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PROJECT APPROVAL NOTIFICATION

PROJECT DTPILLAR		<input checked="" type="checkbox"/> CA	<input checked="" type="checkbox"/> PROPRIETARY
		<input type="checkbox"/> FI/CI	<input type="checkbox"/> SUBSIDY
			<input type="checkbox"/> DIRECT
ACTION		AREA	
	NEW PROJECT	DIVISION	
	AMENDMENT	10	
X	RENEWAL (FY 1961)	BRANCH	
	TERMINATION	2	
	EXTENSION	DESK	
	OTHER	CASE OFFICER	EXTENSION
		[]	3107
AUTHORIZATION			
APPROVING AUTHORITY		TOTAL AMOUNT APPROVED	FY
DDP/C-PG	21 October 1960	[]	196 1
PERIOD OF APPROVAL			196
FROM 1 July 1960 TO 30 June 1961		FINANCIAL CODE SYMBOL	
		1124-0000-8932	
CONDITIONS OF APPROVAL			
<p>Renewal approved in the amount of [] for FY 1961.</p>			
SIGNATURE			DATE
DDP/PG DDP/PG/CA []			25 OCT 1960
DISTRIBUTION			
OCT 6679			
1	FINANCE DIVISION	1	SSA-DD/S
1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT
1	CASE OFFICER	2	DDP/PG

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

S E C R E T
(WHEN FILLED IN)

PP PROJECT ACTION SHEET

I PROJECT CRYPTONYM		DPILLAR	
<input type="checkbox"/>	NEW PROJECT APPROVAL	DIVISION	International Organizations
<input type="checkbox"/>	AMENDMENT No.	BRANCH	2
<input checked="" type="checkbox"/>	RENEWAL FY 1961	DESK	
<input type="checkbox"/>	TERMINATION	CASE OFFICER	E. O. Barnes EXT. 3107

II DIVISION CONCURRENCES						
ORGANIZATIONAL ELEMENT	SIGNATURE TYPED & SIGNED	COPY No.	DATE	MEMORANDUM ATTACHED		
				YES	NO	DATE
c/IO/2	<i>IS/ []</i>					
IO/BF	<i>[]</i>	2	7 OCT 1960		<input checked="" type="checkbox"/>	
c/IO/BS	<i>[]</i>	2	<i>7 Oct 60</i>			
IO/Plans	<i>[]</i>	2	<i>10 Oct 60</i>		<input checked="" type="checkbox"/>	
c/IOD	<i>[]</i>		10 OCT 1960			

III CONCURRENCES - OTHER DIVISIONS AND OFFICES						
DDP/PG/CA						

IV APPROVAL

SUBJECT PROJECT ACTION IS APPROVED IN THE AMOUNT OF *[]* FOR FY **1961**
FUNDS TO SUPPORT THIS ACTION ARE AVAILABLE FROM WITHIN THE CURRENT ALLOCATIONS TO THE DIVISION.

DDP/C-PG	<i>/s/ []</i>	21 Oct. 60
APPROVING AUTHORITY	SIGNATURE	DATE

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REQUEST FOR PROJECT RENEWAL

a. Current Objectives: DTPILLAR continues to be responsive to those NSC and OCB directives which emphasize as objectives in Asia:

- (1) Increasing ties between the nations and peoples of Asia and the Free World.
- (2) Creating a favorable atmosphere in Asia for democratic processes.
- (3) Promoting stability.
- (4) Increasing ties between individuals and organizations in the U.S. and Asia.
- (5) Increasing regional ties among Asian nations.
- (6) Promoting a more favorable attitude on the part of overseas Chinese toward Taiwan while increasing their identification with their host countries; denying the overseas Chinese to the Mainland Government of China.
- (7) Demonstrating unofficial American interest in Buddhism and helping modernize Buddhist educational institutions.

The newly independent countries of Asia are described as being underdeveloped. In fact, they are underdeveloped less in natural resources and in agricultural potential than in trained manpower--the all important human capital--needed to develop their resources. DTPILLAR's recent programming reflects increased Asian requests for professors and specialists who can help train Asians. There are a wide variety of fields in which DTPILLAR has made important contributions during the past fiscal year. Many programs are actively or potentially contributory to the station RFDs. In Afghanistan, DTPILLAR is supporting an advisor to the Minister of Commerce, a significant program in view of that country's heavy involvement in trade with the Soviet Union. In Pakistan DTPILLAR is supporting an American specialist to serve as Director of Studies of the Air Force Academy. Professors of International Economics are being supported at the University of Rangoon and Peshawar. Other advisors under DTPILLAR sponsorship include a Director for the Social Science Research Center at the University of Punjab, a professor of Military History at the University of Rangoon, a Chinese Education Advisor to the Lao Government, a professor of Sociology at Nanyang University in Singapore, and a professor of Constitutional Law at the University of Malaya in Singapore. In addition, DTPILLAR is supporting a

