

C-O-N-Y

OSD 7-1732

25 September 1957

MEMORANDUM FOR: IP/CPS/C/TR

SUBJECT: Mutual Security Act of 1957

1. The possibility of making use of the President's special fund has been discussed in FE Division, and the following suggestions are considered worthy of note:

a. Japan - The necessity of educating Japanese as to methods which might be used to reclaim non-arable land to commercial advantage has been the objective of the Kiyosato Educational Experimental Project (KEEP). Founded by Dr. Paul Rusch, U.S. citizen and former G-2 officer on duty in Japan, the project was begun in Yamanashi Prefecture in 1948 on 850 acres of unreclaimed land, located at some 300 feet above rice-growing level. The project now includes more than 300 milk producing Jersey cattle, an area creamery cooperative, a milk collection truck system, and an extensive experimental farm. Through application of the principles demonstrated at KEEP, it is estimated that fully 6 million acres of land not now under cultivation could be reclaimed. That this would assist in solving a portion of Japan's food problem is unquestionable. Also involved in KEE is an established rural library available to all, a rural clinic with a 20-bed hospital, and an Episcopal church, although Dr. Rusch makes it clear that there are no religious overtones to the project. Plans have been made for a vocational institute, where the principles involved in the founding of KEEP may be made available to those interested in imitating the KEEP pattern. \$100,000 would do much toward strengthening the project, and making more widespread the concepts which have gone into its establishment. The objectives of KEEP parallel those of the United States in that they work toward an economically sound Japan.

b. Indonesia - U.S. appropriations formerly available for training Indonesian Army Officers in the United States are not included in the FY 1958 budget. This activity is very worthwhile, particularly in the present situation in Indonesia. Since the Fulbright amendment authorizes the use of the special fund for assistance to schools "abroad," it may not be possible to include this program which FE Division believes should be continued.

c. Operation Brotherhood - Among the functions carried on at the present time by OB teams in Laos is that of training Laotians in the fields of nursing, first aid and public health, agricultural methods, home economics, social work, and village public work in addition to their primary medical aid program. These functions were initiated in an attempt to raise the educational, economic, and social level of Lao people, and is directly related to a request by ICA to utilize Filipino members of OB teams in Laos to take advantage

SECRET

of the Asian-to-Asian concept which has been found more acceptable in the SEA area than direct U.S. participation in training programs. The use of the President's special fund for OB is appropriate since OB carries out an educational function, exhibits the benefits of a democratic government, and was founded, sponsored, and indirectly funded by U.S. citizens and the U.S. Government. The sum of \$250,000 is required for FY 1958 to pay salaries, transportation costs, insurance, etc. of the Filipino members of the OB teams in Laos. If this amount could be made available for covert insertion into OB, CIA would be relieved from financing a basically overt operation.

2. Several additional projects have been discussed in FE Division but are not included in the above suggestions for various reasons. If, at a later date, it is deemed appropriate to request use of the President's special fund for them, a memorandum will be forwarded. Further, this Division believes that field stations should be informed of the amendment to the Mutual Security Act of 1957, and if there is no plan for a Book Dispatch, FE Division would like to circulate the information through its own system of field notices.

[REDACTED]
CHIEF, FAR EAST DIVISION

(b)(1)
(b)(3)

Distribution:

- 2 - CFE
- 2 - each Branch and Staff Chief
- 1 - FE/PP/Chrono

SECRET