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December 9, 1963

Mr. Ian Haynard  
Rural Affairs  
USOM to Vietnam  
c/o American Embassy  
Saigon, Vietnam

Dear Ian,

I find the Mission's answer to the fertilizer grant proposal disappointing, to say the least. It looks as though Drosdoff & Rozenthal wrote it.

The point of the proposal was to pay farmers compensation in fertilizer for work done on strategic hamlets. Sale of the fertilizer, even on easy credit, is likely to meet with resistance and will not provide the compensation that Minh & Tho feel the farmers should get.

As to the physical problem of distributing the fertilizer, which is cited in TOAID 1358 as the insuperable obstacle, have you and Howard taken a new look at the possibility of a massive mobilization for the necessary transportation facilities. This could involve the Army (Minh would approve I'm sure) plus a much longer scale use of barges, etc. Below province level, piastres could be used to hire practically every boat in the province. If additional piastres are not available, then an additional purchase could be envisaged.

The whole thinking out there is much more conservative and pedestrian than back here where an additional \$20 million has been tentatively added to the DG & SA program to take care of possible additional CI needs.

We should be revising the school program in the Delta also -- shooting for a school in every hamlet in 2-3 years. This will mean radically increasing our procurement of sheet roofing.

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I suggest you talk this over with Oggie and see if you can get some support there. Also Bo might talk to Mike Dunn to see if the Ambassador could start asking some questions about over-conservation.

I realize you are probably swamped with problems but the climate back here is so favorable I think we should radically raise new sights on what we want to achieve.

Sincerely yours,

R. C. Phillips

FE/VN/RCPPhillips:vnh

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