

MEMORANDUM FOR: Mr. Dulles

Attached are (1) Ed Lansdale's impressions of Mr. Arellano (Tab A), (2) Ed Lansdale's memo covering a new proposal for OB activity in Laos and which will be raised by Mr. Arellano when he sees you at 5:00 this afternoon (Tab B), (3) FE Division's comments thereon (Tab C), and (4) FE's memo on the Status of Proposed Expansion of Operation Brotherhood (Tab D).

Noted by DCI
2 DEC 1959

JSE

2 December 1959

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2011 (DATE)



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

2 Dec 59
Date 20/12/81
Reference 37169

Allen Dulles:

Am happy to learn that you are seeing Oscar Anellano of Operation Brotherhood this afternoon. Suggest that you might find it useful to size him up as an Asian who:

- a. Is motivated by the same precepts as the best of our own people.
- b. Puts that spirit into his projects.
- c. Has continued recruiting Filipinos who are highly selected for their dedication - and who catch fire from Oscar.
- d. Is able to generate warm cooperation of foreigners (such as in Vietnam and Laos) with these Filipinos, foreigners who are chiefs of state on down to local villagers.

This will help you tuck him in your mind as a friend of ours whom our country is fortunate to have.

Ed Kaufdale



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

Executive Registry

11-9561

27 November 1959

MEMORANDUM

BY: Colonel E. G. Lansdale, OSO/OSD

SUBJECT: Pakse-Kontum Road

APPROVED FOR SIGNATURE
DATE 11/1/59
REVIEWER 37169

One of the fundamental needs in Southeast Asia is to provide Laos with the means for ground movement, as a basis for sound political-economic stability. A long-desired action, to help accomplish this, would be to complete an all-weather road between Pakse in southern Laos and Kontum in Vietnam. The U. S., Lao and Vietnamese officials who have desired this Pakse-Kontum road have been motivated by the following:

a. Such a road would open Laos to a port on the China Sea, Qui Nhon, since Kontum is linked with roads to the Vietnamese coast and Pakse is linked to the Mekong River waterway in Laos.

b. Such a road would traverse the Bolovens Plateau, which is so located that it is of strategic significance in the Free World defense of the Indo-Chinese peninsula; the road would make overland military movement feasible, in case of contingency need.

c. Such a road would permit social and economic development of a region which is sparsely settled, which is currently vulnerable to Communist activities, and which preliminary surveys have indicated is one of the most promising areas of Laos in natural resources.

Fresh Viewpoint

As indicated above, the construction of a road from Pakse through Attopeu to Kontum has been under consideration for some time. Now, a Filipino who has proven his belief in Free World principles by his life of actively upholding them has presented a refreshingly fundamental approach to the problem of building such a road. He offers a way by which we can more rapidly reach true U. S. objectives of developing the area for the security, political well-being, and economic betterment of Laos -- rather than merely building a road which would facilitate short-term commercial exploitation of the indigenous population, of a type to increase vulnerability to communist activity.

EXECUTIVE REGISTRY

The Filipino is Oscar Arellano, head of Operation Brotherhood which operates Filipino medical teams in Laos, including teams on the Bolovens Plateau at Paksong and Attopeu. The operation uses a medical approach to accomplish socio-economic actions of a "grass-roots" level in trouble areas. Mr. Arellano has been the leader of Operation Brotherhood (OB) since its beginning in Vietnam, when he was Vice President, for Asia, of the International Junior Chamber of Commerce (who initiated the "OB" project).

On 20 November, he met with a group of Mutual Security planners in the Office of Special Operations, OSD, where his ideas on the Pakse-Kontum road were discussed informally.

Concept.

