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DOC. NO. PSB D-47

DATE July 29, 1953

COPY NO. 56

PSYCHOLOGICAL STRATEGY BOARD

Washington

STATUS REPORT ON THE NATIONAL PSYCHOLOGICAL EFFORT

AS OF JUNE 30, 1953, and PROGRESS REPORT OF THE

PSYCHOLOGICAL STRATEGY BOARD

Submitted to the President and the National Security Council

by the Psychological Strategy Board

WARNING

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PSYCHOLOGICAL STRATEGY BOARD
WASHINGTON, D. C.

STATUS REPORT ON THE NATIONAL PSYCHOLOGICAL EFFORT
AS OF JUNE 30, 1953, AND
PROGRESS REPORT OF THE PSYCHOLOGICAL STRATEGY BOARD

NOTE BY THE SECRETARY

This report was approved by the Board at its Meeting, July 29,
1953.

Charles E. Johnson
Charles E. Johnson
Secretary to the Board

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STATUS REPORT ON THE NATIONAL PSYCHOLOGICAL EFFORT
 AS OF JUNE 30, 1953, and PROGRESS REPORT OF THE
 PSYCHOLOGICAL STRATEGY BOARD

Submitted to the President and the National Security Council by the
 Psychological Strategy Board

pursuant to the memorandum dated May 27, 1953 addressed to the Acting
 Director of the Psychological Strategy Board by Mr. James S. Lay, Jr.,
 Executive Secretary of the National Security Council.

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I. STATUS OF THE PROGRAM ON JUNE 30, 1953

1. The Board presents below a brief evaluative summary of the status of our national psychological programs as of June 30, 1953, based largely on the appended Progress Reports by the departments and agencies responsible for operations.

GENERAL

2. While the President's Committee on International Information Activities studied the whole problem of the world struggle with a view to basic improvements in the U.S. position, the struggle, on the psychological as on other fronts, was conducted with increased vigor. The most far-reaching opportunity came with Stalin's death. The President's speech of April 16 was signally successful in capitalizing on the situation by appealing to the new leaders for an era of worldwide peace and friendship. The world at large received the speech with great enthusiasm, and the follow up support through psychological exploitation added to the initial success.

3. Further exploitation of events behind the Iron Curtain has been guided by the requirement that psychological operations must be keyed in with political action. After Stalin's death, the next major occasion for such action followed the outbreaks in Czechoslovakia and East Germany. Plans and operations were stepped up accordingly, with prospect of conducting a major campaign in the long-range contest to take full advantage of the consequences of Stalin's death.

4. Outside of the Soviet orbit the developments on the psychological front have been characterized by a disappointing deterioration in the attitudes towards the U.S. Non-Communist press and public opinion in Western Europe has reflected mounting criticism of U. S. foreign policy

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(the possible trend back to isolationism), and alleged anti-Communist "hysteria". These unfavorable attitudes in combination with a generally more receptive reaction among Western European peoples to the Soviet "peace offensive" now constitute an intensification of anti-American feeling among significant elements of European opinion.

5. World opinion has also been markedly unfavorable towards the development of U. S. foreign trade policies. At the same time that we are sharply reducing our programs for economic assistance, it has felt that we are providing little indication that our markets are to be opened up to foreign goods. Congressional criticism of our allies for their practices in the field of East-West trade, in combination with the new Soviet line on expansion of trade with the free world, has begun to have an adverse psychological impact around the world.

6. Urgent planning for stronger psychological measures based on Thailand was set in motion as the result of the invasion of Laos and the accompanying threat of Communist aggression in Southeast Asia.

7. While our overt psychological capabilities have been reduced by personnel difficulties, pressures in the Congress and appropriations cuts, covert capabilities continued to make sound progress, and faster and more energetic teamwork was secured through closer relations with the NSC and the operating agencies.

AREAS

8. Within the USSR itself, radio still constitutes the only important means used currently to reach the Russian people. Jamming by the Russian radio of our broadcasts continues to present a major problem. There was

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however, a perceptible increase in effectiveness of our radio resources in the last six months due to the inauguration of Radio Liberation and the stepped-up activity of Radio Free Russia. In addition to the radio, leaflet distribution was utilized to reach Soviet military forces stationed outside the USSR.

9. Similarly, in Communist China, the major psychological activities presently available are radio and leaflet drops. Both of these are being substantially increased. Through Hongkong, increased use is being made of overt, grey and black propaganda channels with the Chinese mainland.

10. In the European Satellites likewise, radio is our major propaganda communications medium. RIAS, RFE, and VOA have contributed to the building up of pressures that may be instrumental in weakening the Kremlin's control of the satellites. In most of these Satellite States, progress in other forms of psychological activity, mainly unattributable, has been slow, and has centered on the build-up of operating potential. There has, however, been increased action, including leaflet drops, in certain satellites - notably Albania, Bulgaria, and Rumania.

11. A high degree of access to East Germany was maintained despite increasing Soviet security restriction. Virtually the entire area has been continuously subjected to U. S. psychological programs through mainly indigenous channels.

12. In Western Europe, the presence of U. S. Armed Forces and the Military Aid program provided a significant psychological impact. Increased emphasis on troop acceptance programs enlisting the positive cooperation of the governments and the local authorities has brought about a definite improvement in most areas in the problem of avoiding friction between U. S. military personnel and foreign populations.

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13. Among the principal problems that have confronted U. S. psychological efforts in Western Europe during the past six months are increased criticism of the U. S. and, especially since Stalin's death, the Soviet "Peace Offensive". It is evident that many, if not all, Western European governments have been influenced to some extent by the Kremlin's tension-reducing tactics. The effect has been to retard progress toward a number of our objectives, including the build-up of Western defenses, the ratification of EDC, and attainment of European integration.

14. The U. S. counter-offensive has included fullest exploitation by the Department of State's Information Program of the President's Inaugural address and of his April 16 speech challenging the new leaders of the USSR to prove their peaceful professions by deeds, not words. Copies of the latter were presented to Foreign Offices all over the world in advance of delivery and kinescopes of the entire speech were sent to seventy-three posts within a day of its delivery. One of these was shown over BBC television on April 20 to an estimated audience of 6,000,000. Five million pamphlets, handbills, and leaflets on the speech were prepared and distributed, and a documentary film of it in thirty-five languages had been produced and shipped by May 2.

15. In Italy, U. S. efforts to aid the reelection of the Democratic Center Parties fell considerably short of their objective. The DeGasperi Coalition was returned to office by a slender margin and the Communists and extreme Rightists registered significant gains.

16. In France, the municipal elections in May showed that the Communists had suffered a slight set-back in rural areas, but had maintained their position in the industrial areas in larger cities. Governmental instability was a troublesome factor during the period and a relaxation of earlier French official measures to reduce the power of the

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Communist Party in France resulted. The repercussions of some Congressional investigations, as well as of the Rosenberg executions, in conjunction with the Kremlin's peace campaign, appear to have contributed to an increase in neutralism.

17. In the United Kingdom also, there appears to have been a marked increase in neutralism in its special British form of Bevanism. Although the belief is still widely held that Western unity must be preserved, three major elements contribute to the growth of anti-American feeling:

- (1) The belief that the U.S. is deeply divided on basic international policies,
- (2) The development of the Soviet "peace offensive", and
- (3) The desire to exercise a more positive and independent initiative in international affairs.

18. In West Germany and Berlin, the recent riots touched off greatly increased pressures for unification, complicating the problems of German ratification of the EDC. With this exception, however, U. S. psychological programs in Berlin and West Germany, as well as their projection into East Germany, appear to have been fairly effective in promoting progress toward our major goal of a Democratic Germany integrated into Western defense efforts. Since late March German press opinion has reflected a decline in confidence in U. S. leadership. This was temporarily halted by the President's April 16 speech, but has since been resumed. The two major factors contributing to this are: (1) the Soviet "peace offensive" and (2) lack of agreement within the U. S. on policy towards Germany.

19. In the Near and Middle East and South Asia, neutralism, and the tendency to associate the U. S. with "colonialism", continued to present a major obstacle to the attainment of U. S. psychological objectives. In the Arab States, the alleged pro-Israel bias on the part

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of the U. S. remained a major handicap, although the visits to Middle Eastern capitals by Secretary Dulles and Mr. Stassen may have alleviated this problem, at least temporarily. IIA has continuously exploited the beneficial aspects of these visits in its output to the area. Turkey, Pakistan, and Greece appear to be the brightest spots in this area, psychologically speaking.

20. In the Far East, the resumption of Korean truce talks raised major psychological problems. The exchange of sick and wounded prisoners necessitated special measures to deal with "brain washing". Steps were taken to achieve more effectively coordinated guidance on information matters concerning Korea through the channels of the Psychological Operations Coordinating Committee. The offer of a reward to MIG pilot defectors was followed by an immediate and significant shift in Communist air tactics over the Korean battle area.

21. In Japan, severe economic problems and growing neutralist resistance to the U. S. objective of Japanese rearmaments have been trouble spots in a picture otherwise fairly satisfactory. "Grey" and unattributable activities have progressed favorably.

22. In Latin America, our capabilities for effective psychological action increased in a number of countries, for the most part in the field of unattributable activity. There has been growing dissatisfaction in many Latin American countries directed mainly against American economic policies. To help offset this, a major psychological move was Dr. Milton Eisenhower's goodwill tour of South America initiated late in June.

SPECIAL ITEMS

23. Emergency assistance provided by U. S. Armed Forces in cases of national catastrophe has made material contributions to U. S. psychological efforts in The Netherlands, England, Turkey, Greece, Iran,

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Ecuador, and Japan.

24. A grant of 1,000,000 tons of wheat to Pakistan has had a similarly favorable effect.

25. Carefully planned exploitation of U. S. leadership in the atomic field, with a coordinated public information program on the Nevada weapons tests and other special weapons, as well as certain news leaks that gave rise to widespread speculation as to the explosion of a thermo-nuclear device at Eniwetok atoll, contributed to the U.S. psychological effort.

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II. THE WORK OF PSB

During the first half of 1953, the work of PSB was marked by a vigorous shift in emphasis from long-range planning to include more immediate implementation and operational activities. This change reflected the advent of a new Administration, and especially the assumption of the Presidency by General Eisenhower. The President's stature made his inauguration on January 20 a major factor in the world psychological struggle, doubly so because of the strong views which he was known to hold on the importance of seizing the initiative in the cold war.

This found direct expression in the designation of Mr. C. D. Jackson as Special Assistant to the President, and his appointment, along with Mr. Harold E. Stassen, new Director of the Mutual Security Agency, to membership on the Psychological Strategy Board. Mr. Jackson was elected Chairman of the Board.

MAJOR ACTIVITIES

The impact of these organizational changes on the work of PSB was further heightened by important psychological developments in the international field during this period, including the death of Stalin, the intensified "peace offensive" of the successor regime in the Kremlin, the renewal of armistice negotiations in Korea, and the outbreak of large-scale anti-Communist and anti-Soviet rioting in East Germany.

A number of special projects were undertaken by PSB as a result of these events and changes, some at the request of the National Security Council, others on the initiative of the new Chairman of the Board. These special projects included the following major activities of the staff undertaken in cooperation with representatives of the Departments of State and Defense, the Central Intelligence Agency and the Mutual

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Security Agency:

Program of Psychological Preparation for Stalin's Passing from Power
 (PSB D-24)

Plan for Psychological Exploitation of Stalin's Death (PSB D-40)

During the early months of the reporting period, preparatory planning in anticipation of Stalin's eventual death continued under PSB D-24, including the drafting of a contingency guidance. When Stalin's illness was reported, the National Security Council requested the preparation of a plan for psychological exploitation of Stalin's death (NSC Action No. 728 b(3), March 4, 1953). The resulting PSB D-40, "Plan for Psychological Exploitation of Stalin's Death", was finally approved on April 23, superseding PSB D-24. The Presidential address of April 16 was the major initial move provided for in the Plan. Such an address had been agreed upon by the NSC, and PSB was assigned the task of coordinating appropriate follow-up by departments and agencies of the Government (NSC Action No. 734 d, March 12, 1953). To assist it in complying with this assignment, as well as in implementation of PSB D-40, the Board established an inter-departmental working group which reports twice monthly to the Chairman.

Volunteer Freedom Corps

NSC Action No. 724 (February 25, 1953) approved in principle NSC 143, "Proposal for a Volunteer Freedom Corps", and directed that a detailed plan be prepared by an ad hoc committee composed of representatives of State, Defense, CIA and PSB staff. A "Proposed Basis for Psychological Operations Planning to Exploit the Volunteer Freedom Corps," dated March 20, 1953, and "A National Psychological Strategy Plan for the Volunteer Freedom Corps," dated March 30, 1953, submitted by the PSB staff representative, were intensively utilized by the ad hoc committee in preparing the relevant sections of its report to the Council. The Psychological

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Supporting Plan for Implementing NSC 143 was included in the ad hoc committee report of April 14 to the NSC Planning Board. After the rioting broke out in East Germany in mid-June, the PSB recommended to the NSC that consultation with the United Kingdom, France and the Federal Republic of Germany be initiated by the State Department immediately with a view to implementation as soon as possible of the Volunteer Freedom Corps plan. The Joint Chiefs of Staff point out that the feasibility of implementation is directly dependent upon continued fiscal support by the Congress and successful negotiations by the Department of State with the foreign governments concerning the recruiting and stationing of these VFC units in their respective countries.

Interim U.S. Psychological Plan for Exploitation of Unrest in Satellite Europe (PSB D-45)

NSC Action No. 817-e (June 18) directed ISB to prepare recommendations as to policies and actions to exploit the unrest in the satellite states. A summary statement of the recommendations was approved by the Board on June 24, and by the NSC on June 25. The comments of the member agencies on the complete plan (PSB D-45) were coordinated through normal staff procedures and approved by the Board on July 1. This plan provides for an integrated and phased exploitation of actual and latent unrest in the satellite states to embarrass Soviet Control in those areas without jeopardizing fundamental American objectives.

U. S. Psychological Strategy with Respect to the Thai Peoples of SEA (PSB D-23)

Shortly after the Viet Minh invasion of Laos, the NSC directed the PSB (NSC Action 788 b, 13 May) to develop a plan for coordinated psychological operations based on Thailand, and to submit this plan to the NSC for consideration.

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A PSB panel was already working on an over-all psychological plan for Southeast Asia. Using this background, a new plan was developed, calling for a more vigorous exercise of U.S. leadership in Southeast Asia in two phases, (1) consolidation of Thailand as a secure base, and (2) eventual extension of U.S. psychological programs beyond the Thai boundaries if and when conditions permit. By June 30, the plan had been approved in principle and was nearing readiness for submission to the NSC.

Korea

Emergency Plan - Break Off of Korean
Armistice Negotiations (PSB J-19-d)

This contingency plan provides psychological objectives and courses of action in the event of the breakdown or break off of armistice negotiations.

Korean Cease-Fire Negotiations (PSB D-7c)

This plan covers the period immediately following the conclusion of an armistice and the Department of State has already begun work on the preparation of a new guidance dealing with the period of UN General Assembly approval of the proposed armistice agreement and the opening of a Korean political conference.

Guidance on Prisoner of War Exchange in Korea

At the request of the Department of Defense, the PSB staff undertook to prepare a coordinated interdepartmental guidance on the POW problem in Korea and in particular on the exchange of sick and wounded prisoners. This guidance was submitted to the Chairman of the PSB and transmitted by him to the members of the Board as a checklist of relevant psychological considerations.

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Communist Brainwashing

As a result of a letter of February 19 from the Secretary of Defense to the Under Secretary of State and the Director of Central Intelligence and of subsequent conversations between the last-named and the PSB staff, an Ad Hoc Interdepartmental Committee was set up to work with various scientific advisers to ascertain what counter-measures can be undertaken against so-called communist "brain-washing" techniques. A member of the PSB staff, who chaired the committee, remains in close contact with the military officers in charge of repatriation of the first American prisoners of war, and he has certain continuing responsibilities in connection with the foreign and domestic psychological aspects of the problem.

U. S. Doctrinal Program, PSB D-33

In September 1951, the Board authorized the establishment of an inter-departmental panel to study and make recommendations about "doctrinal (ideological) warfare against the USSR". At that time, the Board approved a paper which noted the Soviet ideological efforts which had gained influence upon the intelligentsia throughout the world and had predisposed them towards communist viewpoints. The panel, studying the Soviet approach and possible U.S. counter-action, developed a U.S. Doctrinal Program (PSB D-33) as a means of restoring U.S. influence and minimizing communist influence among the world's intellectuals. This Doctrinal Program visualizes a long-term intellectual movement, employing a permanent literature and a series of scholarly activities to break down the doctrinaire thought patterns which have aided Communism and to foster greater understanding and acceptance for the traditions and viewpoints of America and the Free World. As of June 30, the proposed program had been circulated for Board approval.

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President's Emergency Immigration Program

On April 22, 1953, President Eisenhower recommended to the Congress emergency legislation to admit 240,000 immigrants into the U.S. during the next two years. The President indicated the categories of people to be covered were escapees from Communism and the victims of economic conditions in the countries of the North Atlantic Treaty Organization. On the initiative of the Chairman of PSB, members of its staff intensively supported this recommendation by assistance in the preparation of legislation to be introduced into Congress and by other means necessary to bring about its enactment. This was a completely coordinated staff effort, bearing in mind the potential impact of the program on the Italian General Elections which were to occur on June 7th and 8th, the objectives outlined in PSB's Escapee Program, and the possibilities such legislation would have in helping to bring about greater solidarity within NATO. Through the PSB Coordinating Committee for D-15b, the operating agencies were able to make particularly good use of the introduction of the bill in the Senate and the introductory statement by Senator Watkins as well as of the supporting testimony of Cabinet members.

Armaments Publicity Policy

A member of the PSB staff is representing Mr. C. D. Jackson in the deliberations of an Ad Hoc Committee on Armaments and American Policy. This group was designated by the NSC Planning Board in March to develop a Government publicity policy for the benefit of the American public on the subject of the armaments race with the USSR.

On May 8 an Interim Report by the Ad Hoc Committee (NSC 151) went to the Council which considered it on May 27, and its action on that date (NSC Action No. 799 d) included a direction to PSB

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"...to prepare for Council consideration an outline plan of the specific steps, including speeches by Government officials, which should be taken to carry out the recommendations contained in NSC 151".

A Presidential speech on this subject was in draft on June 30.

Procedural Guidance for Famine Relief Projects

A PSB staff paper setting forth an operational plan for exploitation of possible psychological advantages which might be derived from gifts of U.S. surplus food to countries within the Soviet orbit was submitted for Board consideration.

President's Flood Relief Committee

A PSB staff member served in an advisory capacity on the Inter-Agency Working Group on Flood Relief.

IMPLEMENTATION ACTIVITIES

The increased emphasis on special projects and short-term plans of a quasi-operational nature, as well as the maturing of more and more long-range PSB plans, led to a sharp increase in the follow-up work of PSB in cooperation with the Departments of State and Defense, the CIA and the NSA. In addition to coordination activity on plans and projects described above, the following approved PSB plans were in the process of active implementation by government departments and agencies during the reporting period:

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- (a) Psychological Operations Plan for the Reduction of Communist Power in France (PSB D-14c)
- (b) Psychological Operations Plan for the Reduction of Communist Power in Italy (PSB D-15b)

Coordination of the implementation of these two plans has been carried out by a Washington Interdepartmental Committee working with counterpart Committees in Paris and Rome acting under the immediate supervision of the respective Ambassadors. USCINCEUR has appointed a Liaison Representative who has met with the Paris Committee.

