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PROJECT APPROVAL NOTIFICATION

|         |                 |  |   |
|---------|-----------------|--|---|
| PROJECT | <b>DEPILLAR</b> | <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         | <b>10</b>    |             |
| <b>XX</b> | RENEWAL (FY 1962) | BRANCH       |             |
|           | TERMINATION       | <b>2</b>     |             |
|           | EXTENSION         | DESK         |             |
|           | OTHER             | CASE OFFICER | EXTENSION   |
|           |                   | [ ]          | <b>3107</b> |

| AUTHORIZATION                                  |                       |                       |        |
|--|-----------------------|-----------------------|--------|
| APPROVING AUTHORITY                            | TOTAL AMOUNT APPROVED | FY                    | AMOUNT |
| <b>Chief, DDP/PG 27 November 1961</b>          | [ ]                   | 1962                  |        |
| PERIOD OF APPROVAL                             |                       | 196                   |        |
| FROM <b>1 July 1961</b> TO <b>30 June 1962</b> | FINANCIAL CODE SYMBOL | <b>2124-0000-8932</b> |        |

CONDITIONS OF APPROVAL

**Renewal of Project DEPILLAR approved in the amount of**  
[ ] **for FY 1962.**

DECLASSIFIED AND RELEASED BY  
 CENTRAL INTELLIGENCE AGENCY  
 SOURCE/METHOD/EXEMPTION 3028  
 NAZI WAR CRIMES DISCLOSURE ACT  
 DATE 2007

|   |                   |
|---|-------------------|
| SIGNATURE                                       | DATE              |
| DDP/PG <span style="font-size: 2em;">[ ]</span> | <b>1 DEC 1961</b> |

| DISTRIBUTION    |                  |   |          |   |                 |   |                                     |   |              |   |        |
|-----------------|------------------|---|----------|---|-----------------|---|-------------------------------------|---|--------------|---|--------|
| <b>OCT 7309</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)

**PROJECT ACTION**

PROJ **DTPILLAR**

|  |  |  |                      |                          |  |
|--|--|--|----------------------|--------------------------|--|
|  | TYPE OF ACTION   |  | FI/CI                |                          | <input checked="" type="checkbox"/> CA |
|  | NEW PROJECT APPROVAL                                   | DIVISION<br><b>International Organizations</b> |                      |                          |  |
|  | AMENDMENT NO.  | FIELD STATION                                  |                      |                          |  |
|  | <input checked="" type="checkbox"/> RENEWAL<br>FY 1962 | BRANCH<br><b>2</b>                             | DESK                 |                          |  |
|  | EXTENSION  | CASE OFFICER<br><b>[ ]</b>                     |                      |                          |  |
|  | TERMINATION  | ROOM NO.<br><b>23 03</b>                       | BUILDING<br><b>L</b> | EXTENSION<br><b>3107</b> |  |

**CONCURRENCES OF DIVISION**

| ORGANIZATIONAL ELEMENT | TYPED NAME (And signature) | DATE               | COPY NO.                            | MEMORANDUM ATTACHED                 |                                     |      |
|------------------------|----------------------------|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|------|
|                        |                            |                    |                                     | YES                                 | NO                                  | DATE |
| <b>C/IO/2</b>          | <b>[ ]</b>                 |                    |                                     |                                     |                                     |      |
| <b>IO/SS/HR</b>        | <b>[ E. ]</b>              | <b>17 OCT 1961</b> | <b>2</b>                            | <input checked="" type="checkbox"/> |                                     |      |
| <b>C/IO/SS</b>         | <b>[ ]</b>                 |                    | <input checked="" type="checkbox"/> |                                     |                                     |      |
| <b>IO/PLANS</b>        | <b>[ ]</b>                 |                    | <input checked="" type="checkbox"/> |                                     | <input checked="" type="checkbox"/> |      |
| <b>C/IOD</b>           | <b>[ ]</b>                 | <b>20 OCT 1961</b> |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |
|                        |                            |                    |                                     |                                     |                                     |      |

