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24 May 1957

MEMORANDUM FOR: Director of Central Intelligence

VIA

: Deputy Director (Plans)

SUBJECT

: Operation BROTHERHOOD, Laos

1. This memorandum is for information only. Particular reference is made to paragraph 3.

2. Operation BROTHERHOOD was initiated in Laos in January 1957 in response to a request of the Royal Lao Government, transmitted by the Lao Junior Chamber of Commerce, to the Philippine Junior Chamber of Commerce. CIA is providing funds covertly in Laos and through the Philippine Junior Chamber of Commerce to finance the program through FY 57. The Country Team in Laos has recommended that the program be continued, and ICA is tentatively budgeting funds for the support of the program during FY 58. The ICA funds, which are contingent upon final ICA approval and Congressional appropriation, would cover the costs of medical supplies and equipment in Laos while CIA would continue to pay salaries, certain expenses and travel of Philippine and other personnel involved.

3. FE Division finds, on the basis of recent-cost data, that the Agency is in a position to extend its support of the operation by utilizing currently allocated FY 57 funds and the sum of \$100,000 which is included in the FY 58 FE Division Operational Program for this activity. These funds, _______ permit us now to authorize the extension of Operation BROTHERHOOD at its present level through the first quarter of FY 58, pending Congressional and ICA decisions concerning ICA support during FY 58. On 1 September 1957, if ICA funds are not available, it will be necessary to decide whether (a) CIA should continue to carry the full financing of the operation (at the approximate rate ______ per month) or (b) phase out CIA support over a three-month period, for

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File A - 111 Approved for Release: 2019/09/12 C02876670

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which funds would be made available from the FE Division FY 58 Operating Budget.



Acting Chief, 'Far East Division

cc: DDCI

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