be increased materially to care for iron curtain defectors. It is also my understanding that the IRO has been having increasing difficulty in finding opportunities for resettlement among the Latin American countries.

"With reference to financing, the expenses of transportation and housing are the most obvious ones. In addition to these costs, the effective assimilation of large numbers of people into a country requires an increase in capital equipment and of the various utilities, services, and supplies, all of which can constitute a considerable financial burden."

2. In the International Bank for Reconstruction and Development economic report relating to the proposed loan to Australia it is noted that:

"Some 370,000 'permanent' migrants have arrived since the beginning of 1947, nearly 200,000 of them in the last twelve months. The current rate is twice as great, in proportion to Australia's population, as the peak movements from Europe to the U.S.A. around the turn of the century. The annual population increase has now reached 3½%. Investment requirements, which in any case are large on account of wartime backlogs and growing industrialization, are, therefore, augmented by the investment in new productive capacity and heavy overheads (housing, utilities and services) required to assimilate this large

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influx of immigrants. The strains on the economy of this rapid development have evidenced themselves in shortages of labor, materials and equipment, not to mention housing, frequent power blackouts in the main industrial centers, transport hold-ups and many other similar difficulties which impair the productivity and flexibility of the economy as a whole."

3. The Israeli Government is also contemplating a population increase of about 190,000 persons a year, 170,000 being immigrants. In order to establish an Israeli immigrant in a position to produce about as much as an average worker there produces today, the probable cost has been estimated to range from \$1700 to \$3000 or more. Thus, to absorb the new workers as rapidly as they enter the State, a program of 170,000 immigrants a year would require a net new investment of \$150 million to \$500 million a year.

4. It has been estimated in connection with the Arab refugee program that \$1,000 will resettle an Arab family. This figure, however, includes only low-cost homes and tools.

#### Problems of Transportation and Resettlement

5. The International Refugee Organization (IRO) has had the largest recent experience in resettling large numbers of persons from European countries. Starting on July 1, 1947, IRO had repatriated 71,695 persons and resettled 879,403 by December 31, 1950. The larger movements of persons were to Australia, Canada, Israel, the United Kingdom, the United States, and Latin American countries. In the three years from July 1, 1947 to June 30, 1950, IRO has expended \$332,245,213, of which \$146,599,346 were devoted to resettlement costs and \$183,260,812 to the cost of care and maintenance of refugees before movement in repatriation or resettlement. During 1947-48, IRO maintained in camps a monthly average population of 661,289 persons; during 1948-49, 513,460; during 1949-50, 317,564. The average cost of maintaining one person in camp is estimated at approximately 50¢ daily. IRO contributed one-half of this cost and the economies of the countries of residence the balance. This figure covers solely the cost of food supplies. All installations in which the refugees were housed were supplied and maintained by the countries of residence substantially without cost to IRO. A rough monthly average cost of maintaining a refugee whose housing and 50% of the food consumed were supplied by the countries of residence worked out to be \$13.49 for IRO during the fiscal year 1949-50. This figure included the costs of administration, determination of eligibility, the provision of imported foods and supplies, clothing, medical supplies and services, and limited vocational and retraining services for special groups.

6. The determination of eligibility and the process of selecting refugees for resettlement proved to be time-consuming. Eligibility determination has gone forward persistently during the three

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years of IRO operations. The actual processing of refugees for resettlement in which the recruiting missions of receiving governments and IRO jointly participated has required from one to six months in time per refugee depending on the criteria and procedures of selection of the recruiting missions of the receiving governments.

7. IRO began its overseas movement in 1947, starting with the chartering of three ships inherited from a predecessor organization. In 1949 it had 35 ships in operation. Its present fleet consists of 18 ships. Approximately one-half of IRO shipping has been made available during this period initially by the United States Army and more recently by the United States Navy on a non-profit reimbursable basis. The following cost figures for movement from Europe to ports of receiving countries represent the costs of the operation of United States military vessels in IRO service. The costs of movement on commercial vessels have been substantially higher because of the profit factor involved. The initial cost to prepare and convert United States military vessels previously in mothball status for IRO operation required a capital investment of between three and five million dollars. Each ship in service has required a continuing investment of \$70,000 for supplies aboard. Amortizing the cost of the initial reconversion of ships over the period July 1947 to June 30, 1950, the actual cost of moving a refugee from Bremerhaven to New York on a non-profit basis has been \$137.46; to Canada, \$119.40; to Latin American countries on an average, \$221.99; and to Australia from Naples, \$342.22. Additional costs not reflected in the above transport figures arise from the necessity of maintaining medical and escort personnel aboard the ships.