Municipal elections held throughout France in May indicated a slight over-all decline in communist electoral strength, but future prospects for effective anti-communist action were not bright as the reporting period closed with a prolonged French political crisis. Efforts started some months ago to lift parliamentary immunity from six communist deputies have not yet been successful.

Prior to the national elections in Italy, the Washington and Rome Committees undertook a number of actions designed to further the objectives of the plan, including psychological exploitation of the President's proposed emergency immigration program. The precarious majority obtained by the Center parties, and the gains of both Left Wing and Right Wing extremists, underline the continuing gravity of the situation. In the light of post-election comment from the U.S. Embassy in Italy, the plan to reduce communist power in that country is to be reviewed for the purpose of preparing a revised post-election strategy.

- (c) Psychological Operations Plan for Soviet Orbit Escapees (PSB D-18/a)

The Escapee Program was established in implementation of U.S. defector policy as set forth in NSC 86/1 with respect to improving the conditions of reception and care afforded recent escapees from Communism, and promoting

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their permanent resettlement. The Program which was administered by the Department of State during the reporting period also provides opportunity for meeting and confuting, with evidences of friendship and practical concern for the victims of Communism, the damaging Soviet propaganda which has in the past exploited inadequate conditions and the general neglect which greeted escapees on their arrival in the Free World.

During the past six months, the Program has achieved substantial results at a minimum cost to the Government. In Europe, care and maintenance activities are carried on in each of the major countries of first asylum, benefiting 14,890 currently registered escapees through the provision of supplemental food, clothing, medical and dental care, sanitary and living facilities, and amenity supplies. Resettlement is promoted by documentation, training, counseling and similar services performed in Europe, immigration opportunity searches undertaken in Canada and several Latin American countries, and the provision of funds for transportation for escapees qualifying for movement. Through these methods 4,709 escapees had been resettled or were awaiting passage by June 1, 1953.

United States assistance has directly brought about a marked improvement in the conditions of asylum and opportunities for resettlement offered escapees, and has also stimulated increased contributions by local government authorities and voluntary agencies. These activities have afforded material for utilization through information media abroad, have contributed to intelligence acquisition and related programs, and have provided a basis for successful rebuttal in the General Assembly of Czechoslovak charges of subversion under the Mutual Security Act.

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Soviet and satellite sensitivity to the fact of continued escape from behind the Iron Curtain, and of assistance to this group on the part of the Free World has been demonstrated by repeated press and radio attacks on the Escapee Program, by internal propaganda designed to conceal or minimize the continuing outward flow of escapees, by increasingly severe security measures and border controls, by the bringing of charges before the General Assembly, and by legal measures directed at particular individuals and groups of emigres.

During the year, program activities were extended under the authority of Section 303(a) of the Mutual Defense Assistance Act of 1949, as amended, on a limited basis to South Asia and the Far East. Some 300 Kazakh refugees from Sinkiang Province who escaped to Kashmir are being assisted either to resettle in rural Kashmir or to move onward to Turkey. A select group of trained and educated refugees from China now stranded in Hong Kong will be assisted to resettle in Formosa or other suitable areas of the Far East under contractual arrangements with Aid Refugee Chinese Intellectuals, Inc.

(d) National Psychological Program with Respect to
Escapees from the Soviet Orbit: Phase "B"
(PSB D-18a/1a)

Approved by the Board on January 15, 1953, this Plan is essentially a program for encouragement of escape from the Soviet orbit for psychological purposes and for psychological employment of key satellite personnel.

On the recommendation of the Board, the NSC amended NSC 86/1 to insure that the term "key satellite personnel" includes any satellite national whose escape would be of significant psychological value to the Free World. An observer from the staff of PSB has been designated to meet, as the agenda requires, with the Inter-Agency Defector Committee

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which functions under CIA to execute NSCID 13 and 14. Plan D-18a/1a provides for military use of escapees to derive psychological advantages. Incisive action in this regard resulted from appointment of a special committee by the NSC at the direction of the President. This task group, carrying forward the work of the Phase "B" panel, made a comprehensive study and developed plans for the creation of a Volunteer Freedom Corps (NSC 143).

In addition, overt programs such as those under IIA have given increased attention to escapees. Other uses of escapee personnel encompass such activities as the Free Europe University in Exile (sponsored by the National Committee for a Free Europe), and certain of the operations in its appropriate area of the Committee for Free Asia, which offer opportunities for special exploitation of the potential for non-communist leadership among these people. The program in Europe has the capability of absorbing profitably more qualified candidates than have appeared thus far. Radio Free Europe and Radio Liberation have increased their propaganda exploitation of escapees and are using in their programming current escapees offering substantial value.

- (e) Plan for Conducting Psychological Operations
During General Hostilities (PSB D-8/b, NSC 127/1)

National Overt Propaganda Policy Guidance for
General War (PSB D-11/b)

The substance of these plans has been integrated into the current war plans of both JCS and CIA. The Department of State chairs an inter-departmental subcommittee of the Psychological Operations Coordinating Committee consisting of representatives of State, Defense, the Central Intelligence Agency and the Mutual Security Agency for the purpose of drafting an "X-Day" Plan in implementation of NSC 127/1.

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- (f) A Strategic Concept for a National Psychological Program with Particular Reference to Cold War Operations under NSC 10/5 (PSB D-31)

Work on this project was in effect taken over by the President's Committee on International Information Activities.

- (g) National Psychological Strategy with Respect to Germany (PSB D-21)

and

- (h) National Psychological Strategy with Respect to Berlin (D-21/2) (Supplement to PSB D-21 dated October 9, 1952)

A supplementary psychological plan for Berlin was approved by the Board on February 3, 1953. Supporting Plans for implementing this program as well as the Plan for West Germany as a whole, were developed by the Department of State and Department of Defense, coordinated and approved by other member agencies. A special Coordinating Committee has been established in Bonn under the auspices of the U.S. High Commission. Under the active chairmanship of the HICOG Public Affairs Officer, the Committee brings together representatives of State, Defense, MSA, and CIA. Reports from this Committee outline detailed action taken and indicate progress in implementing the German and Berlin Plans, which have now become, in effect, the charters for the Government's information and other psychological programs in the area.

Possible revision of these plans is under preliminary staff consideration as a result of recent developments in Germany and in Europe generally, as well as of modifications of U.S. policies.

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(i) Psychological Strategy Program for Japan
 (PSB D-27)

Follow-up work on the Japan plan, which was approved by the Board on January 15, 1953, has resulted in the setting up of two Committees in Tokyo for the coordinated implementation of this program. The first Committee is a high-level group chaired by the Ambassador himself. The second is a working-level Committee headed by the Public Affairs Officer and including also representatives of Defense and CIA. Preparation of supporting plans, however, has been slow. The State Department is now working on a revision of the U.S. country paper for Japan which follows very closely the content of PSB D-27. The preliminary steps have been taken to include MSA in the coordinated implementation of the Plan if and when an expected FOA program for Japan is approved.

(j) Psychological Strategy Program for
 the Middle East (PSB D-22)

Implementation of this Plan is proceeding under the active supervision of the Middle East Coordinating Panel in Washington. After the visit of the Secretary of State, accompanied by the Director of MSA, to the Middle East, the Panel held a special meeting toward the end of the reporting period to take into account the resultant new policy attitudes toward Middle Eastern problems. A request for comments on D-22 from the field resulted in replies from five of the ten Diplomatic Missions in the area. The comments received were uniformly favorable and several of them were enthusiastic. The Washington Panel is considering the problem of establishing in the field the necessary coordinating mechanism to implement this regional program.

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PLANNING ACTIVITIES

Plans Authorized and in Process of Development:

Plans in various stages of preparation on June 30 included the following:

- (a) Psychological Strategy Plan for Western Europe
(PSB D-38)

A regional psychological strategy plan to increase the willingness of Europeans to support mutually agreed security goals in Western Europe by reducing anti-U.S. attitudes was completed and sent to the Board members on June 30 for approval by vote slip action.

- (b) Program for Support of the Orthodox Church
(PSB D-39)

Possible ways of utilizing the world-wide influence of the Orthodox Church as a means of checking increasing Soviet influences in the Eastern Mediterranean and as a method of weakening Soviet control within the Soviet Orbit is the basis for this plan. A program for the non-attributable support and assistance to non-Russian leadership of the Orthodox Church was informally concurred in by the member agencies and forwarded to the Board members for vote slip approval.

- (c) Plan for Exploitation of Dissidence in the Soviet Bloc: USSR Armed Forces
(PSB D-43)

This plan to exploit the bases for schism between the regime and the military establishment of the Soviet Union and to increase dissidence within the Soviet Armed Forces where significant vulnerabilities are indicated, awaits final clearance prior to early submission to the Board.

- (d) Iranian Contingency Plan

A PSB chaired interdepartmental panel will coordinate psychological planning in relation to the possible partial or complete loss of Iran, a contingency which had not been assumed in the approved psychological strategy plan for the Middle East.

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(e) Indo-China

A special program for the use of U. S. Influence in Support of U. S. Objectives in Vietnam, Cambodia and Laos was drafted and in the process of interdepartmental clearance at the end of June.

(f) Psychological Strategies in North Africa

This paper, including a study of the Psychological Data, a report on the Status of Power Relations, and an illustrative plan for U. S. psychological action in the area, was in the process of clearance and completion on June 30.

Review and Revision of Approved Plans

A procedure was developed during the period, under which all completed plans are regularly reviewed by the staff with a view to determining whether revision is required. Early revision of the French and Italian plans is now contemplated.

EVALUATION AND INTELLIGENCE

Evaluation Methods

Work was continued with Government research offices engaged in developing techniques for evaluating psychological operations. Progress in this field has been made through:

- a. examining current evaluation research projects in the Government to determine their relevance to PSB needs.
- b. alerting Government research units to the continuing need for research, particularly on evaluation criteria for psychological operations, and assisting them in fixing priorities for major research projects.
- c. holding conferences on evaluation techniques and criteria.

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- d. suggesting specific evaluation projects for Government research units, such as a Handbook on Statistics for Psywar.

Evaluations and Pre-planning Situation Estimates

During the reporting period, the following projects in this category were carried out:

- a. An Evaluation of the Psychological Effect of the U. S. National Effort in Italy. (PSB D-29): This paper, which was drafted during the final quarter of 1952, was noted by the Board on January 15, revised, and distributed for information. It concluded that U. S. policies and programs have contributed substantially to the attainment of our national objectives in Italy, but that the situation was still grave and that withdrawal of our support might well lead to the collapse of the Government then in power (February 1953). Accordingly, it concluded that there should be no slackening of our effort in the crucial period ahead.
- b. An Evaluation of the Psychological Impact of U. S. Foreign Economic Policies in the U. K. (PSB D-36): This paper identified some adverse psychological results of certain aspects of our economic policies towards the U. K., especially in the military aid and tariff areas. It was approved by the Board on January 15, and, after further coordination, it was transmitted to the NSC, and, through the State Department, to other interested agencies.
- c. Evaluation of the Psychological Impact of U. S. Foreign Economic Policies in France (PSB D-37): The completed paper was accepted as a reference document by the Board on January 15. It outlines the psychological causes behind the difficulties encountered by France in pursuing free world objectives, notes

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the psychological obstacles raised by our policy towards France, and proposes actions to obtain French cooperation.

- d. Psychological Plan for the Reduction of Communist Power in France (PSB D-14/c): An evaluation of this plan, including suggestions for its revision, was ready for consideration on June 30.
- e. Psychological Operations Plan for Soviet Escapees (PSB D-18a): An analytical report on the first year's operation of the United States Escapee Program is nearing completion.
- f. Soviet Sensitivities: An evaluative report on this subject, prepared in an interdepartmental committee, was completed and submitted to the Acting Director for approval and interdepartmental circulation for information as a staff study.
- g. A review of the psychological situation and related factors in Yugoslavia involved the assembly of basic intelligence and strategic considerations, for possible use in planning.
- h. The Malenkov Test Case: Before the death of Stalin and in conjunction with PSB D-24 an extensive review of classified and other data on Malenkov was completed. It was decided that data were inadequate for an intensive psychological analysis of the man; but other Malenkov studies were recommended. The project uncovered deficiencies in the organization and coordination of biographic information in the Government.
- i. Latin America: A pre-planning estimate of the psychological situation in this region was nearing completion at the end of the reporting period.

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Intelligence Support

Staff members continued to work in liaison with the intelligence-producing agencies of the Government to provide intelligence support and guidance to the Board and the Staff. This function includes selecting from, and, in some cases, synthesizing the output of the agencies, arranging for new research where necessary, and setting up staff briefings by experts from outside the staff.

In this period, similar services were also developed to meet the needs of the Chairman of the Board for Government intelligence on such psychological subjects as foreign opinion trends, and international reactions to particular programs, actions, and statements of the United States Government or its officials. This mission for the Chairman has required a greater emphasis upon the rapid procurement and processing of current intelligence from the agencies on a daily basis.

Psychological Support for USUN

As a result of discussions between Ambassador Lodge and Mr. C. D. Jackson, and subsequent PSB action at the informal meeting of June 3, a PSB-chaired committee of the member agencies was established to organize an anti-communist psychological campaign focussed upon the General Assembly scheduled to convene on the 15th of September. At the close of the reporting period, the committee was in action and early documentation had been supplied to Ambassador Lodge.

ATTACHMENTS

- Annex A Report of the Department of State
 - Annex B Report of the Department of Defense
 - Annex C Report of the Mutual Security Agency
 - * Annex D Report of the Central Intelligence Agency
 - Annex E Psychological Program - Expenditures
- *The report of the Central Intelligence Agency is specially classified

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THE FOREIGN INFORMATION PROGRAM

(Prepared by the Department of State)

1. During the period between December 31, 1952 and June 30, 1953, the Department of State undertook to carry out, through the foreign information and educational exchange programs conducted by the International Information Administration and in conjunction with programs carried out by other governmental agencies, the following major substantive tasks derived from relevant public laws, approved papers of the National Security Council, approved papers of the Psychological Strategy Board and programs agreed to by the Psychological Operations Coordinating Committee:

(1) Sustaining and increasing the confidence of other peoples and other governments in the high purpose and the trustworthy character of the United States as a leader of the free world.

(2) Exploiting to the advantage of the free world the series of events in the Soviet Union and its satellites, including Communist China, ensuing upon the death of Stalin.

(3) Promoting the achievement of an honorable armistice in Korea and greater stability in Asia generally.

(4) Promoting measures designed to bring about a greater degree of integration among the nations of Europe, with particular reference to the treaty establishing the European Defense Community.

(5) Countering, particularly in Latin America, the Near and Middle East and South and Southeast Asia, attitudes hostile to the United States and disposed toward neutralism.

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- (6) Demonstrating to the people of Italy in advance of the general election the advantages accruing to them because of their association with the free world.
2. The execution of the first task listed in 1 above involved primarily
- (1) exploiting the global prestige of the President by
 - (a) the wide dissemination in radio broadcasts, press releases, pamphlets and magazine articles of the Inaugural Address;
 - (b) the preparation and distribution of a documentary film on the inauguration;
 - (c) the preparation and the distribution of press and photographic materials concerning the career and the philosophy of the President;
 - (d) full coverage of the Message on the State of the Union;
 - (e) the preparation and the distribution of press and photographic materials concerning the most important officers of the Administration;
 - (2) exploiting the initiative taken by the President on behalf of peace and security in his address before the American Society of Newspaper Editors on April 16, 1953, particularly by
 - (a) assuring that copies of the speech were presented to foreign offices all over the world in advance of delivery;
 - (b) delivery of kinescopes of entire speech to seventy-three posts within a day of its delivery, one of which was shown over BBC-TV on April 20 to an estimated audience of six million;
 - (c) the production and shipment on May 2 of a documentary

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film on the speech in thirty-five languages;

(d) preparation and dissemination of five million pamphlets, handbills and leaflets on the speech;

(e) distribution to all missions of a seventy-two page summary of world-wide editorial opinion;

(f) preparation of photographic illustration of the speech in ten editions of the magazine "Free World" distributed throughout the Far East;

(g) the preparation and distribution of pamphlets based on the speech, "What Disarmament Means" and "A Time to Turn the Tide of History;"

(3) exploiting the visits of the Secretary of State and the Director of Mutual Security to Europe and the Near and Middle East and South Asia and the visit of Dr. Milton Eisenhower to Latin America.

(4) increased emphasis upon programs designed to reveal the moral values and the spiritual attributes that animate the people of the United States in their personal attitudes and their public actions

(5) citing the scheduled tripartite meeting at Bermuda as evidence of unity of free world and its ceaseless search for amicable adjustments of differences

(6) supporting the committee in Japan in planning and carrying out the year-long celebration (1953-1954) of the hundredth anniversary of the visit to Japan of Admiral Perry

3. The execution of the second task listed in 1 above involved primarily

(1) challenging the new leaders of the USSR to demonstrate their professions of peaceful intent by deeds, not words, particularly

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in connection with the conclusion of a truce in Korea, the conclusion of a treaty of peace with Austria and the release of prisoners of war still held by the USSR

(2) suggesting to the governments of Germany, Italy and Japan that they demand the release of their nationals still held as prisoners of war in the USSR

(3) exploiting the renewed effort of the United States, the United Kingdom and France to conclude a treaty concerning Austria and the refusal of the USSR to participate

(4) exposing the withdrawal after the death of Stalin of the charges against the doctors as evidence of the dominance of expediency over principle in the conduct of affairs within the USSR

(5) demonstrating that conciliatory gestures of the new regime, while constituting recognition of need to placate opinion within and without the orbit, do not as yet demonstrate reduction of capabilities or change of intention on the part of USSR

(6) emphasizing to the satellites of Europe the insecurity of the regimes under which they now live, and particularly as the result of demonstrations in East Germany and Czechoslovakia the potential for freedom that exists in the area and the betrayal by the USSR of the working populations

(7) exploitation of the report of United Nations International Labor Organization Committee on forced labor as evidence of unchanged conditions within USSR

(8) full but sober coverage of the Wels Escapee Center in Austria, including address by Ambassador Thompson emphasizing purpose of escapee program.

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4. The execution of the third task listed in 1 above involved primarily
- (1) demonstrating the unremitting patience and determination of the United Nations Command to achieve an armistice on reasonable terms
 - (2) developing for global dissemination through personnel detailed to the Far East Command pictorial, written and transcribed material designed to demonstrate the humane treatment of prisoners of war by the United Nations Command and the justice of its position with regard to repatriation
 - (3) countering by reasoned argument and sober discussion the opposition of the Republic of Korea to an armistice
 - (4) exploitation of the wide support, particularly by the government of India, to the proposals of the United Nations Command for a solution of the problem of repatriation
 - (5) continued exposure of the charges that the United Nations Command employed biological warfare in Korea, including preparation of a fourth supplement to the kit on biological warfare, arrangement with the Foreign Office of the United Kingdom for a pamphlet to be written by a British journalist, exploitation of a denunciation of the charges by Pandit Nehru, and plans for dealing with the matter in the United Nations should it reappear there
 - (6) encouraging, in conjunction with the governments of Vietnam, France and the United Kingdom, greater psychological activity against the Viet-Minh;
 - (7) promoting a special program in India designed to counter the appeal of Soviet Communism among students
 - (8) increasing activity, in cooperation with the Government of Thailand, in the north and the northeast areas of the country

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to counter increased Communist propaganda in connection with the invasion of Laos.

