

~~TOP SECRET~~

DATE July 7, 1954

COPY NO. 9

OPERATIONS COORDINATING BOARD

Washington, D.C.

PROGRESS REPORT ON NSC 174
UNITED STATES POLICY TOWARD THE
SOVIET SATELLITES IN EASTERN EUROPE

REFERENCE: NSC Action No. 991

OCB FILE NO. 16

NSC review(s) completed.

~~TOP SECRET~~

WARNING

This document contains information affecting the national defense of the United States, within the meaning of the espionage laws, Title 18, Sections 793 and 794, U.S.C., the transmission or revelations of which in any manner to an unauthorized person is prohibited by law.

TOP SECRET

OPERATIONS COORDINATING BOARD
Washington 25, D. C.

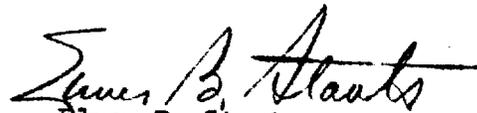
September 30, 1954

MEMORANDUM TO THE OPERATIONS COORDINATING BOARD

SUBJECT: Progress Report on NSC 174 (Satellites)

The attached Operations Coordinating Board Progress Report on NSC 174, "United States Policy Toward the Soviet Satellites in Eastern Europe", dated July 7, 1954, was noted by the National Security Council on September 9, 1954, Action No. 1220.

The previous draft of this report dated June 18, 1954 is obsolete and may be destroyed in accordance with the security regulations of your agency.


Elmer B. Staats
Executive Officer

Attachments:

1. Memo to the Executive Secretary, NSC, from the Executive Officer, OCB, dated July 15, 1954.
2. Progress Report on NSC 174, dated July 7, 1954.

OCB File No. 16

TOP SECRET

1
of 1 page

TOP SECRET

OPERATIONS COORDINATING BOARD
Washington 25, D. C.

July 15, 1954

MEMORANDUM FOR: Mr. James S. Lay, Jr.
Executive Secretary
National Security Council

SUBJECT: Progress Report on NSC 174

REFERENCE: NSC Action No. 991

On December 23, 1953 the President approved NSC 174, "United States Policy Toward the Soviet Satellites in Eastern Europe," and designated the Operations Coordinating Board as the coordinating agency.

Attached hereto is the first Progress Report on the implementation of NSC 174, covering the period through April 30, 1954. The Report was approved by the Operations Coordinating Board on July 7, 1954.

/s/ George A. Morgan
Acting Executive Officer

Attachment:

Progress Report on NSC 174,
dated July 7, 1954

TOP SECRET

July 7, 1954

PROGRESS REPORT ON NSC 174, UNITED STATES

POLICY TOWARD THE SOVIET SATELLITES IN EASTERN EUROPE

(Policy Approved by the President December 23, 1953)

I. SUMMARY

A. Actions in Execution of Policy

In implementing NSC 174 the following major actions have been taken:

1. The Berlin four-power conference afforded the Secretary of State opportunity to reaffirm U.S. opposition to Soviet domination over the satellites and the Baltic States which was exploited by USIA and other media.

2. CAST, a one-megawatt transmitter, was established in Germany and affords the opportunity of increasing the listening audience behind the Iron Curtain.

3. The NATO nations conferred in January on ways and means of coordinating propaganda broadcasts to the USSR and satellites and prepared recommendations to this end which are now under consideration by the respective governments.

4. The Phase A Escapee Program was examined by an OCB working group which made recommendations to improve services for rehabilitation and resettlement of refugees. These recommendations are now being implemented.

5. In line with the policy of providing a clear contrast between the East and West Zones of Berlin, FOA continued operation of food, refugee housing, escapee, and investment programs in West Berlin at approximately the same levels as in the past.

6. The Department of State consulted with the Kersten Committee of the House of Representatives concerning the committee's plans to investigate Communist seizure and rule in Europe.

7. Messages and statements on appropriate occasions in connection with national days of the Eastern Europe and Baltic States were issued and exploited.

TOP SECRET

TOP SECRET

8. USIA maintained the same level of broadcast hours to the USSR and the satellite states tailoring its special feature programs and regular newscasts to the new requirements set forth in the Courses of Action.

9. A separate report on covert operations will be made to the Board.

B. Evaluation of Policy

Effective implementation of certain of the courses of action stipulated in NSC 174 is inhibited by the cautions and limitations written into that document, by the practical difficulties of operating effectively on any scale in or into the denied areas and by the fact that the results of aggressive action to carry them out would seriously risk producing results in conflict with other U.S. policy objectives. Thus, while the policy objectives of NSC 174 remain valid as long-term goals, the ability of the U.S. to take direct action towards achieving those objectives is limited.

