

MEMORANDUM FOR THE RECORD

May 6, 1961

Guy H. Fox

Conference with Rector Thong and Lloyd Musolf, May 4, 1961
(Maynard and Fox present)

Musolf presented Thong with a USOM organization and functions manual prepared by Jack Murtha. Thong expressed his thanks to Musolf.

Musolf said that Thong should now feel free to inform the NIA that Fox would be his successor as Chief Advisor of MSUG.

Musolf asked what was the status of the NIA's application to ICA. Thong said the proposed application of the NIA now has the approval of the Presidency on the main points. Shortly the NIA will send a letter to Gardiner and Musolf will receive a copy of the letter, which will be in French. Musolf suggested that Thong send the letter to Gardiner with the understanding that Gardiner will simply be the transmitter of the letter to ICA. MSUG will alert East Lansing that ICA will soon receive the application.

Musolf said he had learned by accident that the NIA is to be the manager of project #226. He asked: What are the implications of the project to the NIA? How much work is involved for the Institute? What plans has the Institute adopted? To the foregoing questions, Thong replied that the NIA will receive projects from various government departments for in-service training programs. The new project, he said, provides for (1) the organization of in-service training courses, (2) the equipment of in-service training programs, and (3) participant training. The in-service training courses will be in the fields of O&M, budgeting, and planning.

Maynard expressed his doubt that the Institute would be able to perform the various new duties without jeopardizing its present programs. He said the participant program covers the entire range of public administration and that considerable work is entailed in recruiting and training of participants. For this reason he doubted that the NIA was the appropriate agency to undertake the task. He expressed his concern that the program would divert NIA personnel from their primary functions.

Thong said he had discussed the matter thoroughly with his staff and also with representatives of the Fonction Publique and the Budget and

Foreign Aid. The conclusion was reached that the NIA is the only logical agency to manage the project because the Institute is already a center of pre-service training and has important in-service training activities. The project deals with the improvement of management and this is the goal of the NIA. All agencies involved in the project expressed a strong desire for the NIA to take on the project. Thong added that he agreed to have the NIA act as manager of the project only if additional staff were forthcoming. He has requested that one or two new staff members be provided for the new activities called for by 226. Maynard said he thought the organization of in-service training courses was a logical function for the NIA but the undertaking of the selection and recruitment of participants seemed questionable to him. Thong said that the in-service training courses could be used to establish priorities for participant applicants. Maynard said that to the best of his knowledge not a one of the 22 or 23 persons who took the recent O&M course was sent to the U.S. The NIA, he said, must be prepared to follow up to see whether those taking in-service training courses will be accepted as participants. He expressed the hope that the Institute would synchronize its training courses and the participant program. Thong said that he expects this to be done. Those who are appointed as participants will be obliged to take orientation courses or seminars.

Maynard pointed out that project 226 calls for the development of the O&M function in Vietnam with the cooperation of MSUG and the Fonction Publique. He said that MSUG is mentioned but was not consulted in the drafting of the project. He recalled that USOM does not want MSUG to be involved in consulting functions. What is involved, Maynard asked, for the NIA? Thong pointed out first that the project calls for training in personnel, planning, and budgeting as well as O&M. He said, however, NIA's role would consist only of training courses--that the NIA was not contemplating the assumption of consulting functions. The NIA would not be involved, at least during 1961, in the establishment of an O&M section. Musolf asked whether the NIA might organize an O&M section or will the agencies themselves set up such a section? Thong said that this had not yet been determined. Probably, however, the O&M section would be established by the Fonction Publique or, as in the Philippines, be placed in an autonomous agency in the Presidency.

Maynard said that the project, as he sees it, implies the establishment of sub-organizations; if these are established and need the attention of MSUG, we would be exceeding our mandate. However, he added that as a result of Thong's explanation, he now understands the project will involve only training courses during CY 1961. Musolf said that perhaps the NIA could, as a result of the training courses, encourage the operating agencies to establish O&M units.

Maynard said that the project also provided for a census of civil servants. This, he said, is an on-going project now conducted by the Fonction Publique and the Budget Direction. He asked if the only responsibility of the NIA would be to administer the funds. Thong said that the NIA would not only administer the funds but also exercise some supervisory functions. The Fonction Publique and the Budget Direction have agreed to work on the census under NIA's direction. However, the main responsibility of the NIA will be merely to administer the funds.

Maynard said he could explain why the provision calling for \$15,000 for audio-visual aids was omitted from the version of the project which Thong possesses. In CY 1960 the NIA was not in a position to make purchases of equipment so the money was returned to USOM with the understanding that the funds would be made available again in 1961. USOM restored the money in 1961 but none of it has been spent thus far this year. USOM at present is in need of money and has asked whether or not the money is needed this year for audio-visual equipment. Maynard has expressed his opinion to USOM that it would be better to have the money returned to USOM during 1961 and restored in 1962. At present, he said, the provinces are not ready to use the audio-visual equipment. The NIA has a well-trained technician, Mr. Le Ba Do, who could teach provincial personnel how to operate and maintain equipment before equipment is distributed. Furthermore, in 1962 the provincial centers will be ready, affording a proper place for the storage of equipment. Thus, it would be better this year for the NIA to train persons how to repair and use the equipment and to wait until 1962 before purchasing and distributing the machines. Thong said he was concerned lest the money be lost if not accepted for 1961. He believed it wiser to mention the credit in this project and for the NIA to establish a program for using the audio-visual equipment. He said he was not certain that once the \$15,000 is cancelled it will be restored. Maynard made several comments: The NIA can be reasonably sure that USOM will restore the money in 1962 if it is taken away this year. Inclusion of the money in the project for 1961 obligates the funds and they cannot be used otherwise. If the money remains idle during 1961, USOM will question whether the NIA really needs the money; Maynard pointed out that the money had not been used for the past four years. USOM will begin to think that the NIA does not need the money and will refuse to make a future grant. Furthermore, Maynard said, there is at present in the quonsets excess idle audio-visual equipment. In the event of an emergency this equipment could be used in the provinces. Also, MSUG has equipment which will be turned over to the NIA. Therefore, Maynard suggested an exchange of letters between the Rector and USOM, in which the Rector would point out that the \$15,000 had been omitted in the project for 1961 but in which he would request an assurance that the money would be restored next year. Thong said he had already written Murtha asking that the \$15,000 be reinstated in the 1961 project.

He said the NIA had accepted the project managership with the understanding that the \$15,000 would be included. Musolf said that USOM was opposed to tying up money which GVN cannot use. He suggested that Thong write such a letter as Maynard had suggested. Thong said he believed it would be possible for the NIA to draw up a plan to spend the money wisely in 1961. He has received many requests from the provinces for equipment. Maynard said that if USOM was willing to restore the money, he hoped Thong would insist that the funds be related to project 080 in order to insure that the money could be spent only by the NIA. Thong agreed to relate the \$15,000 to the NIA-MSUG project. Thong requested that MSU make a draft of our point of view to have the \$15,000 available in 1962 rather than 1961. Maynard said that he already had an oral agreement with USOM that the money if taken away in 1961, would be restored in 1962. Thong and Fox expressed the view that if such an agreement should be made, it would be advisable to have it in writing.