

## I. THE SCHOOL PLAN

1. After security the first desire in most hamlets is for an elementary school. The situation in Vietnam today, however, is such that immediate realization of a nationally financed elementary school in each hamlet is unrealistic if not impossible. Yet the importance of hamlet schools to the national counter-insurgency program is such that some way must be devised for its accomplishment. A school in each hamlet should do more to establish the hamlet as a "way of life" than any other single measure.
2. PROBLEM - To devise and launch a nation-wide school program that will permit the simultaneous construction of schools and the training and payment of teachers.
3. The possible solutions include massive long-term U.S. assistance, the heavy subsidization of private schools and the imposition of additional piastre taxes among all who can pay. Each of these has distinct disadvantages: Even if granted, massive U.S. educational assistance destroys initiative and is contrary to the (U.S. and GVN) principle of helping the people to help themselves. The wholesale subsidization of private schools -- though certainly an interesting means -- is hardly compatible with the principles of compulsory-free education as established by Article 26 of the Constitution. (This method, however, if used in augmentation of a national school program appears completely within the terms of the Constitution.) The last method named -- new national or provincial piastre taxation -- would be open to psychological exploitation by the Communist, would be an unbearable burden on those communities where few surplus piastres are generated, or -- if levied as additional duties, real estate, industrial or similar taxes -- would serve to further aggravate an already "overpriced" situation of the national economy and would further stymie investment. Yet the problem, however one views it, is one requiring additional public means -- taxation.
4. A solution that we are trying in several provinces of Région III calls for a slight revision of concept. The need for additional public revenue to build and support hamlet educational institutions is recognized. Public revenue however, is not being confined to piastre taxation. The concept calls for payment of hamlet school taxes in piastres, labor or "in kind" according to the ability or desire of each individual, thereby giving him the capability to contribute his share to a hamlet school program by additional labor alone -- a commodity he can most easily afford, and one that in no way can lower his existing private standard of living.
5. A "type" situation might be a hamlet of three hundred families with 300 children needful of elementary education (first 3 grades). At the earliest opportunity a provincial educational official visits the hamlet and tells the people how they can immediately acquire a school and teachers if they have the will to do so. He shows them plans for

a three classroom school, interview the best qualified school teachers and explain to the people the national wage scales based on the qualifications of the teacher applicants. Working from his "fact sheet", he then tells the people how much in piastres and labor it will cost them to build a study school, utilizing local materials, and augmented by a share of USOM cement and other materials. He adds to this initial cost the labor and piastres required for permanent fixtures including a well, school dispensary, playground, clearing of land for agricultural instruction and other refinements. These, he explains to the people, are initial one-time costs. He adds to these the costs for teacher training at provincial center which should be little more than transportation and a nominal charge for instruction materials; since in this type of self-help undertaking, both the teacher and his family should be eligible for PL 480 food during the period of training. Next, the provincial educational representative should explain the annual cost for operating the school. He should include estimated cost in labor and materials for maintenance of the school and grounds, teachers' salaries, teaching aids, and both classroom and pupil textbooks and expendable supplies. For purposes of dramatically illustrating to the populace how a given unit of labor has equivalent value in piastres, he should first itemize all costs in piastres. With the vocal participation of the populace he should then reduce or eliminate the piastre cost for each item, leaving little more than hardware and a few instructional aids for the initial costs of the school facility. He should then tackle recurring costs, item by item, leaving expendable and supplies and teachers' salaries until last. For this example, we will say that expendables (chalk, note-books, pens, pencils, etc.) average 50 piastres per student or 15,000\$ per year; three teachers' salaries averaging 2,200\$ each per month or 80,000\$ annually for a total approximating 100,000\$ each year. He should then explain how the populace can build publically-owned houses (eligible for USOM commodity assistance) for each of the teachers. If these were fine "prestige" homes a deduction in salary of 700\$ for rent might be considered reasonable. Then he should suggest that those who do not wish to contribute in any other manner might contribute food, clothing, other items needed by the school-teachers' families --perhaps in total reducing the piastre requirement to as little as 500\$ or 18,000\$ annually for the three teachers. This added to the other annual piastre expenses should approximate 30 or 35,000 piastres. With our hamlet of 300 families, 100 might choose to contribute in labor or in kind. On this basis the other 200 families' annual assessment should be only 150\$ per family -- about 12½ piastres a month. If the hamlet populace appear unable to stand even this nominal taxation, the educational representative should suggest a public revenue producing agricultural or industrial undertaking to which the populace contributes its labor. This could easily eliminate the piastre requirement entirely.