C. Major Problems

In the implementation of NSC 174, there are a number of factors which limit the actions which can be undertaken by the Government. There are policy problems, e.g., the objective is to restore freedom and roll back Soviet power in the satellites, but at the same time to avoid provoking war with the USSR, to ease international tensions, cooperate with our allies and avoid premature revolt. The Soviets showed plainly at the Berlin Conference how vital to their own interests they consider the maintenance of control over Eastern Europe. There are practical problems seriously limiting U.S. capabilities, including the tightness of border controls, radio jamming, and a ruthless police regime within the satellites. In the light of these difficulties, action and planning must be largely confined to overt diplomatic action, encouraging passive resistance, trying to keep alive the hopes of the satellite peoples, and propaganda and information sent into the area by radio, balloon, rocket or infiltrated.

D. Future Plans

An OCB working group is completing Operational Plans for the six-month period, May 1 through October 31, 1954, to include projects and special undertakings within the current capabilities of the departments and agencies. Due to restrictions in policy and limited capabilities, these plans will primarily involve actions which will permit propaganda exploitation to the peoples of the satellite states and several diplomatic moves.

TOP SECRET

TOP SECRET

II. DETAILED REPORT

A. Statement of Actions by Paragraphs of NSC 174

Paragraph 12: "Use appropriate means short of military force to oppose, and to contribute to the eventual elimination of, Soviet domination over the satellites; including, when appropriate, concert with NATO or other friendly powers, resort to UN procedures, and, if possible, negotiation with the USSR."

Status: The Berlin four-power conference developed and took place during this report period. The Secretary of State took advantage of opportunities made possible by the Soviet delegation to reaffirm U.S. opposition to Soviet domination over the Baltic States and the satellites.

USIA arrangements for the coverage of the Berlin Conference included extended utilization of special long-wave (CAST) and medium-wave (DUMBO) transmitting facilities in Germany. These super-power transmitters were used by RIAS (CAST from 11:30 to 1600 and DUMBO from 11:30 to 1500 GMT) to assure optimum penetration of East Germany and adjoining eastern areas. According to RIAS, reports from Eastern Germany indicate that as a result of this massing of transmitters, RIAS was able to reach East German audiences which it had never reached before. Successes achieved through this concentration of facilities prompted extension of RIAS use of CAST to the post-Berlin conference period. Thus, RIAS continues to use CAST daily from 10:45 to 12:00 GMT.

During the Berlin Conference USIA's Munich Radio Center made special arrangements to decrease its repeats of VOA/NY programs and to increase its original programming, using materials developed in Berlin.

The Armed Forces Network gave special emphasis to coverage of the Berlin Conference in AFN newscasts.

In January 1954, officials of NATO nations met in Paris to discuss coordination of propaganda broadcasting to the USSR and the satellites. As a result of these discussions, recommendations were made to the respective governments aimed at increasing the effectiveness of all programs beamed to the USSR and the satellites and the development of methods for the exchange of technical information so as to avoid mutual interference.

Paragraph 13: "Encourage and assist the satellite peoples in resistance to their Soviet-dominated regimes, maintaining their hopes of eventual freedom from Soviet domination, while avoiding:

- a. Incitement to premature revolt.

TOP SECRET

TOP SECRET

b. Commitments on the nature and timing of any U. S. action to bring about liberation.

c. Incitement to action when the probable reprisals or other results would yield a net loss in terms of U. S. objectives.*"

Status: On January 19, 1954 State Department, on OCB instructions, offered the Hungarian Government U. S. assistance to alleviate the effects of a flu epidemic. This proposal was declined by the Hungarian Government on January 27th in such manner that exploitation was impossible.

USIA, in broadcasts to the USSR and the satellites, emphasized especially significant developments which encouraged the spirit of resistance and maintained hopes of eventual freedom.

Particular emphasis, including preparation of special features and commentaries, was placed on the monolithic police regime, the difficulties attending the new agricultural policy, the nature of "collective leadership" in the light of the power struggle following Lenin's death, examination of the so-called "new courses" and appraisals of developments taking place during the year following Stalin's death. There was no substantial increase in the volume of information undertakings exploiting Soviet Orbit developments during the period of this report.

Paragraph 14: "Develop and encourage, as appropriate, increased use of passive resistance by the peoples of the satellites."

Status: USIA programs linked the concessions which the satellite regimes made to their peoples with the many forms of effective passive resistance carried out in Eastern Europe. Statements made by escapees and defected satellite key personnel were used both to expose the methods of Sovietization and to demonstrate resistance thereto.

