

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT	DTPILLAR	<input checked="" type="checkbox"/> CA	<input type="checkbox"/> PROPRIETARY
		<input type="checkbox"/> FI/CI	<input type="checkbox"/> SUBSIDY
			<input type="checkbox"/> DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION Covert Action Staff	
	AMENDMENT		
X	RENEWAL (FY 1965)	BRANCH Two	
	TERMINATION	DESK	
	EXTENSION	CASE OFFICER	
	OTHER	[]	EXTENSION 6041

AUTHORIZATION			
APPROVING AUTHORITY	ADD/P	30 September 1964	
PERIOD OF APPROVAL	FROM 1 July 1964	TO 30 June 1965	
	TOTAL AMOUNT APPROVED	FY	AMOUNT
	[]	196	5
		196	
	FINANCIAL CODE SYMBOL	5124-0059	

CONDITIONS OF APPROVAL

Renewal of Project DTPILLAR approved in the amount [] for FY 1965.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODSEXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

SIGNATURE	DATE
DDP/PG	30 September 1964

SEP 0337	DISTRIBUTION										
1	FINANCE DIVISION	1	SSA-DD/S	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	DDP/PG

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(When Filled In)

DD/P 4-5121

PROJECT ACTION				PROJECT CRYPTONYM			
				DTPILLAR			
TYPE OF ACTION		FI/CI		X		CA	
NEW PROJECT APPROVAL		DIVISION Covert Action Staff					
AMENDMENT NO.		FIELD STATION					
X RENEWAL FY 1965		BRANCH 2		DESK			
EXTENSION		CASE OFFICER					
TERMINATION		ROOM NO. 4D30		BUILDING Hqs.		EXTENSION 6041	

CONCURRENCES OF DIVISION

ORGANIZATIONAL ELEMENT	TYPED NAME (And signature)	DATE	COPY NO.	MEMORANDUM ATTACHED		
				YES	NO	DATE
C/CA/2	[Signature]	9 Sep 64				
C/CA/BF	[Signature]	10 Sep 64				
C/CA/SG	[Signature]					
C/CA/PEG	[Signature]	28 Sep 64				
DC/CA	[Signature]	28 Sep 64				
C/CA	[Signature]	28 SEP 1964				

CONCURRENCES OF OTHER COMPONENTS

C/FE/PO/P	[Signature]		3			
NE/SA	(on cover sheet)					
DDP/PG/CA	[Signature]	30 SEP 1964				
DDP/C-PG	[Signature]	30 SEP 1964				

APPROVAL

PERIOD		TOTAL AMOUNT		FY	AMOUNT
FROM	TO			1965	\$
1 July 1964	30 June 1965	[Signature]		1964	\$
APPROVING AUTHORITY			SIGNATURE		DATE
Deputy Director for Plans			/s/ Thomas H. Karamessines		30 SEP 1964

S-E-C-R-E-T

CA/PEG Project Record Sheet

Initials Date

1. DC/CA/PEG			Project Name:	DTPILLAR
2. C/CA/PEG (sign)	[]	28 Sep	Country:	Far East and
3. DC/CA (sign)	[]	28 Sep		South Asia
4. C/CA (sign)	[]	28 Sep	Type of Action	FY 65 Renewal
5. DDP/PG			PEG Evaluation Officer:	[]
6. ADDP			Date Received:	10 September 1964
7. Return to CA/PEG 2 D 4926			Date Due In DDP/PG:	

Interagency Coordination:

No basic changes in previous arrangements which continue good. The 303 Committee last reviewed and approved the concept of TAF on 12 December 1963. See paras f and g on page 7 of the Project Outline for further information on liaison and interagency coordination.

Comments:

1. To provide for the continuation of The Asia Foundation (TAF), we recommend approval of the FY 65 renewal of the CA/B2 project DTPILLAR for []. This is the same amount requested in the FY 65 Operational Program and authorized for FY 64 in the November 1963 project renewal. During FY 65, however, TAF will have available an additional []-authorized and obligated, but not expended, during the last week in June 1964. The sequence of events leading to that authorization includes:

a. On 14 April 1964 at the request of TAF, a meeting was held with the DCI to discuss a supplementary TAF budget request for FY 65 totaling nearly []. At the meeting were the DCI, DDP, DC/CA, C/CA/B2, the Chairman of the Board of Trustees of TAF, and the President of TAF. Submitted to the DCI was a TAF Board of Trustees resolution endorsing the budget request to the DCI. TAF's basic position was that TAF is now a well-established and accepted organization in Asia capable of supporting an expanded operational program without equivalent additional administrative costs.

b. After a review of TAF's request, the CA Staff in June 1964 recommended to the DCI that CIA respond favorably to approximately 50% of TAF's request for supplemental funds, or []. On 26 June 1964, the DCI authorized this additional amount.

