

PSYCHOLOGICAL STRATEGY BOARD  
WASHINGTON 25, D. C.

#9

MEMORANDUM

March 13, 1953

TO: C - Mr. Browne  
FROM: P - Mr. Anspacher - *HA*  
SUBJECT: Report on Youth Escapee Meeting March 13



1. Summary

a. Very strong objections were raised by CIA, as expected, to the policy proposed by Gen. Smith. They were based on

the impact such a defection-program might have on the economies of both the Federal Republic and the GDR. Some of these points were backed by Defense, especially with respect to the feasibility of encouraging defection, in the light of West German policies toward the whole refugee problem.

b. Special attention was focussed by Mr. Cox on the matter of negotiating a receptive attitude on the part of the West German government. He pointed out that Congress was becoming more and more volatile in its demands for action, especially under the Kersten Amendment. Cox proposed that the Government have a plan ready and be in a position, following successful negotiations at Bonn, to implement it in advance of formal Congressional action. He suggested that negotiations at Bonn begin immediately on the basis of intensified propagandea campaigns to encourage youth and to offer haven for political defectors in general, backed up with the 2.5 million dollars Gen. Smith proposed.

c. With respect to financial support, CIA begged off any commitment, claiming that its funds were earmarked by law for "confidential" purposes, and thus could not be applied to overt operations. ODMS proposed then that the funds be provided by Defense, either from Kersten Amendment or general "defense support" monies. Defense pointed out that both these sources were bearing the burden of military end-items, and that JCS would be very reluctant to cut back on this program for the sake of a defection of policy which it does not really approve. Kersten Amendment funds could be strung out into the FY '54 Budget but Defense-Support funds could not. In negotiations with Bonn, it will be important to stress that the 2.5 million dollar fund is expressly for youth and that 15 million has been requested from Congress for the Berlin crisis. The Germans probably will not change their attitude on a basis of a 2.5 million contribution but will simply increase their pressure for aid to Berlin. ODMS admitted CIA funds are convertible from confidential to open if they are transferred to MSA.

2. Conclusions

It is our considered opinion that State made a poor showing in answering CIA's objections. Ausland claimed that his office disagreed violently with HICOG's January estimate concerning the impact of a special program in Western Germany (which was largely the basis of CIA's objections), but preferred Berlin's estimate that the effect, on balance, would be favorable. Otherwise, Mr. Ausland (GPA) fell far short of backing Gen. Smith's letter with the facts and figures which seemed necessary to rebut both CIA and Defense. Their position is strong at the moment, basically on policy, but backed by a very dubious sentiment in the Pentagon about

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By MMK NLDDE Date 9/3/14



letting any dollar bills out of the military (end-item) coffers. As it stands now, I would take the position that State has a tremendous substantiation job to do, backed by HICOG\*, with respect to policy, negotiations, and finance. If it fails to succeed, this problem will never get by the Board. Meanwhile, State is trying to get us to do its muscle-flexing, perhaps at the expense of our success (to date) in getting the 15-million dollar "Berlin package" program on the Bureau of the Budget books.

### 3. Recommendations

That the Acting Director, briefed from this memo and the report on the meeting itself, take no position on this matter unless the State member is prepared to win over CIA policy and Defense ways-and-means objections; but

That if such rebuttal is successful, the Acting Director lend his whole weight to the immediate implementation of this project, and

That the Acting Director raise the question with State of the 15-million dollar program for Berlin, emphasizing the need for facts-and-figures intelligence to back up a psychological concept (so far lacking) on which to base an immediate pressure-campaign in this direction on Chancellor Adenauer.

cc: Mr. Cox

\*In this connection, Ausland confided to me (FYI only) that State had no desire at this point to press Conant personally for comments or recommendations; it preferred to wait for PSB approval of the Smith plan.

PJManspacher:hrk