6. The concept of taxation in kind pre-dates the concept of taxation

in currency. This in part is how the United States was able to build its early community public services. It is the logical way for under-developed, currency-poor, countries to immediately elevate their "public" standard of living. It equates work with money and the beauty of this method is that the demand for useful public services in each growing viable hamlet always can exceed supply thereby giving all the ability to better their private and community standard of living without sacrifice of present meager incomes or savings. And what family cannot afford to give a few hours of additional labor each month?

7. Perhaps the most important residual gain in this concept would be the establishment of a firm national tax base -- one in which the people quickly learn the needs and benefits of public taxation; one in which they learn that taxation actually can better their individual and collective standards of living; and one in which the realization comes that taxes simply increase public demand, thereby providing more work, more opportunity for all. As such a system progresses, increasing numbers of people will find it more expedient to pay their (school) taxes in piastres than in work and the advantages of monetary taxation will emerge, but to begin with a monetary grass-roots taxation system in an under-developed, low money income country is unrealistic and places an impossible burden on the populace.

8. No mention has been made of the existing excellent schools program for it is a "going" program obviously within the means of GVN to support. Having been established in the offices of the Minister of Education assisted by the best U.S. advice obtainable, this program is setting a realistic and high standard for educational facilities throughout the country. These standards for school construction, teacher selection and training, and teacher salaries should apply equally to schools established by the people themselves. The two programs compliment each other: the one by giving GVN direction to the overall effort; and the other by making possible immediate nation-wide implementation.

## II. THE VILLAGE PUBLIC WORKS PLAN

1. Most rural strategic hamlets contain few public facilities such as adequate sources for water, minimal sanitation facilities, public halls and administration buildings, and many lack even adequate access roads into the hamlet. The problem is not limited to the establishment of such basic facilities. More important is the maintenance of existing and planned public facilities. Hamlet defense installations rapidly deteriorate; they require continual maintenance and should be improved, made permanent and attractive. Likewise, hamlet internal and external roads and bridges require improvement and regular maintenance. Wells must be dug, kept clean and in good repair and pumps require steady maintenance. Obviously there is an immediate need for village/hamlet

public works departments.

2. PROBLEM - To devise a method for immediate creation and continuance of village/hamlet public works systems.
3. In Region III we are encouraging the utilization of our share of the 2500 USOM-assembled Village Tool Kits as the nucleus around which Village Public Works departments will be established. Our provincial USOM/RA representatives are suggesting that in each village a toolkeeper be appointed, a toolhouse established, and that public revenue producing (piastre and/or "in kind") means be established to permit payment of the toolkeeper(s), maintenance and acquisition of new tools and public facilities. As under the school program we point out how much of the toolkeeper's salary may be given "in kind": rent in kind by means of a publicly constructed and owned toolkeepers house; food and other commodities in kind for those who do not wish to contribute piastres or labor on revenue producing communal industrial or agricultural undertakings. We also explain how the rental of tools for private use can generate income. We show how the toolkeeper will in fact soon become the Village Public Works Officer, charged with maintenance of all public facilities. We try to expand the concept of his duties to include installation, operation and maintenance of village electrical systems, gravity-feed water systems and similar sophisticated community advancements. And we show how the hand-tool rental service can be expanded to include machine agricultural equipment, otherwise beyond the capability of individual farmers to acquire.
4. Again, this involves the "selling" of a concept and should be handled by competent cadre operating under the guidance of the Provincial Public Works Officer. Like in the school program, the public works representative should work from a fact sheet, item by item, explaining and opening for public discussion each point requiring decision. The representative should be an enthusiastic competent individual, himself thoroughly sold on the concept and program. He must be prepared to properly advise the populace on the advice (primarily his own on a return trip) and assistance (beginning with the tool kit itself) that the populace may expect from the provincial and national governments. And most important he should leave behind for public perusal, discussion and vote a detailed plan custom-built to the needs, desires and capabilities of the village populace. Before departing he should name the date of his next visit and at that time he should return with the official provincial (GVN) answers (including commitments) developed during his initial visit.

NOTE: The schools and public works programs outlined are only two examples of a system -- often called a "bootstrap operation" -- that will permit immediate concurrent establishment of improved public services and facilities in all hamlets and villages in Vietnam. It is essentially no different than the strategic hamlet program itself which has called for the concurrent establishment of hamlets and relocation of families throughout the country. The system should be applied to the expansion of public health and other facilities and services. One important caution: all such programs should be under the competent guidance of the Ministries -- backed by the experience of their American technical advisors. This guidance can best be in the form of standards, material support and inspection. The power of approval should be at least as low as the province, since to do otherwise would simply delay programs and frustrate the aspirations of the population.