2. On 7 April 1964, by Amendment #1 to the second revised Admin Plan, TAF was authorized to retain bona-fide contributions as supplements to its budget. This procedure discontinues the

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former requirement for CIA to reduce its funds by the amount of non-CIA contributions. In the past these amounts have been small, averaging about \$30,000 per year and were not entered on the public accounts of TAF since funds in a like amount were destined for return to the Agency. This created housekeeping and cover problems. Amendment #1 will enhance TAF's cover position and provide TAF with an incentive to seek contributions.

3. TAF programming highlights during FY 64 include:

- a. Continued acceptability of TAF in Cambodia;
- b. Afghan government contract with Franklin Press to publish Afghan school text books for the next ten years, thereby preempting the field from the Soviets;
- c. Increasing evidence of the influence of a TAF-sponsored quarterly journal in Japan which provides basis for dialogue on social and political thought between Japanese and Western intellectuals;
- d. Opening of TAF office in Jesselton, Sabah;
- e. TAF's support to FE's [] concept by access to Hong Kong publications and assistance to Chinese language textbook programs in other SEA countries;
- f. Continuing and increasing access to Buddhist circles in Laos, Vietnam, Thailand, and Ceylon;
- g. Establishment of Foreign Service Institute in Korea, and preparations for one in Vietnam;
- h. Development of access to new leaders through use of Congressional and Nieman Fellowships, and the Harvard International Seminar;
- i. Distribution to date of 4,355,170 books and 944,136 journals to over 10,000 recipients in Asia;
- j. Dissemination of 79 CS and 00 reports (although fewer than the preceding year, they were considered of high quality).

4. On several occasions in the past, the justification for TAF has been questioned on the basis that it duplicates activities by U. S. government agencies. In this connection, para g (Interagency Coordination) on page 7 of the project outline should be noted.

5. Since becoming TAF president in January 1964, Dr. F. Maydn Williams has demonstrated a lively interest in keeping TAF programs on target and has shown great readiness to work closely with CIA. Under his leadership, good TAF-CIA working relationships should continue, and the operational objectives of the project should be enhanced.

6. Sub-para (7) on page 4 of the project outline comments on the high quality of source data on personalities and internal developments on the China mainland prepared by the Union Research Institute in Hong Kong. Recent comments from various sources on the value of URI work are attached to this blue sheet. CA/PEG believes that CA/2 and TAF should give considerable

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priority to further efforts to improve URI output both quantitatively and qualitatively and to raise its reputation and prestige still further.

7. Sub-para (12) on page 4 of the project outline notes the numbers of books distributed by TAF.

A. In the 1 November 1963 CA/PEG memorandum, The Asia Foundation - Review of Basic Principles and Priorities, we stated:

1) A few large-scale TAF programs should be reexamined in toto (such as the book program) and perhaps reduced in scope or even phased out, but in general no new blanket limitations should be placed on TAF's operations simply because of budgetary pressure, for it is important to maintain TAF's operational flexibility."

2) "Should the Books for Asia program be terminated? Or costs reduced by a reduction in the yearly acquisition and distribution rate? Or by requiring local organizations to share in the costs of local distribution? (One of set of questions for CIA and TAF officers to consider during review of FY 65 plans.)

B. The TAF Budget Forecast for 1965/66, in discussing the San Francisco office program, states:

"The largest single effort to acquaint the Asian intellectual community with current Western thought is the books program, to which 32.8 percent of this budget is devoted. Aside from broadening immeasurably the Representatives' relations with the intellectual and civic leadership of the respective countries, the books program is among our most widely praised efforts, particularly by the Asians to whom it is directed. Demands to increase the books supply are mounting steadily, but these will not be met unless some other means of funding this program is developed."