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student counseling advisor to the University of Rangoon, a farm, youth and agricultural advisor to the Malayan Government, a social services and a vocational educational advisor to the Government of Ceylon, an agricultural specialist for the Rural Development Commission of Afghanistan, a labor advisor for labor education in Pakistan, English teachers at the University of Hue and Taiwan, the Military Academy in Bangkok, provincial universities in Korea and Japan and the National Defense Academy of Japan.

The largest individual projects in Asia are continuing ones in support of indigenous structures that DIPILLAR has helped create or strengthen. The Institute for Democratic Education in Japan, largely brought into existence by DIPILLAR's help, is now in a position to influence the content of school texts and methods of teaching. The Union Press of Hong Kong has successfully continued its expansion of activities there and in Malaya.

With the need for better science planning in mind, two major programs were initiated with the National Academy of Sciences. A three-year program will bring eight scientists from Southeast Asia to the U.S. to familiarize them with the structure and work of our scientific organizations. Two eminent American scientists completed a three month tour of Asia, to meet and exchange views with leaders of Government, science and science education in order to foster closer ties between scientific bodies in Asia and the U.S. and to identify project opportunities for DIPILLAR.

With DIPILLAR assistance national scientific associations in Burma, Thailand, Pakistan, Taiwan, Vietnam and Afghanistan are becoming viable and promise to play important roles in the application of science to problems of national development. In many countries the scientific community is increasingly oriented toward America through programs providing memberships in American scientific societies, gifts of books, periodicals, subscriptions and travel to important scientific congresses.

The "Books for Asian Students" program during the past year sent its millionth book to Asia. The circulation of DIPILLAR's weekly newspaper, "The Asian Student," has passed the 21,000 mark, and its influence has increased steadily.

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

U.S. Citizens in U.S.	100
U.S. Citizens in Field	69
Indigenous Employees in Field	<u>212</u>
Total	381

Adali Stevenson was added to the Board of Trustees as replacement for Paul Hoffman, and Caryl Haskins, President of the Carnegie Institution, as replacement for Raymond Allen, keeping total Board members at 24.

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In keeping with the policy of review and assessment the Project during FY 1960 terminated support to Pan Asia News Agency, Asia Press, Asia Pictures and Free China Fortnightly. A new letter of agreement has been drawn up with the Union Press to protect the project's position in light of the recent trouble stemming from Union Press' involvement in Formosa internal politics.

c. Intelligence Production: During FY 1960 the division reports section examined 230 reports from DIPILLAR. Of this total 64 were disseminated as CS, OO, or CR reports of value to the intelligence community. The remaining 166 reports were transmitted in various forms to OCI and other organization components for background use and general information.

DIPILLAR's reporting covers a wide range of subjects in the political, cultural, student, labor and economic fields in Asia. The DIPILLAR Field Representatives submit perceptive analyses of conditions and circumstances of their countries of residence. Evaluations received from other components have rated some reports as very valuable and not covered by other components. It has also been discovered during the past fiscal year that due to compartmentation many reports are not credited to DIPILLAR. Also time delays caused by the overt handling of reports will in many instances negate dissemination. Plans are in progress to correct this situation.

d. Effectiveness: It would seem that the most reliable gauge for measuring the effectiveness of DIPILLAR is the growing acceptance of DIPILLAR by the Asian countries it deals with and in the depth it provides in American contacts in Asia. The confidence the countries have, has already been shown in the number of advisors, teachers, etc., that the countries have requested of DIPILLAR. The depth of contacts, in some countries, is provided by DIPILLAR's ability to meet and work with Asians who have not hitherto associated themselves with any Americans. Some of them, by choice and for obvious political reasons, prefer not to be identified with American embassies or representatives of the official American groups abroad. This has proven to be especially true, for example, in Korea where, as a result of the student uprising, DIPILLAR is in a unique position to render help without the hinderance of the contaminating effect of U.S. Government -- Sjangnan Rhee Stigma.

e. Problems: Although during FY 1960 DIPILLAR received the usual attack from the communist press its principal difficulties arose in connection with the government of Taiwan. DIPILLAR was attacked on Taiwan, in Hong Kong, and to a small extent by press and radio in this country for alleged involvement in the question of recognition of Red China and for alleged involvement in the movement against a third-term for President Chiang Kai-Shek. The allegations were in fact unsound and based on a combination of circumstantial evidence and jittery nerves of the Nationalist Chinese, and DIPILLAR survived the attacks with no damaging effect.

