

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT	<b>DTPILLAR</b>	<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	
	AMENDMENT	<b>CA Staff</b>	
<b>XX</b>	RENEWAL <b>(FY 1964)</b>	BRANCH <b>2</b>	
	TERMINATION	DESK	
	EXTENSION	CASE OFFICER	
	OTHER	<b>[</b>	<b>]</b> <b>6041</b>

AUTHORIZATION			
APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
<b>DD/P</b> <b>13 November 1963</b>	<b>[</b>	196 <b>4</b>	
PERIOD OF APPROVAL		196	
FROM <b>1 July 1963</b> TO <b>30 June 1964</b>		FINANCIAL CODE SYMBOL <b>4124-0000-8932</b>	

CONDITIONS OF APPROVAL

**Renewal of Project DTPILLAR approved in the amount of**

**[ ] for FY 1964.**

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

SIGNATURE	DATE
DDP/PG	

DISTRIBUTION											
<b>NOV 9833</b>											
1	FINANCE DIVISION	1	SSA-DD/S	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	DDP/PG

**SECRET**  
(When Filled In)

DD/P 3-5773

<b>PROJECT ACTION</b>				<b>PROJECT CRYPTONYM</b> <b>DTPILLAR</b>	
	TYPE OF ACTION		FI/CI	CA	
	NEW PROJECT APPROVAL	DIVISION <b>Covert Action Staff</b>			
	AMENDMENT NO.	FIELD STATION			
	<input checked="" type="checkbox"/> RENEWAL FY 1964	BRANCH <b>2</b>	DESK		
	EXTENSION	CASE OFFICER <b>[ ]</b>			
	TERMINATION	ROOM NO. <b>4B30</b>	BUILDING <b>Hqs.</b>	EXTENSION <b>6041</b>	

CONCURRENCES OF DIVISION						
ORGANIZATIONAL ELEMENT	TYPED NAME (And signature)	DATE	COPY NO.	MEMORANDUM ATTACHED		
				YES	NO	DATE
<b>C/CA/2</b>	<b>[ ] /b/ [ ]</b>	<b>20 SEP 1963</b>				
<b>C/CA/BF</b>	<b>[ ]</b>					
<b>C/CA/BG</b>	<b>[ ]</b>					
<b>C/CA/PEG</b>	<b>[ ]</b>					
<b>DC/CA</b>	<b>[ ] Signed [ ]</b>	<b>8 NOV 1963</b>				
<b>C/CA</b>	<b>[ ] [ ]</b>	<b>8 NOV 1963</b>				

CONCURRENCES OF OTHER COMPONENTS						
COMPONENT	TYPED NAME	DATE	COPY NO.	X	DATE	
<b>C/FE</b>	<b>[ ]</b>	<b>15 Oct 63</b>	<b>3</b>	<b>X</b>	<b>15 Oct 63</b>	
<b>C/FE/OPS</b>	<b>[ ] (see cover sheet)</b>					
<b>DDP/PB/CA</b>	<b>[ ]</b>	<b>13 NOV 1963</b>				
<b>DDP/C-PG</b>	<b>[ ]</b>	<b>13 NOV 1963</b>				

APPROVAL					
	PERIOD	TOTAL AMOUNT	FY	AMOUNT	
	FROM <b>1 July 1963</b> TO <b>30 June 1964</b>	<b>[ ]</b>	<b>196</b>	\$	
			<b>196</b>	\$	
APPROVING AUTHORITY <b>Deputy Director (Plans)</b>		SIGNATURE <b>/s/ Thomas H. Karamessines</b>		DATE <b>13 NOV 1963</b>	

CA/PEG Project Record Sheet

To:	Initials	Date		
1. DC/CA/PEG			Project Name:	DTPILLAR
2. C/CA/PEG			Country:	CA/B2
3. DC/CA				
4. C/CA			Type of Action:	FY 1964 Renewal
5. DDP/PG			PEG Evaluation Officer:	
6. ADDP			Date Received:	30 Sep. 63
7. Return to CA/PEG (2-D-4926)			Date Due In DDP/PG:	Routine

**Interagency Coordination:** Coordination with Ambassadors and the Department of State on ad hoc basis both by TAF itself on routine matters and with CIA participation on all matters of policy or substance.