The concept is as follows:

a. Survey. Make an aerial survey of the region to locate the most promising areas for mineral and agrarian development. Plan the route of the road to run as close as possible to these areas, to diminish the requirement for feeder roads.

b. Labor. Expand the present "OB" projects in the Bolovens Plateau into new projects adjacent to the planned route. These are essentially agrarian-community development projects; the Paksong project is currently improving health among the Kha tribesmen by improving the diet, teaching farming and the preserving of food (it is now producing bacon, ham, etc.). The introduction of mechanized equipment would permit the Filipinos with "OB" to not only increase acreage of farm products, but to teach the local Lao how to operate and maintain equipment. Past success of "OB" training of Lao indicates that a labor pool could be readied from among present inhabitants of the Bolovens Plateau, who now live in primitive status.

Contractor.

Rather than limiting the project to a road-building enterprise under ordinary contractual arrangements, this could be made into a pilot project of a new type of U.S. -sponsored area development. The thought is to get some well-motivated American construction engineers together with well-motivated Filipino construction engineers and form a company willing to do many extra things for the Laos. One important "extra" would be in turning over a share of the profits to either "OB" or a Lao government entity to be used in developing new communities in the region and in education of the

villagers. Empathy for the Lao on the part of the Americans, instead of looking down their noses at "natives" and "gooks", would be a priceless contribution towards winning over the local residents to the political precepts of the Free World and to support of their national government. This would be a strong way to demonstrate both our belief in free enterprise and our brotherhood with the free men of Asia.

Commissaries.

In support of the road construction, an idea could be borrowed from the highly successful Construction Corps, known as CONCOR, which U.S. Army Engineers organized for reconstruction work in the Philippines after World War II. The idea is to establish a commissary at each work camp along the road, where workers could buy food and simple luxuries, such as cigarettes for themselves and their families, at low prices. These commissaries could provide a ready market for foodstuffs produced by the "OB" - sponsored farm communities, induce proper diets, stimulate local agrarian and handicraft development, and act as a brake on short-term commercial exploitation by selfish Asian entrepreneurs whose presence on other projects have given shady meaning to the concept of free enterprise. After completion of road construction, these commissaries could be turned over to the villages as public buildings.

Communities.

A political action program should be undertaken concurrently, teaming the Laos "civil action" and "OB" programs -- to reach local leaders and through them the people. Instead of temporary labor camps, new communities of homes could be developed using local materials, with skills taught by "OB"'s quick methods. These would be agrarian communities, with their populations learning to work together for the national good, and given an economic start by supplying labor and farm produce to the road project. The political program, which is a fundamental one, would result in self-protection, better community administration, a sense of belonging to a nation, and closer cooperation with the Armed Forces of Laos.

Summary.

a. The consolidated program envisaged would be designed to reach security, social, political, and economic objectives desired by the United States -- in a region currently endangered by Communist activities -- and in a manner to make the U.S. aid dollar stretch much further in helping the local people.

b. Road construction would be undertaken by a joint U.S. -Philippines corporation, selected for technical competency and for unselfish motivation;

there are many Americans and Filipinos willing to do their bit for man's freedom; witness the Eastern Construction Company now in Laos.

c. Social-economic development would be undertaken through the non-profit Operation Brotherhood on a sub-contract basis, since "OB" cannot contract directly with a government. In this development, "OB" would cooperate closely with the Laos government.

Recommendation.

It is recommended that this consolidated program be considered for the Pakse-Kontum Road Project, as a priority matter, and as a pilot project with potential use elsewhere in Laos as well as in other countries receiving U.S. aid.



SECRET

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

Executive Registry
11-9365

19 November 1959

AWD/fmc

MEMORANDUM FOR ALLEN DULLES

From: Colonel Lansdale, OSO/OSD *Ed*

32 NOV 1959

Subject: CRITICOMM

After a prolonged and most complex examination of the Defense portion of the CRITICOMM problem, it looks as though we have come up with answers we can handle with some assurance of meeting the President's deadline for these communications. I hope to have our part of the joint CIA-Defense reply to the NSC letter of 24 September completed and signed by the Secretary the middle of next week. I understand that your staff has worked intimately with OSO in drafting this reply, to facilitate your signing this joint letter.

