

SECURITY INFORMATION
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COPY NO. 41

PSYCHOLOGICAL STRATEGY BOARD
Washington, D. C.

August 5, 1953

MEMORANDUM OF INFORMAL PSB MEETING, AUGUST 5, 1953

Place: Office of the Director of Foreign Operations
Administration

Present: Messrs. Jackson, Smith, Kyes, Dulles, Stassen and
Morgen.

Agenda Item 1. Proposal for Project on Future U.S. Problems in the
Satellite States

The project was approved.

Agenda Item 2. PSB Relations with USIA

The Board felt that the proposed drafting of an NSC directive for
USIA should wait until the new organization has had time to get settled.

Agenda Item 3. Study in Decline of American Prestige Abroad

It was decided that Mr. Dulles would have a coordinated estimate
prepared as a matter of urgency on the basis of whatever relevant infor-
mation can be obtained, notably from State Department and CIA sources,
together with material to be supplied by Mr. Jackson. Then the PSB
Staff would be asked to draft a plan for meeting and reversing the
alleged decline in U.S. prestige. This plan would be submitted to the
Board for approval. I called the Board's attention to the fact that the
NSC action calls for Council consideration of the Board's study before
mid-September.

Agenda Item 4. German Developments

The Board considered a number of suggestions for action. It felt
that a second note to Moscow might be over-doing it at this time, and
that for the coming week the following would suffice: (1) the High
Commissioner's offer to release for the purchase of food East German
funds now frozen; (2) a strong line on RIAS attacking East German re-
pressive measures as a crime against the people; and (3) the scheme to
encourage East Berliners to pass food parcels on to Germans in the East
Zone ("Every German help a German."). Messrs. Dulles and Kyes also
agreed to inquire for suggestions on how to discourage East German police
and paramilitary personnel from taking part in repressive measures. The
Board agreed further that the current procurement of food for the German
operation should continue in order to keep the stockpiles high, and that
a certain proportion of the food for East Germany should not be consigned
directly to the German Federal Republic in order to retain for the U.S.
a free hand to meet contingencies. In addition, it was agreed that
press clamor for greater use of the "Made in America" label in connection
with this program should be firmly resisted. In general the Board felt

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that a change of pace might be more desirable than a steady build-up in the exploitation of satellite unrest. With this thought in mind, it directed the PSB D-45 Working Group to inquire into the possibility of shifting the main action to Poland or some other satellite country.

Agenda Item 5. Draft Executive Order on OCB

This item was discussed.

Agenda Item 6. Other Business

The Board instructed me, with the assistance of agency representatives to make a preliminary study on how to implement NSC Action 866 with respect to implementation of the Jackson Committee recommendations.


George A. Morgan
Acting Director.

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