5. The execution of the fourth task listed in 1 above primarily involved

(1) continued promotion, increasingly by the provision of materials and data for the use of indigenous groups, of understanding of the objectives of the United States in Europe and so to promote the ratification of the treaty establishing the European Defense Community and of the contractual agreements with Germany

(2) continued promotion, again largely through indigenous groups, of data and materials revealing the advantages to be gained by Europeans through closer integration militarily, economically and politically

(3) providing grants to 1459 nationals of other NATO countries, including 34 journalists, to visit the United States and 1083 grants to nationals of the United States to visit other NATO countries

(4) increased emphasis on the cultural attainments of the United States

(5) the inauguration to Spain of a series of broadcasts designed to acquaint the people of the country with the objectives of the United States in Europe, to diminish their sense of isolation and so to provide a basis for the better understanding of the current negotiations.

(6) the continued functioning of binational committees for promoting good relations between local communities and the United States forces stationed within them

(7) the timely allocation of \$50 million in counterpart funds for use in West Berlin at the time of the riots in Eastern Germany

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- (8) the exchange of notes constituting a cultural agreement between the United States and the Federal Republic
- (9) publicity for the visits to this country of Chancellor Adenauer and Mayor Reuter, including appropriate public dissemination of the communique issued following the visit of Chancellor Adenauer.
6. The execution of the fifth task listed in 1 above primarily involved
- (1) executing with the cooperation of the government of Austria plans to assure minimum publicity for the Congress in Defense of the Rights of Youth held in Vienna.
- (2) exploitation of the interest shown by the Secretary of State and the Director of Mutual Security in their visit to the Near and Middle East and by Dr. Milton Eisenhower in his visit to Latin America of national culture and popular efforts to better the condition of the countries concerned
- (3) cooperation with the governments of Egypt, Turkey and Iraq in information programs directed at the armed forces of the countries concerned with the purpose of developing internal stability and individual responsibility and exposing Soviet Communism
- (4) provision to the Ministry of Education in Iraq of material exposing Soviet Communism for distribution among students
- (5) cooperation in Morocco and Libya with United States forces and local groups to facilitate acceptance of the presence of United States forces in the area
- (6) the provision to Radio Ankara of scripts exposing Soviet Communism for short-wave broadcasts to the satellites of Europe
- (7) cooperation between the USIS Near East Regional Service Center in Beirut and the Technical Cooperation Administration for the production of photographs and pamphlets

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(8) arranging for broadcasts to Argentina from Radio Carve in Montevideo

(9) initiating an extensive program of personal contacts in Brazil to counteract doctrines hostile to the United States

(10) initiating a program in Chile designed to hamper agitation for nationalization of the copper industry

(11) increasing emphasis on cultural attainments of the United States in conjunction with demonstrating United States interest in Latin American culture.

(12) discrediting of Communist-dominated Continental Cultural Congress held at Santiago, Chile

(13) continuing efforts to prevent dissemination to nearby countries of Communist-inspired doctrine emanating from Guatemala.

7. The execution of the sixth task listed in 1 above involved primarily a carefully planned and executed program, largely in support of indigenous groups, including political parties and trade unions, to provide films, pamphlets, posters and exhibits emphasizing Italy's economic progress, agrarian reform and renewed international prestige and the threat of Communism to the retention of these gains.

8. Major obstacles or difficulties encountered in carrying out the tasks include

(1) Differences between the United States and the peoples and the governments of other countries in estimating the capabilities and the intentions of the USSR, particularly in view of the conciliatory gestures made by the leadership of the USSR following the death of Stalin.

(2) The increasing preoccupation of the nations of Western Europe with internal, and particularly economic, problems, the

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instability of the governments of several of these countries and their concern with past rivalries rather than present dangers and future opportunities.

(3) The growth of strongly nationalist sentiment in many newly independent states and the tendency to identify the United States as a defender of practices associated with colonialism.

(4) The preoccupation of the Arab States with Israel and their tendency to identify the United States as its champion.

(5) Widespread ignorance and misunderstanding abroad of the evidence presented, the facts proven and the procedures involved in trial, the sentencing and the execution of judgment in the case of the Rosenbergs.

(6) The inability of the United Nations Command to ensure the cooperation of the Republic of Korea with regard to measures deemed necessary to achieve an acceptable armistice in Korea.

(7) The adverse reaction abroad to widespread publicity of charges made and measures taken during the course of congressional investigations into various aspects of the foreign information and educational exchange program.

9. Major changes that have occurred in the foreign information and educational exchange programs include

(1) a reduction in force from 14,064 persons to 11,882.

Those now employed include 1508 nationals of the United States employed in missions overseas and 2741 in the United States and 7633 local employees in missions overseas.

(2) a net increase of six, from 195 to 201, in the number of overseas outposts. However, current plans call for the closing

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of 13 posts early in fiscal year 1954.

(3) the closing of twelve libraries overseas, eleven of which were in Germany

(4) a reduction in short-wave broadcasts from 43 hours and 45 minutes to 33 hours, particularly in programs in Spanish and Portuguese to Latin America, in Portuguese to Portugal, Hebrew Malay, English, Korea, French and Italian

(5) the elimination of twelve domestic transmitters and the suspension of contracts for the construction of major domestic transmitting facilities

(6) the testing of two megawatt transmitters, one in Okinawa and one in the Phillipines, for early broadcasting on medium bands to the Far East

(7) the relay by the improved facilities in Colombo of daily programs in Hindi and Urdu, followed by broadcasting of transcriptions in Tamil and Bengali

(8) the simultaneous relay by Munich of the program in Hindi to audiences in East and South Africa

(9) the increase by 100% of religious broadcasts, planned in cooperation with many religious groups, to peoples behind the Iron Curtain

(10) the transformation of the Wireless Bulletin to the Wireless File, designed for adaptation for publication in accordance with local needs

(11) the initiation of the experimental use of folk-lore in motion pictures as a means of reaching sensitive areas with politically significant messages

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(12) the distribution within India of 4500 sets of 101 paperback books as expendible libraries

(13) the appointment of Dr. Robert L. Johnson, former President of Temple University, to be Administrator of the International Information Administration

(14) the establishment of a Plans Board in the office of the Administrator.

(15) the appointment of Mr. Cheever Cowdin, former chairman of the board of Universal Pictures, to be Assistant Administrator of the Informational Motion Picture Service and the appointment of Mr. Cecil B. deMille as principal consultant

(16) the appointment of Mr. Leonard Erickson, formerly of McCann-Erickson, to be Deputy Administrator for the International Broadcasting Service.

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10. Actual or estimated expenditures and estimated carry-over are as follows: (The expenditures shown are in millions of dollars to the nearest tenth.)

	<u>IIA</u>	<u>Fulbright</u>	<u>MSA</u>	<u>Sub- Total</u>	<u>Radio Construction</u>	<u>Grand Total</u>
Actual 1951	\$ 67.0	\$ 4.8	NA	\$ 71.8	\$ 23.04	\$ 95.2
Actual 1952	89.0	7.0	10.6	106.6	19.4	126.0
Estimated 1953	84.6	7.9	11.5	104.0	- .9	103.1

The estimated carry-over of IIA funds available after June 30, 1953 is \$17.5 million for radio acquisition and construction. This availability may be reduced by the Congress in order to provide obligation authority liquidation cost of the Department of State under the appropriation "Salaries and Expenses - Department of State."

For 1954, IIA has requested of the Congress \$87.9 million in the IIA appropriation, permission to obligate \$12.2 million of the radio acquisition and construction carry-over funds, and \$8.9 million in Fulbright local currencies of the Exchange of Persons program, or a total of \$109.0 million requested for 1954.

IIA cannot furnish any estimates of periods of time beyond FY 1954 at this time. No estimates beyond those presently pending before the Congress will be made until appropriations have been made, the report of the President's Committee on International Information has been analyzed, the new Information Agency has been established, and the program for 1954 has taken place. There is no basis for any valid projections beyond 1954 before these steps have been completed.

The above figures do not include the Public Affairs program in Germany or Austria or the MSA Information Program other than the certain MSA themes which the Bureau of the Budget intended to be transferred to IIA on July 1, 1953.

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SEMIANNUAL PSYCHOLOGICAL ACTIVITY STATUS REPORT
of the
DEPARTMENT OF DEFENSE

for the period from 1 January through 30 June 1953

SECTION I

SUMMARY

1. Presented below is a summary of the status of the Department of Defense activities having psychological effects for the period from 1 January through 30 June 1953.

2. General Comments

The Department of Defense released information designed to make clear the United States position with respect to truce negotiations and the prisoner-of-war situation. Background press conferences were arranged through which the Secretary of Defense and his key assistants briefed news media representatives on the American stand in Korea.

3. In conjunction with other agencies, the Department of Defense carried on a continuous program to inform the public of developments in biological and chemical warfare research. Documentary evidence was provided to both the United States representative to the United Nations and to news media, to combat the Communist propaganda accusations charging the United States waged germ warfare in Korea.

4. Military Posture

a. The most significant contribution of the Department of Defense with respect to the national psychological effort was the continued maintenance of U. S. military power in a strength to provide evidence of its readiness to resist aggression. The

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deployment of portions of U. S. military power in Europe continued to be a significant unifying force against Soviet aggression, although the psychological impact of such deployment among Europeans was probably lessened by the isolation of large-scale military power in Korea for the past two years.

b. In connection with the Viet Minh invasion of Laos, French authorities requested and received military equipment and supplies on a priority basis, demonstrating U. S. ability to support friendly nations in meeting military emergencies.

5. Also of note was the timely psychological exploitation of technological leadership in military weapons through a coordinated public information program on the atomic bomb tests this Spring at the Nevada Proving Ground and similar programs on other weapons.

6. Goodwill Efforts

Goodwill efforts of the military Service in overseas areas were promptly executed and effectively exploited. Emergency supplies and assistance have been provided in England, Holland, Turkey, Greece, Iran, and Ecuador, demonstrating U. S. preparedness and interest in the welfare of other nations. Military leaders have demonstrated an increased awareness and desire to gain from the psychological implications of mercy missions, improved community relations and counter-propaganda. Many instances of the observance and participations of U. S. Military personnel in indigenous ceremonies and the consummation of well considered good will tours are in evidence. These are believed to be of great significance for the support they provide to fundamental and long-lasting attitudes of friendship, imbedded in the "grass roots" of foreign peoples.

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7. Military Assistance Programs

The Military Assistance Program has continued to be one of our greatest psychological assets. A new joint Service regulation aimed at maximizing psychological advantage in the release of information covering training, equipping and reimbursable aid to foreign nationals has been issued during the period. Offshore procurement has maintained U. S. influence in the Far East and Europe and has made a major contribution in Italy.

8. Repatriated U. S. Prisoners of War

By virtue of massive unfavorable press reaction, special attention in this report has been devoted to the so-called "special cases" of repatriated U. S. prisoners. Considerable attention was accorded this matter as far back as April 1952 and in more concentrated fashion since January 1953 when it became necessary to cope with the actual situation. In view of the status of truce negotiations optimum handling of the situation was not possible since routine medical and personnel policies as well as public demands had to be met. The Department of Defense will continue to devise correct policies for handling the situation in spite of press sensationalism. As evidence of its success, within a period of two months such sensationalism has run its course and a general acceptance of a realistic standard operating procedure has evolved.

9. Defection

The public announcement of an approved plan and the establishment of facilities to receive and reward MIG pilot defectors who would deliver their jet aircraft to the United Nations Command was followed by an immediate and significant shift in Communist air operations and tactics over the Korean battle area.

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SECTION II

Significant progress of the Department of Defense in the development of plans, capabilities, and organizational means for contributing further to the national psychological effort.

1. Intra-departmental activities, including plans, forces, training programs, and indoctrination courses.

a. Office of the Secretary of Defense

(1) Psychological Advantage of MDAP: Consistent with previous policy guidance, a joint Service regulation, published on 24 March 1953, sets policy and procedures relative to the release of information concerning: (a) training of foreign nationals, (b) off-shore procurement, (c) equipping of foreign military powers, (d) reimbursable aid, and (e) announcements of the assignments of personnel to MDAP duties. Its purpose is dual: (a) to ensure the proper control and coordinated release of such data, with due consideration for security; and (b) to effect the timely and psychologically advantageous release of such information within both the U. S. and the country of primary concern.

(2) Psychological Advantage of U. S. Weapons Development: Continued progress was made under previously reported programs by Department of Defense agencies in: (a) providing policy guidance on release of maximum data on atomic energy, guided missiles, and other new weapons consistent with military security; (b) establishing procedures for clearing release; and (c) prohibiting the release of uncleared information. (See Section III)

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(3) Foreign Information Policy: Direct and timely coordination between Department of Defense agencies continues the effective processing of "Foreign Information Policy Guidance."

(4) Organization: On 10 January 1953, the Secretary of Defense approved a directive activating the Department of Defense Committee on Psychological Operations. This body was established to develop a policy governing and to provide for the utilization of resources of the Armed Forces in cold war.

(5) Research and Development: The Advisory Group on psychological and unconventional warfare in the Research and Development Board completed on 6 April its six-month survey of research and development in this field, making a number of recommendations on each of the following: (1) the basis of a balanced and integrated program and (2) the organizational machinery and fiscal support necessary to implement such a program. The report was accepted and its implementation recommended by the RDB on 29 April. It was then forwarded to the Secretary of Defense for consideration. Present budgetary limitations have necessitated drastic readjustments of standing priorities in all Defense fields. Therefore, no approved estimate can be made until full consideration has been given to the new policy.

b. Joint Chiefs of Staff

(1) The receipt of a SHAPE paper setting forth the views of SACEUR with respect to his wartime unconventional warfare responsibilities has generated further Joint Staff consideration of this in conjunction with the previously submitted SACEUR paper outlining his wartime psychological warfare responsibilities.

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(2) Specific actions were taken by the Joint Chiefs of Staff to facilitate and strengthen world-wide unconventional warfare planning, including allied planning, by:

(a) Strengthening CINCPAC's unconventional warfare staff.

(b) Approval of steps to strengthen U. S. unconventional warfare planning representation at the Standing Group level.

(c) Delineation of certain responsibilities among the Services and providing policy concerning points of contact for Allied planning in the field of Evasion and Escape.

(3) The Joint Chiefs of Staff have approved and CINCPAC has implemented a psychological warfare defection program aimed against Communist air crews in Korea. Early reports indicate a resultant shift in Red air tactics and impeded operational effectiveness due to more stringent anti-defection measures.

(4) The Joint Chiefs of Staff and the Services provided comments and recommendations in response to a request for information by the President's Committee on International Information Activities.

(5) Overseas Commands: CINCPAC authorized U. S. participation in the United Nations Command (UNC), Joint Psychological Committee (JPC) (activated 1 January 1953) which provides a central and top-level directorate for the review and defining of combat theater psychological warfare policy. A significant gap has thus been filled in the over-all coordination of a cohesive UNC effort.

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c. Significant Service Activities

(1) Plans:

(a) A "Psychological Warfare Plan in Support of the Deployment of Chemical Munitions to the Far East Command," 11 December 1952, remains ready for implementation upon call.

(b) Plans for the evacuation and utilization of Radio Free Europe (National Committee for a Free Europe, Inc.) and Radio Russia (American Committee for the Liberation of the Free Peoples of Russia, Inc.) are being developed by USAREUR.

(2) Troop Information and Education: This program continues on a world-wide basis to orient Service personnel with respect to national and international affairs. As one significant facet of this activity, members of the U. S. Armed Forces are informed as to the language, habits, and customs of the various countries in which they serve. Allied with this, committees composed of Service representatives and native civilians continue efforts to generate closer harmony between U. S. military and foreign populations. The impact of this programming upon non-U. S. personnel cannot be denied. In the field of Armed Forces Radio Service alone, the estimated foreign audience in Europe is reported at the 80 million figure.

(3) UNC Orientation Program for Communist POWs: The Civil Information and Education Division (CI&E), integrated into PsyWar Section, FECOM during December of 1952, continues effectively to pursue its mission by providing a program of education and recreation for North Korean and Chinese POWs. In the performance of its functions, CI&E provides the opportunity for these POWs to gain

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general and vocational knowledge, as well as to acquire technical skills, which can develop attitudes favorable to the furtherance of U. S. and U. N. objectives.

(4) Communist Indoctrination of U.S. Captured Personnel:

(a) Background: Evidence confirmed early Department of Defense estimates that the Communists were subjecting U. N. personnel held as prisoners of war to intensive ideological indoctrination. This problem was recognized as early as April, 1952. The solution appeared to depend on striking a balance between two completely conflicting factors:

- (a) The necessity of informing the public in event POWs had been successfully indoctrinated, if and when returned, and
- (b) Taking care not to create undue alarm which might jeopardize national policy with respect to the question of non-forcible repatriation. The Secretary of Defense requested the PSB to investigate the advisability of propaganda exploitation by charging the Communists with a new type of war crime.

(b) Repatriated U.S. Personnel: When it appeared that some prisoners might be released by the Communists in the exchange of sick and wounded, a press release was made and background material issued. Care was required in preparation of this material, however, in order not to prejudice the negotiations then current. Many conflicting interests made handling of the repatriation exceedingly difficult. These included the natural "get the boys home" urge similar to the ones experienced in 1945 and 1946, requirements for a routine medical and personnel processing, a covert requirement

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to enable the Federal Bureau of Investigation to exploit activities of some returnees, necessity for protecting the identities and reputations of innocent men, and the natural desire of the press for exclusive and sensational stories. Initially, a bad press was received on the operation. This has now run its course; some of the more responsible publications have implied that the Department of Defense position was correct.

(c) Repatriated U. S. Personnel: On the basis of interim research results, highlighted by data secured on personnel returned to U. S. control during the period 20 through 26 April 1953, Service concern with respect to Communist treatment of American prisoners of war and the serious ramifications stemming therefrom has been justified. Reports indicate that some American prisoners of war have been subject to extreme inducements and coercion. Moreover, some appear to have succumbed, under duress, to relentless Communist pressures. Five (5) members of the group of twenty-three (23) Army personnel studied at the Valley Forge Army Hospital were held to have been so highly indoctrinated as to render reclamation virtually impossible and to constitute grave U. S. security risks. A recent surveillance report indicates that one (1) of the returned group not processed through Valley Forge joined a Communist organization ("American Committee for Protection of Foreign Born") in the San Francisco Bay area on 13 May.