**CONCURRENCES OF OTHER COMPONENTS**

|                  |            |  |  |  |  |  |
|------------------|------------|--|--|--|--|--|
| <b>DDP/IO/CA</b> | <b>[ ]</b> |  |  |  |  |  |
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**APPROVAL**

|  |                            |                           |                         |                            |           |
|--|----------------------------|---------------------------|-------------------------|----------------------------|-----------|
|  | PERIOD                     |                           | TOTAL AMOUNT            | FY                         | AMOUNT    |
|  | FROM<br><b>1 JULY 1961</b> | TO<br><b>30 JUNE 1962</b> | <b>[ ]</b>              | <b>196</b>                 | <b>\$</b> |
| APPROVING AUTHORITY<br><b>DDP/c-PS</b> |                            |                           | SIGNATURE<br><b>[ ]</b> | DATE<br><b>27 NOV 1961</b> |           |

# SECRET

## REQUEST FOR PROJECT RENEWAL

a. Current Objectives: The DTPILLAR mission continues as stated in Policy Directive No. 6, issued by this Agency to DTPILLAR in 1954. 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.

This marks the eleventh year since DTPILLAR's creation during the Korean conflict. During this period Asia has emerged to a prominence in the international scene wherein developments in Asia will affect the entire world and events elsewhere will have repercussions there. Economic modernization of the newly developed countries of Asia continues to be the paramount aim for Asians. Deeply interwoven into this struggle for economic stability and sufficiency is the ideological choice between the authoritarian methods of the bloc and the free systems of the West.

Through its system of highly qualified resident Representatives DTPILLAR has kept step with Asian needs and developments and has directed its programming to a wide range of social and economic activities during the past year. The groundwork has been laid for an economic research institute in the Republic of China. It will be comprised of a visiting American economist of high professional standing and of a leading economist from a Taiwan university. A continuing program of importance provides a much respected American economist as advisor to the Minister of Commerce of Afghanistan, particularly with respect to Afghan foreign trade agreements. An additional specialist, a statistical research analyst, has recently arrived in Afghanistan and will concentrate on setting up a research unit for the statistical analysis of the Afghan economy. In Burma, DTPILLAR was

SECRET

SECRET

asked to provide an economic advisor to the Shan State Government. In Korea, DEPILLAR provided, at Government request, a short term advisor in economic planning whose recommendations were closely in support of U.S. official advice to the Korean Government.

Dr. James B. Conant gave a series of lectures and seminars in Japan, and Mrs. Eugenie Anderson, former U.S. Ambassador to Denmark, conducted a series of lectures in India as part of DEPILLAR's Eminent American Program.

DEPILLAR re-examined its activities with youth and student groups as a result of the students role in the overthrow of the Korean Government and the fall of the Kishi Government in Japan. Support continues to the Institute of Student Affairs in Japan, a new organization of students was begun in the Philippines, and an experimental program in student counselling was sponsored in Burma. DEPILLAR continues to support and increase programs involving Asians undertaking research in the social sciences and humanities; for examples, support to certain Japanese universities aims at strengthening non-Marxian specialists working in the field of contemporary Chinese studies, and increased support to the Union Research Institute's activities in Hong Kong.

The Union Press of Hong Kong has successfully continued its expansion of activities there and in Malaya and has begun exploring expansion into the Borneo area. It secured dominance of the Chinese textbook market in Malaya and has entered the textbook market of Singapore.

The "Books for Asian Students" program has sent over one and one half million books to Asia in a greatly expanded and reoriented program. The circulation of DEPILLAR's weekly newspaper for Asian students continues to increase, having passed the 25,000 mark, and its influence has increased steadily.

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        | 56         |
| Indigenous Employees in Field | <u>212</u> |
| Total                         | 367        |

Ellsworth Bunker was added to the Board of Trustees as replacement for Thomas K. Finletter, and James D. Zellerbach as replacement for Adlai E. Stevenson, keeping the total Board members at 24.