Admiral Dorsey, Deputy Director J-6, Joint Staff, gave a fine presentation to the Hull Board this afternoon on the technical progress Defense is making. My feeling is that you might like to have much this same half-hour briefing given to USIB, perhaps with Tidwell's CRITICOMM Committee briefing. This J-6 presentation could be arranged informally through me. Next week's USIB agenda is heavy. Perhaps you might like to do this for the 1 December meeting.

THE CIA HAS NO OBJECTION TO THE DECLASSIFICATION OF THIS DOCUMENT.

AUTHORITY: HR 70-2

REVIEWER: 3710A DATE: 20/1/81

~~EXECUTIVE SECRET~~

SECRET

Refused

Admiral Dorsey appeared before the USIB at its 8 Dec meeting.

Received in USIB/C
25 Nov 59

L. K. J. S.

MEMORANDUM FOR: The Record

The attached correspondence was recalled at the request of Colonel Edward Lansdale in the Office of the Secretary of Defense in view of the approval of DCID's 5/1 and 5/2--which action took place shortly after the receipt of this memorandum in OSD.

JSE
JSE

January 60

(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

MEMORANDUM FOR: Mr. Dulles

You will recall that you asked Dick Helms to get back from the Office of the Secretary of Defense the memo sent to him on 13 November concerning the implementation of NSCID No. 5. Mr. Helms has obtained the two copies from the Secretary of Defense which are attached. Also attached is a list reflecting that all other copies which were sent out of the Agency have now been returned except for the Army's copies which will be returned next week when their staff man comes back from leave. Did you wish to destroy all copies of this memo or would you prefer to destroy all except the original and file it with a note reflecting that it has been recalled in view of the issuance of DCID's 5/1 and 5/2?

Army copies *FMC* (DATE)
 received 6 Jan '60 FMC (31 December 59)

FORM NO. 101 REPLACES FORM 10-101
 1 AUG 54 WHICH MAY BE USED.

(47)

~~SECRET~~

Executive Registry

11-9123



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

MEMORANDUM FOR: The Secretary of Defense

SUBJECT : Implementation of National Security Council
Intelligence Directive No. 5

REFERENCE : Director of Central Intelligence Directives
5/1, 5/2, 5/3 and 5/4

1. Under National Security Council Intelligence Directive (NSCID) No. 5 (para. 2.b.), the Director of Central Intelligence is directed to coordinate all clandestine activities authorized therein. Pursuant to para. 2.a. of NSCID No. 5, I have developed, in consultation with the United States Intelligence Board, the procedures necessary to achieve the prior, comprehensive and continuing coordination of all clandestine activities authorized in that directive. In accordance with para. 3.a. of NSCID No. 1, these detailed implementing procedures were prepared in the form of Director of Central Intelligence Directives (DCIDs) numbered 5/1, 5/2, 5/3 and 5/4 respectively. These four directives were presented to the United States Intelligence Board (USIB) for their consideration on 10 November 1959. The presentation had been preceded by about eighteen months of active discussion among the interested members of USIB in the earnest effort to reach unanimous agreement.

2. The Army member of the Intelligence Board dissented from the provisions of DCIDs 5/1 and 5/2 as presented (Tab A and D) and submitted a dissenting brief (Tab E) together with proposed revisions of DCIDs 5/1 and 5/2 (Tabs B and C). As the dissenting member of the Intelligence Board in this case is a representative of a military department, I am submitting the matter for your review as required under the provisions of para. 2.d. of NSCID No. 1.

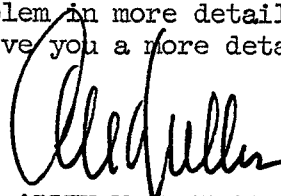
3. Pending receipt of your views on this matter, I will defer any action leading to its consideration by the National Security Council, or the promulgation of these directives.

4. I have not felt that I could accept the Army members proposal and at the same time achieve the "prior, comprehensive and continuing coordination of all clandestine activities" required under NSCID No. 5. To do this I feel that the coordination process should commence with the proposals therefor and include exploratory activities with foreign intelligence services or other foreign elements.