C. The above view would be sustained by the May 1964 comment of the Hong Kong Representative who stated:

"Reviewing this situation [Book Distribution Activities of Other Agencies], it seems clear that the Foundation book program still has a very important role to play in Hong Kong. We are able to provide specific categories of books to different institutions to meet real needs in a way that no other agency is equipped to do. Hong Kong is a unique locale where English language reading material is in great demand and highly valued. There are many institutions deserving of help who have no recourse to assistance other than that provided by the Foundation."

(continued on page 4)

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D. Attached are two supplementary papers indicating (1) the scope of acquisition and distribution of the books in the program, and (2) the philosophical concept behind the program.

E. CA/B2 informs us that in response to the questions raised in para 7A 2) above, TAF has written to all its Representatives asking them to survey the book distribution efforts of all other organizations in their area with a view toward identifying areas of duplication; that most responses to this requirement are now in hand and are being evaluated; and that they seem to support Chief, USIA Far East Libraries and Center Branch judgement of May 1963 that TAF's program fills a distinct need and should not be curtailed.

1) CA/PEG does not feel, however, that USIA's judgement on this matter should necessarily be taken as definitive nor, even if it is accepted as correct, should it necessarily give the book program absolute priority over other TAF activities of possibly greater interest to CIA. Therefore, CA/PEG recommends that CA/B2 and TAF use the above evaluation to prepare a basic paper on the book program, outlining the principles which they feel it should follow for the next 2-3 years, no later than 1 Jan 1965.

8. The project was reviewed by CA/B3, CA/PROP, SOD, and the NE and FE Divisions. All concurred, and two commented informally:

A. CA/B3--"TAF continues to provide valuable support for certain Br. 3 operations, such as ICJ, WCOTP and GCF. Because TAF is so effectively active with functional groups of interest to Br. 3 we are in fact able to devote greater effort to Latin America and Africa."

B. FE/CA--"We hope during FY 65 to see some real progress in joint FE Div and DTPILLAR collaboration both in programming and operations."

Attachment "A"

A. "URI/UP is the only organization which has the capability to furnish materials for VOA commentaries on Chicom affairs, and help evaluate VOA effectiveness by reviewing output, and interviewing refugees." -- Richard McCarthy, Chief China Policy, VOA.

B. "The Union Research Institute continues to be the leading private organization in the collection of information about mainland China, and in this respect is making a unique and highly significant contribution to the study of Communist China by American and other scholars." -- Dr. Lucian W. Pye, CENIS/MIT.

C. "Find particular need to know aftermath of support Vietnam rallies in countryside Kwantung-Kwangsi-Yunnan region. . . analysts at Union Research Institute may have contacts and info." Department of State message to Hong Kong ConGen.

D. According to the most recent Hong Kong TAF Semi-Annual Report (ending 31 July 1964, written 15 Sep 1964):

1) "URI published 57 issues of the Union Research Service which continues to show improvements in editing, but still appears to preserve jealously the faults of overly-brief and inadequately analytical commentary. Of major significance was the publication by URI for the first time in the history of the Institute of a monthly research journal in the Chinese language. . . The China Monthly, designed for Chinese readers in Hong Kong and Southeast Asia. . . thus far, four issues have been published and the initial reception among its intended audience seems quite favorable. It has received particularly fine reviews in Hong Kong Newspapers." [NOTE: This publication was undertaken in direct response to the [] program.]

2) "URI's major monographic productions, the Who's Who of Communist Leaders and the Tibetan Sourcebook, are both finally nearing completion after repeated delays. Both should be out during the next reporting period."

3) "The Fung Yu-lan (contemporary Chinese philosopher) Sourcebook has recently been determined to be in need of considerably more explanatory commentary and will therefore also experience further delay before publication."

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Attachment "A" (continued)

4) "A military affairs sourcebook and another on agricultural mechanisation are currently being translated into English."

5) "Towards the end of the reporting period, what promised to be a very useful project was begun at URI, the compilation of a dictionary of Communist Chinese agricultural terminology" /NOTE: This research requirement was undertaken in direct response to the DDI's request./

6) "URI still labors under its difficulties of inadequately trained and underpaid staffing. While the Foundation has tried to help in providing some additional formal training to some of URI's selected personnel, the net result has not been too encouraging. We must recognize that until something is done to make URI much more attractive to talented researchers, and this means primarily raising the pay scale, the basic problem will remain. There is a shortage of good trained researchers, and the few that exist gravitate to where the best remuneration is to be found."