(d) Current Procedures: Data secured within FECOM and at Valley Forge Army Hospital from repatriated

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U. S. returnees are being collated and evaluated in conjunction with other source reports on Communist indoctrination techniques. Continuing Department of Defense and Federal Bureau of Investigation surveillance and interrogation of all U. S. returnees is in process with the view of completely exploiting informational resources currently at hand. Plans have been developed to fulfill both security and rehabilitation requirements inherent to the projected mass return of U. S. personnel upon completion of Armistice arrangements. There is continuous research to establish a basis for determining a possible program to take psychological advantage of Communist indoctrination as a form of war crimes or atrocity.

(e) Countermeasures: TI&E Activities, a Chaplain "Character Guidance" lecture series, and training materials on Communist interrogation-indoctrination methods are required, and currently are under development and study.

(5) Although no overt effort was made to promote defections of Polish jet pilots, two Polish Lieutenants successfully escaped from the Iron Curtain and landed their MIG 15 planes at Bornholm, Denmark. Pilots immediately requested political asylum and voluntarily surrendered their aircraft to Danish authorities. Through negotiations with Danish and British officials, the U. S. received custody of the two flyers.

(6) Interrogations of the defecting Polish pilots reveal the presence in Poland of additional aircrew members who favor defection. As a result, Department of Defense has generated staff action whereby appropriate agencies may encourage defection of Polish aircrew personnel and contribute to deterioration of the Polish Air Force command structure.

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2. Inter-departmental activities, including plans, forces, training programs, and indoctrination courses.

a. Psychological Strategy Board: Emphasis was placed on PSB papers for Southeast Asia, Germany and Berlin, Japan, and the Middle East.

b. Psychological Operations Coordinating Committee (POC):

(1) Participation continues on the inter-departmental committee charged with preparation and transmission to FECOM of the "Special Korean Information Guidance" (SKIG). Within FECOM, the formal establishment of two reviewing committees has contributed significantly to the coordination of an over-all and cohesive psychological effort. The Korean Information Guidance Committee (KIGC) reviews, analyzes, and makes recommendations to CINCPAC based on data reported via the daily, inter-departmental POC cable. This body, further, is charged with the development of concepts within the psychological warfare field for submission to a central and top-level directorate within UNC in the Far East, the Joint Psychological Committee (JPC). (See section II, subparagraph 1 b. (5).)

(2) X-Day Plan, "Relationship of U. S. Official Foreign Information Organization (Personnel, Facilities, Equipment) to U.S. Military Commanders," 30 September 1952, remains under consideration, awaiting outcome of the President's reorganization plan No. 7 and 8.

c. Department of State:

(1) Pending the determination of world-wide base requirements, the Department of State has deferred action to secure and finalize an agreement providing for the wartime use of Radio Luxembourg.

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(2) In coordination with the Department of State, the Department of Defense assisted in securing voluntary-statement documentation from North Korean and Chinese POWs which invalidates contentions alleging brutality and abuse in UNC POW camp treatment and screening. This project continues.

(3) Through an inter-departmental committee to combat Communist propaganda, the Department of Defense assisted in the conduct of a constant analysis of the various gambits of the Soviet propaganda ranging from the intense "Hate America Campaign" to the new "peace" line dating from March 1953. This group has sought immediate and long-range means of forestalling or counter-ing such propaganda and has reached agreement on certain conclusions and recommendations regarding measures the United States should adopt toward these various Soviet efforts.

(4) Germ Warfare: A continuous counter-measures campaign was carried on by the Department of Defense in coordination with the Department of State, and other agencies, to combat Communist propaganda charges that the United States had waged biological and chemical warfare in Korea.

(a) Through an inter-departmental committee, progress was made in developing plans and means for setting forth the U. S. position regarding such false charges.

(b) Through the Department of State, assistance was provided to the U. S. Representative to the United Nations. As a positive program, every effort has been made to release as much information as possible consistent with military security. Some indications as to the success of these countermeasures may be reflected in the obvious decrease of Communist germ warfare charges in the U. N.

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SECTION III

Military activities having psychological implications conducted by the Department of Defense during the reporting period.

1. Displays of Strength

a. Significant news releases were made covering facets of U. S. military strength and technical ability. Effort was directed toward securing the maximum favorable psychological effects regarding release of such data. Major releases within this informational area included:

(1) Continuing emphasis upon development and potential use of nuclear weapons in a tactical role. Supporting evidence was readily available from coverage of the series of closely-spaced atomic tests at Yucca Flats which included the deployment of ground troops and the successful firing of the 280-mm artillery piece.

(2) Steady development of the Army of the Republic of Korea (ROKA) troop strength and combat efficiency. (See Sec. IV, Subpara. 4 a (1))

b. Certain news leaks tended, to some extent, to reinforce expository comment concerning U.S. strength status and technological capacity; significant among these for the period were:

(1) Speculation that the U.S. had successfully test-detonated a thermo nuclear device at Eniwetok Atoll with results vastly more devastating than heretofore known to mankind.

(2) Comment from Paris concerning the projected deployment of U.S. artillery battalions equipped with the new 280-mm gun to Europe for integration into the NATO Command.

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(3) Quotations of a member of the Congressional Committee on Atomic Energy to the effect that the U.S. now holds sufficient atomic weapons in stockpiles to permit forceful and immediate retaliation against aggressive attack and to backstop the conduct of a major war.

c. A favorable report has been made by State Department on psychological value of the B-29 flights conducted over Malaya on 15 December 1952.

2. Combined Maneuvers and Exercises: A total of six such operations were conducted within NATO. All were command post shake-downs of portions of the NATO Staff alignment, except RENDEZVOUS, a naval maneuver in the Mediterranean, which was participated in by fleet elements of the U.S., France, Great Britain, Italy, Greece, and Turkey. Salient portions of this exercise involved the simulated atomic bombing of Toulon, and the landing of Turkish and Greek forces in Greece and Turkey respectively.

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SECTION IV

Implications of Department of Defense activities producing psychological effects in foreign areas, including good-will efforts and related activities of the Services in such areas.

1. Psychological Results of Presence of U. S. Personnel Abroad:

a. Through the Committee on Acceptance of Americans Abroad, which is designed to improve relations between Americans and foreign nationals, the Department of Defense has continued to monitor and assist, as appropriate, the activities of coordinating subcommittees in each country in Europe in which American troops are located, and in Japan.

b. Although committee reports indicate that their work has been fairly effective, nevertheless some of the problems inherent in the stationing of U.S. military and civilian personnel abroad remain. From time to time reports are received of friction between foreign nationals and U.S. nationals in various areas. Subsequent analysis, however, has shown that most of these frictions were inconsequential and to be expected. In addition to cementing closer troop-civilian relationships, effort to improve the area orientation training of all U.S. personnel selected for assignment overseas has continued.

2. MDAP Program: Of the total MDAP deliveries of \$5.3 billion to date, the volume of military equipment shipped to our partners in the Mutual Security Program in the first four months of calendar year 1953 has totaled \$1,436 million. U. S. information offices have emphasized that positive accomplishments in the international re-armament effort are not the responsibility of the U.S. alone: That while the U.S. is doing its share, it is necessary that our partners shoulder their shares of the burden.

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3. Offshore Procurement (OSP):

a. Contracts placed by Department of Defense procurement agencies abroad from FY 1952 and FY 1953 MDAP funds totaled \$1,757,127,310 as of 30 May 1953. Of this, \$1,722,717,860 has been placed in Europe and \$34,409,450 has been placed in the Far East. Contracts were let in all European NATO countries as well as in West Germany and Switzerland, while contracts in the Far East were let in Japan and Formosa.

b. Although OSP basically fulfills military requirements, supplementary economic and political aspects are involved. For example, the coordinated policy of the U. S. Government, agreed upon between Defense, State, and the Director for Mutual Security, provided that procurement agencies of the Department of Defense in Europe would try to place about \$150 million in OSP contracts in Italy prior to the holding of the Italian elections in an effort to support the DeGasperi government. This target was exceeded and although the DeGasperi government did not achieve the electoral vote hoped for, this project undoubtedly contributed to keeping DeGasperi in office.

c. As a result of OSP contracts, jobs have been created or employment sustained in a variety of European defense industries including weapons, ammunition, electronics, automotive vehicles and spare parts, construction equipment, small water craft, and aircraft equipment and spare parts. The aggregate impact of these contracts on the economies of the nations participating have had beneficial results. Increased employment has been achieved in Belgium, Denmark, Norway, Greece, and The Netherlands, and continued

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industrial activity assured in varying degrees in all of the participating countries. Efforts continue to place contracts so as to benefit non-Communist segments of the countries involved.

4. Support to Friendly Nations:

a. Republic of Korea:

(1) The ROKA was expanded from twelve to sixteen divisions. This action was publicized widely to show the steady development of a modern ROK fighting machine. The ROK Defense Ministry thereupon claimed, that it could man 85 per cent of the 155-mile line of contact. The 13 May authorization for activation of an additional four divisions will bring ROKA combat power up to twenty divisions.

(2) On 25 February the U.S. agreed to pay \$85 million to the ROK in settlement of Korean "Won" issued to U.S. troops in Korea. This served to bolster the South Korean public's confidence in the new "Whan" currency and raised to a reported \$159,990,440 the amount of ROK currency bought by the U.S. during the war.

(3) Continued civil relief and rehabilitation was made available to the South Korean people through Civilian Relief in Korea (CRIK), United Nations Korean Relief Agency (UNKRA), and voluntary private programs.

b. The Ryukyu Islands: The civil information and education program in the Ryukyus was continued to include the "Exchange of Persons Program", whereby Ryukyuan national leaders and students were brought to the U.S. for periods of study.

c. Indochina: C-119 aircraft were lent to French forces in Indochina for the purpose of transporting heavy equipment to repulse the aggressive Communist attack on Laos. Some twenty-one additional

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C-47 aircraft on loan from FEAF to the French in Indochina remain in that area past the 1 April due date for their return upon recommendation of CINCUNC.

d. Thailand: Upon request of the Thai government at the time of the invasion of Laos, a shipment of aircraft and a quantity of ammunition was provided. The Secretary of State commended prompt action in this matter.

5. NATO Editors' Tours:

a. Four U.S. tours have been conducted: Three being for editors and correspondents and one for information officers from various NATO countries. All the European NATO countries have had representatives on one or more of these trips. A total of forty-four foreign nationals have participated.

b. Reports from Public Affairs Officers in NATO countries indicate that the U.S. tours constitute one of the most effective single activities in the U.S. information program.

6. Resident Foreign Correspondents: Numerous special interviews, feature story material releases and occasional special trips to U.S. military installations are arranged by DOD for foreign correspondents residing in the U.S. In addition to general stories, attempts were made to effect special guidance in line with the particular political and psychological problems of a particular country or area of the world.

7. Good-will Efforts

a. Headquarters, USAF and Headquarters, USAFE have approved a good-will tour of NATO countries by Major Fred Blesse, USAF, jet air ace of Korean fighting, to be conducted in summer of 1953.

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b. Top officers of Headquarters, USAFE participated in anniversary ceremonies of the RICHTOFEN WING, composed of veteran German fliers and named in honor of the famed German World War I ace, 15 April 1953.

c. U. S. Ambassador to Ecuador reports that airlift conducted by 5 USAF C-47's during spring floods along the Quito-Guayaquil railway in April 1953 caused admiration in all circles.

d. In response to appeals of Turkish government officials for relief in earthquake-torn areas during March 1953, USAF "Flying Boxcars" loaded with medicine, blankets and food were dispatched from Germany to Istanbul and the Dardanelles province of Canakkale.

e. U.S. military units of Europe gave prompt and generous assistance to the Dutch and English during the February flood disaster along the North Sea coastline. At the initiative of responsible U.S. representatives, American helicopters, transport planes, naval amphibious and rescue craft and communication facilities were mobilized and committed to the saving of life and property. Participating aircraft were named "rescuing angels" by grateful Hollanders and an American airman was presented Britain's second highest award for rescuing stranded villagers during the height of the storm. Money and clothing were contributed to the Dutch victims of the flood by ships companies of the destroyers BRISTOL and JOHNSON and by the personnel of the aircraft carrier WRIGHT in memory of the welcome accorded that ship by the people of Rotterdam in September 1952. The American Ambassador to The Netherlands concluded "the friendly attitude of The Netherlands people toward the U.S. may well have reached a postwar high".

f. An earthquake at Taroud, Iran, on 14 February caused serious damage and threatened starvation to the population. Highlighting

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numerous and effective relief services performed by American military and Red Cross personnel in this disaster was the airdropping of 3000 Kgs of bread to the people of Taroud.

g. On the occasion of extending a personal welcome to his home-coming Korean brigade, Emperor Haile Selassie was entertained February 7 by Commander Middle East Forces on board the U.S.S. DUXBURY BAY cruising from Missawa to Djiboute. The trip was reported by American Embassy despatch as having been a gesture greatly appreciated by the Emperor as well as the Ethiopian officials and public and as a most helpful contribution to U.S.-Ethiopian relations.

h. Arrangements are being made by the Navy for dedication of the nearly completed St. Lawrence, Newfoundland, Memorial Hospital erected as a gift of the American people in gratitude for the heroic efforts of the townspeople of St. Lawrence and Lawn in the rescue of survivors of the U.S.S. POLLUX and U.S.S. TRUXTUN when wrecked in a gale near St. Lawrence in February 1942.

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SECTION V

Lessons learned through evaluation of Department of Defense psychological activities during this period,

1. Requirements which, if met, would assist in the development of a more effective contribution of the Department of Defense to the national psychological effort.

a. A positive national psychological strategy, to include a determination of intermediate objectives and priorities for direct support tasks, without resort to "cold" or "hot" war qualifications.

b. A review of Public Law 402 and NSC 59/1 with the object of including provision for the fuller utilization of existing military potentials in support of the current national psychological effort.

c. The enunciation of national policies for the conduct of unconventional warfare within multi-national structures. National clandestine Service agreements, with international implications likely to affect the conduct of U. S. military operations in time of war, are of concern to the Joint Chiefs of Staff.

2. Psychological opportunities brought to light by analysis of past activities and their relationship to future courses of action.

In view of the lessons learned in fostering cordial troop-civilian relations in Europe a program providing for the acceptance of American personnel to be stationed in Spain has been inaugurated. For the first time, USAF installations and American personnel will be maintained on Spanish soil starting Fall of 1953. In order to build good will from the start, a USAF committee has

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been established to conduct a study of likely community relations problems and recommend actions for proper orientation of American civilians and military personnel concerned with stationing troops in Spain.

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SECTION VI

New evidence of reactions to activities conducted during previous reporting periods.

1. The report situation, by country, of the implementation of POC D-38/1 follows:

a. Iceland: No major developments; the waiting list of U. S. personnel for matriculation in the Icelandic course established at Reykjavik University points up a desire on the part of our personnel to develop cultural understanding.

b. United Kingdom: There were indications that accounts of British ill-feeling toward American Servicemen had been greatly exaggerated by that segment of the British press which was devoted to communistic, chauvinistic, or sensationalized editorial policies. It is maintained that the public relations situation is basically healthy and is primarily the result of the conduct of U. S. troops themselves. The British Government has established a high-level committee, under the Air Minister, to hold civil-military relations under control. Some twenty-seven groups and associations are represented on this committee; its effort is aimed toward maintaining proper direction of local committees in which commanding officers, Chaplains, and unit PIO's take part.

c. France: France appears to be leading the way in an effort to resolve difficulties in French-American relations. By continuing joint effort, at both central and local levels, significant steps have been taken in the direction of improved relations. The "Franco-American Committee" mechanism is developing to the point where the resolution of frictions rapidly can become reality.

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d. Italy: Despite a Committee report from Rome dated 26 January which asserted that the presence of U. S. troops in Italy (in Leghorn, Florence, and Naples) does not constitute a serious public opinion problem at present, there were reported indications that the public reaction in Italy was characterized by increasing sensitivity to "U. S. intervention" in Italian affairs. Utilization of this "interventionist" line of attack by Communists and neo-Fascists to influence the numerous splinter parties arrayed against the DeGasperi government may intensify troop-civil relations problems. Moreover, it has been noted that - as yet - no representatives of the Italian government have joined the established committee in Rome.

e. West Germany: Comparison surveys indicate that there has been a gradual improvement in the status of troop-civil relations.

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SECTION VII

The actual and estimated psychological and unconventional warfare expenditures of the Department of Defense for the fiscal year 1951 through 1958.

1. Background Regarding Expenditures: The psychological and unconventional warfare role of the units responsible to the Joint Chiefs of Staff requires that capabilities be developed in peacetime so that specialized equipment and trained personnel may be immediately available to the military commander in support of his psychological warfare and unconventional warfare missions. The major portion of expenditures presented provide for the specialized equipment, training, material and research necessary, to meet projected wartime requirements.

2. The expenditures listed below do not include such activities as goodwill visits, disaster aid, demonstrations, MDAP, and many other normal military activities having psychological implications, expenditures for which cannot be separately identified.

3. Special Assumptions: In the preparation of estimates for fiscal years 1954 through 1958, the following assumptions have been made:

a. That hostilities in Korea will terminate at the close of FY 1953.

b. That domestic and foreign price levels and cost indices will remain relatively stable.

c. That no new areas of operational activity will be opened.

4. Military Force Expenditures: The figures reported in the following table cover Service expenditures for unconventional and psychological warfare with the exception of research and development, which is presented separately. These expenditures are shown in millions of

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dollars, to the nearest tenth. There are no unobligated or carry-over funds to report as of 30 June 1953.

FISCAL PERIOD	ARMY	NAVY	AIR	TOTAL
1951	5.0	None	21.0	26.0
1952	15.1	.6	21.0	36.7
1953	18.9	.7	21.6	41.2
1954	8.6*	.1***	3.8	12.5
1955	8.6	.1	****	8.7
1956	8.6	.1		8.7
1957	8.6	.1		8.7
1958	<u>8.6</u>	<u>.1</u>	<u> </u>	<u>8.7</u>
TOTALS	82.0**	1.8	67.4	151.2

*DA Figures from FY 54 on are based, additionally, on assumption that Army PsyWar troop strengths will remain constant with the exception that FECOM staffs will be reduced to current EUCOM levels.

**DA funding reports on psychological warfare operation; it does not include Special Forces activities or unconventional warfare operations.

***Navy reduction from 1953 due to .6 million becoming reimbursable from CIA for Navy personnel costs.

****USAF estimates beyond FY 54 are not available due to adjustments in process necessitated by revised FY 54 budget.

5. Service Research and Development Expenditures: The figures reported in the table next following lists actual and estimated expenditures for fiscal years 1951 through 1958 and estimated carry-over funds on 30 June 1953. The expenditures are for non-material or social science research conducted under technical objectives assigned by the Research and Development Board.

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6. It will be noted that estimates for FY 1954 are considerably below expenditures for the past two years due to existing budget policy. The present budget figures are consequently presented as interim estimates until such time as the future status of psychological and unconventional warfare research is clarified.

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ADVISORY GROUP ON PSYCHOLOGICAL AND UNCONVENTIONAL WARFARE
RESEARCH AND DEVELOPMENT BOARD
Washington 25, D. C.