Paragraph 15: "Be prepared to exploit any future disturbances similar to the East German riots of 1953 by planning courses of action which would best serve U. S. interests in such events."

Status: The OCB maintained a continuous watch on developments within the Soviet Orbit and plans have been prepared to meet possible contingencies. These plans however are confined to fixing responsibility on the puppet regimes and/or the Kremlin, propaganda exploitation and possible use of the forums of the United Nations. This is

* For example, account should be taken of the undesirability of provoking the liquidation of important resistance movements or of creating false hopes of U. S. intervention.

TOP SECRET

necessarily the case because of the limiting factors of NSC 174, as set forth in detail under II-D of the report, and other national policy. In addition, planning for any part of the Soviet Bloc will remain complicated until a comprehensive and definitive policy on the exploitation of USSR vulnerabilities, properly related to both U. S. peace and war time objectives, is promulgated by NSC.

OCB approved a guidance paper in connection with the development of world-wide food programs which included special provision for the satellite states to ensure rapid action if opportunities arise.

Paragraph 16: "Foster satellite nationalism as a force against Soviet imperialism, while avoiding commitments to national ambitions which would interfere with U. S. post-liberation objectives."

Status: Statements and messages were prepared by the Department of State in connection with national days and commemorative occasions related to the satellite states, including statements which were issued by the President, Vice President and/or Department of State for Masaryk Day; Lithuanian and Estonian Independence Day; the Woodrow Wilson Commemorative Ceremony; a ceremony of the American Order of General Pulaski; and the annual meeting of the International Peasants Union. USIA exploited these statements and messages in broadcasts to the satellite states.

USIA continued to emphasize in broadcasts to the captive peoples of Eastern Europe programs which emphasize national traditions, cultural thought, the art and literature of each satellite.

Paragraph 17: "Cooperate with other forces--such as religious, cultural, social--which are natural allies in the struggle against Soviet imperialism."

Status: On January 19, 1954 a high official of the Department of State received a delegation of Kalmyk Buddhists. On February 8, the fifth anniversary of the imprisonment of Cardinal Mindszenty, the President transmitted a letter to the United Catholic Organizations for the Freeing of Cardinal Mindszenty. Appropriate publicity and exploitation was given to these events which served to emphasize Soviet policy in liquidating minority peoples and Soviet oppression of religion.

Appropriate use was made by USIA of statements by western labor, religious, agricultural, and emigre organizations emphasizing popular unrest and opposition.

Paragraph 18: "Stimulate and exploit conflicts within the communist ruling groups in each satellite, among such groups, and between them and the Kremlin."

TOP SECRET

Status: USIA emphasized in newscasts to satellites (1) commentaries linked to satellite government reorganizations to conform to the Soviet pattern of collective leadership and (2) exploitation of the vast network of fear and suspicion engendered by the Beria purge which directly affected elements of the satellite governmental structure.

Paragraph 19: "Foster disaffection in satellite armed forces and police, to diminish their reliability in suppressing domestic disturbances and their will to fight in the event of war."

Status: No special actions or projects to report.

Paragraph 20: "Encourage democratic, anti-communist elements in the satellites; but at the same time be prepared to exploit any Titoist tendencies, and to assist 'national communist' movements under favorable conditions, making clear, as appropriate, that opportunities for survival exist outside the Soviet bloc."

Status: USIA, through broadcasts, sought to encourage anti-Communist elements in the satellites by keeping before them the official U. S. position calling for the eventual restoration of true liberty in the countries of Eastern Europe and confidence in the inevitable triumph of freedom. The President's letter to the American-Hungarian Federation on the occasion of Hungarian Freedom Day on March 15, 1954, and its exploitation, is a typical example of such support.

Paragraph 21: "Exploit the developing organizations of Western unity (NATO, OEEC, CSC, etc.) as a force of attraction for the satellites."

Status: USIA, through special features and regular newscasts, emphasized to the people of the Soviet Orbit the nature of the basic unity and the manifestations of strength, growing and actual, found in the various international and regional organizations of the Free World (NATO, OEEC, CSC, etc.)

Paragraph 22: "Encourage defection of key satellite personnel and possible VFC recruits, but not mass defection; and assist in the resettlement and rehabilitation of refugees who do escape."

Status: The Phase A Escapee Program was examined by an OCB special working group which prepared a report setting forth recommendations to improve services for rehabilitation and resettlement of refugees. These recommendations are now being implemented.

USIA used exploitable stories about escapees including their reception, care, resettlement, and integration. The agency assigned a field man to develop exploitable stories and give more emphasis to treatment accorded escapees by the Western world.