Attachment B

Books

for

Asian Students Program

(with original copy of blue sheet)

REQUEST FOR CA PROJECT RENEWAL

1. TOTAL FUNDS REQUESTED FY 1965

Administrative
Overseas Program Support
Program
Reserve Fund

2. AMOUNT IN WHICH PROJECT WAS INCLUDED IN THE OPERATIONAL PROGRAM

The Asia Foundation (TAF) was included in the FY 1965 Operational Program in the amount of \$7,150,000.

3. SUMMARY OF FUNDS APPROVED AND OBLIGATED BY FISCAL YEAR SINCE INITIATION:

<u>Fiscal Year</u>	<u>Approved</u>	<u>Obligated</u>
1951		
1952		
1953		
1954		
1955		
1956		
1957		
1958		
1959		
1960		
1961		
1962		
1963		
1964		

* This includes the allotment of [] to Franklin Press and an allotment of [] in FY 1964 funds approved 26 June 1964 for program and administrative expenses which are to be encumbered and expended in FY 1965.

4. PROJECT DATA

a. Current Objectives: TAF's covert mission is to support the attainment of U.S. policy objectives. It does so by assisting Asian individuals and institutions in their efforts to strengthen their own societies and institutions, giving priority attention to programs which: (1) counteract the appeals of

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communism, (2) promote viable ties with the US/West, (3) redirect extreme nationalism, (4) eradicate irresponsible neutralism/non-alignment, and (5) inculcate concepts of freedom and democracy. As a covert political action instrument, TAF publicly eschews any relationship between U.S. official goals and TAF program objectives. This public stance is a practical accommodation to the fact that the entire scope of TAF programming is open to scrutiny by host governments and the Asian press, as well as by other foreign governments and non-witting Americans. At the same time, by openly declaring its intention to assist Asians in activities designed to promote social and economic progress, and by carefully cultivating its public image as a private foundation, TAF is able covertly to support U.S. government and Agency missions in Asia. Its modus operandus is to provide the means through which Asian groups and individuals, ostensibly acting in their own interests and for their own purposes, actually commit themselves to points of view and courses of action which support U.S. national interests. By carefully adhering to this modus operandus and taking pains to preserve cover TAF has established access and influence at all levels of society in the countries of Asia where it has been represented during the past twelve years. During FY 1964 TAF was able to utilize its special position and capabilities to make further significant contributions to U.S. government and Agency goals. For example:

(1). TAF is the only operational American program which has ridden out the crisis in U.S.-Cambodian relations. Whereas official American personnel attached to the reduced Embassy and U.S.I.S. staffs are essentially isolated, TAF has managed to maintain a surprising degree of accessibility to the individuals and institutions with which it normally deals. An American professor under TAF auspices developed impressive access and prestige in his fields - law and economics. The Cambodian Government named him statistical advisor to the Secretary of State for Planning and technical advisor to the Institute of Statistics and Economic Research. He was also asked to establish a government training center for statisticians, and has established many useful contacts in the Ministries of Labor and Agriculture.

(2). In Afghanistan TAF continued to maintain American advisors in positions which allow them to influence and provide information on Afghan Government policy at the cabinet minister level and, during the year, responded to an Afghan Government request in providing an additional senior advisor

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in civil service and government organization. Whenever possible TAF uses its trusted position with the Afghan Government to deny Soviet access and influence in Afghan decision-making. In one key grant during FY 1964, TAF was able to place Franklin Press in a position successfully to compete with a Soviet incursion into textbook production for Afghan schools. The Afghan Government subsequently contracted with Franklin to produce its school textbooks for the next ten years.

(3). In order to strengthen communications between Japanese intellectuals, including both the extreme right and left, and their counterparts in the West and in Asia, TAF assistance and leadership enabled the establishment of "The Institute for Japanese Social and and Political Thought". By reprinting the writings of Japanese intellectuals in English, the quarterly journal supported by this project exposes extremist Japanese thinking to external critique and provides the means for a dialogue between Japanese intellectuals and the intellectual world around them. The "journal" has been cited by State/CU, and more importantly by Japanese leaders, as the most significant development during the past year in Japan's cultural/intellectual life. The key to the Foundation's success in this continuing project was the placement of a highly qualified American editorial advisor on the staff of the "journal".

(4). During the current program year TAF opened an office in Jesselton, North Borneo which constitutes the first officially connected American representation in the area.

