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VIETNAM ADVISORY GROUP

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June 10, 1960

Dear Huben:

From information which filters out of Lloyd's office, I gather that you have returned from your trip to So. Am. I trust it was a good one.

Things continue about the same here. There was another minor flap over at USOM about my conversations with the VP but I think it has blown over--at such as it will. The issue continues to smolder. I suppose that Lloyd keeps you up to date on most of these matters. There is no doubt of the present trend at USOM to take increasing administrative control over MSU and to "de facto" absorb MSU as a division of USOM. As you know, I have strong views of this matter. Others do to. More and more the thinking among MSU personnel runs in terms of ending the MSU contract when the present one expires. I think it is going to be impossible for us to do the kind of job that a Univ. group can do. But then, that is probably just what USOM and at least some people in Wash. want. They seem determined to either bring us to heel, absorb us, or make life so untenable that we will pick up our dolls and go home.

I have been making slight progress in my work lately. Or at least I see some rays of hope. Perhaps you remember that I was working on some national income projections for the Research Service of the National Bank. They turned out pretty well and I wrote up a statement of the policy implications of the model. As near as I can tell it was fairly well received. I think it may be rather important because, I am convinced that economic stagnation lies ahead for Vietnam unless there are some drastic policy changes--and soon. It is crucial that people in high places be apprised of the consequences of certain present policies and the desirability, given their goals, of adopting certain new policies. Maybe something from what I do will filter up.

Recently, a member of the NIA staff has been taken on by the Bureau of the Budget to assist them in some of their planning efforts and I have been invited to work along with him. This is a wonderful opportunity--although there are certain "diplomatic" problems which can arise here also. So far these problems have not come but-----he is working in advising, consulting, research in preparation for policy decisions. This is precisely the kind of work we have been trying to get NIA staff to do. This is the first opportunity, if they at the NIA will take advantage of it. I hope that I can work with this man enough to do some good and also establish a relationship for the future.

One personal-professional problem in all this. I earn no brownie-points at MSU for this sort of thing. The level of economic development and the level of administrative competence here is sufficiently low that I work at about the "junior" level in economics. The papers I write, the economic principles I attempt to apply are fairly simple and well known. However important the work may be it hardly comes out as publishable. I still hope that I can net enough information to put together something publishable--but it is very frustrating. Maybe if I were a little better at it, I wouldn't find it so hard.

I'm anxious for news. The little I hear from E. L. indicates that things are pretty much drifting in the department--except that certain staff members are leaving including Abba Lerner. I also hear that John H. is out of contention but I have no indication of who is in contention. Any news?

Eve joins me in sending her best. Give my regards to Seelye and to Kulervo (I'm sure that is not spelled correctly).

Yr.
Frank