TOP SECRET

TOP SECRET

The second anniversary of the United States Escapee Program afforded the occasion for an extensive review of the escapee program, its purposes, services and benefits which was given extensive exploitation by USIA.

Paragraph 23: "Support or make use of refugees or exile organizations which can contribute to the attainment of U. S. objectives, but do not recognize governments-in-exile.

Status: FOA developed, in cooperation with the voluntary relief agencies, programs which both utilize and support refugee organizations.

USIA developed special feature programs and commentaries which utilized refugee and emigre groups, including a series of five commentaries recalling the life and heroic exploits of Skenderbeg, Albanian national hero, designed to combat communist efforts to expropriate him; commemoration March 3 of the 76th anniversary of Bulgarian Liberation Day; a series of eight commemorative articles on T. G. Masaryk designed to revive inward meaning of the Masaryk tradition; fifth anniversary of the trial and imprisonment of Cardinal Mindszenty and commemoration March 15 of Hungarian Independence Day; dramatization recalling the March Constitution of an independent Poland; a New Year's Day Message from King Michael of Rumania and reportage of message from other exiled leaders, together with an account of Vishinsky's interview with King Michael on occasion of Communist take-over of Rumania; important anniversaries of Latvia, Estonia and Lithuania.

Paragraph 24: "Strengthen covert activities in support of the objectives in paras. 10 and 11 under Basic Objectives of NSC 174."

Status: Covert operations will be reported on separately.

Paragraph 25: "Maintain flexibility in U. S. economic policies toward the Soviet Bloc, and toward individual satellites, in order to gain maximum advantage with the limited economic weapons at hand (both restrictions and incentives)."

Status: As a result of previous NSC policy decisions, actions have been taken during the reporting period and are continuously being taken to adjust the control system to current conditions, which actions may, in addition to other NSC objectives, result in furtherance of the above course of action.

In addition, NSC policy has been recently determined regarding the conditions of East-West trade in reference to disposal of U. S. surplus agricultural commodities.

Efforts were made by the State Department to reach a settlement of lend-lease accounts with the USSR and on March 26, 1954, an agreement

TOP SECRET

was signed for the return of 32 U. S. naval craft. Negotiations were completed for the directed sale of the steel mill in the U. S. owned by the Czech government.

Paragraph 26: "Continue U. S. diplomatic missions in Poland, Czechoslovakia, Hungary, and Rumania as long as may be in the U. S. interest, and keep under review the possibility of resuming diplomatic relations with Bulgaria and Albania."

Status: The Department of State considered and rejected a proposal to withdraw the U. S. mission from Rumania.

Paragraph 27: "Exploit the existence, and encourage the development, of the Yugoslav-Greek-Turkish entente as a means of weakening Soviet power in the Balkan satellites and as an example of free association of independent Balkan nations serving as a potential alternative to Soviet rule."

Status: The Department of State continued negotiations looking to a solution to the Trieste problem as a prerequisite to the strengthening of the Greek-Turkish-Yugoslav entente.

USIA emphasized in newscasts to the USSR and satellites the current military discussions of the Greek-Turkish-Yugoslav governments as evidence of the growing Free World strength and determination to combat aggressive Soviet imperialism.

Paragraph 28: "Keep the situation with respect to Albania under continuing surveillance with a view to the possibility of detachment of that country from the Soviet bloc at such time as its detachment might be judged to serve the over-all U. S. interest."

Status: No specific actions or projects to report.

Paragraph 29: "Exploit, to the fullest extent compatible with the policies regarding Germany as a whole and Berlin, the special opportunities offered by West Berlin and the facilities of the Federal Republic to undermine Soviet power in East Germany. Place the Soviets in East Germany on the defensive by such measures as may be taken to keep alive the hope of German reunification."

Status: The Department of State made a statement exposing the fictitious nature of the "sovereignty" granted to the GDR on March 25th, which was exploited by USIA and other media, and undertook measures to persuade the Free World countries to withhold recognition from the GDR.

In line with the policy of providing a clear contrast between the East and West Zones of Berlin, FOA has continued during the reporting period the operation of food, refugee housing, escapee, and investment

TOP SECRET

programs in West Berlin in the same manner and at approximately the same levels as in the past.

Paragraph 30: "Emphasize (a) the right of the peoples of Eastern Europe to independent governments of their own choosing and (b) the violation of international agreements by the Soviet and satellite governments, whereby they have been deprived of that right, particularly the Yalta Declaration on Liberated Europe and the Treaties of Peace with Bulgaria, Hungary and Rumania."