(5). In India TAF is completing its second year of resident representation. Against a background of suspicion and doubts, it has established its bona fides as an organization interested in helping Indians meet their problems. Having successfully resolved doubts and opposition through some initial effective but broad program efforts, TAF is now prepared to sharpen its focus in India.

(6). Important progress has been made in bringing TAF's extensive programming among overseas Chinese into relationship with FE Division's () program. The Foundation's senior Chinese American staff employee has been assigned to Hong Kong where he is influencing TAF-supported Chinese language publications and has developed a collateral value as the principal advisor to the publisher of one of the largest Chinese newspaper chains. In Thailand TAF has assigned an American expert to the Thai Government to advise on Chinese textbooks. The Advisor, a long-time associate of FE Division, is expected to contribute significantly to () Programs.

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(7). Research on Communist China by the Union Research Institute in Hong Kong, supported by TAF, is recognized by most western scholars as the best source of data on personalities and internal developments on the mainland.

(8). Of direct operational interest to the Agency has been the continuing Foundation programming within Buddhists circles in Laos, Vietnam, Thailand and Ceylon. The political awakening of the Buddhists in Vietnam and Ceylon plus the move of the World Fellowship of Buddhists Secretariat to Thailand resulted in increased activity in this field during FY 1964.

(9). A former American Ambassador, retained by TAF to assist the Korean Ministry of Foreign Affairs in establishing a Foreign Service Institute, witnessed first graduating classes during FY 1964. The success of this program prompted the Vietnamese government to request the advisor's services for two weeks in June, and discussions are now under way on a similar TAF program for the Vietnamese Foreign Service.

(10). The Foundation continues its support of programs to identify and develop leaders in various fields by arranging for Asian participation in Congressional Fellowships, Nieman Fellowships and the Harvard International Seminar.

(11). The Student Grantees Program continues to be of interest and use to area desks and the [] program.

(12). The "Books for Asian Students" program has shipped 4,355,170 books and 944,316 journals to more than 10,000 recipient groups in Asia. The weekly newspaper, "The Asian Student" continues to be well received by its more than 30,000 subscribers.

b. Changes: The number of personnel connected with the project remains approximately the same as in previous years.

U.S. Citizens in U.S.		94
U.S. Citizens in Field		64
Foreign Nationals in U.S.		5
Foreign Nationals in Field		
Operational	166
Custodial	65
Total		<u>394</u>

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Brayton Wilbur, one of the original founding members and Chairman of the Board, died in December 1963. In January 1964 Russell Smith, the acting President, became Chairman of the Board, and Franklin Haydn Williams assumed the Presidency. Roger Lapham resigned from the Board and was replaced by Lucian W. Pye. New additions to the Board include: Robert B. Anderson, Mortimer Fleishacker, Jr., and John N. Irwin II, bringing the total membership to 23. This leaves two vacancies which are expected to be filled during the coming year.

c. Intelligence Production: During FY 1964, a total of 79 reports were disseminated as CS or OO reports. Of this total 62 were OO disseminations and 17 CS reports, a sharp decrease from last fiscal year's total of 147 reports. Decreased production came primarily as a result of more careful culling of raw reports per previous customer interest and the enforcement of higher standards in reports quality. The OO office had the following remarks on TAF reports:

Semi-annual reports: "Because these contain information already available, a great deal of it through news media, we have elected not to process them. However, they are excellently prepared situation analyses and we are pleased to have them for our own reference; they are perhaps the most current in-depth situation reports we have in our office area files". Similar comments have been received from OOI and ONE in regards to these reports since they represent unofficial analyses by private Americans with access sometimes not possible for official representatives. This is especially true in areas such as Afghanistan, Pakistan, Ceylon, Cambodia, Laos, and certain sectors in Japan and the overseas Chinese community. A State Department evaluation of a report prepared by TAF's overseas Chinese expert stated that "The source appears to be in an excellent position to supply information required by this office and for which no other (non-CS) source is available". The same statement holds true for TAF's Buddhist expert, whose acceptability and contacts in the Buddhist field are truly unique.

A State Department evaluation of a report from the representative in Laos indicated it filled a priority need, an evaluation rarely given by the Department. The evaluator stated that "The source is sufficiently well informed and capable of producing sufficient insight and evaluation to make his report of value as well as of interest. I would recommend that this source be used again whenever possible and encouraged to provide his views and assessments of the Laotian situation on a continuing basis in the future."