In keeping with the policy of review and assessment, the Project began termination of support to the Philippine Board of Scholarships and greatly reduced support to the Overseas Chinese Scholarship Program in Taiwan. Both have been long-term, costly programs.

c. Intelligence Production: During FY 1961, the Reports Section of IO Division examined 221 reports from DTPILLAR. Of this total 76 were disseminated as CS, OO, or CR reports of value to the intelligence community. The remaining 108 reports were transmitted in various forms to OCI and other organization components for background use and general information.

DTPILLAR's reporting covers a wide range of subjects in the political, scientific, cultural, student, labor and economic fields in Asia. The DTPILLAR field Representatives submit perceptive analyses of conditions and circumstances of their countries of residence. Evaluations received from other Agency components and other agencies have rated some reports as very valuable and not covered by other reporting.

During the reporting period, increased liaison and cooperation with the field Stations have resulted in increased field dissemination of DTPILLAR reports. A total of 33 reports were disseminated by the field. This has tended to correct the situation of time delays caused by overt handling of reports which in the past negated dissemination.

An additional source of much valuable information to the Agency is obtained upon the return of the Representatives to Headquarters. A debriefing is held for all interested Agency components and State Department.

d. Effectiveness: It would seem that the most reliable gauge for measuring the effectiveness of DTPILLAR is the growing acceptance of DTPILLAR by the Asian countries it deals with and in the depth it provides in American contacts in Asia. As a result of its enhanced acceptance, DTPILLAR is now receiving requests representing more significant program opportunities. In addition, the several offices in Asia founded in the first years have now grown to seventeen offices in fourteen countries and will be increased in FY 1962 by the recent invitation to open an office in India. A return to programming in Indonesia also appears likely. DTPILLAR also receives much favorable evaluation from independent observers as well as U.S. Ambassadors assigned to the countries in which it operates.

e. Problems: The cover problems relating to the increasing need to fully comply with the overt appearance of a private foundation continue to plague DTPILLAR. Necessary action to improve this situation is still under consideration.

Another serious problem which remains with DTPILLAR is the apparent need for Assistant Representatives in some areas where they have not as yet been assigned. Not only is an assistant needed to take over in an emergency but to assist the Representative in the proper development of the ever increasing and more complex programs which are developing. In addition, there has been increased DTPILLAR/Station activity which could be more productive if an Assistant Representative were available. During the past year an Assistant was sent to Korea where he has spent most of his time in the important youth and student field, leaving the Representative free to devote more time to develop programs in labor, veterans and economic fields. This work has been most helpful [ ] , especially since the Coup D'etat in May of this

SECRET

- 4 -

year. 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, there has been an increase during this reporting period of programs with the indigenous Governments in Pakistan, Korea, Burma, Malaya and Singapore. 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 [ ] .

g. Interagency Coordination: In accordance with the KUBARK/DTPILLAR Field Liaison Agreement and various book dispatches, liaison with the field Stations has improved considerably with the establishment of monthly Station liaison reports and field participation in the DTPILLAR budget preparation. A very intensive review by field Stations and FE Headquarters of the DTPILLAR FY 1962 program assisted IO Division in developing more joint Station/DTPILLAR programs and probably produced a better understanding of DTPILLAR's potential and ability to carry out mutually advantageous programs.

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

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. In the Republic of China an economic research institute will be assisted. In Japan, one of a number of grants for economic research is planned for the Tohoku Economic Research Planning Council. DTPILLAR will be represented in India and can thus be expected to enter into a larger program there. Increased promotion of exchange with Japanese intellectuals, including labor leaders, will be sponsored. Further aid to Afghan trade promotion will be provided. A program of awards to Burmese who have made outstanding contributions to Burma in the "private sector" will be instituted. Increased programming in Borneo and Sarawak is expected. Present plans for FY 1962 include the opening of an office in India and possibly reentry into Indonesia.

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 1961 were [ ] , broken down into line item categories as follows:

SECRET

SECRET

- 5 -

Program  
Administrative  
Overseas Program Support  
President's Reserve  
Headquarters Support

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Total

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For FY 1962 the total authorization is [ ] , broken down as follows:

Program  
Administrative  
Overseas Program Support  
President's Reserve  
Headquarters Support

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Total

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