

December 15, 1959

To: Lloyd D. Musolf
From: Stanley T. Gabis
Subject: Tax Reform in Vietnam

I read with considerable interest your memo of December 9, same subject, as well as Taylor's memoranda. I am afraid the incident has caused an undue and, I think, unwarranted reaction on the part of Taylor. I take full responsibility for the interview between Hendry and Mr. Tho, for it was at my suggestion that Hendry talked with Tho and prepared the memoranda. This does not mean that I endorsed everything Hendry said. Tho had recently come back from an extensive and arduous field trip and was very anxious to integrate his material. I thought an extended discussion with Hendry would help to focus matters in his own mind.

Upon his return I saw Mr. Tho, and he spent Thanksgiving at my house. It was Tho who initiated that discussion with me concerning his interest in recruiting tax specialists for Vietnam and emphasized the fact that he desired very practical men of wide experience. He said that he looked forward to working with Taylor on this. I had always visualized the Coordinator's Office as more than a message center and had considered that one of our most important functions was to raise questions on any subject bearing upon our program in Vietnam which might help to indicate other alternatives from our view point here. Jim Hendry, in his short period on the Project here, has proved very helpful in a number of respects, and I thought it quite natural that he talk to Mr. Tho. I might mention that we have extended ourselves in establishing cordial and close relations with Mr. Tho. In a previous communication from Saigon we were informed that we were to regard Mr. Tho as being on the same level as Vu Van Thai and act accordingly. I don't think we have done anything which would endanger the fine work which Milt Taylor has done in Vietnam. It was clear to us that Taylor enjoys the confidence and esteem of Mr. Tho. We were very happy to sense this and would do nothing to hurt this relationship. On the contrary, I think Taylor will discover the next time that he meets Mr. Tho that his reception here has helped to solidify his positive feeling toward MSU and MSUG.

Concerning Dave Cole, I sense the situation is getting a bit more complicated. Dave had told me some time ago that he had hoped to work out an agreement with Milt Taylor by correspondence which would help to define his assignment in Vietnam. I gather that this has not come to fruition. I think you are quite correct that this matter should be settled as soon as possible. My guess is that it will involve some delicacy.

I understand from your memo that the attitude of ICA/W eliminates the possibility of Milt Taylor coming to the States for this recruitment effort. I would like this confirmed as soon as possible for I want to pass on the information to Mr. Tho who will be returning to East Lansing December 17. At this point we are uncertain as to his future plans and will try to get some clarification as to his intentions over the next two months.

STG/ap

Thao