**Comments:**

1. Recommend CA/PEG and CA Staff concurrence in the FY 64 renewal of the CA/Branch 2 project DTPILLAR for [ ]-which the FY 1964 CA Operational Program indicates as the Agency prescribed ceiling. (The TAF Admin Plan provides that any funds raised by TAF will be used to offset Agency funds. TAF estimates it will acquire \$73,775 on its own during FY 64, reducing Agency contributions to approximately [ ]).

2. Several essential characteristics of TAF operations are included in the quite satisfactory renewal outline:

a. The fourth paragraph on page one emphasizes TAF support to U.S. and Agency objectives.

b. The second paragraph on page one notes that TAF must depend on local groups and individuals to sustain TAF-type programs and that TAF assistance is only a support function.

c. Highlights of TAF operations include:

- (1) China studies programs in India;
- (2) Advisors to the government of Afghanistan;
- (3) Expansion of the Hong Kong textbook program into Singapore, Malaya, Laos, and Thailand;

- (4) American professor of international relations at the Cambodian Royal School of Administration;
- (5) Advisor to Korean foreign service institute;
- (6) Graduate law school at Seoul National University;
- (7) Student counselling service at Seoul National University;
- (8) Use of Congressional and Nieman Fellowships, and the Harvard International Seminar to assist in development of new leaders;
- (9) Continuing high distribution of donated books through Books for Asia program which to date has distributed over 3,250,000 books;
- (10) Continued publication and distribution (30,000 circulation) of Asian Student newspaper.

d. Franklin Haydn Williams to become new TAF president in January 1964.

e. New TAF office being opened in the town of Jesselton, Sabah (North Borneo).

f. A revised Admin Plan, including a revised basic agreement between TAF and CIA, was approved in August 1963.

g. Intelligence value of TAF operations during the past year:

- (1) Intel disseminations - 147  
     CS reports - 49; OO reports - 98;
- (2) Operational and background data supplied by Senior Representatives to the COS;
- (3) Quarterly situation analyses used by COS<sup>d</sup>, Ambassadors, OCL, ONE, and Department of State;
- (4) Washington debriefings of Senior Representatives with FE participation;
- (5) Letters and exemplars provided for TSD.

3. NE and FE Divisions reviewed and concurred in the project renewal. (Concurrence sheets and related memoranda are attached as Tab "A".)

4. NE Division ( ) noted on the routing sheet (between PEG and NE):

Its  [TAF] programs in India and Ceylon are of very little direct value  but neither do they hurt. There is a live and let live approach on both sides. Coordination is adequate and I doubt if there is much potential not being realized.

TAF has been of frequent value in Afghanistan from the standpoint of the Agency interest and it serves the general U.S. interest very well indeed. In Pakistan, it has been of little direct use to Agency and its general usefulness to the U.S. interest is somewhat more difficult, although not by any means impossible, to identify. Altogether, NE/5 is sympathetic to the TAF aims and program in our area and we believe it justifies itself.

b. In concurring in the renewal of DTPILLAR, CFE expressed reservations (see attached memorandum). FE's principal concern is to increase TAF's contribution to the Agency mission in the area by more active liaison between the COS and the Senior Representative in each country. The following points should be considered in conjunction with CFE's memorandum:

- (1) In the spring of 1963, FE Division Staff and desk officers and CA/B2 officers discussed TAF's proposed program for FY 64, country by country. Any proposed changes were later discussed with TAF San Francisco and, generally, were accepted.
- (2) The new TAF Admin Plan directs that each COS submit detailed, quarterly reports on the details of Station-Senior Representative liaison.
- (3) That a coordinated (Agency-TAF) position on TAF country programs is essential is apparent in view of the large amount of CA funds passing through TAF channels in the following countries:

Country	Total Covert Funds	TAF Funds	TAF %	FE Funds	FE %
Hong Kong	[ ]	399,000	91.4	[ ]	8.6
Korea	[ ]	265,000	90.3	[ ]	9.7
Malaysia	[ ]	581,980	92.9	[ ]	7.1
Cambodia	[ ]	222,800	81.7	[ ]	18.3

Before TAF was ousted from Burma, a similar expenditure ratio existed there.