Status: Representatives of the Department of State consulted with the Kersten Committee (originally the Select Committee of the House to Investigate the Illegal Seizure of the Baltic States, whose authority has been extended to investigate Communist seizure of all other nations) concerning the committee's plans to investigate Communist seizure and rule in Eastern Europe.

The Berlin Conference afforded opportunities for statements by the Secretary of State emphasizing the right of the peoples of Eastern Europe to free elections and governments of their own choosing and violation by the Soviets of the Yalta Declaration in Liberated Europe which were exploited by USIA.

B. Evaluation of Policy

NSC 174 states the ultimate U.S. objective of seeing the captive peoples of the satellite countries free and independent of Soviet Communist domination. This objective is shared in varying degrees by all the free world. The desire for liberation from Soviet domination is undoubtedly strong among the captive peoples, many of whom would welcome militant Western action to liberate them, even to the extent of resort to a war of liberation by the West. Neither the U.S. nor other free world countries are willing to take such extreme steps, nor is the U.S. prepared to undertake or foster activities which it would not back up with military support in the event of ruthless Soviet suppression and reprisals. Furthermore, our European allies are strongly against taking what they estimate to be provocative action. Consequently, the U.S. must limit its activities to a scope which is considered inadequate by at least the activists among the captive peoples and some of the emigres. The limitations which over-all U.S. policy places on the means utilized in the direct pursuit of the broad objective of freedom for the satellites (quite aside from practical limitations arising from the meagerness of U.S. capabilities) are the reason for the inhibitions written into NSC 174 and made manifest in U.S. actions.

The implementation of the courses of action set forth in NSC 174 is restricted by the fact that U.S. capabilities behind the Iron Curtain are limited, due to the physical obstacles and tight controls

imposed by the Communists. U.S. capabilities are considerably greater in those areas of Eastern Europe which are contiguous with the Western world. In Eastern Germany, by virtue of our position in Berlin, they are in some respects greater.

The foregoing limits the U.S. field of action in the satellites largely to the encouragement of passive resistance, supported by any diplomatic measure which can be devised to strengthen the negotiating position of the West vis-a-vis the Soviet Union or to create conditions within the Soviet bloc which will permit of a more effective exploitation than is currently possible.

In summary, while the policy objectives expressed in NSC 174 are valid long-term objectives, the U.S. can make only minor progress towards their attainment under present conditions.

C. Major Problems

1. The Soviet Union has shown that it considers the continued domination of Eastern Europe essential to its own security and that it would take strong measures to prevent the detachment of any satellite (except possibly Albania). The Soviet control mechanism continues to operate effectively. It is probable that only military intervention by the West or internal collapse in the USSR could disrupt the control mechanism, and neither seems likely in the foreseeable future.

2. Due to the effectiveness of the Soviet control mechanism, and the ruthlessness with which any dissidence is suppressed, it cannot be expected that the people of any satellite will take positive actions towards revolt or towards seriously affecting Soviet control except such actions as can be taken clandestinely and with relative safety. It is probable that only a prospect of relatively near liberation, through military action or Soviet disintegration, would call forth active resistance by the satellite peoples.

3. While the satellite peoples at first hoped for and probably expected some change in their status as a result of Stalin's death and the consequent rearrangement of the Soviet power mechanism, the effectiveness with which power has been transferred and the continuing intransigence of Soviet actions have depressed such hopes. With the possible exception of the East Germans, the satellite people probably have concluded that their only hope of liberation is war, which they naturally also dread. In East Germany, there is probably a belief that national reunification may be able to be achieved short of war.

4. The emigres naturally consider liberation of their homelands as of overriding importance. Because of their relative lack of concern with other U.S. policy objectives, they tend to find it difficult to accept the limitations on U.S. action.

TOP SECRET

5. Actions can be taken and are taken to maintain the hopes of the captive peoples, through diplomatic, propaganda and other information activities. The maintenance of the strength and unity of the free world has a real impact behind the Iron Curtain; every successful resistance to Communist expansion has its effect. These are, however, mainly in the nature of holding actions so far as the satellites are concerned and the hard facts of the situation make it unrealistic to expect that conspicuous progress towards achieving the long-range policy objectives of NSC 174 will be made under present circumstances.

D. Future Plans

As indicated above, the type of actions which can be taken in support of U.S. policy toward the satellite states are restricted although the opportunities in Eastern Germany are greater than elsewhere. The Operational Plans prepared by the working group to cover the six-month period, May 1 through October 31, 1954, are consistent with these restrictions in policy and limited capabilities. Consequently, they primarily involve actions which will permit propaganda exploitation to the peoples of the satellite states and several diplomatic moves.

Continuous efforts will of course be made to develop additional assets and capabilities and to make them as effective as possible.

TOP SECRET

