

**SECRET**

**PROJECT APPROVAL NOTIFICATION**

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

ACTION	AREA
<input type="checkbox"/> NEW PROJECT	<b>DIVISION</b> <b>CA Staff</b>
<input checked="" type="checkbox"/> <b>AMENDMENT No. 7</b>	
<input type="checkbox"/> RENEWAL	<b>BRANCH</b> <b>Two</b>
<input type="checkbox"/> TERMINATION	<b>DESK</b>
<input type="checkbox"/> EXTENSION	<b>CASE OFFICER</b> <b>EXTENSION</b>
<input type="checkbox"/> OTHER	<input type="checkbox"/> <input type="checkbox"/> <b>6041</b>

AUTHORIZATION			
<b>APPROVING AUTHORITY</b>	<b>TOTAL AMOUNT APPROVED</b>	<b>FY</b>	<b>AMOUNT</b>
<b>ADD/P</b> <b>28 October 1963</b>	s [                      ]	196	<b>4</b>
<b>PERIOD OF APPROVAL</b>		196	
FROM <b>1 July 1963</b> TO <b>30 June 1964</b>	<b>FINANCIAL CODE SYMBOL</b>	<b>4124-0000-8932</b>	

**CONDITIONS OF APPROVAL**

**REFERENCES:**

A. Cable, DIR 78738, dated 28 October 1963.

B. C/CA/2 Memorandum for the Record dated 30 October 1963.

Referenced cable approved Amendment No. 7 to Project DTPILLAR in the amount of [                      ], increasing the project's authorization from [                      ] to [                      ] for FY 1964. Funds to cover this amendment are available from within the current allocation to the CA Staff.

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

<b>SIGNATURE</b> DDP/PG [                      ]	<b>DATE</b> <b>13 March 1964</b>
---	-------------------------------------

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

CLASSIFIED MESSAGE

OK

UNIT : C/CA/2  
EXT : 6041  
DATE : 20 Oct. 63

INDEX  
 NO INDEX  
 FILE IN CS FILE NO. 200-135-26/5

**SECRET**

ROUTING	
1	4
2	5
3	6

TO [ ] [ ] [ ]

20 Oct 63 22 50z

FROM: DIRECTOR

CONF: CA/04

INFO: ADDP, PG 2, CA 2, CA/PEG, NE 6, RF, VR

R I C O P Y

SIG CEN  
DEFERRED  
ROUTINE

TO PRIORITY [ ] INFO PRIORITY [ ] [ ]

CITE DIR 70738

- REFS: A. [ ] (IN 48332) ✓
- B. DIR 78447

R I C O P Y

R I C O P Y

1. HQ ADVISING DTPILLAR HOME OFFICE IT WILL PROVIDE SUPPLEMENTAL FUNDS [ ] WITH UNDERSTANDING ADDITIONAL REQUIREMENTS BE SUBJECT REVIEW AND INCLUSION IF NECESSARY 1968 DTPILLAR BUDGET PROGRAM.

2. DTPILLAR ADVISING FRANKLIN IT PREPARED PROVIDE [ ] ON LOAN BASIS PER REF B. IF THIS ACCEPTABLE FRANKLIN, AS ANTICIPATED, FRANKLIN WILL CABLE INFORMATION ITS REPRESENTATIVE THIS.

3. REQUEST [ ] ADVISE PRESIDENT DTPILLAR VIA DTPILLAR REPRESENTATIVE.

END OF MESSAGE

C/S COMMENT: \* RE FUNDS FOR DELEGATION.

- C/NE/4 [ ] (PHONE)
- C/NE/5 [ ] (PHONE)
- C/NE/6 [ ] (PHONE)

C/CA

*[Signature]*  
H. KARAKISSINIS, ADDP  
DELEGATING OFFICER

COORDINATING OFFICERS

**SECRET**

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

AUTHENTICATING OFFICER

SECRET

30 October 1963

MEMORANDUM FOR THE RECORD

SUBJECT: TAF Project to Provide Funds to Franklin Publications, Inc. in Order That Franklin Be Enabled to Enter into a Contract with the Government of Afghanistan for the Production of Primary School Textbooks

1. Full details and background of this project are contained in CA/2 files. Additional descriptive material is presented in C/CA memorandum of 24 October 1963 to DD/P and C/CA memorandum of 28 October 1963 to the DCI.

2. In summary, this is a project under which the Asia Foundation will advance to Franklin Publications, Inc. the sum of [ ] in the month of January 1964. The Foundation's advance will be covered by a formal letter of agreement with Franklin (this is the normal means by which TAF enters into contractual agreements). The letter of agreement will stipulate that profits accruing to Franklin in the discharge of a contract with the Royal Government of Afghanistan (RGA) will be turned over to TAF until the full amount of the advance made by TAF to Franklin is repaid. Although it is estimated at this time that some additional funds will be needed by Franklin during the next two fiscal years, it is understood that such funds will be made available out of the regular annual budget authorizations of the Foundation, which are subject to detailed review and concurrence by the Agency.

