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SECURITY INFORMATION
PSYCHOLOGICAL STRATEGY BOARD
WASHINGTON

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March 11, 1953

MEMORANDUM FOR MR. MORGAN

THROUGH: Mr. Browne

FROM: Arthur M. Cox

M.B. transmitted, but not time for study.

SUBJECT: Department of State Proposal for Encouragement of Additional Single Male Youth to Defect from Germany

Messrs. O'Connor, Anspacher, Comstock and Cox met on the subject of Under Secretary Smith's letter and agreed on the following suggested position for the Acting Director:

1. We agree that the policy recommended by the Department of State should be adopted, assuming that this policy takes into consideration the demographic problem in Western Germany and that measures are being considered to relieve the resultant population pressures in Western Germany.

2. A meeting of those persons concerned with the escapee problem in Germany in the member agencies should be called by PSB to determine the best means to obtain the funds for this program and to prepare a report for Board action. At this meeting clarification should be made of the distinction between the \$15 million program for escapees which is now before the Bureau of the Budget and the \$2.5 million interim program recommended in Under Secretary Smith's letter. The question of psychological exploitation of this program would also be discussed at the meeting.

PSB 091 Summary

I have discussed this letter with Mr. Dawson of State, Mr. Hand of CIA, Mr. Godel of Defense and Mr. Wiggins of DMS. The main problem seems to be the question of funds. No new funds can be obtained from Congress, certainly, prior to June 30. This is an emergency program which State would like to put in operation by April 1. The only legislative authority which would authorize the expenditure of funds for this program is the Kersten Amendment under Title I of the Mutual Security Act. Mr. Godel informs me that he will check further with his superiors, but believes Defense will be strongly against permitting any further funds to be used for care and resettlement unless it can be demonstrated that these funds will be used in connection with the establishment of military units. Mr. Hand says that he has talked recently with Allen Dulles, who states that CIA definitely does not intend to make funds available for any care and resettlement projects.

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