

TO: RUFUS PHILLIPS
FROM: JOHN O'DONNELL

18 Feb 1963

1. Official who visited Dinh Tuong Province (9/26 Feb) and jacked up Province Chief was MR. NGUYEN VAN VANG - GVN rep for South West Vietnam.

2. Tom Crooke reported that Vang told Province Chief that regular provincial budget was too tight to allow province pay share of expenses for improvement of Ben Tranh Hamlet Militia Training Center - that USOM Provincial Rehabilitation budget should cover entire amount - 154,000 VN\$.

3. Previously Province Chief had agreed to put up 54,000 VN\$ and provide better defenses and more weapons for training if USOM Miscellaneous Fund would cover 100,000 VN\$ of improvement expenses.

4. It has been my feeling that province can and should bear portion of cost of new construction or major improvement of facilities for strategic hamlet training programs as such costly items rapidly deplete Miscellaneous Fund. What is your position on use of miscellaneous fund for such expenditures??