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The Representatives continue to provide the Stations with information and assessments which are useful as operational and background data and to report to the Ambassadors. The debriefings of returning representatives by Agency components and State Department Offices continue to be of interest and value.

Assessment and evaluation of TAF grantees by TAF's student counselor has been intensified during this fiscal year. His work is of considerable value to the area desk officers and DODS, who may levy requirements on him prior to his visits with the grantees.

d. Effectiveness: Probably the most reliable indicators of the effectiveness of TAF are the growing acceptance of its programs and representatives in Asian countries, and the increasing depth of access it provides for personal American contact in Asian governments and society. Testimonials on the effectiveness of TAF programs from official and private sources in Asian countries; and from independent observers, private organizations and U.S. government representatives are preponderantly favorable. No government, including the communists, has among its assets an independently-chartered organization with capital and personnel capable of making such wide and varied impact throughout Asia. While there are numerous other American private and government foundations and similar institutions in other Western nations; as well as multi-national efforts under such sponsorship as U.N., Colombo Plan, etc., all have more restrictive charters than TAF. Communist efforts in the foundation field have been easily recognizable. TAF's image, flexibility and effectiveness appear to be unique in Asia. (A specific request for evaluation of publications required by the ADDP memorandum of 12 March 1964 has been levied by TAF Headquarters upon all field representatives. Their detailed evaluative report will be available at a later date.)

e. Problems: Sensational treatments of certain Agency activities by elements of the American press, while they have not directly threatened TAF, have prompted increasing attention to sound security practices in the administration of the project, domestically and abroad. Guidance on more serious contingencies has been furnished to field stations and

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to each Representative abroad. A related but separate problem has been the threat of legal action and publicity from Asia Foundation Incorporated, New York, to obtain redress for alleged use of its name. Guidance on this matter was procured from Agency staff elements and furnished to appropriate TAF and Agency officers.

f. Liaison

Although the Foundation works largely in the private sector, there has been an increase in programs which support indigenous government activities, particularly in an advisory capacity. The Governments of Ceylon and Pakistan have specific requirements that the TAF representatives submit all of their proposed projects to the various ministries for approval prior to implementation. During the past year the Government of Cambodia has been more restrictive on project proposals. In view of the uneasy position of all American representation in Cambodia at this time, the representative as a precautionary measure has conducted most of his programming through Government ministries. TAF representatives continue to maintain all required and advantageous liaison with U. S. Government officials and officers. Witting liaison with Representatives of the British Government is conducted through the Stations in Singapore and Hong Kong.

g. Interagency Coordination

Liaison with the field stations continues to improve as there is a greater awareness of the potential usefulness of the Foundation and as the fruits of former long range programs begin to ripen. In keeping with current U. S. Government efforts to effect economics by avoiding duplication of programs, special efforts were undertaken this fiscal year to assure that no duplication exists between TAF programs and other U.S. official or private efforts in Asia. First, Station chiefs were asked to review TAF country programs and to report specifically whether they found evidence of duplication. They reported no unjustified duplication. Second, based on a review by Foundation Staff members of the programs of AID, USIA, the Peace Corps and State Department, a special screening exercise was conducted for each TAF country program to rule out any projects which appeared duplicative. The above studies clearly indicate that there is presently no unwarranted duplication; the matter will be kept under continuous review.

h. Plans

The Foundation will continue to give priority attention to critical areas (Vietnam, Cambodia, Laos, Malaysia) and will

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seek to develop more meaningful programming in countries where its activities are subject to the vacillations and dictates of the local government (Pakistan and Ceylon). TAF realizes, however, that there is no Asian country which cannot quickly assume high priority in terms of United States interests and thus merit a strengthened programming effort. Flexibility in TAF programs permits it to be more responsive to country team requests, as well as take advantage of opportunities during the year which are of special interest to Stations. During FY 1965, TAF plans for more advisors in strategic government ministries, support to sensitive labor groups, more programs dealing with tribal minorities and affecting communal tensions, new emphasis in mass media projects, and sharply defines studies in critical fields such as mainland China.

1. Costs

Four Headquarters case officers, two security CE officers, and two secretaries spend full time on the operations of this project.