- (4) Although some of TAF's programs naturally are similar to some of those of other government agencies, we find very little real evidence of duplication or competition. Situations vary from country to country; in some places TAF is doing things because non-governmental sponsorship is required or desired by the Asian government. In other places it has got into certain fields because

speed was essential and AID could not act fast (schools in strategic hamlets in South Vietnam, e. g. ) and such programs have later been turned over to AID. Station-coordination and country-team procedures--especially as redefined and reaffirmed during the past year--make it almost inevitable that duplication and competition automatically come to the attention of all parties concerned; corrective action is thus set in motion.

(5) C/CA/B2's memorandum (included as Tab A) deals with other general issues raised by C/FE's memorandum.

4. At the request of C/CA, CA/PEG has recently spent several weeks studying TAF's program-planning process and examining the effects of a continuation in FY 1965 of the same budget ceiling being applied in FY 1964. This study is attached as Tab B. Attention is called particularly to Section I and to paragraphs 4a through g which summarize its conclusions. The study is being sent to C/FE and C/NE for their information and comment.

5. TAF's FY 1965 budget was also discussed at the recent CA Staff hearing with Messrs. Amery and Smith of the Bureau of the Budget. This discussion is summarized in Tab C.

6. Tab D gives a brief biography of TAF's incoming President and brief biographic data on the present board of trustees.



**MEMORANDUM FOR: Chief, CA/PEG**

**SUBJECT: DTPILLAR Project Renewal for FY 1964**

1. FE Division concurs with the renewal of Project DTPILLAR for FY 1964, but would like to take this occasion to reiterate certain long held reservations as to the project. We have fully accepted the concept of an independent line of command for DTPILLAR field representatives and that DTPILLAR's cover as a complete private foundation be preserved. There have been certain results of this frame of reference of the project including:

a. DTPILLAR has been of only marginal operational use in pursuance of the CIA mission in the area. In good part this is due to the fact that our stations have only what can be defined as a liaison relationship with the DTPILLAR representatives.

b. DTPILLAR's activities in the FE area have had a strong similarity to those of other private foundations or other governmental agencies such as USIA and AID. There is some question then that its contribution is unique or that it is a unique result of its covert nature.

2. The status of DTPILLAR was discussed with our FE Chiefs of Station at the [ ] conference last March, and they have been urged to assume a responsibility for an active liaison with DTPILLAR in an effort to increase its contribution to the CIA mission in the area, within the limits of cover and separate line of command. I have recently reminded the stations of this request and invited their interim comments and stated that this would again be discussed [ ] next March. While concurring with this present renewal I should like to reserve the privilege of forwarding appropriate comments after I have received the views of our Chiefs of Station. I will then have a better basis for expressing concurrence with the expenditures represented in this project.

[ ]  
[ ]  
[ ]  
Chief, Far East Division



16 October 1963

MEMORANDUM FOR: Chief, CA Staff  
VIA: Chief, CA/PEG  
SUBJECT: DTPILLAR Project Renewal

1. Re the attached and the comments of C/FE, [ ]  
asked me to comment. I believe we should let it  
ride since C/FE has concurred, unless you feel that the  
C/FE memo is prejudicial. I deplore, however, the apparent  
lack of true understanding which is manifest to me in:

Subparagraph 1.a. of the C/FE memo of 18 October

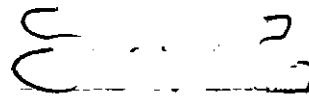
I believe that a survey of the Stations (or even a reading of liaison reports) would demonstrate a valuable and increasing contribution by TAF to Station missions. But more importantly it is too bad that FE Division chooses to take a rather parochial and myopic view of what the CIA mission is. Unless I am totally misinformed, the TAF mission is directly a CIA mission fully and competently in support of 5412. Its value as such would exist, perhaps lessened somewhat, if there were no contact at all between Stations and Representatives. What we seek through close liaison with Stations are mainly (a) assistance and advice toward keeping TAF targetted at U. S. objectives and (b) as much by-product as possible out of TAF presence and projects in terms of Station and Agency other operations and requirements. We do not seem to be able to convince FE that TAF does in fact have a mission of its own and that the mission has been endorsed and supported as a proper CIA mission for a good number of years.

