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PSYCHOLOGICAL STRATEGY BOARD
WASHINGTON 25, D. C.

March 16, 1953

MEMORANDUM

TO: C - Mr. Browne

FROM: P - Mr. Anspacher

SUBJECT: Report of Ad Hoc Youth-Escaper Committee 13 March 1953

Participants: John M. Anspacher, PSB, Chairman
Arthur M. Cox, PSB
/ Warren Wiggins, ODMS
John Ausland, State Department
/ Walter Pillsbury, CIA
/ Philip Barringer, Defense Department

1. Policy

a. Defense raised the question of Soviet desires to "depopulate" East Germany, as part of demographic warfare maneuvers,* but this was discounted by evidence brought forth by CIA and State, especially as it concerned military-age groups. Defense also questioned the advantage of a program aimed at defecting only about 50,000 individuals, as suggested in Gen. Smith's proposal. Further, Defense asked that if any further study were made in the field, additional evidence should be provided concerning the real effect of the program on the East German economy and Soviet aims there.

b. CIA commented adversely on the Crittenberger Committee's interest in this project, as reported by the Chairman (the meeting was told that the matter had been referred to the Committee for an opinion), pointing out that East Germans could not logically be included in any such Corps, so long as there is a recognized German Government in the free world. Then CIA went on to enumerate its basic objections to the Gen. Smith proposal: (1) the agency does not feel that the defection of even 100,000 youth would have a serious impact on the East German economy; it might have a neutralizing effect, but would not cause grave dislocation.

* Cf. Mr. E.M. O'Connor's memo on this subject.

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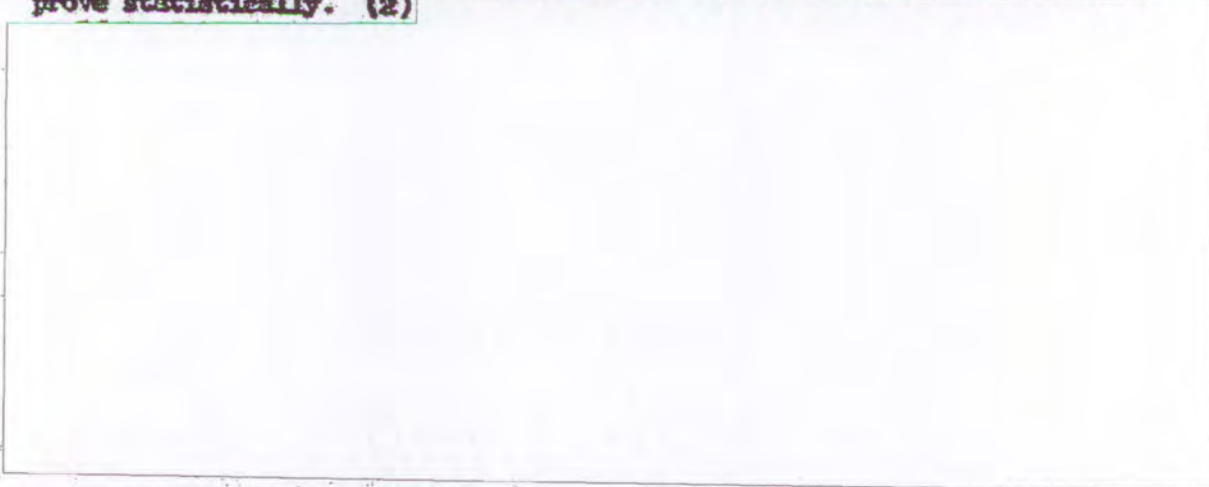
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State replied to this by claiming that such defection would create a critical choice in the utilization of manpower in a controlled state between military and economic assignments, but he admitted this is hard to prove statistically. (2)



2. Negotiations

a. Defense introduced a requirement for full support of both the Government of Bonn and the SPD, to which State agreed, adding that Mr. Adenauer's forthcoming visit here would provide an opportunity for Secretary Dulles to broach the matter. HICOG has stated that it would not favor the plan unless Adenauer could be won over, although Mr. Coant has not been asked to comment specifically on the Smith letter. The CIA representative addressing himself to this point, said his agency favored the HICOG view concerning the difficulties of making the project palatable to the Germans.

b. Mr. Cox, speaking for PSE, pointed to Congressional and public pressure for solving the Berlin escapee problem in general, emphasizing the need for getting a workable agreement with the Germans as quickly as possible in at least the limited area of youth-escapees. He admitted that the German Government has already begun to favor young male refugees, but suggested the U.S. might offer to join with the Germans in a propaganda campaign to induce youth especially to escape, while trying to slow down the flow of "ordinary" escapees.

c. Cox agreed with State that the loss of 50 to 60,000 young men would be a blow to the Soviet position, and pointed out that his suggestion seemed a "realistic" way of bringing the Bonn government to agreement on the youth-escapee program. This would be a "compromise" program, designed to get youth, but restrict the mass emigration from East Germany to those actually threatened with persecution. The question was raised at this juncture of how to determine "real" persecution, at the time of initial reception.