**Total Proposed Budget FY 65
(with comparisons to FY 64)**

	<u>FY 64</u>		<u>FY 65</u>	
Programs		(61.2%)		(58.%)
Overseas Support		(20.2%)		(20.5%)
General Administration		(18.2%)		(19.7%)
Contingency Fund		(2.4%)		(1.8%)
Total				

PROGRAM CATEGORIES (FY 65)

<u>Category</u>	<u>Amount</u>	<u>% of Program Budget</u>
Education		30.3
Economic/Labor Action		8.9
Rural Development		1.7
Civic & Community Action		4.3
Communications/Media		6.2
Youth & Students		7.9
World Affairs/International Understanding		4.7
Social Science & Research		7.3
Law & Government		5.6
Science & Technology		3.4

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Services for Asians' Travel or Study in U.S.	E 3	3.4
Cultural Projects	E, 3	2.2
Assistance to Professional & International Organiz- ations	C 3	1.5
Development (D&TO)	C 3	12.4
TOTAL.....	C 3	<u>100%</u>

The following explanatory information is provided in regard to the two larger program categories, "Education" and "Development".

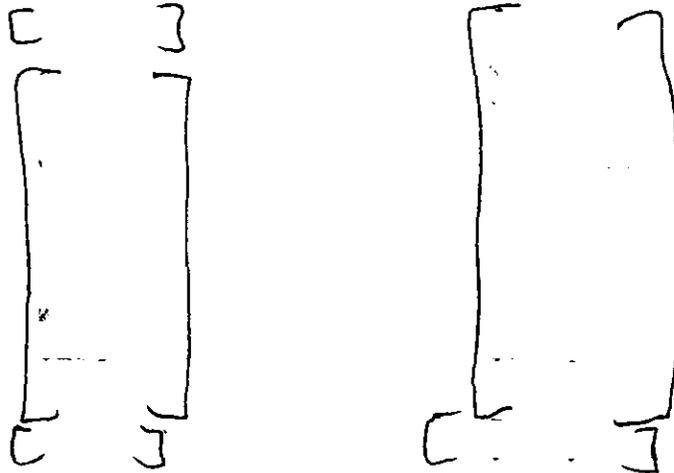
Education: Examples of TAF programming under this general category: textbook production and printing advisory services to the Afghan Government so as to pre-empt Soviet initiative in this field; assistance to Buddhist universities in Ceylon, Thailand, and Laos so as to update Buddhist education; assistance to schools in strategic hamlets in South Vietnam; support to the Institute of Democratic Education in Japan, scholarships to promising Overseas Chinese and other Asians, for study elsewhere in Asia or in the U.S.; placement of an American professor of Chinese studies in the University of Singapore; and enabling support to student counseling centers in Pakistan.

Development: As indicated below, each country budget contains a given amount for development. These are the funds available to the Representative for the development of new projects during the program year. In his budget presentation, the Representative is required to list under the general category of "Development" those projects or activities which he has under active consideration but which have not matured to the point of presenting a firm Project Proposal to his Home Office. In the absence of development funds, the Representative's role would be simply to administer and report on ongoing, approved projects. In other words, it is the development funds which keep the Foundation alive and permit the Representative to seek out and explore new opportunities for programming. Program funds available for development in FY 1965 are outlined below:

	<u>Development</u>	<u>Total Program Funds</u>
Afghanistan	C 3	E 3
Cambodia	E 3	E 3
Ceylon	E 3	E 3
Hong Kong	E 3	E 3

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India
Indonesia
Japan
Korea
Laos
Malaysia
Pakistan
Philippines
Republic of China
Ryukyus
Thailand
Vietnam
San Francisco
TOTAL...



NON-AGENCY SOURCES OF FUNDS

In previous years non-Agency sources of funds contributed to TAF during the fiscal year were offset by a reduction in the following year's Agency contribution. These amounts have been small, averaging around \$30,000. In Fiscal Year 1963 these funds totaled \$15,296.

The procedures involved in offsetting these minimal amounts were found to be burdensome and inconsistent with cover. Consequently, an amendment allowing bona-fide contributions received by TAF to be retained by TAF as supplements to its budget, with approval of CA Staff and concurrence of the Chief, Budget Division, was proposed on 6 April 1964. (Amendment #1 to the second revised Administrative Plan). This amendment was approved by SSA/DDS on 7 April 1964 and by DDP/PG on 8 April 1964.

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