Subparagraph 1.b. of the memo

There will always be some question about the uniqueness of the Foundation's role and there will always be a need for avoidance of duplication of

effort. On balance all indicators at this time and all control mechanisms seem to point out that the answer is clearly in support of our belief that TAF is able uniquely to perform certain tasks and that when it conducts programs which are similar to programs of other organizations there is the important element of their being complementary to or stimulative of other programs, or there exists a time element which makes the flexibility and well lubricated procedure of TAF of clear, even critical importance.

2. In paragraph 2 of the C/FE memorandum, there is again a reference to the CIA mission just as if the TAF mission was not endorsed by CIA. If          judgment is going to be based on the views of Station Chiefs regarding the contribution TAF makes to accomplishment of Related Mission Directives, rather than properly on its effectiveness in carrying out its own CIA mission, we might as well start liquidation now.

  
Chief, CA/2

Attachments:  
DTPILLAR Project Renewal  
(Copies 1, 2, & 3)

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### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

CA/PEG

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

2.

3.

4. NE/OPS/P  
Attn: V [ ]

30 SEP 1963 [ ]

COB: 3 October 1963

5.

6 D 3115

4 to 12: following comments from concerned areas:

6.

Its programs in India and Ceylon are of very little direct value [ ]

7.

[ ] but neither do they hurt.

8.

There is live and let live approach on both sides. Coordination is adequate and I doubt if there is much potential not being realized.

9.

DTPILLAR has been of frequent value in Afghanistan from the standpoint of the KUBARK interest and it serves the general U.S. interest very well indeed. In Pakistan, it has been of little direct use to KUBARK and its general usefulness to the U.S.

10.

interest is somewhat more difficult, although not by any means impossible, to identify. Altogether, NE/5 is sympathetic to the DTPILLAR aims and program in our area and we believe it justifies itself.

11.

12. CA/PEG/Judy  
ext. 7231

13.

14.

15.

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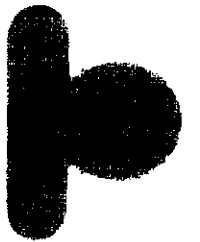
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Excerpt from: Notes on Meeting with  
Bureau of the Budget  
November 4, 1963

5. [ ] next turned to TAF, pointing out we planned no increase in FY 65. Mr. Smith said the reduction in FY 64 was actually due to being evicted from Burma and [ ] countered by pointing to Borneo as a new country this year to be absorbed. He referred to the Ambassadors' letters and Mr. Amory asked that copies be provided him. After [ ] pointed out that members of the Board of Directors of TAF, i. e., Ellsworth Bunker, Arthur Dean, Grayson Kirk, and Harry Wriston were prepared to come to Washington and plead their case for more money at a level far above his head, Mr. Amory asked that an invitation be extended to the BOB at say Mr. Staat's level to attend such a hearing if possible. This would apply if FEC did the same. Mr. Amory gave no indication that holding the line on TAF in FY 65 was unacceptable to the BOB.



4

Incoming TAF President

Haydn Williams

Born Spokane, Washington 21 August 1919. Presbyterian by faith. University of California (Berkeley) Bachelor of Arts degree, 1946. Employed by Pan American Airways (1941-46). Served in U.S. Navy, Lieutenant (j.g.), 1943 to 1946.

In 1947, obtained Master's degree from Fletcher School of Law and Diplomacy (Mass.). In 1949, joined faculty of University of Washington (Seattle) as assistant professor. In 1952, accepted position at Fletcher School of Law and Diplomacy as Assistant Dean and in 1954 became Associate Dean and Associate Professor. Received PhD from Fletcher, 1958.

Between 1958-1961 was Deputy Assistant Secretary of Defense for National Security Affairs and Plans. In 1961 was appointed Deputy Assistant Secretary for International Security Affairs. In April 1962 he resigned to return to the faculty of University of Washington.