ACTUAL AND ESTIMATED EXPENDITURES OF DEPARTMENT
OF DEFENSE ON PSYCHOLOGICAL AND UNCONVENTIONAL
WARFARE NON-MATERIEL RESEARCH, FY 1951 THROUGH
FY 1958, AS OF 25 JUNE 1953

	<u>Expenditures</u>			<u>Estimated</u>	<u>* FY '54*</u>	<u>FY '54</u>	<u>Estimated Expenditures**</u>			
	<u>FY'51</u>	<u>FY'52</u>	<u>FY'53</u>	<u>Carry-over</u>	<u>(Less</u>	<u>plus</u>	<u>FY'55</u>	<u>FY'56</u>	<u>FY'57</u>	<u>FY'58</u>
				<u>June 30,</u>	<u>'53 Car-</u>	<u>FY '53</u>				
				<u>1953</u>	<u>ry-over)</u>	<u>Carry-</u>	<u>Funds</u>			
						<u>over</u>				
Army	.2	.9	1.2	0	.8	.8	1.1	1.2	1.3	1.4
Navy	.2	.1	.05	0	.05	.05	.05	.05	.05	.05
USAF	.7	.9	.7	.7	.2	.9	****	****	****	****
TOTAL	1.1	1.9	2.0	.7	1.0	1.7	1.15	1.25	1.35	1.45

(The expenditures shown are in millions of dollars to the nearest tenth)

* Interim estimates pending consideration by OSD of fiscal recommendations of Final Report of the Advisory Group on Psychological and Unconventional Warfare to the RDB (RDB-PC 202/34), dated 6 April 1953.

** Project estimates based on current policies for reduced fiscal support.

*** Air Force reports that estimated expenditures for FY 1955 and beyond are not available since projection of USAF program plans is uncertain at this time.

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ANNEX C

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Report of the Mutual Security Agency
to the Psychological Strategy Board
on the National Psychological Effort

January 1 - June 30, 1953

(Part I: Europe)

1. Status of Programs

A. Tasks Assigned

The specific tasks of MSA are set forth by Congress in the Mutual Security Act of 1951, Sec. 2 (a): ".....to strengthen the mutual security and individual and collective defenses of the free world,...." and in Sec. 2 (b) of the Mutual Security Act of 1952: ".....the Congress believes it essential that this Act should be so administered as to support concrete measures for political federation, military integration, and economic unification in Europe."

The Information Division of MSA has had the job of helping to bring about the results set forth above by the media techniques common to information activity. Funds for this purpose have been available by authority of Sec. 115 (j) of the retained provisions of the Economic Cooperation Act, which orders the giving of "full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer."

It is necessary to say at the outset that Information activity as such is simply an instrument that assists in attaining the objectives of policy. The very fact that there is a Mutual Security Program is the greatest affirmative factor in MSA's psychological program. It is a

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mistake, in the opinion of MSA Information directors, for the United States in its public utterances to over-emphasize the military aspects of its overseas economic program; instead, it should show how the military aspects of the program complement the total economy.

The MSA task in Europe during the first half of 1953 has been to create and to nurture in the minds of Europeans the faith that the United States would continue under the new Administration to support mutual security activities on an effective scale. Its job also has been to keep its friends in power and to fight Communism.

B. Methods and Techniques Employed to Accomplish Tasks

Substantively, the MSA method of accomplishing its aims is to provide funds to help America's European friends produce needed material and to provide the leadership capable of leading and persuading them to act in the mutual interest. The off-shore procurement program is one example of the method employed. Placing of important "hardware" contracts at a strategic time during an election campaign is a refinement of such a technique.

The MSA Information Division has sought to get maximum useful effect from such substantive acts by publicizing them through all media, explaining the beneficial effect.

Thus, in conjunction with USIS, the Eisenhower April 16 speech was given maximum publicity - such as wide distribution of the full text - as evidence of U. S. devotion to peace and world economic progress. Thus also MSA built and financed large exhibits (which bore the names of local sponsors) for use in Italy during the election campaign, as an aid to the Embassy's public affairs program. Currently MSA's regional office in Paris is concentrating on a program to arouse new interest in the

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shift of the productivity program to OEEC as evidence of European acceptance of the idea of productivity, European direction of the program, and continued U. S. support of European economic improvement. The recent East German riots against the Communist government are being pointed out - through indigenous outlets - as evidence that life under the Reds is unbearable for the worker. This is important in combating neutralist sentiment as in France and in helping to win workers away from the Communist-dominated labor unions.

C. The media most in use are the conventional ones - the press, the radio, the cinema, exhibits at fairs and other gatherings, distribution of pamphlets, mobile units capable of reaching remote places and fitted out to make use of the cinema, the loud speaker, the poster - all audio visual devices. This is done everywhere in cooperation with the International Information Administration, and the proportion of expenditure and effort by media is governed by the experience of the country mission. Thus, in Greece, the MSA has provided numerous community radio sets for remote areas, adding an estimated 2,000,000 listeners to U. S.-inspired programs over the Greek radio. A radio news service has been made available to broadcasters in several countries - the MSA messages being interspersed in the news. An example of fast, effective action was the making of a documentary film, "The Oldest Enemy," based on the Dutch floods of February and which showed how nations working together (actually, the NATO countries) could minimize the effects of catastrophe and by collective effort avoid catastrophe save in exceptional circumstance. This film, made within three weeks of the disaster, was shown in movie houses in many countries. The moral of the film was brought out by the deeds it pictured. The application

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of the lesson to the more abstract danger of the Russian menace was easy for the simplest of spectators.

D. What success was achieved in carrying out assigned tasks (in terms of B and C)?

The principal contribution that MSA has made to this type of activity is the development of a regional center capable of servicing and advising multi-national projects quickly.

Although subject to policy guidance and some budgetary direction from Washington, the regional Information center connected with the Office of the Special Representative in Europe was and is in many ways self-contained. It has learned that effective use can be made of talented non-Americans. Speaking the languages of the target groups, using skills and techniques familiar to those groups, such non-Americans have made much MSA/SRE-produced material more effective than had it been produced in America. European groups working toward the same goals of economic, political, and military unity that we seek have turned to the SRE for technical help as well as for funds. The work "productivité" and what it means have become well known in Europe, where five years ago neither the idea nor the name was known to many. Now the idea represented by productivity has become a target of the Reds, a seeming indication that the idea is hurting them.

E. Tasks not carried out or not completed.

The goals the U. S. has set as requested by MSA constitute a continuing campaign of persuasion, assistance, leadership. However, specific immediate gains contributing to the whole have been made. These include the re-election of the De Gasperi Government in Italy, the actual beginning of operations of the Coal and Steel pool, and the decision by OEEC to administer the productivity campaign.

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F. What ancillary results, if any, were obtained as a by-product of programs?

In seeking to counteract Red propaganda, NSA has in France been able to learn ahead of time, occasionally, what turn the next Red propaganda line would take.

G. Major obstacles or difficulties encountered.

1. Increased feeling in Europe that present U. S. administration is controlled by "reactionary" or anti-European elements in Congress.

2. The "stretch-out" of U. S. contribution to NATO was allowed to become public under such circumstances that it was made to seem to Europeans that the U. S. was losing interest in NATO while asking its allies to add to their loads.

3. Responsiveness to the Soviet "peace offensive" by all but the most responsible European leaders.

4. Political jockeying in France, and to some extent in Italy and Germany, which subordinated foreign policy to party interests.

5. Ability of anti-American groups and some neutralists like Le Monde, to make propaganda capital of newsworthy events, like the Rosenberg case and the Rhee recalcitrance.

6. Unfavorable reaction of many Europeans to the withdrawal of some books from American libraries abroad. The public conduct of the matter gave anti-Americans a good propaganda subject and gave pause to some of our friends.

7. Continued economic distress of lower income groups in Italy, France and Greece.

8. Growing conviction among many public opinion molders that EDC will not become a reality and that Russia does not contemplate armed aggression in the West in the discernible future.

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9. The French government's inability to keep a Cabinet in office long enough for it to have a policy for which it can be responsible.

10. Occasional utterances by U. S. leaders which are made to seem to show that this government is not sure of its policy. The recent speech by Senator Taft which was interpreted as threatening a "go it alone" policy is of this category.

11. Occasional failures of coordination sometimes have adverse effects. A case in point was public testimony before a Congressional committee by an evaluation team leader who was critical of continued aid to Italy. This testimony would have been just as valuable for Congressional purposes after the June 7 Italian election as it was when given before the election - and it quite possibly figured in the way some votes went in a close election.

2. Summary of major developments in Psychological Programs

A.

(1) Principally, the letting of contracts under criteria that took into account economic and political conditions of that country and Europe as a whole, rather than the single criterion of cost.

(2) Continuation of American forces in Europe and the appointment of a third American as commander of SHAPE.

(3) Speedy assistance given the Dutch during the floods.

(4) The granting of \$50,000,000 for stockpiling and other purposes in West Berlin, and its announcement during the East German riots, is another example of substantive action being taken at a propitious time and favorably exploited.

(5) The up-coming MSA pact with Spain already presents an Information problem which will become more acute as the treaty is signed.

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Many European friends of the United States want to know how we justify helping Franco Spain. The Information Officer in Norway has cited the need for a statement on this subject. A Belgian exchange student stated the problem thus: "I have listened to VOA and have been impressed by American idealism. How can you help Spain and keep on talking the way you do on VOA?"

(6) The signing of the Foreign Aid bill by the President will offer a new opportunity for a strong statement similar to the April 16 speech. The Mutual Security Act's statement of purpose emphasizes America's interest. A statement by the President re-emphasizing the broader philosophy of mutual aims of the common man would be of great psychological value.

B. Public announcement of the letting of contracts was timed for the best effect psychologically. Thus, signing of huge aircraft contracts with England, Holland, Belgium, and Italy was timed to occur during the April NATO meeting. Wide coverage was given the Dutch flood coordinated relief via all media, including a quickly-made documentary film.

C. Principal developments during the reporting period were

(1) further integration of MSA and State Department information programs,

(2) the recommendation of the President to form one United States Information Agency using the resources of the present IIA and MSA, and

(3) the melding of the MSA and Point IV programs, which should make the same substantive resources go farther and which, by indicating prolongation of technical and economic aid, reassure our friends.

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D. Most significant is the close cooperation by SRE and the Defense Department in carrying out a program to smooth U. S. troop relations with local communities. The Armed Services have researched the problems involved, and SRE has with its resources in funds and technicians sought to provide the answers. Pamphlets, exhibits, and films are being produced for this purpose, and it appears as of this report that relations already are less strained than they were six months ago. Explanation beforehand of why U. S. troops are there - that they are really NATO troops - is the key to the problem.

E. MSA in Europe continues to work closely with other governments and with international groups, particularly NATO. A caravan explaining NATO, designed, operated and financed by SRE/MSA and sponsored by NATO, traveled in Greece and Turkey during much of the time covered by this report. It is now touring France again. The Train of Europe, under OEEC sponsorship, has been touring the continent. Coverage of NATO maneuvers for and in conjunction with other agencies has been the rule. MSA has assisted groups like the European Movement and the Union of European Federalists to carry on their unifying work, as well as the ICFTU in aiding the free trade union movements.

3. Significant changes which have occurred since the previous report.

(a) Change of U. S. administration with consequent European "wait and see" psychology;

(b) Death of Stalin and accession of either new dictator or an oligarchy, with the same "wait and see" psychology natural to Western Europe;

(c) Soviet "peace offensive," for whatever it may mean;

(d) Korean situation (hoped for armistice and Rhee complication);

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- (e) East Berlin riots and Czechoslovak riots, indicating possible other explosions for which plans should be made;
- (f) dragging of the EDC ratification schedule;
- (g) Change in SRE organization and in Paris regional U. S. Representative;
- (h) Yugoslav, Turkish, Greek pact.

GENERAL OBSERVATIONS

1. MSA in cooperation with State and Defense has worked out a plan for continued analysis and evaluation of Information programs in Europe and elsewhere. Implementation of the idea has been stymied by a directive from Washington suspending all public opinion surveys abroad. Such surveys are valuable and can be conducted via private agencies without necessarily embarrassing the U. S.
2. Notwithstanding evidence of a rise in neutralism, the outstanding psychological characteristic of Europe today appears to be the willingness of the majority of the people of every nationality to trust the good intentions, good faith, and ability to act effectively of the U. S. Many Europeans, however, are skeptical of the abilities and ultimate intentions of other European countries.
3. The recognition of the U. S. desire to improve Europe's overall economic health (as exemplified by ECA) is consistent with the European's belief in U. S. good intentions and relative unselfishness. Emphasis on strictly military aspects is not good psychologically, because it gives the Reds an "I told you so" line, and because military emphasis is misleading. However, an armaments industry, like any other, creates the wages and the demand for other consumer goods, which aids the general economy.

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4. It is noteworthy that while the "peace offensive" has cut down Russian "hate America" material, local Communist parties have not lessened their harping on this theme.

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(Part II: Far East)

1. Summary of Program

A. Tasks Assigned Mutual Security Agency

No tasks per se have been assigned MSA for the Far East area in the overall psychological program. In the four Far East countries participating in the Mutual Security Program - Formosa, The Associated States of Indochina, Philippines and Thailand - the MSA Missions provide extensive technical assistance designed to strengthen both governments and communities through the improvement of public health, food production, education and public administration and through the more effective utilization of their national resources.

In Formosa, MSA is also providing economic aid to counter inflationary pressures, to bolster the government budget and to support the military build-up through the importation of supplies, such as petroleum, food and cotton, required by the armed forces, and through the construction of joint-use facilities, such as roads, bridges, ports, warehouses and barracks. In Indochina, MSA also provides direct military support by constructing joint-use facilities, assisting in the care and rehabilitation of war refugees and by financing relocation projects designed to aid in the pacification of North Viet Nam. In the Philippines, MSA has the corollary task of inducing the Philippine Government to undertake the extensive administrative and legislative changes which the Bell Mission deemed essential to the creation of political and economic stability. The psychological effects grow out of such technical assistance and economic aid programs. The data given in the following pages are presented against this background.

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B. Methods and Techniques Employed in Accomplishing These Tasks

MSA Missions have carried on three types of informational work. First, they have conducted general information activities designed to increase understanding and to secure public acceptance of the MSA program. Second, they have disseminated specific information in order to secure the requisite wide-scale participating in programs to improve health practices and agricultural techniques. Third, they have strengthened the information services of the participating governments.

This work has been carried on through the usual channels of press and photo stories, newsreels, motion pictures and radio programs; wall newspapers, posters, picture leaflets, calendars, regular magazines and the like. In some instances this work has led to the establishment of photo laboratories, motion picture production units, radio transmission stations and printing plants.

C. Concepts of Operations in the Far East

The high level of illiteracy has required emphasis upon the use of pictorial forms of communication; motion pictures, posters, picture leaflets, cartoon strips and exhibits. MSA believes that the tangible accomplishments of the aid programs constitute the most convincing proof of U. S. friendship and support.

D. What Success was Achieved in Carrying out the Assigned Tasks

All the Far East Missions have publicized the contribution made by MSA toward improving health, food production and the general economic well-being of the people.

In Formosa, MSA, the Joint Commission on Rural Reconstruction (JCRR) and USIS jointly sponsor the magazine "Harvest," which supplies the farming people with agricultural information as well as with

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international and local news items. This magazine has reached a circulation of 42,000 and has been so successful that it may be possible to place it upon an entirely self-supporting basis within the coming year. More than 300 farmers' associations, organized with the help of the JCRR, are well-provided with MSA and JCRR material such as posters and pamphlets explaining the projects undertaken by the JCRR. These projects and MSA activities in general are well publicized by the local press and radio and enjoy wide popular support.

In Viet Nam, "Countryside," the farmers' journal published by the Vietnamese Government with MSA financing and technical assistance, has reached a circulation of 50,000. MSA and USIS also sponsored a highly successful exhibit at the big "Kermesse," a fair attended by more than 1,200,000 people. This exhibit, based on the theme, "Toward Peace in Viet Nam," depicted the natural resources of Viet Nam, the nations friendly to Viet Nam, and the military, economic and productive power that supports the Free world in its efforts to establish peace and security. The Mission has supported the government's information service by providing training in the use of informational media to specialists selected by the French and by Viet Nam. The radio programs prepared with MSA assistance and designed to explain the policies of the Associated States Governments to village audiences are increasing in popularity.

In Thailand, the use of joint USIS and MSA exhibits has expanded with the Thai Government duplicating many of the exhibits and giving them further circulation. A substantial portion of both the town and rural population see these exhibits at numerous fairs where the response has been gratifying.

In the Philippines, MSA has assisted the Government in developing its information services, thereby enabling it to increase its support

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among the people. Economic assistance, designed to improve the status of the farmer-on-the-land and of the urban worker, provided in conjunction with U. S. military aid under the M.D.A.P., has substantially contributed to the Philippine Government's efforts to establish peace and order.

E. Tasks not carried out or not completed

None to be reported.

F. Ancillary Results

None.

G. Major Obstacles

In Formosa, a major objective of MSA assistance is to achieve economic stability which is essential to the maintenance of confidence in the competence and permanence of the National Government of the Republic of China. A major obstacle to the achievement of this objective is the necessity for supporting a 550,000-man military establishment which makes no contribution to the economy of the island.

In Indochina, the technical assistance program has been handicapped to some extent by the terms of the basic agreements between France and the Associated States which provide that non-French technical experts shall be employed only when French experts are not available. This provision has been a serious obstacle only in the field of public administration.

In the Philippines and Thailand the major obstacles to the achievement of MSA objectives are those inherent in all under-developed economies - widespread illiteracy, a shortage of skilled and professional workers, inadequate investment capital and relatively inefficient governmental administration.

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In the Philippines, in addition, there has been some friction between the U. S. representation and the Quirino Government resulting from the disclosures of the Hardie report on land tenure conditions and from charges that the Americans have been attempting to influence the coming elections.

2. Summary of major developments in the psychological programs during the reporting period

Since the operations of the Far East STEMs are not a part of an over-all psychological program, there is nothing to report under this section.

3. Significant changes which have occurred since the period covered by the preceding report. (Far East-Philippines, Formosa, Associated States of Indo China, and Thailand)

Gradually during the reporting period, the emphasis of the work of the MSA/STEMs has moved from general information to more emphasis on program support and the build-up of the local government's information services. This change will continue in the coming period, as MSA withdraws entirely from the area of general information.

The suspension of U. S. technical assistance to Burma, at the request of the Burmese Government, has shown other under-developed countries that American assistance programs are truly cooperative in nature and will not be imposed on countries which prefer not to participate in them.

Throughout the Far East countries receiving MSA assistance there has been a general increase in the use of technical assistance publications, with an accompanying increase in understanding of and respect for American technical achievements.

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4. B. Substantive Subjects or Activities Which Cut Across Area Lines

(1) Role of Japanese

Conditions remain substantially unchanged since the last report, although in its own self-interest, the Philippine Government is moderating its hostility toward Japan. This moderation of attitude has been shown by the Government's grant of amnesty to Japanese war criminals held in the Philippines, by its recently-expressed willingness to consider the question of Japanese membership in ICAO separately from its reparations claim, by its extension of the barter agreement with Japan and by the increasing volume of trade between the two countries, a trade which on balance is favorable to the Philippines. Some moderation of the popular attitude is also reported as evidenced by a slackening in overt demonstrations of hostility toward individual Japanese on the streets of Manila.

5. Steps taken to Implement Approved PSB Plans

This phase of the work has been handled by USIS. In most instances the Country Plan has been developed with close cooperation and assistance of NSA officials.