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* Ibid.

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c. It is fairly evident that the Germans will ask for funds if and when such a proposal as this is broached. State believes the \$2.5 million would provide a bargaining point, but ODMS doubted that Adenauer would change his position merely at the sight of either \$2.5 or \$15 million. Cox and ODMS are of the opinion that money will not mean half so much to the Germans as the principle of additional refugees into West Germany; ODMS specifically suggested that we approach the Germans on the basis of our policy towards East German youth, and leave the financial problem for the Germans to raise. State and HICOG both believe the Germans will leap to this problem first. Cox asked how the U.S. could reconcile asking special consideration for the youth, when the Bonn government is really more concerned about the whole refugee problem, especially where finances are concerned. State had no answer.

3. Finances

a. State explained the proposed use of the money as two-fold: (1) it facilitates obtaining German agreement for the plan, and provides a means of funding a CIA program that will ensure East German youth of special treatment on their arrival in the West. In this connection, State pointed out the Smith suggestion for covert operations .. a matter which State feels should not be brought into the negotiations with Adenauer directly, unless he raises it; West Germany's discrimination in favor of youth now is obvious enough.

b. ODMS pointed to two possible sources of funds for financing the program, if adopted. First is Kersten Amendment money in the Defense Department; the other is from MDAP "defense-support" funds. This would not have to be a covertly financed program, according to Mr. Cox (although State and CIA must say just how it will be done). This whole program is designed to solve a particular psychological purpose, and so the money could be dispensed as it was under the PEP program.

c. Defense protested that JCS would object vigorously to cutting back the military end-item budget, to which both Kersten and MDAP funds are now devoted, for the sake of this project. Defense has not definitely taken a position with regard to the Kersten funds, but a separate provision for this project would sit better at Defense than a suggestion to cut back the military end-item program. ODMS pointed out that this could be worked out by shifting the end-item money to the FY 54 budget, and using Kersten money for the youth-escapee program, since the Kersten budget runs out in FY 53. There is no other ODMS proposal for funding this project, since other budgets have hit the bottom of the barrel.

d. State answered a question about a defense tie-up by suggesting that this \$2.5 million could be claimed as contributing to the West German defense budget (military units). This money could be stretched out for six or seven months, expended monthly, under the Kersten budget, but not under the MDAP defense-support budget.

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e. CIA would make no comment on financial support for the youth escapee program, even on the assumption it was approved. CIA funds are confidential, and by law must be used only for such purposes. OSMS commented that such funds could be transferred to NSA and thus brought out into the open if the need required it. CIA had no comment.

f. OSMS predicted that State and NSA will have agreed early this week on a \$10-\$15 million allotment for Berlin in the FY 54 budget, but the chance of its being approved by the Bureau of the Budget and by the Congress is very slim. The same prediction holds true for any proposed special request for an extra \$2.5 million for the youth escapee program.

CONCLUSIONS

Policy: No decision was reached by this Ad Hoc Committee on the policy question. CIA and other objections were recorded, as were State's remarks in rebuttal. Further study of the problem was proposed, especially to determine the probable impact of a youth-escapee program on the East German economy and Soviet aims there. OSMS also asked for an indication of how the \$2.5 million (\$50 per each of 50,000 escapees) would be spent. State was requested to despatch a cable to Mr. Cozzani asking for his personal comments on the Smith letter; the State representative said this would be "inadvisable" at present.

Negotiations: Success of the project will depend on the result of US negotiations with the Bonn Government and the SPD, to obtain their cooperation. Such negotiations cannot be successfully accomplished simply by providing \$2.5 million to the Federal Republic for care and maintenance of escaping male youths; the Bonn Government will not be persuaded to do more for youth than it already does simply by the money-grant. It is the view of this Committee that the whole problem of escapees in Berlin will have to be explored .. and the U.S. must be prepared to give broader assistance than a short-range \$2.5 million grant .. if further inducement of East German male youth is to be accepted by the Germans.

Finances: Two principal sources for the required funds exist: (1) Kersten assessment funds in the Defense Department, and (2) the MEMF defense-support funds, also in the Defense Department. Use of either would require cut-backs in the end-items program, to which JCS is opposed, although a separate budgetary item would partially solve this problem, since it would show not as a cut-back in end-items, but as a special-project allocation. MEMF money must be used this spring, however; Kersten money could be transferred to the FY 54 budget. CIA "confidential" funds could be used only if they were transferred into an "open" NSA account.

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Distribution: Orig/- Mr. Brown
State, Cia, MSA and Defense
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