8. IRO experience has indicated that even under the circumstances in which free transport has been offered to the refugee and to the receiving countries, the volume of movement to individual countries and to receiving countries as a whole has fluctuated from month to month and year to year in an uneven manner in spite of every possible effort to plan a constant volume of movement. This unevenness is caused primarily by changing immigration policies in receiving countries. The cost of ocean transport has been increased by demurrage charges in ports and the necessity of chartering ships for specific periods of time such as a year, and of dispatching ships without full passenger loads.

9. Another factor contributing to unevenness of movement has been the inadequacy of reception facilities in the ports of receiving countries, the lack of organization in the receiving countries for removing refugees from the ports and distributing them to places of employment within the country. The lack of sufficient housing in the receiving countries has also proved to be a delaying factor in movement.

10. In moving 879,403 people to countries of resettlement, IRO has not found it necessary or possible to play a role in the resettlement of refugees on the land after arrival. It has had no funds

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for such purposes and the receiving governments have not themselves organized such projects. On the basis of this experience there is some indication that the movement of IRO refugees has, at least in the Latin American countries, tended to satisfy the requirements for workers in the urban communities of those countries and therefore that future movements of substantial numbers to these countries will necessitate the development of projects to place migrants on the land. This will require very careful preparation involving in the first instance the drafting of specifications for the selection of the migrants to be admitted in terms of age, sex, and family composition, and of industrial and agricultural skills, the selection of the best land sites for land settlement, the determination of crops to be grown, the proximity to markets, of the means of transport to markets, and of the prices to be received for the product grown. Plans will also have to be developed for the financing of the purchase of the land, housing, and other equipment, with the proportions of the capital involved to be drawn from private and public indigenous sources and from external sources such as the International Bank. Only when such projects are fully developed and blueprinted will the governments concerned be in a position to determine what amounts of external capital required are available and from what sources. A rough estimate of the total amount of capital required for land purchase, the provision of housing, animal stock and tools, and for the maintenance of the settler until his first crops provide a cash income, varies according to the area from \$3,500 to \$6,000 and more per family. These costs may prove lower in particular resettlement projects developed under the initiative of religious bodies which provide a spiritual motivation and ideology which help the migrant to overcome the rigors of pioneer land settlement. This has been demonstrated notably by the settlement of Jews in Israel and by the settlement of Mennonites in expansion of previously existing settlements in Canada, Paraguay and Uruguay. The presence of earlier settlers prepared to assist and instruct the new settler in the ways of living in the area of settlement provides a substantial contribution to the success of the settlement effort.

11. The foregoing estimate does not include the cost of overseas transport, but is an estimate of the maximum undertaking which an individual settler might wisely assume as a loan to be amortized over a period of approximately 30 years. It is generally assumed that overseas transport must be financed separately from the cost of land settlement, presumably from funds to be provided on an international basis without obligation on the part of the migrant for reimbursement.

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Current and Projected Programs of the  
International Refugee Organization

12. The International Refugee Organization (IRO), which began operations on July 1, 1947, had, with the assistance of its cooperating voluntary agencies, either repatriated or resettled approximately 950,000 refugees and displaced persons by December 31, 1950. There remain to be resettled by October 1, 1951, IRO's final termination date now under discussion by the IRO General Council, approximately 175,000 refugees who are expected to qualify for admission to receiving countries, chiefly Australia, Canada, and the United States. Of these, 10,000 will be moved to Australia, 25,000 to Canada, 115,000 to the United States, and 25,000 to other countries. In addition to these 175,000 to be resettled, approximately 300,000 refugees will remain permanently in European countries. The larger proportion of these are already employed and self-maintaining. Less than 100,000 will remain partial or total dependents upon the economies of Germany, Austria, and Italy, and the Western European countries. With respect to those dependents who require permanent care in institutions, IRO will spend, by October 1, 1951, \$22,000,000 to provide hospitals, institutions, and homes for the aged. The annual costs of care and maintenance for these persons will be absorbed by the governments of the countries of their residence or by voluntary agencies.

13. The General Council of IRO at its sixth session, which adjourned in Geneva on October 13, 1950, adopted a Plan of Expenditure for the period June 30, 1950 to October 1, 1951 authorizing total expenditures of \$86,908,033. This total included an allocation of \$1,300,000 for liquidation expenditures during a three-month period following the termination of operations on October 1, 1951. \$36,293,360 were included in the Plan of Expenditure for resettlement costs including overseas transportation.

14. The IRO will maintain in camps and processing centers most of the refugees and displaced persons to be resettled before October 1, 1951 and, in addition, those refugees requiring permanent institutional care until such time as the responsibility for such care is assumed by a government or voluntary organization. At its sixth session the General Council of IRO also voted to extend resettlement services to refugees who arrived in the areas of operations between October 15, 1949 and October 1, 1950. By a previous resolution of the Council such resettlement services had been denied to this group as a step toward terminating IRO services. The seventh session of the IRO General Council now meeting in Geneva will consider the question of extending the dateline for resettlement services beyond October 1, 1950.

