

D R A F T

CONFIDENTIAL

TO: Mr. Phillips
THRU: Mr. Solomon Silver
FROM: Mr. Trigg

SUBJECT: 1963 Counterinsurgency Costs

10/24
Coulter
Trigg

You requested that we provide you, for passing on to Mr. Tinh of DGBFA, an estimate of total costs for "counterinsurgency" in 1963. I understand you do not plan, at this time, to discuss with Mr. Tinh a division of funding between the GVN's own budgeted funds and counterpart. Actually, as you are aware, we will have to reach some agreement with MAAG/MAC/V, and ultimately with the GVN, on the military budget in order to know how many piasters we can plan on for 1963.

We would recommend that you give Mr. Tinh the amount of VN\$2 billion, which you will recognize as the figure Sol Silver has used on several occasions. There are certainly additional amounts being budgeted by the Vietnamese for the activities listed below; it is next to impossible, however, to estimate what the magnitude of these amounts might be, although we have been, and are still, attempting to get such information thru our own meetings with Mr. Tinh. The VN\$2 billion does not include, of course, economic infrastructure and development projects not at all or only indirectly related to counterinsurgency.

We have subdivided counterinsurgency related costs into two parts: The first part would be the costs of all activities which we expect will be covered by Provincial Rehabilitation Plans and the second element would consist of all other activities which, altho outside of Provincial Rehab plans should be continued since they do make a direct contribution to the prosecution of the war effort.

Within Provincial Rehabilitation Plans, we envisage the following activities with estimated piaster costs:

MEMO ROUTING SLIP

NEVER USE FOR APPROVALS, DISAPPROVALS,
CONCURRENCES, OR SIMILAR ACTIONS

1 NAME OR TITLE AD/PE S. Silver <i>JS</i>	INITIALS	CIRCULATE
ORGANIZATION AND LOCATION	DATE	COORDINATION
2 <i>Rep</i>		FILE
		INFORMATION
3 <i>Jcle</i>		NECESSARY ACTION
		NOTE AND RETURN
4		SEE ME
		SIGNATURE

REMARKS

Attached forwarded for your consideration per our conversation a few minutes ago in my office. Our major cuts, in order to get within the 2 billion piaster amount, were (a) a reduction from 400 million to 250 million piasters in the natl. highways and rural roads (which we combined).
(b) a reduction of 100 million piasters in Montagnards
(c) 100 million piaster reduction in the 400 million proposed in the hamlet/village self-help projects,
(d) a reduction of 50 million in hamlet housing and

(over)

FROM NAME OR TITLE

Wm. Trigg

DATE

10/24/62

ORGANIZATION AND LOCATION

Program Office

TELEPHONE

50 million misc. and finally a reduction of

60 million in the 170 million programmed for

village/hamlet health resulting from the

(elimination of salaries for hamlet first-aid

personnel.