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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. [It is believed that this effort significantly braced the American public in facing of a difficult and protracted situation.]

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 charges 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 deployment of portions of U.S.

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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} ~~willingness to guarantee the~~ ~~security~~ 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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TOP SECRET7. Military Assistance Programs

[Handwritten scribble]
 The Military assistance program has continued to be of *me*
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. in-
 fluence in the Far East and Europe and has made a major
 contribution in Italy.

Repatriated U.S. Prisoners of War

8. 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 Depart-
 ment 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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TOP SECRET10. 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.

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SEMIANNUAL PSYCHOLOGICAL ACTIVITY STATUS REPORT
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SECTION I

The Department of Defense actions in support of approved plans and guidances cited below were as indicated.

1. National Security Council

a. NSC 59/1, "The Foreign Information Program and Psychological Warfare Planning," 9 March 1950: Direct support activities are indicated in Section II.

b. NSC 10/2, "Office of Special Projects," 18 June 1948, and NSC 10/5, "Scope and Pace of Covert Operations," 23 October 1951: Used as staff guidance for estimates and plans in support of covert operations.

c. NSC 127/1, "Plan for Conducting Psychological Operations During General Hostilities," 25 July 1952: Used as a policy guide for planning purposes; support of this plan is as indicated in paragraph 3, Section I.

d. NSC 143/2, "A Volunteer Freedom Corps," 20 May 1953: The NSC, at its meeting on 20 May 1953, approved the statement of policy contained in NSC 143/2 and directed its implementation by all appropriate executive departments and agencies of the U.S. Government under the coordination of the Secretaries of State and Defense. Subsequently, copies of NSC 143/2 have been sent to U.S. embassies in London, Paris, and Bonn, with advice that upon receipt of cable instructions, the Volunteer Freedom Corps project is to be discussed with the foreign governments concerned at a high level, and in a manner most certain to insure secrecy, with a view toward obtaining their concurrences prior to the implementation of this policy. The Joint Chiefs of Staff

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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.

e. NSC 86/1, "United States Policy on Soviet and Satellite Defectors," 3 April 1951. (See Section VI, paragraph 1 b).

2. Psychological Strategy Board

a. PSB D-11/b, "National Overt Propaganda Policy Guidance for General War," 15 November 1951: Used as guidance in the development of war plans; development of detailed themes within subject policy framework continues.

b. PSB D-14/c, "Reduction of Communist Power and Influence in France," 21 February 1952, and PSB D-15/b, "Reduction of Communist Power and Influence in Italy," 21 February 1952: General support rendered as indicated in Sections II and IV.

c. PSB D-21, "National Psychological Strategy with Respect to Germany," 9 October 1952, and PSB D-21/2, "National Psychological Strategy with Respect to Berlin," 3 February 1953: Subject to the approval of Secretary of Defense support is to be provided through: (1) Joint Chiefs of Staff approval of guidance for CINCEUR's provision of military support to outlined objectives; and (2) Development of an approved joint plan authorizing the military commander to use all Department of Defense facilities available to support the attainment of the stipulated objectives. Direct support involves the employment of personnel and the utilization of facilities, services, and equipment to exploit the potential for propaganda inherent in military activities and situations. Implementation also includes provision for close collaboration and coordination with the Department of State and other

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governmental agencies in support of the stated objectives through use of the armed forces radio system, on the eaves-dropping audience, printing and distributing capabilities, pictorial services, exhibitions, displays, parades and other similar actions.

d. PSB D-22, "Psychological Strategy Program for the Middle East," 6 February 1953, and PSB D-27, "Psychological Strategy Program for Japan," 30 January 1953: Department of Defense planning groups were charged with the development of support plans for these programs. After coordination with the Services and within the Joint Staff, the Middle East plan was forwarded to the Department of Defense Committee for Psychological Operations on 13 April 1953. The Japan plan has also been completed and is under re-consideration prior to forwarding to the Department of Defense Committee for Psychological Operations.