15. It is estimated that approximately 1,000 to 1,500 refugees are escaping from Eastern European countries monthly into Germany, Austria, Greece, Turkey, Trieste, and Italy. These new refugees

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arriving in the foregoing countries after IRO's present dateline for resettlement services of October 1, 1950 (or a later date which may be set by the IRO General Council) will have to depend upon their own resources or assistance from the countries of their residence both for care and maintenance and onward movement.

16. In anticipation of the termination of IRO, the General Assembly of the United Nations at its fifth session in New York, September-December 1950, established the Office of High Commissioner for Refugees to begin functioning on January 1, 1951. The Assembly also referred a Draft Convention relating to the Status of Refugees for final drafting and signatures to a diplomatic conference to be convened at Geneva in 1951. The functions of the United Nations High Commissioner for Refugees will be to exercise watchfulness over the refugees who remain in receiving countries until they acquire the citizenship of their countries of residence and to intervene with governments in the meantime to secure for these refugees rights and privileges, such as employment and continued residence, to facilitate the achievement of their self-dependence. It is not anticipated that the United Nations High Commissioner will have funds at his disposal for the promotion of the resettlement of refugees. It is currently the United States position that the resettlement of refugees arriving in the free democratic countries from Eastern Europe after October 1, 1950 or a date to be determined by IRO decision, will need to be considered as part of the problem of facilitating the emigration of surplus populations particularly from Germany, Italy, Greece, and the Netherlands.

#### Current Attempts to Resettle the Excess Populations of Germany and Italy

17. The Foreign Ministers of France, the United Kingdom, and the United States considered the problem of the resettlement of excess populations of Germany, Italy, Greece, and the Netherlands at their meeting in London in May, and appointed representatives to explore the problem who met later in Paris in July. Almost simultaneously with the meeting of the Foreign Ministers in London, the International Labor Organization (ILO) concluded a Preliminary Conference of Governments on Migration at Geneva. The problem faced by both groups was to determine ways and means of increasing the annual current flow of emigrants from over-populated areas in Europe. In general, the Preliminary Conference on Migration of the ILO recommended that the ILO intensify its efforts to facilitate migration and to confer with governments with a view to determining ways and means of international collaboration to accomplish this objective. The representatives of France, the United Kingdom, and the United States, meeting in Paris in July, reviewed the actual situation and considered the prospects of facilitating the movement of approximately one and a half million Germans, mostly agricultural peasants and their families, and of over two million Italians, consisting mostly of laborers and agriculturalists but not excluding trained technicians.

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18. In the main, the representatives of the three governments in Paris found that the immediate prospects of a large-scale movement of emigrants from Europe were not bright, chiefly because of the limited opportunities for resettlement presently available in receiving countries. Australia is one of the receiving countries pursuing an active program of receiving immigrants. Present plans call for the admission of 200,000 to Australia annually for five years, of which at least half are to come from the British Isles and the remainder from European countries. However, Australia is presently experiencing difficulty in absorbing these numbers annually because of the shortage of housing and the restrictions placed upon movement by the limited amounts of assisted passage money made available to migrants. Australia has recently reduced its quota for receiving refugees and displaced persons whose overseas transport has been provided by the IRO. When free IRO transport is no longer available it is expected that the annual movement to Australia will be further reduced unless other means of transport are provided under international auspices. Australia's capacity to absorb its annual quota of 200,000 will also depend upon the further import of capital funds exemplified by the loan to the Australian Government made by the International Bank of \$100,000,000 this past summer.

19. The Latin American countries, which for various reasons failed to send representatives to confer with the representatives of the three governments in Paris in July, present as yet undetermined prospects for the admission of immigrants and are not presently in a position to indicate a willingness or capacity to absorb substantial numbers. The Economic Commission for Latin America and the International Labor Office are exploring the potentialities of immigration to Latin American countries. There is some indication that the IRO movement of refugees and displaced persons to the Latin American countries has supplied sufficient laborers to meet the requirements for workers in urban employment and that, in the main, additional movements to Latin American countries will depend primarily on the organization of projects for land settlement. Specific projects for the settlement of substantial numbers of immigrants have not yet developed in the Latin American countries which have been unable to date to work out programs for greater land utilization providing opportunities for the settlement of both indigenous and imported agricultural workers.

