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SAIGON---The United States Agency for International Development (A. I. D.) in Vietnam--the largest in the world-- is broke.

But, the economic mission continues to fight "the other war" by "continuous borrowing" of up to \$150 million from the American government's economic funds allocated to other countries. The idle funds in the current budgets of other countries--primarily Laos, Korea and Thailand--are being shifed here to support the social and economic programs of the Vietnam war, according to highly reliable sources.

The "paying back" of these borrowed funds from the world-wide USAID budget hinges on the \$415 million supplemental foreign aid bill, which is currently being discussed in Congress.

"If that supplemental bill isn't passed by Congress, USAID is in real trouble out here," according to a highly reliable source.

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Of the \$415 million ~~supplment~~ ³ supplemental aid bill, ^{for Vietnam,}
\$150 million will be used to "pay back" money borrowed from allocations
for other countries and the remainder of \$265 will be used to continue
USAID program supporting the Vietnamese government through the end
of the current fiscal year, ending June 30 of this year.

In addition to "borrowing" money from other countries,
USAID in Vietnam is also using an unspecified amount of Presidential
contingency funds, plus additional grants to the Vietnamese government.

A \$5 million (repeat five million dollar) ² appropriation
by Congress, ^{and} earmarked for a special three-province project of
low-cost rural electrification, has already been diverted to meet
the local USAID payroll, according to reliable sources.

"The funds are just trickling in for that rural electrification
^{to} project President Johnson has been pushing since last year," one
source explained.

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The bookkeeping arrangements being made with the world-wide USAID budget in Washington has permitted the economic mission here to ~~rea~~ meet readily its commitments to the Vietnamese ~~government~~ government. Roughly \$25 million was released to the Vietnamese government last month for the commercial import program and more is scheduled to be released in the future.

"We don't care who they steal the money from," one reliable source explained. "We are borrowing money from the funds of other countries that they won't spend until later this (fiscal) year. ~~These~~ These countries will be paid back when Congress passes the supplemental bill. These countries don't need that money until later this (fiscal) year and so we aren't hurting ~~their~~ the American commitments ~~else~~ elsewhere in the world."

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The economic mission here began the current fiscal year on July 1, 1965, with \$300 million plus an additional \$80 million in PL 480 farm surplus materials. But, with the ^{SHATTERING} ~~increase~~ of inflationary effects of the American military build-up to 215,000 men, USAID officials here quickly put in their request for more money--in fact, almost double their original allocations.

^{total} The increase of up to ~~\$600 millions calculated~~ \$700 millions came ~~+~~ mainly in the commercial import program. Through American or American-financed imports, the Vietnamese government hopes to cut the current skyrocketing of inflation as well as to generate nearly 20 billion piastres in local currency to meet their record-high 55 billion piastre (US\$ ^{460 million}) budget. Increased spending for the American-backed pacification program in the ² ~~rural~~ provinces--approved at the Honolulu Conference last month--is also expected.

The USAID budget for Vietnam for fiscal year 1967, beginning July 1 of this year, is expected to remain constant. ^{at the same level}