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MUTUAL SECURITY INFORMATION PROGRAM

Project Obligations and Estimated Personnel and Administrative
Support Obligations
(In Millions of Dollars and Dollar Equivalents
of Foreign Currencies)

<u>FY 1951</u>	<u>FY 1952</u>	<u>FY 1953</u>	Carry-over Funds Available for Obligation after <u>June 30, 1953</u>	<u>FY 1954</u>	<u>FY 1955</u>	<u>FY 1956</u>	<u>FY 1957</u>	<u>FY 1958</u>
18.8	20.3	20.5	None	7.6	Program transferred to U.S. Information Agency by Re- organization Plan. No. 8			

Notes:

1. The FY 1954 figure of \$7.6 million is scheduled for transfer to the new USIA under reorganization Plan No. 8. This figure excludes \$7.0 million of Mutual Security Information themes already transferred to International Information Administration by the Bureau of the Budget and merged with the IIA Program and FY 1954 appropriation request currently before Congress.
2. Figures for FY 1951, 1952, and 1953 include small amounts for MSA audio-visual training and other information support of Technical Assistance activities in the Far East, but exclude amounts for similar support by Technical Cooperation Administration of its Point 4 activities.

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CIA REPORT TO THE PSYCHOLOGICAL STRATEGY BOARD

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CIA REPORT TO THE PSYCHOLOGICAL STRATEGY BOARD

GENERAL APPRAISAL

The effectiveness of political-psychological (PP) operations is not easily or promptly susceptible to satisfactory assessment other than in exceptional cases. At any stage in its development, CIA successes are measured by the number and importance of operating assets acquired as well as by accomplishments in terms of achieving U. S. objectives.

The major accomplishments of political action and propaganda operations in Western Europe have been in the area of European unification along the lines of the Atlantic unity concept, and in reducing the power and influence of Communism. Covert operations have been chiefly in support of overt U.S. Government actions to achieve greater military, economic and political cooperation. [REDACTED]

[REDACTED] CIA political and psychological operations substantially reduced the threat of Communist political control, although in Italy, CIA fell somewhat short of its objective to attain an effective majority for the democratic parties in the June national elections. In combatting Communism, actions to expose and counter Communist maneuvers promote political stability. As an example, CIA operations in the field of labor have virtually eliminated the Communist potential to call effective political strikes in Italy. [REDACTED]

[REDACTED] In the European satellite area, CIA's major efforts continued to center on the build-up of operating potential. Past experience has

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demonstrated that covert PW, while serving to foster hope and rally the anti-regime sentiments of the people, to be fully effective, requires (b)(1) (b)(3) concrete evidence of Communist weakness and resistance activity, as well as tangible signs of growing Western strength in the area. In this frame of reference, Albania, [REDACTED]

[REDACTED] remains the weakest link in the Soviet chain of satellites. [REDACTED]

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The outstanding events of PW significance occurring during the period were the death of Stalin and the transition of power within the USSR. The importance of both events was area wide

1. STATUS OF PSYCHOLOGICAL PROGRAMS

A. Methods and Techniques Employed in Accomplishing these Tasks:

CIA engages in cold war activities through the covert use of techniques employing mass propaganda media, front organizations and agents who induce pro-Western orientation of groups and individuals. It employs a wide variety of persuasive means to obtain its ends including denial, coercion, material and financial inducement and deception, as well (b)(1) (b)(3) positive identification of individual, group and national interests of foreign elements with U.S. aims.

B. Concepts of Operations by Area:

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C.. Major obstacles and Difficulties Encountered:

In general Western Europeans were highly critical of undertakings which were popularly accepted both as primarily in the interest of the United States and U.S. inspired. Certain powerful types of propaganda are most effective when staged against a background of unwavering U.S. strength. Unfortunately, views projected from the platform of U.S. debate sometimes reflect lack of resolution and uncertainty poorly understood abroad. The effect is to undermine confidence in U. S. governmental concepts and leadership, e.g., the confusing role of legislative committees in speaking or acting on international policy matters, without

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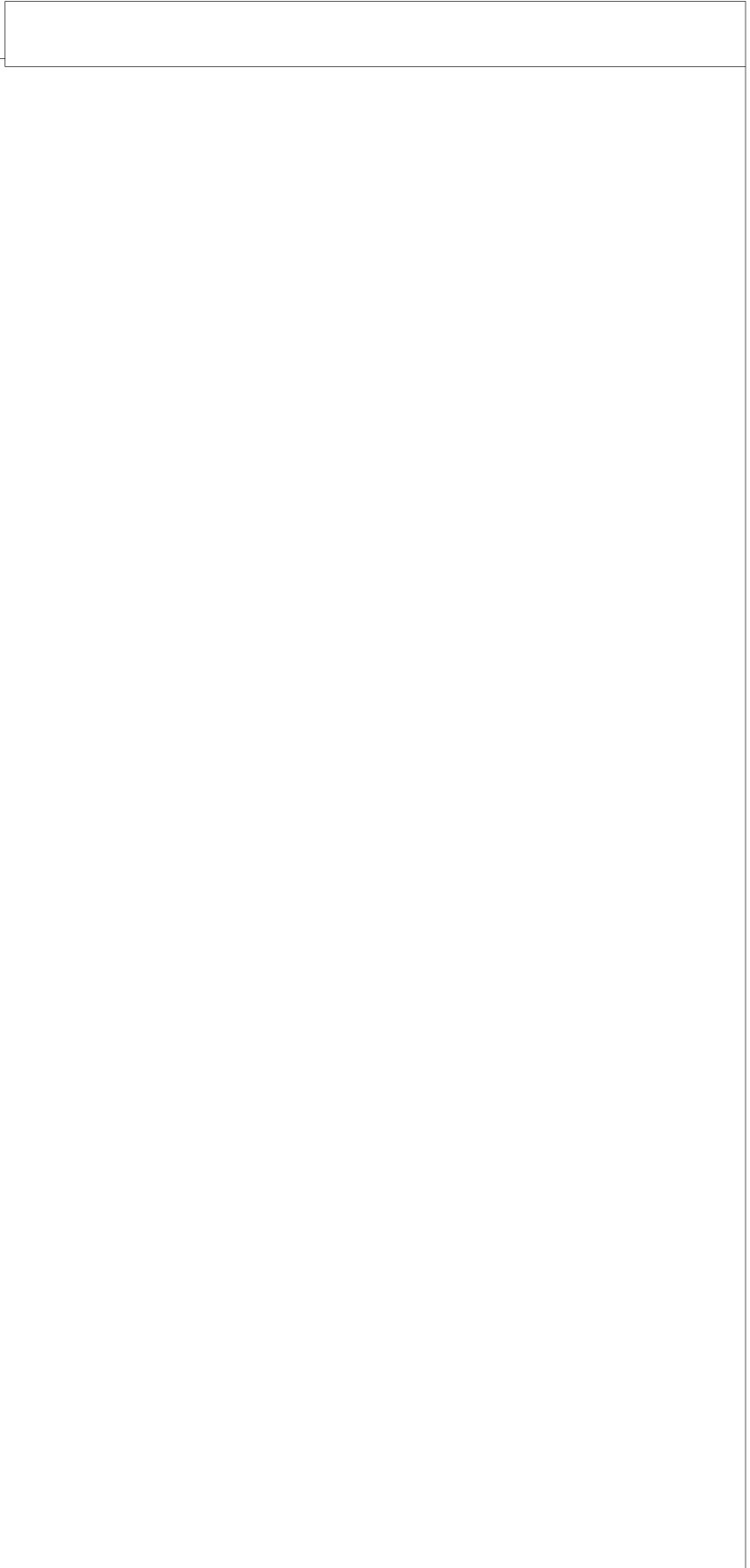
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executive responsibility.



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agents is the desire to aid in the unification of a free Korea.

Past and present policies of the United States and its Western allies toward the Middle East have resulted in deep-seated resentment on the part of the Arabs towards the U.S. role in the creation of the state of Israel and the Arab refugee problem; in growing antipathy throughout the Arab, Asian, and African world directed against the colonial powers and against what is considered an equivocal policy on the part of the U.S. towards the principle of self-determination; and in fear of being drawn into what is regarded as a power struggle between two great rival blocks. Other problems have arisen from the basic weaknesses of the area itself in terms of its vulnerability to attack or subversions, the political instability of most of its governments, and the economic and social deficiencies which exist throughout the region. Aggravating these weaknesses and contributing to the prevailing unrest are the growth of nationalism and racism, and the decline in the British and French power positions in the area, creating a vacuum which the local authorities are incapable of filling. Suspicion on the part of the governments and peoples of the area towards any kind of foreign activity, a reluctance not only to participate with the West in regional defense planning but even to accept Western material aid or advice, the belief that U.S. interest in the area arises only from a desire to counter Communism compounded with a fear that the area will become a theatre of operations in a Soviet-Western power struggle, an apathy towards problems transcending the immediate area, governmental control of existing informational outlets, and widespread illiteracy are all obstacles which make it difficult to reach significant segments of the target population.

The major obstacles encountered in mounting Soviet Russia operations

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have been those which have resulted from the efforts of the regime to cut
off completely all communication between its citizens and the outside
world.

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2. PSYCHOLOGICAL ACTIONS TAKEN AGAINST THE SOVIET BLOC

A. USSR:

Radio Free Russia, the clandestine radio of a subsidized Great Russian emigre organization in Germany (NIS), broadcast a regular one-half hour program four times daily to the Soviet occupation forces in Germany, Poland and the Baltic States.

Radio Liberation, sponsored by a controlled private organization, the American Committee for Liberation from Bolshevism, broadcast half-hour programs which were repeated several times daily to the Soviet occupation troops in Germany, Austria, Poland and the Baltic States since 1 March. In late March the station inaugurated daily ten minute broadcasts in five major languages to the Caucasus area.

The Great Russian emigre organization also produced and distributed through its networks from Berlin into Eastern Germany, about 270,000 propaganda leaflets each month directed to Soviet occupation forces. These accounted for at least two defections of Soviet military personnel and the development of several other prospective defectors. Approximately 400,000 leaflets produced by another emigre group on the subject of Stalin's death were distributed by all nets in April and May and an additional 700,000 were distributed in June in conjunction with an expanded defection inducement campaign.

B. Far East:

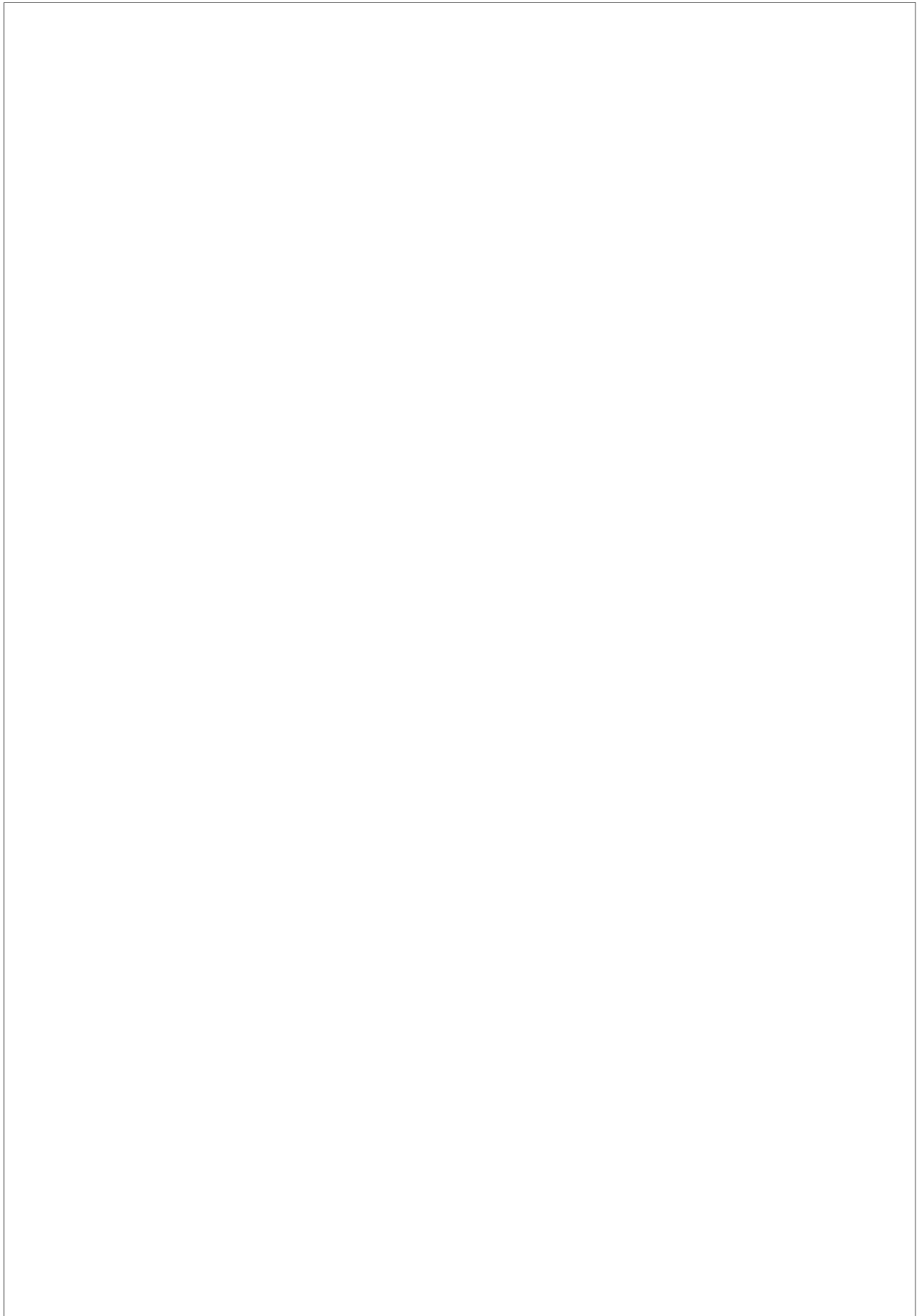
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Efforts in Italy were concentrated on improvement of the democratic parties' position in the June 7 national elections, and weakening of the influence of Communist and undemocratic parties. Political preparations

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culminated in May in the distribution of millions of pamphlets and posters, door to door campaigning, speeches, showing of motion picture films and general electioneering through the democratic parties, civic groups, a free labor union, various cooperative movements and Catholic welfare organizations. Progress was made through the support of a non-Communist labor union, in reducing the strike capabilities of Communist labor organizations. This union held Agency inspired May Day Rallies throughout Italy, effectively demonstrating against the Communists' use of strikes for political reasons.

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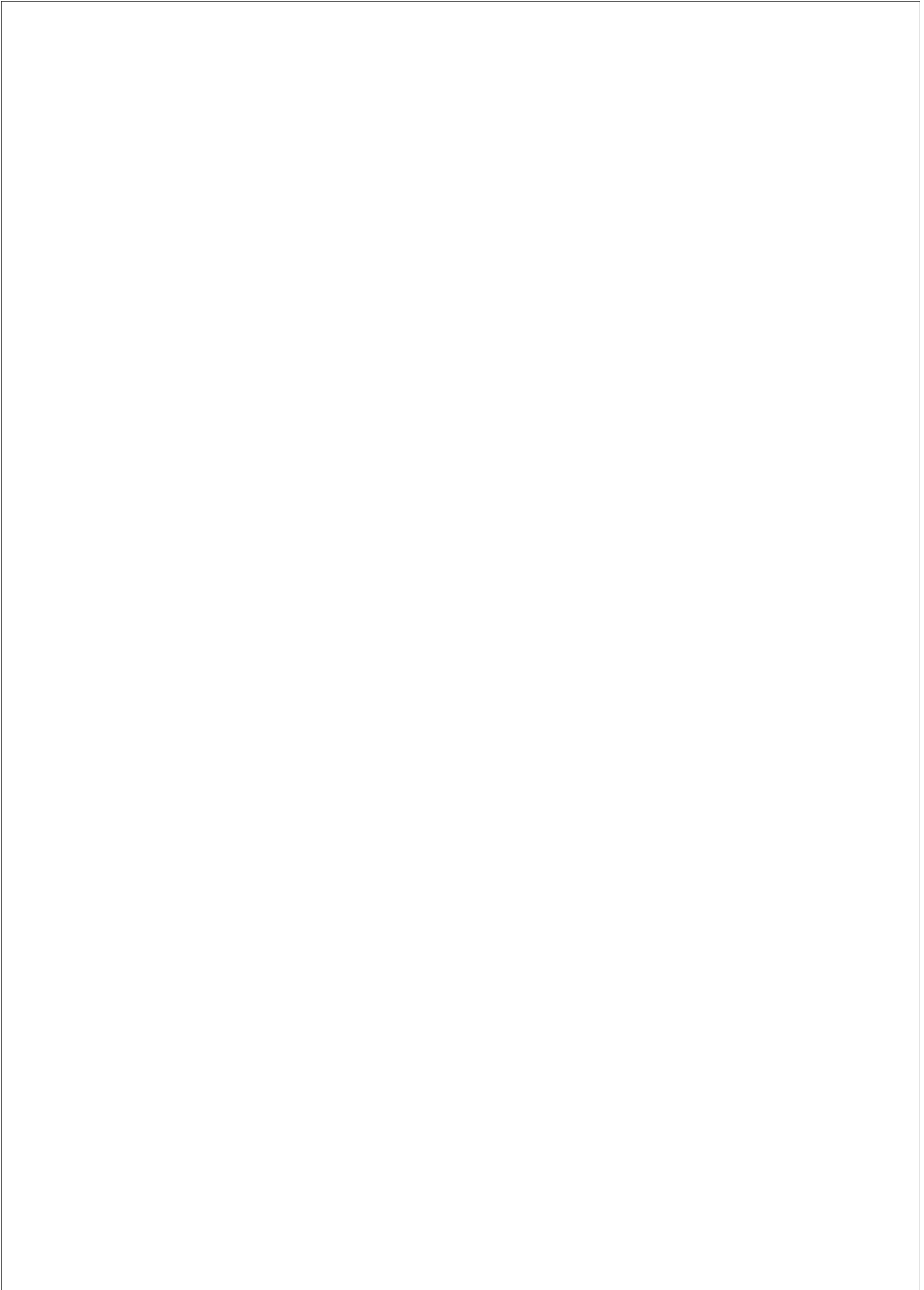
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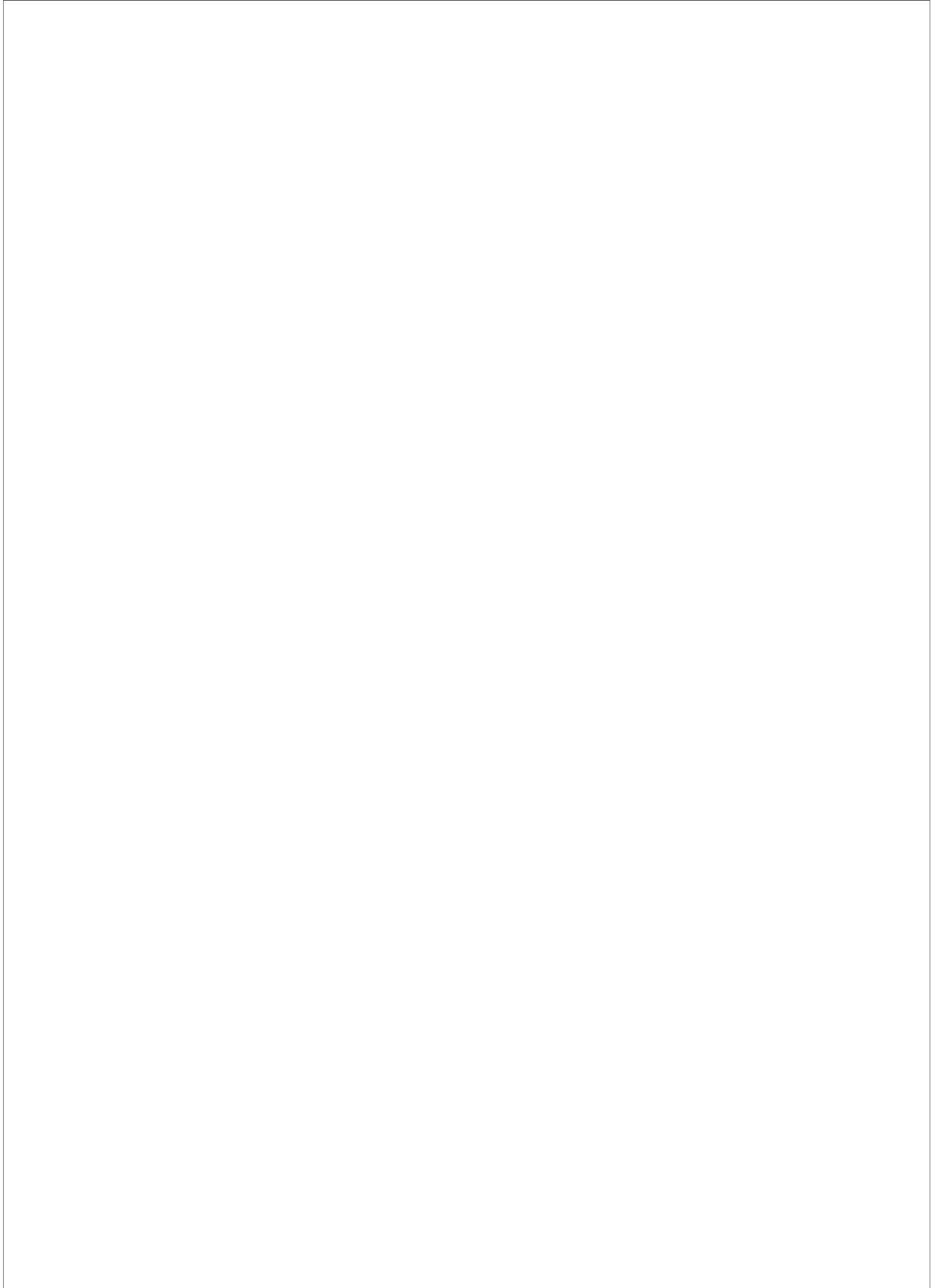