DOCUMENT NO. _____
 NO CHANGE IN CLASS.
 DECLASSIFIED
 CLASS. CHANGED TO: TS S (C) 2011
 NEXT REVIEW DATE: _____
 AUTH: HR 70-2
 DATE: 20/01/81 REVIEWER: 037169

~~SECRET~~

5. I shall be glad to discuss this problem in more detail at any time convenient to you, or, if you prefer, give you a more detailed memorandum of my views.



ALLEN W. DULLES
Director

Attachments: (5)

- Tab A - Draft DCID 5/1 marked Tab A of USIB-D-61.3/4, Dtd. 6 Nov. 59
- Tab B - ACSI/DA Draft DCID 5/1 marked Tab B of USIB-D-61.3/4, Dtd. 6 Nov. 59
- Tab C - Army proposed revisions of DCID 5/2 marked Tab C of USIB-D-61.3/4, Dtd. 6 Nov. 59
- Tab D - Draft DCID 5/2 marked USIB-D-61.3/3, Dtd. 29 Oct. 59
- Tab E - ACSI/DA position re DCID 5/1 and 5/2, Dtd. 10 Nov. 59

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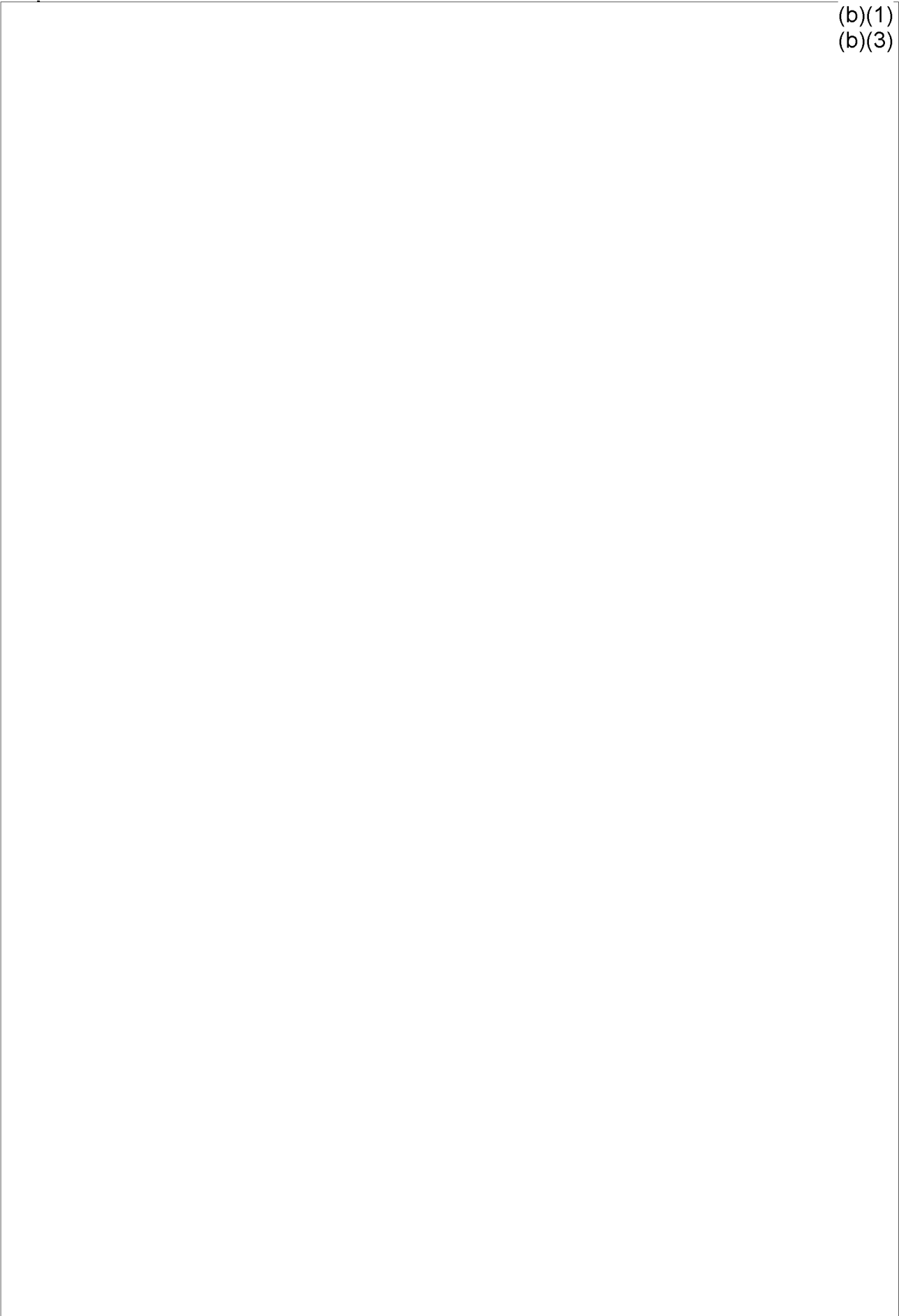
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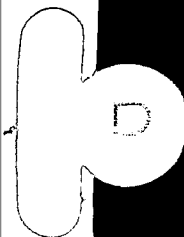
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30 Dec 1959