3. Although the contract which Franklin will enter into with the RGA will specify services which normally could and would be performed by the Agency for International Development, we were informed by [ ] with Embassy endorsement, and by the Foundation Representative in Kabul, that for political and procedural reasons the project could not be carried out by AID. The strongest expression of endorsement of Foundation participation in this project is contained in cable [ ] (IN 46478, dated 24 October 1963). In this cable the U. S. Ambassador to Afghanistan indicated his intention to send a strong endorsement of the proposal to the Assistant Secretary of State for Near East Affairs and requested that his endorsement be brought to the personal attention of the Director of Central Intelligence.

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

SECRET

4. The endorsements of all concerned were based on three considerations: first, the project presented an opportunity to exert a lasting influence on the educational system and students of Afghanistan; second, it required some sort of American attention if the U. S. was to live up to its often expressed encouragement to the RGA in the development of a more western oriented culture and government system; and third and perhaps most crucial, it appeared certain that unless the request for assistance was met by Americans the project would go, by default, to the Soviet Union.

5. The project was supported in all interested Washington areas, including the CA Staff, the NE Division, and at the desk level in the State Department (at this writing it is probable that higher levels in State are aware of the project). The obstacle to implementation of the project was lack of funds in the Foundation's budget for Afghanistan and unavailability of funds in the Foundation's budgets for other countries. In view of this the Foundation requested that the Agency provide supplemental funds; that is, the sum of \_\_\_\_\_ as an increase over its current budget authorization for fiscal year 1964.

6. A very pressing time element entered the picture when Franklin was asked to meet in Teheran with a delegation of Afghans to develop a contract. The meeting was scheduled for October 30, 1963. As a prerequisite to the contract discussions Franklin needed assurances that the Foundation would provide \$100,000.

7. On 25 October a meeting was held in the office of Mr. Karamessines. Present were [\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_]. Mr. Karamessines concurred in the value of the project. Before approving additional funds for the Foundation, however, he asked that information be developed on (a) whether the RGA could not itself provide the equipment which the funds would be used to purchase, and, if not, (b) whether the Foundation could not provide the funds to Franklin on a loan basis.

8. Immediately after the meeting [\_\_\_\_\_] telephoned TAF and inquired whether a loan arrangement would be satisfactory to Franklin. TAF got in touch with Franklin and then telephoned [\_\_\_\_\_] with the information that the possibility of a loan had been discussed with Datus Smith, Principal Officer of Franklin, who readily agreed. Thereupon [\_\_\_\_\_] sent a

priority message [ ] (DIR 78447, dated 25 October 1963) asking why RGA could not supply the equipment or funds and asking [ ] and Kabul TAF views on the feasibility of the loan arrangement. A reply by priority cable ([ ]), dated 26 October 1963) provided a speculative but best possible answer to the question regarding RGA participation, and fully endorsed the proposed loan arrangement. It should be noted that the President of the Foundation happened to be in Kabul at the time and the cable quoted him as believing the loan arrangement made eminent good sense.

9. On 28 October [ ] met with Mr. Karamessines to report on the status of the proposal. Barnes had prepared a priority cable [ ] for release by Mr. Karamessines and a memorandum to the DCI which had been signed by C/CA. Mr. Karamessines telephoned [ ] in the office of the DCI and explained the situation. He asked that [ ] explain the matter to the DDCI and obtain his concurrence prior to release of the cable by Mr. Karamessines. He instructed [ ] to hand carry the memorandum for the DCI to [ ]. At about 1700 [ ] telephoned [ ] that he had obtained concurrence of the DDCI. [ ] said that he felt it was not essential that the concurrence of the DCI be obtained; that he would inform the DCI of the action taken. [ ] then telephoned Mr. Karamessines to inform him of the DDCI concurrence and to state that he would inform the DCI. On the basis of this assurance Mr. Karamessines released the cable (DIR 78738, dated 28 October 1963). [ ] telephoned the Foundation and instructed them to get in touch with Franklin at once and to advise Franklin to send a cable immediately to Franklin's representative in Teheran in order that he would be able to negotiate with the Afghan delegation on October 30 with assurance that the Foundation would provide [ ] in January and thus enable Franklin to carry out the contract.

10. The Foundation has been informed that the Agency will provide a supplemental budget authorization of [ ] sometime during the course of the present (1964) fiscal year. The actual disbursement of [ ] to Franklin in January can be made from funds available in the present authorization against reimbursement to the Foundation during the fiscal year (preferably in May or June). The Foundation is to be instructed that collections from Franklin against the loan will be regarded by the Agency as offsetting equal amounts contained in budget authorizations by the Agency to the Foundation in fiscal years

SECRET

until full repayment has been obtained. At this time it is likely, but not certain, that profits to Franklin from which repayments of the TAF loan are to be made will be in local Afghan currency (Afghanis). If so, the offsetting process will be calculated against TAF allotments of the annual budget authorization to the Afghan TAF program.

11. It is understood that funds for this increase will be located within the DD/P allotment; [ ] stated to Mr. Karamessines during the discussions that he was confident that the amount [ ] would become available. In view of the level of interest and concurrences already obtained in effecting this action, a formal project amendment for FY 1964 may not be required.

131 R  
for [ ]  
C/CA/2

CA/2/[ ]:pvf  
(30 October 1963)

Distribution:

- Orig + 1 - ADD/P via C/CA; DDP/PG
- 1 - DDP/PG
- 1 - C/NE/5
- 1 - C/CA/SG
- 2 - CA/2