



10 April 1967
Suite 200
1250 Connecticut Avenue, N. W.
Washington, D. C. 20036

Mr. Walter Stoneman
Deputy Asst. Administrator for Vietnam
Bureau for the Far East
Agency for International Development
Washington, D. C.

Dear Stoney:

The subject of this letter is the Eastern Construction Company (ECCOI) and their contracts in Vietnam. I have been advised by the President of ECCOI, Congressman Frisco F. San Juan that AID/Vietnam is attempting to directly hire their personnel and personally advising each of their technicians in writing that the present ECCOI contracts will be terminated on 1 May 1967. (See attached copy of an AID/VN letter to an ECCOI technician). AID/Vietnam says this is being done on direct orders from Washington.

Regardless of whose initiative this represents and regardless of whether it can be argued that past practice is not in conformity with standard AID procedures, this action is an error which could have serious consequences. Eastern Construction Company is not a "hiring hall" and never has been. It is the successor and heir of the Freedom Company of the Philippines, originally sponsored by the late President Magsaysay, for the specific purpose of assisting other Asian countries to defend their freedom. This remains the spirit and purpose of ECCOI despite the fact that it had to go on a commercial basis after Magsaysay's death.

Most of the people provided by ECCOI are those with experience under Magsaysay in the fight against the Huks and who still believe in the high purpose and ideals of the Magsaysay days. This means that they are much more effective than the average Filipino; but that a large part of their effectiveness comes from the fact that they are part of a Filipino team and not "hired hands" of the Americans. I cannot over-emphasize the importance of this distinction.

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Sincerely,

Wm Phillips

Dear Ed,
I found out
that it was a
Washington decision
apparently based on
a legal interpretation
that AID interpretation
was not possible.
Contract with
halls "living
last hope you can strike
a new way of doing the
open. Can they want out
open. Should be with.