Distribution and Return of USIB-D-61. 3/5, 16 Nov 1959re DCIDs 5/1 and 5/2

<u>Agency</u>	<u>Copies received</u>	<u>Copies returned</u>	<u>Date</u>
State	2	2	24 Dec 1959
Defense	3	3	28 Dec 1959
Army	4	(Will be returned next week. Staff man is on leave)	
Navy	3	3	21 Dec 1959
Air Force	3	3	9 Dec 1959
NSA	2	2	21 Dec 1959
Joint Staff	3	3	21 Dec 1959
AEC	2	2	28 Dec 1959
FBI	2	1	22 Dec 1959
		(Second copy being returned tomorrow)	

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	Mr. Helres	<i>JH</i>	
2	<i>Executive Registry</i>		
3	<i>(In File)</i>		
4			
5			
6			
<input type="checkbox"/>	ACTION	<input type="checkbox"/>	DIRECT REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	DISPATCH
<input type="checkbox"/>	COMMENT	<input type="checkbox"/>	FILE
<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION
<input type="checkbox"/>		<input type="checkbox"/>	PREPARE REPLY
<input type="checkbox"/>		<input type="checkbox"/>	RECOMMENDATION
<input type="checkbox"/>		<input type="checkbox"/>	RETURN
<input type="checkbox"/>		<input type="checkbox"/>	SIGNATURE
Remarks:			
<p>The DCI read the attached memo from Ed Lansdale and suggested that I pass it on to you for scheduling, if it seems feasible. Will you please take care of the necessary coordination on this? To the best of my knowledge it has not been seen by <input type="text"/> or others who might be concerned.</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
<i>File</i> <input type="text"/> Asst to the DCI			11/23/59
UNCLASSIFIED		CONFIDENTIAL	SECRET

(b)(3)

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1			
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6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
Remarks:			
<i>Per our conversation</i> <i>mt</i>			
(EXECUTIVE REGISTRY FILE <i>Defense</i>)			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
<i>COP / DDP</i>			<i>21 Dec</i>
UNCLASSIFIED	CONFIDENTIAL	SECRET	

(b)(3)

TRANSMITTAL SLIP		DATE 30 December 1959
TO: [REDACTED]		
ROOM NO.	BUILDING	
REMARKS: Attached is a status report on external distribution of USIB-D-61. 3/5. I will leave a note to ask Jack Heires to keep you advised of any further changes as they occur. George Wright		
FROM: USIB/S,		
ROOM NO. 305	BUILDING Admin.	EXTENSION 3402

(b)(3)

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)