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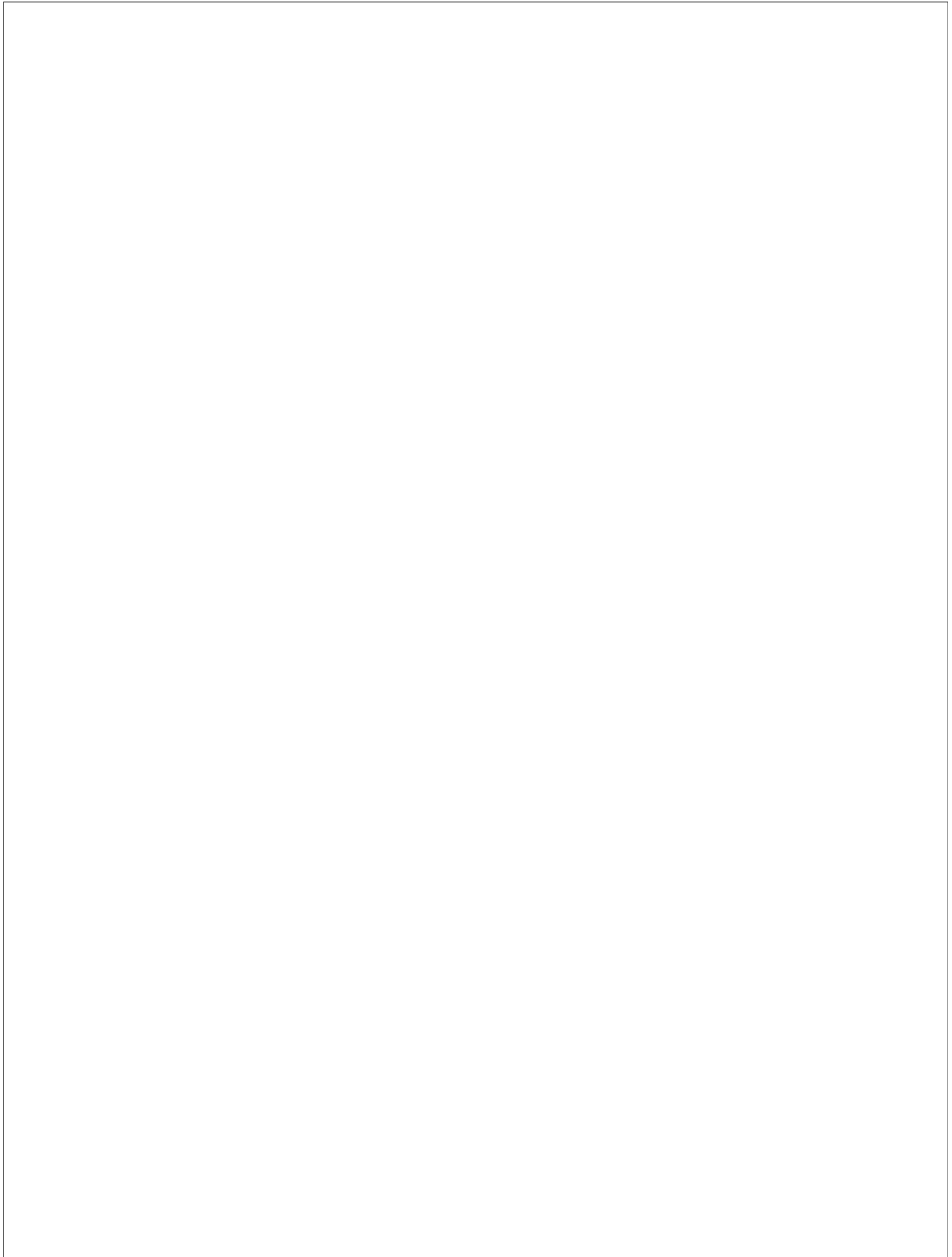
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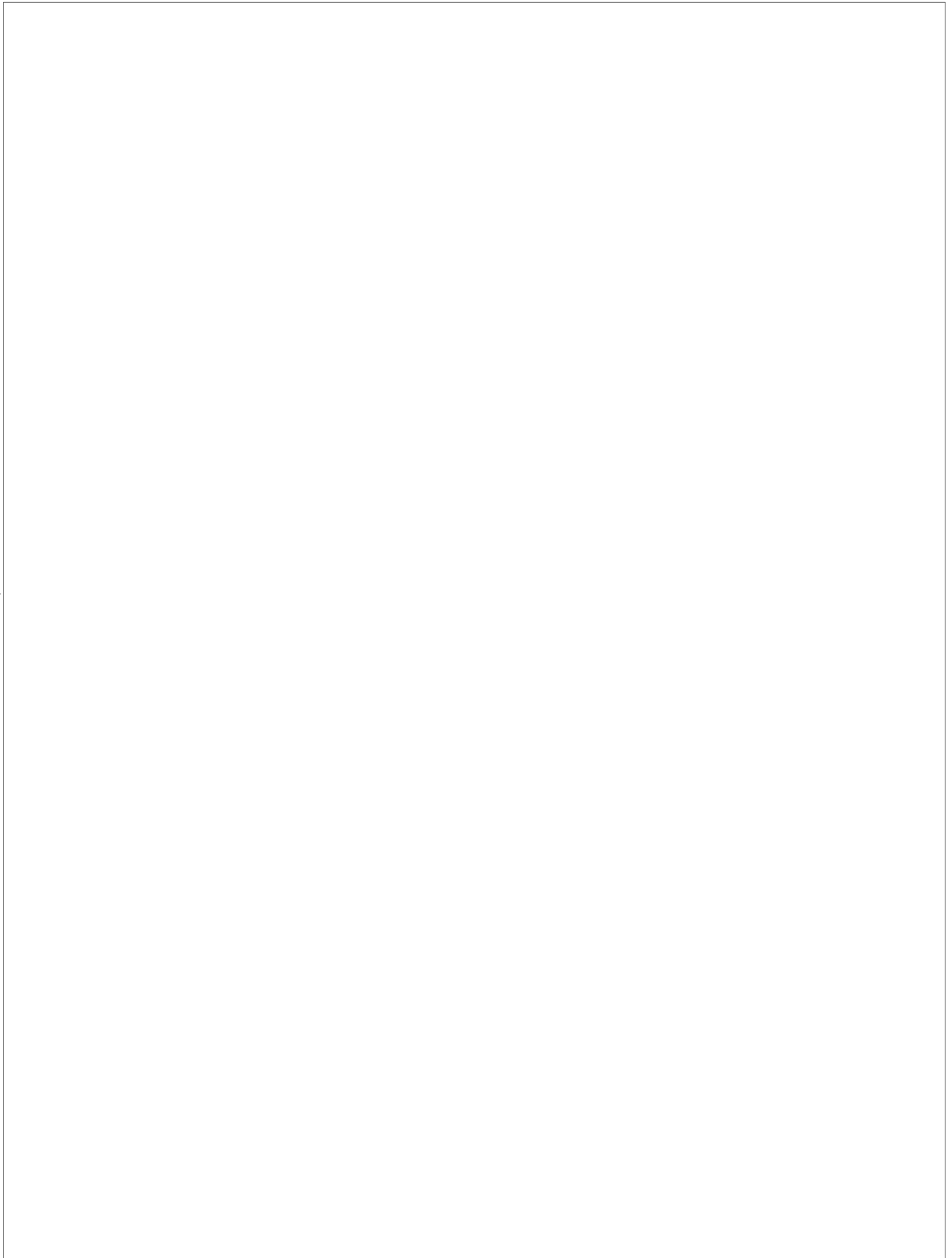
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E. International: The major successes of the National Committee for a Free Europe were achieved through Radio Free Europe, which has been one of the principal instruments contributing to the pressures that the Western World can apply on the Satellite nations as a means of loosening Soviet control and exploitation.

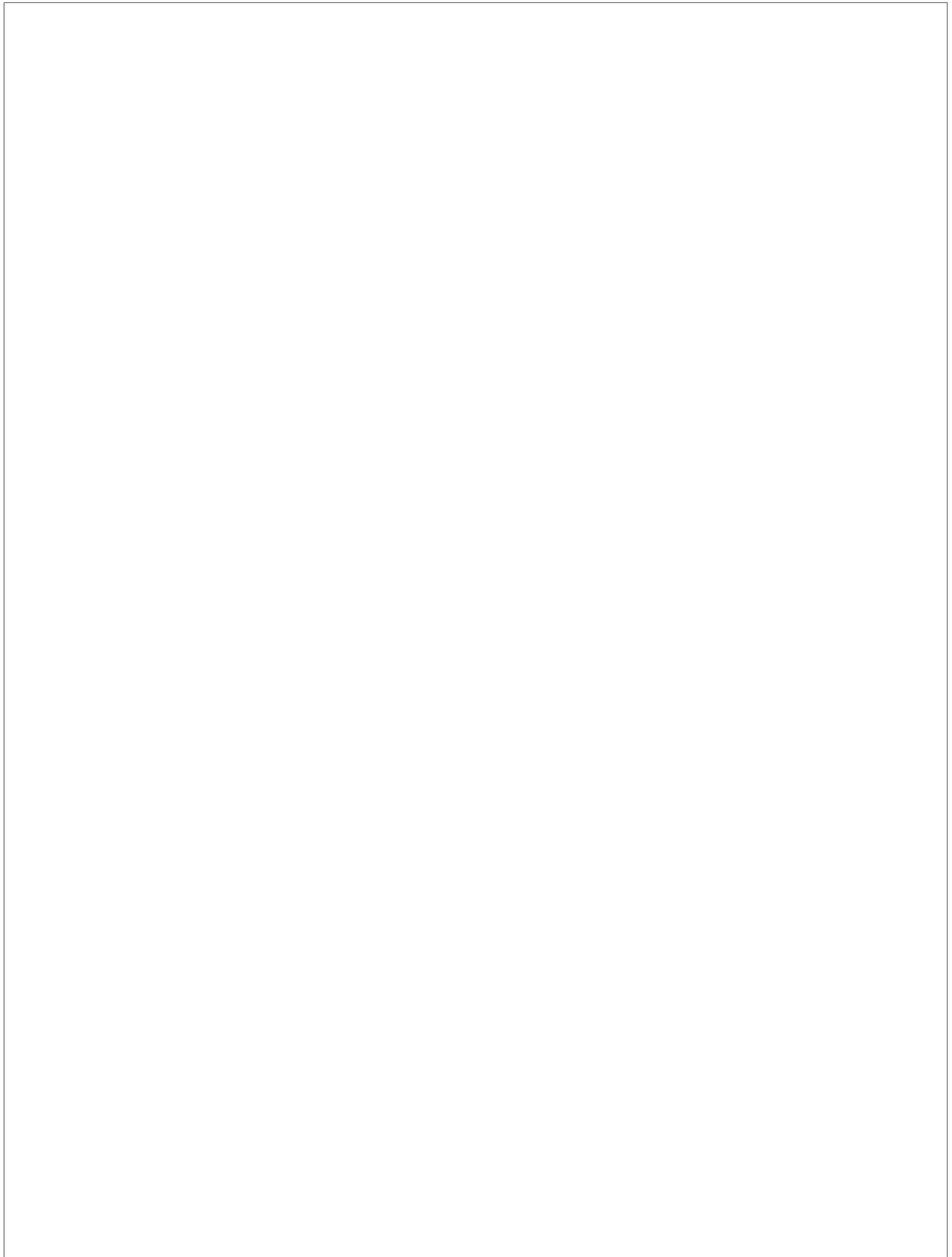
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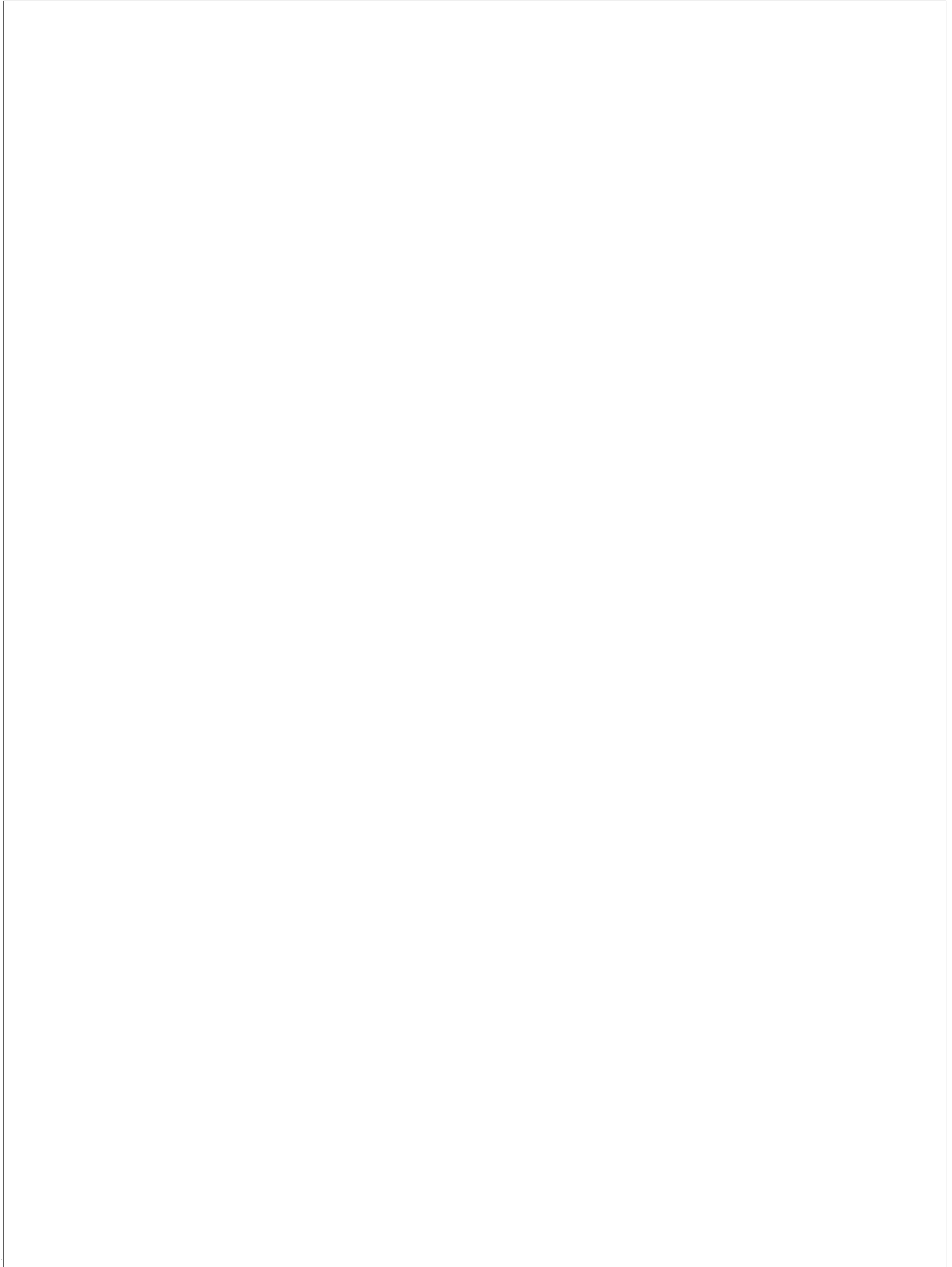
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5. SUMMARY OF SIGNIFICANT AREA CHANGES

- A. USSR: Announcement of the doctor's plot, its subsequent reversal and the counter-purge against those responsible for it; Stalin's death; the new Soviet "peace offensive".
- B. Satellites and East Germany: Death of President Klement Gottwald; defection of two Slovak fliers; pardon of William Catis; East Berlin riots; Polish attack on U.S. intelligence activities in Poland; Bulgarian decree threatening severe retaliation against members of escapee families; Rumanian preparations for the World Youth Congress and Festival to be held in Bucharest in July and August. (b)(1)
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- C. Europe: Popular endorsement of the middle-of-the-road coalition Austrian Government and Soviet rejection of the Western Allies' invitation to resume treaty discussions; ratification in West Germany of the EDC treaty and

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Contractual Agreements; signing of the Balkan Pact by Greece, Yugoslavia and Turkey; failure of De Gasperi Government to obtain the minimum vote necessary to benefit from Italy's new electoral law; marked strengthening of Yugoslav ties with the West; formation and downfall of the Mayer Government, sustained strength of the Communist Party and dissolution of the DeGaulle party in France.