TAF Board of Trustees - 9 October 1963

1. Brayton Wilbur, Chairman (since 1951)--president of import-export firms; former board chairman, Federal Reserve Bank, San Francisco; president, San Francisco Museum of Art; trustee, San Francisco Symphony; former president, World Affairs Council of Northern California.
2. Stanley C. Allyn--president, National Cash Register Company; director in several other companies.
3. Barry Bingham--publisher, owner-editor, Louisville (Kentucky) Courier Journal.
4. Ellsworth Bunker--former American diplomat.
5. Arthur Hobson Dean--lawyer; special U.S. Ambassador (Panmunjon negotiations) to Korea 1953-54; U.S. representative to 18 Nation Disarmament Committee 1962-63; general counsel for various corporations and investment and banking firms.
6. A. Crawford Greene--lawyer; director of several business corporations; long active in civic, governmental, and international affairs; member TAF Executive Committee since its formation, 1951.
7. Robert Allen Griffin--newspaper publisher Monterey (California) Peninsula Herald; ECA official 1948-1952; member TAF Executive Committee since 1953.
8. Caryl Parker Haskins--research director Haskins Laboratories, NYC; president, National Photo Corporation, Schenectady, NY; president, Carnegie Institute of Washington; former consultant to Secretary of Defense and member of President's scientific advisors' committee.

6

9. Dr. Grayson Kirk--president of Columbia University since 1953; former diplomat.

10. Roger D. Lapham--mayor, San Francisco, 1944-48; active in civic and business organizations; TAF trustee since 1957.

11. Turner H. McBaine--lawyer; TAF trustee since 1952.

12. Walter H. Mallory--executive director, Council of Foreign Relations, since 1947; TAF trustee since 1954.

13. Robbins Milbank--account executive, San Francisco; director west coast office, Institute International Relations, 1957; TAF trustee since 1952.

14. Mrs. Maurice T. Moore--sister of Henry Luce, and wife of Maurice T. Moore--lawyer and chairman, Board of Time, Inc.; chairman, Foreign Division, YCA National Board, since 1936; TAF trustee since 1954.

15. Theodore S. Peterson--president, Standard Oil Company of California, since 1948; member TAF Executive Committee since its formation, 1951.

16. Mrs. Henry Potter Russell (Helen)--director, Crocker First National Bank since 1941; chairman, Women's Board, San Francisco Museum of Art since 1935; several times advisor, American delegation to UNESCO conferences.

17. Paul Clifford Smith--vice-president, treasurer, American Export Lines; TAF trustee since 1954.

18. Russell G. Smith--TAF president since 15 June 1962.

19. John B. Wallace Sterling--president, Stanford University since 1949; TAF trustee since 1954.

\*20. Eric A. Johnston--deceased.

\*21. James David Zellerbach--deceased.

\*22. James Albert Michener--resigned. Belief that his new novel on Afghanistan might be misconstrued to disadvantage of TAF.

\* Of the three vacancies, one is expected to be filled by Dr. Lucien Febvre at the 14 October 1963 meeting; two will be left for the new president, Dr. Williams, to fill.

MEMORANDUM FOR THE DIRECTOR, TAF  
SUBJECT: TAF TRUSTEES  
DATE: 10/10/63

10/10/63  
TAF TRUSTEES

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REQUEST FOR PROJECT RENEWAL

a. Current Objectives: The mission of DTPILLAR is to encourage, assist, and support non-Communist Asian individuals and groups in their efforts to strengthen their societies and institutions in ways which support the attainment of U. S. policy objectives.

This mission is based on the premise that it is primarily Asians themselves who must overcome Asia's problems, and that outside aid can play only a supporting role. Implementation of this mission requires the stimulation of constructive action through the greatest possible Asian initiative and participation.

In pursuing its mission, DTPILLAR gives priority attention in programing toward: (1) counteracting the appeals of communism, (2) promoting viable ties with the US/Weat, (3) redirecting extreme nationalism, (4) eradicating irresponsible neutralism/non-alignment, and (5) inculcating concepts of freedom and democracy.