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A further cover problem, still pending, has to do with DTPILLAR's inability to comply fully with the overt appearance of a private foundation. Since DTPILLAR could not produce a legitimate financial statement, they were excluded from the recent book on American foundations published by the Foundation Library. Steps are presently being taken to reorganize the accounting procedures so that they conform to normal foundation type accounting. Additional action necessary to further improve this situation is now under consideration.

In order to bring the DTPILLAR budget more realistically in line with the Bureau of the Budget thinking on the relationship between administrative and program cost, DTPILLAR this year, on the advice of IOB, established a new line item category: "Overseas Program Support." This category includes funds for DTPILLAR's overseas activities not directly charged to programs and includes salaries and allowances paid to representatives, assistant representatives and administrative assistants in the 17 overseas offices. It also includes the local office operating expense, salaries and wages of local personnel, housing expenses, transportation and incidental expenses for carrying on programs in Asia. It is believed that the new category more accurately reflects the character of these costs since the representative by his very presence in an Asian country has a direct influence on the country and its programs and in a sense is a part of the program.

Bearing on the above statement and posing another serious problem facing the Project is the shortage of assistant representatives. During the past year three of the representatives were seriously ill. In countries where they had assistants the normal programs and business could be continued without great difficulty. In cases of no assistant the programs were in jeopardy. DTPILLAR has been faced for years with this problem and realized that more help was necessary not only to take over in emergency but in order to put more time and attention to the programs, the people and organizations with which they are dealing. The Stations in many cases have noted that one representative working alone is severely handicapped and that programs suffer.

Many more programs of value to the Stations could be developed if time were available to allow the DTPILLAR persons to visit areas where they, uniquely among Americans, have the cover and mobility. The Korean Station specifically requested that DTPILLAR open a branch office in Paegu. Hong Kong Station and Taiwan Station have mentioned the need for additional help for the DTPILLAR Representative. The solution to this problem is hampered not only by lack of funds but by reluctance to further expand the ratio between program and administrative costs.

f. Liaison: DTPILLAR's program liaison with other governments has been discussed under paragraph (a). Although DTPILLAR works largely in the private sector it maintains all required and advantageous liaison with Government officials and officers. Witting liaison with representatives of the British Government is conducted through the Station in Singapore.

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g. Interagency Coordination: Liaison with the field stations has improved considerably with the establishment of monthly station liaison reports and field participation in the DEPILLAR budget preparation.

DEPILLAR coordination in the field with ICA, UN, Ford, Rockefeller, etc., is carried on continually in order to avoid overlap, duplication of effort and in general assure that the programs being carried out are in the best interests of the United States.

h. Plans: DEPILLAR will continue its long-term projects in the fields of community affairs, law, labor, education, journalism, military, overseas Chinese, Buddhism, economics and science. Priority will be given to the placement of advisors in key positions with Asian governments and private institutions. DEPILLAR will continue working with labor education center in Pakistan, attempt to participate in a planned similar program in Ceylon, and initiate a smaller labor program in Korea. DEPILLAR will continue programs with military in a non-military way, providing key personnel for curriculum development in social sciences and humanities, English language training and veterans programs. Also planned is a program for selected senior military officers to receive graduate level studies in public administration, economic and educational development.

Plans are in progress to develop a regional science advisor in cooperation with the National Science Foundation to be stationed in Kuala Lumpur. This advisor would be the focal point for development of science programs in Asia.

i. Costs: Four Headquarters case officers, two security CE officers, and two secretaries spend full time on the operation of this project.

Total obligations for FY 1960 were [] broken down into line item categories as follows:

Program		
Administrative	u	u
Capital Outlay	u	u
President's Reserve	u	u
	<hr/>	
Total	u	u

For FY 1961 the total authorization [] broken down as follows:

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Program
Administrative
Overseas Program Support
President's Reserve
Headquarters Support

[]
[]
[]
[]
[]
[]
[]

Total

*The Capital Outlay category is now included under Administrative since in the past it has been too small in amount to justify it being listed as a separate line item category.

**This includes the special fund of [] from the DCI as per memoranda dated 25 June 1960 (Executive Registry 60-4917), and 5 August 1960 (DD/P 0-4070).

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