D. Near East: Hardening of Egypt's attitude toward an acceptable settlement with the U.K. on the Suez issue; strengthening of Turkish ties with Western nations; the series of tests of strength between Mossadeq and his opposition and dissuasion of Shah to abdicate; U.S. grant of wheat to Pakistan; filling of the post of Minister of the Interior in Afghanistan by an individual favorably disposed toward the U.S.; USSR denunciation of India's Korean resolution.

E. Far East: Chinese Nationalist troops combined operations with Karen insurgent forces against Burmese military and civilian elements in the Shan States and the U.N. resolution looking toward the evacuation of the Nationalist's troops; military invasion of Laos by the Viet Minh; demands from the King of Cambodia for increased independence; pressure maintained by the Soviets to establish an Indonesian Embassy in Moscow; Quirino's illness, Magsaysay's nomination by the Nacionalista Party and Romulo's candidacy representing the newly formed Democratic Party in the Philippines; fall of the Japanese Liberal Party administration in March and elections for the House of Representatives and the House of Councilors in April; release of North Korean prisoners of war by President Rhee.

F. Western Hemisphere: Softening of Peron's bitterly anti-U.S. attitude; passage by the Brazilian Chamber of Deputies of a bill excluding foreign

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capital from its petroleum industry; failure of the Ibanez supporters to receive a majority in either the Chilean Senate or Chamber of Deputies; deterioration of Communist strength in Panama. President Eisenhower's proposals of 16 April for world peace.

6. SUBSTANTIVE ACTIONS CUTTING ACROSS AREA LINES

A. Soviet Peace Campaign: The new Soviet "peace offensive" may be interpreted as a significant move in the master plan designed to negate U. S. psychological warfare capabilities during the time of power transition, secure internal support for the new regime, create dissension and confusion among the Western allies by concessions designed to appeal to the neutralist sentiment on the European continent, wreak havoc on the EDC front and keep a rearmed Western Germany from being committed on the side of the West. It appears aimed at isolating the United States from its allies if, indeed, the U.S. is not captivated by the Soviet "new look".

In the Scandinavian countries, the peace program had little effect, although the Danish Government made certain concessions to neutralists because of increased popular dissatisfaction with rearmament requirements. Reaction in the low countries was minimal, except for a softening of the non-Communist attitude in Belgium. The French Socialist Party is receptive to Communist peace proposals because of its conviction that a neutral position between the U.S. and Soviet extremes is best for the country. Soviet appeasement moves are profoundly affecting French public opinion, which generally believes that the danger of war is receding. In Italy, in view of the election results, renewed emphasis on the peace propaganda line may be expected. The peace program in the U.K. is receiving greater attention from non-Bevan labor elements, as the result of the Prime Minister

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strongly expressed desires for a Four-Power conference.

The "peace offensive" in Eastern European areas, as the result of amnesties declared in the Soviet Union and the Satellites, isolated acts such as the release of William Oatis, and lifting of ration restrictions in several areas, have developed a strong psychological warfare weapon for the Soviets. Soviet overtures toward the unification of Germany on the basis of withdrawal of troops and free elections represent powerful appeals in support of communist objectives.

Soviet gestures in the Near East along this line have not been without effect,

In other parts of the world the effect of the peace campaign was obscure, or as in the case of South Asia, accepted with skepticism as the result of the invasion of Laos.

B. Stalin's Death and Succession: The death of Stalin and transition in the party hierarchy overshadowed all other events during the reporting period. Immediate world reaction to Stalin's illness and subsequent demise was one of intense speculation. Considerable disarray became manifest at once within the Satellites.

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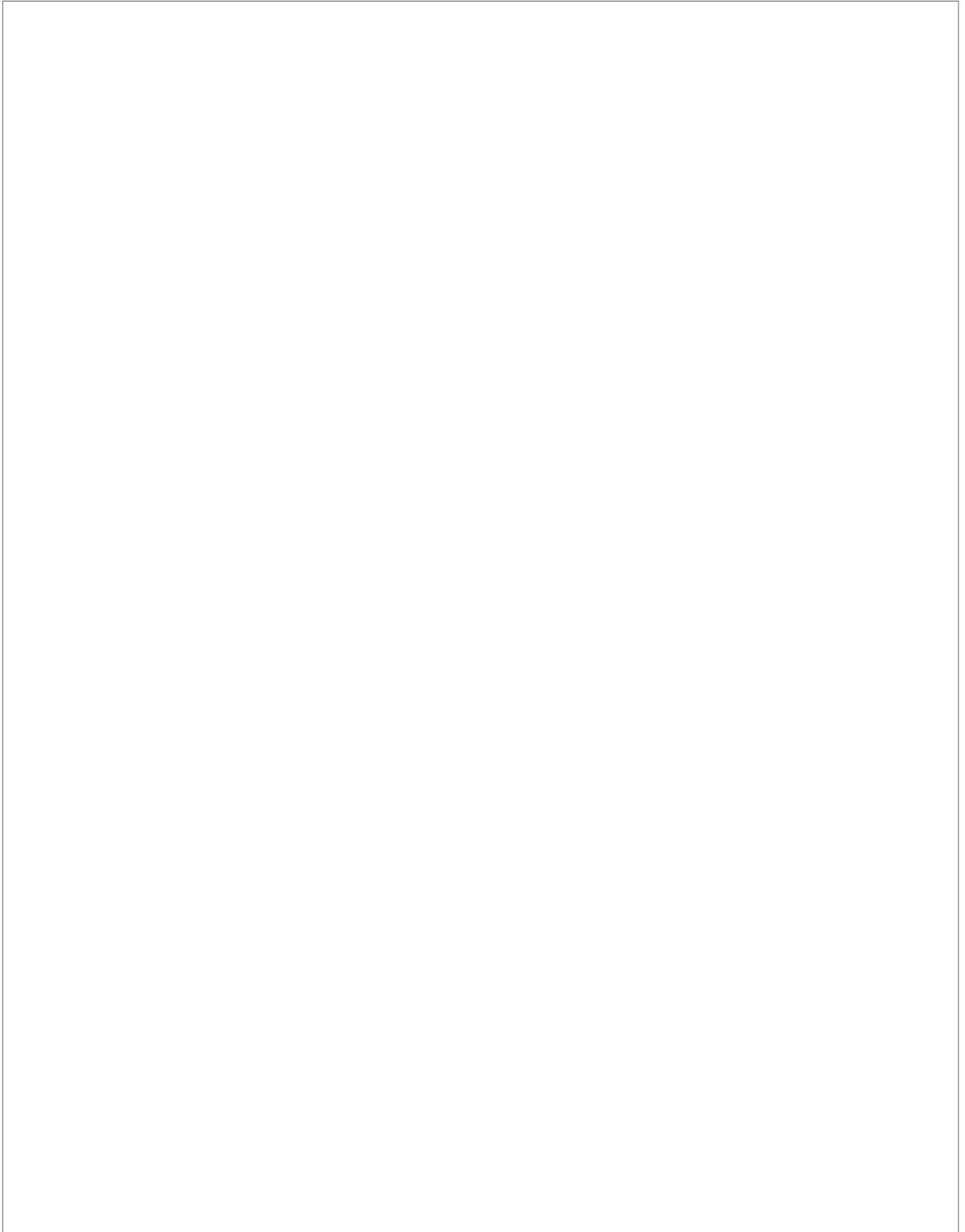
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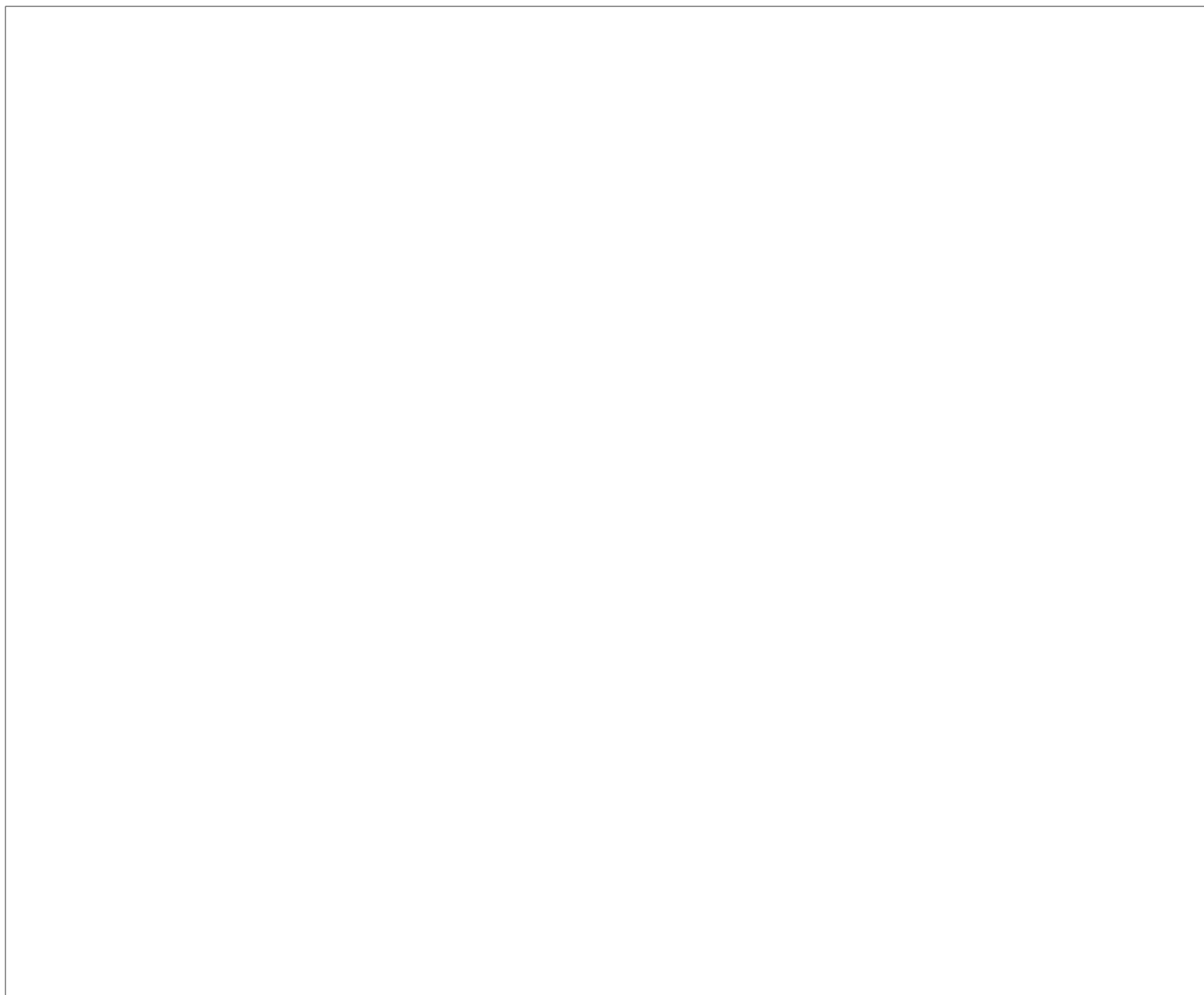
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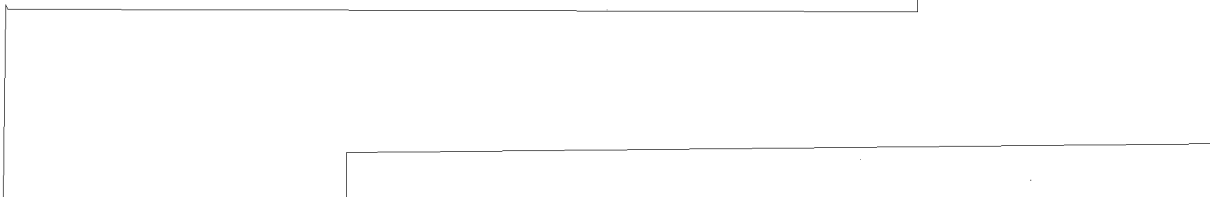
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7. STEPS TAKEN TO IMPLEMENT APPROVED PSB PLANS

A. PSB D-7 (Psychological Operations Plan Incident to Korean Cease-Fire Negotiations)

PSB J-19 (Breakoff of Korean Armistice Negotiations): CIA produced a supporting plan to D-7 and J-19 in the Fall of 1952.



B. PSB D-18a (Phase A - Psychological Operations Plan for Soviet Orbit Escapees)

(Phase B - A National Psychological Program with Respect to Escapees from the Soviet Orbit): PSB D-18a calls for the reception, care and resettlement of escapees (Phase A) and stimulation

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of their flow and assurance of their maximum exploitation (Phase B).

The Phase A program is the responsibility of the Department of State and requires no implementation by CIA. The Phase B program calls for increased attention to escapees, but does not require new Agency plans or operations. The major project advocated by D-18a (Phase B) calls for the activation of a "freedom corps". This project has been developed under NSC 143 and is now awaiting implementation by the Department of State and Defense. CIA support, primarily emigre relations and publicity build-up, awaits action by State and Defense. Appropriate CIA personnel have been alerted to the support action required [REDACTED]

[REDACTED] The inducement effort, the increased utilization of Iron Curtain escapees and the propaganda value of inherent escapees are receiving close attention.

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PSYCHOLOGICAL PROGRAM - EXPENDITURES

The table below is a summary of the total costs of our national psychological programs. The figures are taken from expenditure figures contained in the appended progress reports of the Departments of State and Defense, the Central Intelligence Agency, and the Mutual Security Agency.

	<u>Expenditures</u>			<u>Estimated</u>		<u>Estimated Expenditures</u>				
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Funds, June</u>		<u>FY-'54</u>	<u>FY-'55</u>	<u>FY-'56</u>	<u>FY-'57</u>	<u>FY-'58</u>
	<u>FY-'51</u>	<u>FY-'52</u>	<u>FY-'53</u>	<u>30, 1953</u>						
Foreign In-formation (State)	95.2	126.0	103.1 ¹	17.5 ²	109.0 ³	- ⁴	-	-	-	-
Foreign In-formation (NSA)	18.8	20.3	20.5	none	7.6 ⁵	-	-	-	-	-
Military - Unconventional & Psywar (Defense)	27.1	38.6	43.2	.7	13.5 ⁶	-	-	-	-	-
Unconventional (CIA) ⁷										
Escapee Program (State)			1.4 ⁸	4.1	9.2	8.5	6.9	4.5	-	- ⁹
Strategic Plans and Coordination (PSB)	-	0.4	0.5	negl.	0.6	0.6	0.6	0.6	0.6	0.6
IDENTIFIABLE										
TOTAL....	141.1	185.3	168.7	22.3	139.9					

1. Estimated
2. For radio acquisition and construction
3. Total requested IIA Congressional Appropriation
4. In view of impending changes, including setting up of new information agency, no valid basis exists for projections beyond '54
5. This figure of 7.6 is scheduled for transfer to the new USIA under reorganization Plan No. 8. It excludes 7.0 million already transferred to IIA by Bureau of Budget
6. Interim estimate
7. These figures are being supplied directly to the President by the Director of Central Intelligence
8. FY '52 & '53 shown together by reason of short period of operation in fiscal '52; included in FY-'53 total
9. No basis for estimate

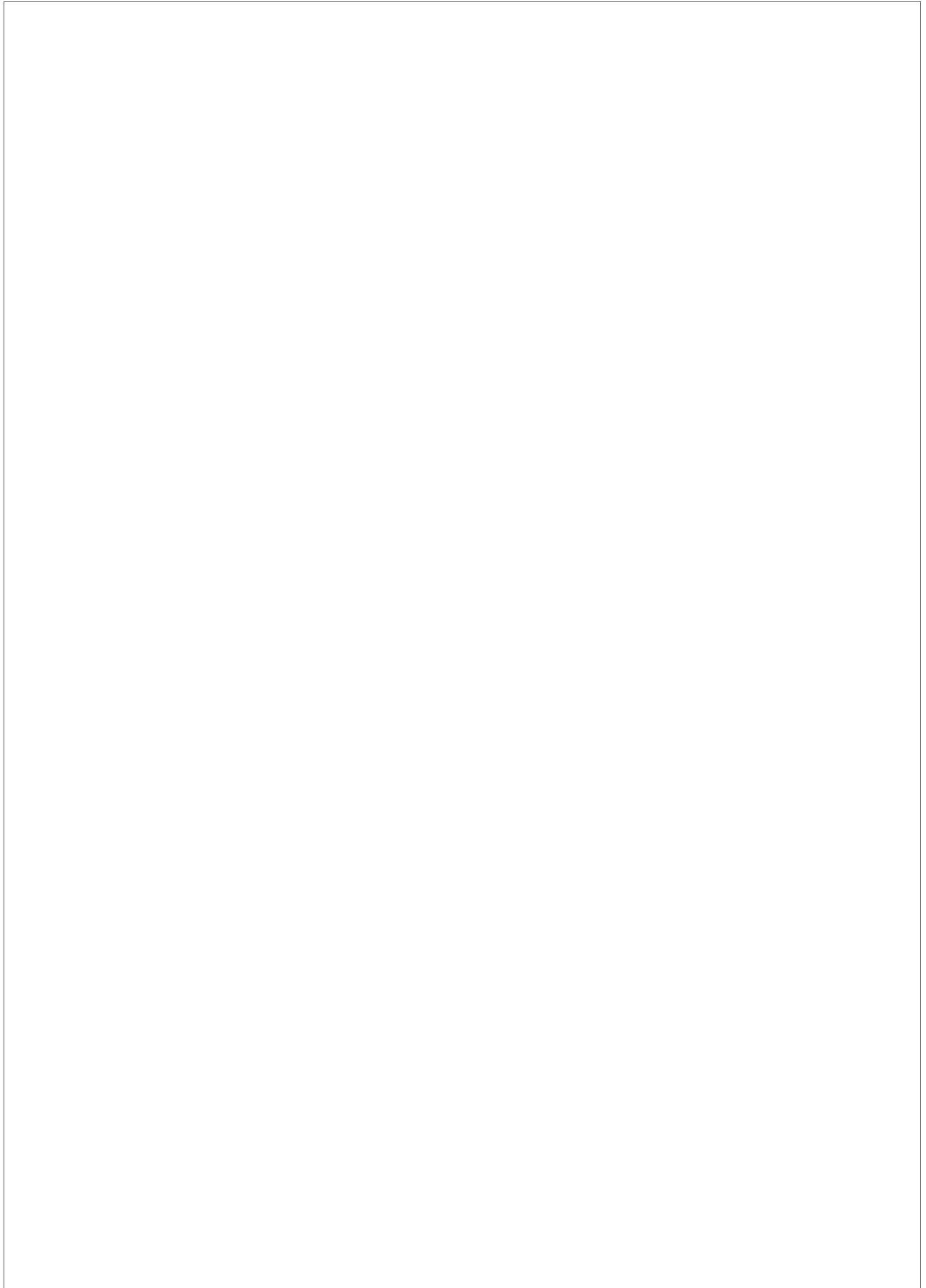
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