The statement of purposes in the DTPILLAR public corporate charter are in broad support of U. S. objectives, and provide an appropriate and consistent framework for more specific objectives. DTPILLAR uses its advantageous private position to play the fullest possible role in support of U. S. and Agency objectives, particularly by contributing to efforts of the Agency to insure that political developments in host countries are favorable to the United States. To this end, DTPILLAR is receptive to all appropriate opportunities for projects and programs which may be suggested by the Agency for the furtherance of U. S. Government objectives. DTPILLAR is equally receptive to program suggestions from the Agency which will, at the same time, further DTPILLAR/U. S. Government objectives and support specific Agency purposes and mission.

During FY 1963, DTPILLAR continued its essentially long range effort to influence national life in Asia by helping institutions and individuals help themselves with the objective of creating a better understanding of, and close identification with free world political attitudes and value patterns. Illustrative of such programs are:

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(1) Encouragement of and support to China studies programs in India by such groups as the Institute of Public Administration and the Indian Society of International Law. In this instance DTPILLAR was able to exploit the opportunity created by the impact of Chinese aggression and a sudden Indian awareness that they were uninformed, not only on Communist Chinese intentions, but on China itself.

(2) In Afghanistan DTPILLAR strengthened its effort to deny the Soviets exclusive influence through its program of advice and guidance on economic development, and at the request of the new Government is extending its assistance to the field of Government organization.

(3) Extension of DTPILLAR's Hong Kong based Chinese language textbook program into Singapore and Laos, and more recently to Thailand. DTPILLAR's program broke the Communist monopoly in Malaya and Singapore and it now controls 60 and 70 per cent, respectively, of the market. In Laos the textbook program blocked efforts by the Chinese Communist Embassy in Vientiane to introduce communist-oriented textbooks.

(4) Placement of a French-speaking American professor of international relations in Cambodia's Royal School of Administration was an important breakthrough in DTPILLAR's efforts to reach the young Cambodian intellectual elite.

(5) Korea's foreign service will be improved gradually through the quality of training provided by the newly founded Foreign Service Institute. That facility, partially financed at the outset by DTPILLAR, has the service of an American advisor (a former U. S. career ambassador) supplied by DTPILLAR.

(6) Projects at the graduate school of law at Seoul National University are designed to upgrade the teaching of this subject and have a long-range influence on the legal profession in Korea.

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(7) To alleviate some of the unrest among Korean students, DTPILLAR supported an American specialist at Seoul National University to set up a Student Counseling Center. The Center has been successful and will be a guide for like Korean-supported programs in leading colleges and universities throughout the country.

DTPILLAR 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.

The "Books for Asian Students" program has shipped 9,265,923 books and 681,674 journals to more than 7,000 recipient groups in Asia. The DTPILLAR-supported weekly newspaper, The Asian Student, has held its circulation of well over 30,000.

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

U. S. Citizens in U. S.....	99
U. S. Citizens in Field.....	62
Foreign Nationals in U. S.....	4
Foreign Nationals in Field:	
Operational.....	162
Custodial.....	59
TOTAL.....	388

James Michener resigned from the Board of Trustees in January 1963. James D. Kellerbach and Eric Johnston passed away. No replacements have been elected pending installation of new president, Franklin Hayden Williams, in January 1964. The Trustees now number twenty.

During this fiscal year, plans were in progress to open an office in Jesselton, North Borneo after formation of the Federation of Malaysia on 15 September 1963. In the otherwise uncovered North Borneo area, the DTPILLAR Representative, who has received some specialized Agency training, will be a "forward" listening post for this Agency".

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DTPILLAR's rural programing and Buddhist expert was also given five days of specialized training during his period of home leave. The new representative to Vietnam was the first representative to receive the specialized training. The training was well received and will be continued in the future for key individuals and representatives as a part of the briefing provided by the Agency.

