

10 September 1963

TO : COMMITTEE FOR PROVINCE REHABILITATION
FROM : Assistant Director, USOM/Rural Affairs
SUBJECT: Amendment to Release Agreement for LONG AN Province.

Reference LONG AN Provincial Release Agreement No. 4 dated 23 November 1962 and U.S. Owned Local Currency Release Agreement No. 46 executed 8 June 1963. The above agreements provided a total of 19,380,340\$ to assist in the establishment of 282 strategic hamlets in two phases terminating on 30 June 1963.

On 10 September 1963, representatives of IC/SH, MAAG and USOM/RA met with the Long An Province Chief, Major Nguyen Ngoc Xinh, the MAAG Sector Advisor and others to determine progress and arrange for additional military and civil support. The province chief reported that 234 hamlets were being carried as completed, 54 under construction, and 112 planned, aggregating 400 hamlets. He stated that an additional 50 combat hamlets may be added to the provincial program at a later date but firm planning for these is not yet underway. Of the 494,904 total provincial population, 267,771 (54%) are in completed hamlets (229,073) and hamlets under construction (38,698). Approximately 120,000 of the remaining population are to be contained in the 112 planned hamlets and the balance (107,133) are scheduled for the estimated 50 combat hamlets.

The province chief, who assumed his duties only six week ago, stated that 12,880 families have been relocated since the start of the program and an additional 4,183 are at this time completing their relocation. Training and arming of militia, redeployment of other provincial security forces, and general organization and training within the hamlets has not kept pace with the 17,063 family relocations. This has resulted in many of the hamlets becoming easy targets for the Vietcong. For this reason Major Xinh's current phase plan, terminating 31 December 1963, calls for suspension of new hamlet establishment; all provincial strategic hamlet resources and energies to be concentrated on reinforcement and consolidation of the hamlets completed and currently under construction.

As affects, the Strategic Hamlet program, the GVN recently placed the two northern districts (Duc Hue and Duc Hoa) in the Hau Nghia Special Zone under III Corps command. Total hamlets planned by Long An for these two districts was 82 of which 15 are completed and 13 under construction. This changes the provincial program to 318 total (plus the estimated 50 combat hamlets), 219 completed and 41 under construction.

Similarly, the Long An population total is reduced to 387,412. The new totals apply to all computations contained herein. The IC/SE-MAAG-USOM/RA team found that no lateral transfer of funds to the Commander, Hau Nghia Special Zone, is required since no over-financing in the Long An agreement resulted.

The total families who have relocated (or are presently relocating) into the 260 hamlets completed or under construction now number 13,097 (3,966 in Special Zone included). Aggregate of funds provided for relocations is 11,574,940\$ (reflects an authorized 742,560\$ transfer of funds from Account 01 to 02). When recomputed on the basis of 1100\$ (25% of 4400\$ maximum) per family, the amount still required by the province for accomplished relocations is 2,831,760\$. Therefore, this amount has been included under the funding proposal.

In respect to strategic hamlet construction team cadre, it is recommended that 260 cadremen be employed/retained until 31 December from the start of the period which commenced on 1 July 1963. Ninety-two of this number are teachers. They will require equipment and training and a reduced per diem of 20\$. The remaining 168 will require 30\$ per diem only. These teams are considered essential to proper reinforcement and consolidation of hamlets.

The 260 strategic hamlets remaining in the provincial program include 124 Security Zone A, 129 Zone B and 7 Zone C hamlets. On the basis of one 12-man squad per A Zone and two per B or C Zone hamlet, a total of 4752 results. Prior agreements funded training for 2695 militiamen (excludes 220 trained for Duc Hoa and Duc Hue) leaving 2057 for this amendment.

Hamlet Committeemen training was recomputed on a similar basis of five for each of the 260 hamlets less 29 lost to Duc Hoa and Duc Hue. A new item included under this category is the training of four elected officials in each of the province's 81 villages. The previous agreements provided self-help assistance for 162 hamlets; 98 making a total of 260 are added herein. Miscellaneous funds proposed amount to 800,000\$.

Following are the proposed budget increases for the LONG AN Provincial Rehabilitation Program. In order that this province may expedite its current strategic hamlet reinforcement and consolidation program, early approval is recommended.

SUMMARY

Original Agreement	8,715,100\$
By Allocation # 1, Agreement 46	10,665,240\$
Increased Proposed	8,045,360\$
New Total:	27,425,700\$

LONG AN PROVINCE - PROPOSED BUDGET INCREASES

(In 000's of Piastres)

	<u>Amount</u>
01 Relocation (Recomputed - basis 25% of max)	2,831.76
02 Strategic Hamlet Construction Teams	1,358.0
Equipment: 92 cadre x 1000\$	
Training : 92 cadre x 15 days x 20\$	
Operation: 92 cadre x 180 days x 20\$	
168 cadre x 180 days x 30\$	
03 Hamlet Militia Training	617.1
2057 militiamen x 15 days x 20\$	
04 Committeemen Training	478.5
Hamlets : 1271 officials x 15 days x 20\$	
Villages: 324 officials x 15 days x 20\$	
05 Hamlet Self-Help (96 S.H. x 20,000\$)	1,960.0
06 Miscellaneous	800.0
TOTAL:	8,045.36