

5 May 1966

MEMORANDUM FOR: Chief, D/T

SUBJECT: Information for Proposed Project on Vietnam

1. Projects completed -- None relevant to the proposed study.
2. Projects Underway

The Viet Cong Economy -- The denial of access and control by the Viet Cong of large areas of South Vietnam to the Government and Viet Cong interference in other areas are having an increasing impact on the viability of the South Vietnamese economy. This project will attempt to detail the operation of the Viet Cong economy, the extent of Viet Cong interference in the normal operations of South Vietnam's economy, and Viet Cong strategy and tactics in relation to their insurgency objectives. *doubtful*

3. Proposed Projects

The Peasant and the War in Vietnam -- The agricultural sector of the South Vietnamese economy employs approximately 75 percent of the labor force and has been the sector on which both the GVN and Viet Cong have been relying for manpower and resources for victory. The success of the contending forces in meeting the needs of the peasantry will undoubtedly have a major impact on the outcome of the conflict in Vietnam. This project will evaluate the problems of the peasantry as they view the advantages of GVN or Viet Cong control in the countryside.

4. Other Studies Which Could Be Done -- As a result of the serious inflation in South Vietnam the wages of salaried workers have not kept pace with the cost of living thereby providing cause for these members of the population to become alienated from the government. A critical portion of the population which is seriously affected by the wage-price dilemma includes the military, the revolutionary development cadre, and the civil service. The extent of the inequities of pay scales applicable to these groups could be determined and an attempt could be made to measure the discontent of these groups resulting from these inequities.

5. Data Needed -- Sufficient data exists for nos. 2 and 3, above. In order to carry out the suggested study no 4. we would have to have detailed data on the wage scales over time for the groups mentioned in no. 4. This data is not currently available to CIA, but must exist in Saigon.

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