In the interests of administrative order and to bring up-to-date the basic documents which control Agency relationships to DTPILLAR, Station relationships to DTPILLAR field offices, and Agency regulations which relate to security of DTPILLAR, a revised Administrative Plan was written for the project during this fiscal year. The Plan which has now been approved contains provisions for changes in financial requirements and procedures which will enable DTPILLAR to strengthen its cover and enjoy greater operational elasticity, without sacrifice of Agency control.

c. Intelligence Production: During FY 1963, a total of 147 reports were disseminated as CS or OO reports of value to the intelligence community. Of this total, 98 were OO disseminations, a sharp increase over the 25 disseminations by OO during FY 1962. This increase is due to improved reporting by DTPILLAR employees and arrangements, begun at the end of last fiscal year, for DTPILLAR's San Francisco office to forward directly to the OO San Francisco office reports as they are received from DTPILLAR field offices. This procedural change has also provided more timely dissemination. A recent assessment of the DTPILLAR sourced disseminations describes them as of generally good quality and for the most part of considerable value. One report from the NE area was listed as "one of the most useful political reports in the OO category which we have received". An assessment of DTPILLAR CS reports by FI Staff brought forth the comment that "though quantitatively small, has been of generally good quality and for the most part has been relevant to priority intelligence objectives".

The DTPILLAR Representatives continue to supply the Stations with information which is useful as operational and background data. The Representatives' quarterly situation analyses are read in the field by Station personnel and Ambassadors. These reports are also distributed

here to CS components, OCI, ONE, and State Department. These reports are valued by DD/I components especially since they represent unofficial analyses by private Americans with access sometimes not possible for official representatives. On return from Asia, Representatives are debriefed here by Agency components and State Department offices. These debriefings have been of considerable interest since the Representatives present fresh views and useful information not found in formal reporting.

The DTPILLAR Representatives continue to forward letters and exemplars which are used by TSD as a basis for postal intelligence.

d. Effectiveness: It would seem that the most reliable general gauge for measuring the effectiveness of DTPILLAR is the growing acceptance of DTPILLAR in Asian countries and in the depth it provides in American contacts in Asia. There are increasing requests by not only private institutions in Asia, but Asian Governments themselves for advisors to various ministries. Comments and evaluations of effectiveness from official and private sources in Asian countries from independent observers, private organizations, and U. S. Government representatives are preponderantly favorable.

e. Problems: The continuing problem of maintaining cover and security of DTPILLAR was somewhat alleviated during this fiscal year by approval of revisions to the Administrative Plan as mentioned under Paragraph b. In addition, new funding procedures were initiated which will help DTPILLAR to maintain a more realistic cash position.

f. Liaison: Although DTPILLAR works largely in the private sector, there has been an increase in programs which support indigenous government activities. During the past year the governments of Ceylon and Pakistan have required the DTPILLAR Representative to submit most types of projects to the ministries for approval prior to implementation. DTPILLAR continues 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 Station in Singapore.

**g. Interagency Coordination:** Liaison with the field Stations continues to improve since the establishment of Station liaison reports and field participation in the DTPILLAR budget presentation. The field review of the DTPILLAR FY 1964 programs indicated very little disagreement and furthered joint Station-DTPILLAR programs.

Appendix B to the revised Administrative Plan laid down new and refined rules governing Station/DTPILLAR field relationship. It is anticipated that the revisions will greatly strengthen already improved relationships.

DTPILLAR coordination in the field with AID, UN, Ford, USIS, etc. avoids overlap and duplication of effort.

**h. Plans:** DTPILLAR 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.

DTPILLAR's program will place emphasis on critical areas of Vietnam, Laos, Thailand, Malaysia, and Afghanistan. It will remain, however, sufficiently uncommitted to permit rapid adaptation to other needs as they arise. Flexibility in the DTPILLAR program permits it to be more responsive to Country Team requests, as well as to take advantage of opportunities during the year which are of special interest to Stations. This flexibility was vividly demonstrated during the fiscal year in the Strategic Hamlets program in Vietnam.

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

Total obligations for FY 1963 were  $\$$  . . . } broken down into like item categories as follows:

Program .....	C	]
Administrative .....	C	]
Overseas Program Support..	C	]
President's Reserve .....	C	]
Headquarters Support.....	C	]
TOTAL .....	C	]

SECRET

For FY 1964 the total authorization of [ ]  
is broken down as follows:

Program .....	U	U
Administration .....	U	U
Overseas Program Support...	U	U
President's Reserve.....	U	U
Headquarters Support.....	U	U
TOTAL.....	U	U