20. As in other international efforts the task of transferring surplus populations from Europe to areas where they may contribute labor to the expanding economies of other countries depends in large part on the contribution which the United States itself may make in the receipt of substantial numbers of immigrants. Present prospects for the development of a positive as distinguished from a restrictive immigration policy by the United States are limited. It is significant that the Congress which took over three years to adopt the amended displaced persons legislation providing for the admission of

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approximately 341,000 persons has adhered strictly to the quota principle of previous immigration laws in this legislation. To secure the adoption by the Congress of an immigration policy which will contribute substantially to the reduction of the surplus populations of European countries will require first the formulation of such a policy and second a reversal of public opinion which has for a number of years supported a restrictive immigration policy.

21. In view of the foregoing the prospects of increasing, let alone maintaining, the current flow of migrants from Europe particularly after the end of IRO movements, are not bright. A great deal of preparatory work lies ahead before either the United States or the Latin American countries are in a position to receive substantial numbers of immigrants. When and if such movement becomes possible the known capacities for assimilation in the receiving countries of German and Italian immigrants will give them priority in selection policies over defectors who may escape from Eastern European countries where they have been exposed to political ideologies unwelcomed in the receiving countries. In any event, defectors from Eastern European countries would unquestionably face competition in movement to countries of final settlement from the surplus migrants of the overpopulated countries of Europe for whom present prospects of movement appear decidedly limited.

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1. The legal problems involved in a defector program are primarily those arising out of domestic legislation relating to the admission of aliens to the United States. The principal legal obstacles to the bringing of defectors to the United States are contained in the provisions of the Act of October 16, 1918, as amended by the Internal Security Act of 1950 (Public Law 831--81st Congress) under which all the former members of Communist parties are excludable. Section 6 (b) of the latter Act allows the Attorney General to permit the temporary admission of such aliens but requires him to submit a detailed report to the Congress in each case. The chief practical problem, so long as this legal situation exists, would appear to be working out an arrangement with the Attorney General for the systematic handling of this class of case on an urgent basis.

2. The authority which the Secretary of State had under Section 15 of the Act of May 26, 1924, as amended by the Act of July 1, 1940 and the Act of December 29, 1945 (43 Stat. 162-3; 54 Stat. 711; 59 Stat. 672; 8 U.S.C. 215), to give temporary asylum to defectors who were originally admitted to the United States as foreign government officials or international organization aliens or members of the families of such aliens, was eliminated by Section 6 (b) of the Internal Security Act of 1950 so that under existing law there is no way whereby an alien former Communist can regularize his status in the United States or be admitted to the United States for permanent residence.

3. Section 8 of the Act of June 20, 1949 (Public Law 110--80th Congress) authorizes the admission of up to one hundred aliens yearly without regard to admissibility under the immigration laws upon the determination in each case by the Director of Central Intelligence, the Attorney General and the Commissioner of Immigration that the entry of the alien for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission. However, this provision is not designed to accommodate defectors as such. Moreover, it is understood that the view has been taken that this provision was repealed by the Internal Security Act. The Internal Security Act does not expressly repeal the provisions of the Central Intelligence Agency Act relating to immigration. In addition, the latter is like the McCarran Act, primarily a security measure, since, before an alien can be admitted under its provisions, a finding must be made that his entry for permanent residence is "in the interest of national security or essential to the furtherance of the national intelligence mission." It is believed that the two Acts are not necessarily inconsistent, but if there is any serious doubt about the matter the opinion of the Attorney General should be sought.

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4. A Committee in the Department of State has prepared suggested recommendations to the Congress for amendments to the Internal Security Act which, if adopted, would allow former Communists who had defected to enter the United States as immigrants. This Committee's principal proposed changes in the Act, so far as a defector program is concerned, are set forth below. If these recommendations are not adopted, it might be necessary to seek special legislation for the specific purpose of carrying out the defector program.

Proposed Amendments to the  
Internal Security Act of 1950

Section 22 1 (2). Preferred substitute:

"Aliens who at the time they seek to enter the United States are members of any of the following classes:"

This change is designed to remove the hardship imposed by the present form of the Act upon former members of totalitarian parties who saw the error to which they had been led and who gave up their membership. The recommended wording permits defectors from Nazi and Communist ranks to enter the United States and still excludes those presently dangerous.

Section 22 1 (2). Alternative substitute:

"Aliens who, at any time, shall be or shall have been members of any of the following classes; Provided, That nothing in this section shall require the exclusion of an alien who, having formerly been a member of any class specified herein, has not been a member of such class within the five-year period immediately preceding his attempt to enter the United States; Provided further, That if such former membership existed within such five-year period the alien shall not be excluded because of such former membership if it is established that he is opposed to the principles and purposes of such classes."

Alternative proviso:

Provided, That nothing in this section shall require the exclusion of an alien who was formerly a member of any party or organization specified herein, and who is actively opposed to such party or organization if it still exists.

These are alternatives to the first amendment. The recommended wording serves the same purpose as the foregoing change but discusses in more detail the case of the defector from totalitarian party ranks who is now opposed to the principles of such party.