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e. PSB D-23, "Psychological Strategy with Respect to the Thai Peoples of Southeast Asia," 10 June 1953: Direct support was effected through provision of advisory representation by the Department of Defense Member and the Military Advisor to PSB functioning in conjunction with the Panel charged with development of the strategy.

f. PSB D-24, "Program of Psychological Preparation for Stalin's Passing from Power," 1 November 1952: The Department of Defense furnished membership on the panel and a working group charged with support plan development.

3. Psychological Operations Coordinating Committee

a. POC D-38/1, "Information Operational Plan Concerning U.S. Military Forces in Europe," 11 February 1952: Data received indicate some progress in this effort to cushion the impact upon local populations of the presence of U.S. military personnel stationed in various friendly countries.

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In general, however, much remains to be done in the realistic establishment of a mutuality of interests and understanding between the American abroad and his temporary host. (For details of implementation, see Section VII.)

b. POC D-38/2b (draft): "Program for Acceptance of Americans in Japan," 18 March 1953: A revised draft program, retitled, "Program for Japanese-American Understanding," is presently receiving Staff consideration.

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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.)

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

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(4) Organization: On 10 January 1953, the Secretary of Defense approved a directive activating the Department of Defense Committee on Psychological Operations. This body is 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: Intensive efforts have been made at all levels to establish a more balanced and integrated research and development program in unconventional warfare and psychological warfare by effecting the following measures:

(a) Definitive recommendations were made for a permanent organization within the Research and Development Board (RDB) and for a balanced and integrated program. (See Section II, sub-paragraph 1 a (6).)

(b) The publication of a Long Range Program of Research, by Human Resources Office (HumRRO).

(c) The establishment of closer working relations with the overseas commands, and with other government agencies.

(6) The following recommendations submitted by the Advisory Group on Psychological and Unconventional Warfare to the RDB were accepted by the Board which is now seeking ways to implement:

(a) A research and development program in psychological and unconventional warfare that will adequately support the military Services in the discharge of their responsibilities during periods of peace, limited hostilities, and general hostilities.

(b) A research and development program in psychological and unconventional warfare that will permit and stimulate full use of creative initiative in research.

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(c) Systematic and continuous coordination of Department of Defense research with operations and planning staffs in psychological and unconventional warfare.

(d) Systematic and continuous coordination of Department of Defense research activities in psychological and unconventional warfare with other interested governmental agencies.

(7) On 29 April 1953, the RDB approved the findings of the Advisory Group and recommended to the Secretary of Defense that:

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(a) A significant amount of valuable research and development on psychological and unconventional warfare in the Department of Defense has been completed and is going on, particularly in background information on the characteristics of strategic and potentially hostile peoples, on target vulnerabilities, and on evaluation of operations.

(b) A balanced program in the Department of Defense can be achieved by more intensive effort in some technical objectives where valuable work has already been started.

(c) Continued effort should be made in (1) target vulnerabilities and (2) operational evaluations.

(d) Intensive effort should be made in several technical objectives that need to be brought up to an adequate level of research activity. These are:

i. Background information on the characteristics of strategic and potentially hostile peoples, including area handbooks and files.

ii. Materiel for psychological and unconventional warfare.

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iii. Defense against Communist techniques of subverting and indoctrinating American POWs.

iv. Relationships between American troops abroad and host nationals as well as the impact of American military operations on foreign peoples.

v. Unconventional warfare methods and techniques, including escape and evasion.

vi. Intelligence methodology, including techniques for the collection, analysis, and utilization of intelligence and counterintelligence.

vii. Methods and techniques in support of military government and civil affairs.

viii. Development of techniques and criteria for the measurement and evaluation of psychological and unconventional warfare operations.

b. Joint 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.

(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.

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(3) The Joint Chiefs of Staff have approved and CINCFE 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. (See Section VI, paragraph 1.)

(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: CINCFE 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.

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

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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 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.

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

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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.

(d) 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 ^{specific} 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. (See Section VI, subparagraph 1 b.)

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

a. Psychological Strategy Board: Emphasis was placed on PSBpapers 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,

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analyzes, and makes recommendations to CINCUNC 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 (6).)

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(2) ~~Department of State~~ 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, *delete* by the Joint Chiefs of Staff *delete* and the Department of State *delete* awaiting outcome of the President's reorganization plan No. 7 and 8. (See Section I, subparagraph 1 e.)

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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.

(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 countering such propaganda and has

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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} ~~provide~~ [the American public with] 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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TOP SECRETSECTION III

Military activities having psychological implications conducted by the Department of Defense during the report 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 ROKA troop strength and combat efficiency. (See Section IV, subparagraph 5 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.

(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

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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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TOP SECRET3. 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 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.

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TOP SECRET4. 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 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.

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TOP SECRET5. 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, [11 in number] 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. [During the current quarter, service has been rendered to foreign correspondents of The Netherlands, Denmark, Norway, France, Italy, United Kingdom, Greece, Turkey, Egypt, Germany, and Japan. ^{in addition} ~~in each instance~~, 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 1953.

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.

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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 in 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 "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 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.

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g. On the occasion of extending a personal welcome to his homecoming Korean brigade, Emperor Haile Selassie was entertained February 7 by Commander Middle East Forces on board the U.S.S. DUXBURY BAY cruising from Massawa 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.

delete [1. On 17 June 1953, Admiral Soemu Toyada, wartime commander of the Japanese fleet, accepted the return of his ceremonial sword from Fleet Admiral Nimitz in commemoration of Japan's independence. Admiral Toyada had presented the sword to Admiral Nimitz in December 1945. Favorable psychological effect upon the Japanese public in support of U.S. policy with respect to Japan is anticipated from the symbolism attached to this action.

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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 providing 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 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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new wording coming

Defense says nothing specific is needed

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Delete all of Section II

Reported effectiveness of actions cited in Section I through IV, inclusive.

1. Enemy Defection:

a. An offer of political asylum and monetary reward was made to Communist jet pilots in Korea. No jet defections as a result of this program have been confirmed to date, although it appears that certain favorable reactions occurred. There was a stand-down of Communist jet fighters for several days. Further a shift in the composition of Red tactical formations has been noted. Previously, enemy MIGs were sighted in flights varying in size of from six (6) to eight(8) aircraft; after implementation of the defection program, coveys of from twenty (20) to twenty-eight (28) aircraft were sighted and subsequent contacts resulted in a sharp rise in the number of MIGs destroyed; 36 MIG 15 were shot down in six days of fighting. (See Section II, subparagraph 1 b (3).)

b. 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.

2. Training: The short- and long-term psychological warfare schools training program has provided limited numbers of qualified PsyWar personnel to meet world-wide requirements for field units and staff echelons. As this program continues, the percentage of trained personnel, properly assigned, will increase.

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3. 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 ("League for Protection of Foreigners in the U.S.") in the San Francisco Bay area on 13 May.

4. ROK Army: The sharp increase in size and fighting power of the ROK Army, under the supervision of the U.S. Army, was both favorably and extensively covered by the press. The considered tributes to the growing combat efficiency of this force on the battlefield by Generals Van Fleet and Taylor contributed significantly to focus public attention on a major facet of U.N. collective security in action. (See Section IV, subparagraph 5 a (1).)

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TOP SECRETSECTION VII

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

select

1. Results of U.S.-British collaboration with respect to U.S. loan of a C-47 aircraft to the British in Malaya for the purpose of conducting psychological warfare voice-casting operations against Communist guerrillas in that area were manifested during this report period. A British technical report from Singapore, dated 10 January, revealed to Defense agencies valuable data on voice-casting which provides a sound basis for combat exploitation and development of this medium.

2. 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.

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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.

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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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

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in millions of 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

	Expenditures			Estimated Carry-over June 30, '53	FY 1954* (Less '53 Carry-over)	FY '54 plus FY '53 Carry-over Funds	Estimated Expenditures**			
	FY 1951	FY 1952	FY 1953				FY 1955	FY 1956	FY 1957	FY 1958
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				

* 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-FC 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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