

Approved For Release

25X1

2008/02/15 :

CIA-RDP85T00875R001100010

completed.

**De**

Approved For Release

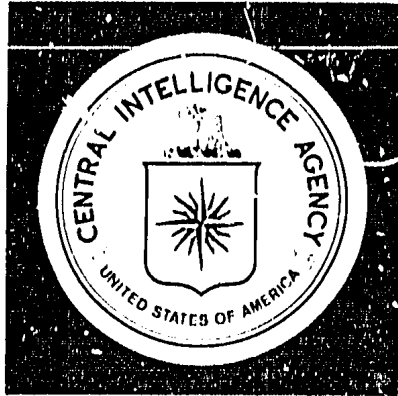
2008/02/15 :

CIA-RDP85T00875R001100010

CRS/SAT 3

25X1

**Secret**



APR 27 1973  
PROJECT 14 4501

25X1

# *Developments in Indochina*

APR 27 1973  
PROJECT 14 4501

State Dept. review completed

25X1

DIA review(s) completed.

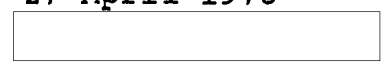


25X1

**Secret**

122

27 April 1973



**Page Denied**

# *Developments in Indochina*



25X1

## CONTENTS

27 April 1973

CAMBODIA . . . . . 1

Takeo has been subjected to Communist harassing attacks for nearly a month now, and its fall--even temporarily--would be a major military and psychological setback for the government. The Khmer Communists, while carrying the war to the government on a number of fronts, are devoting considerable attention to the political aspects of the conflict.

SOUTH VIETNAM . . . . . 4

Vietnamese forces are still on alert in anticipation of some sort of renewed Communist attacks in the next few weeks. A few [redacted] continue to forecast widespread ground action, but most evidence is to the contrary. The substantial progress made by the government over the last two months in the resettlement of refugees has run into familiar problems. The government is showing concern about possible Communist penetration of the labor movement and is trying to strengthen its influence among the ranks of labor.

25X1



25X1

INTERNATIONAL DEVELOPMENTS. . . . . 9

Ranking Vietnamese, Lao and Cambodian officials have been in Peking this month, and discussions at the policy level may have led the Chinese to prompt their Indochinese allies to adopt a more moderate course.

CAMBODIAThe Threat to Takeo

The provincial capital of Takeo, 40 miles south of Phnom Penh on Route 2, was once a quiet agricultural center of some 30,000 people. Today, it is an isolated, besieged city teeming with 70,000 people, one-third of whom are refugees. Takeo has been subjected to harassing attacks by Khmer Communist forces for nearly a month. Since 10 April, the Communists have been shelling Takeo with captured 105-mm. howitzers and have slowly whittled down the city's defensive perimeter.

25X1

Communist strength in the Takeo area is estimated at five battalions, or 1,000 to 1,500 troops. There is little doubt that the Khmer Communists would like to overrun Takeo.

25X1

In mid-April, government forces at Takeo were estimated to total about 3,500 troops. They are organized into nine battalions, and occupy defensive positions in and around Takeo. An additional 400 troops were airlifted into Takeo from Phnom Penh early this week to replace casualties suffered over the past month. There are occasional shortages of food and ammunition in Takeo because these supplies must be flown in. The morale of the government garrison at Takeo is increasingly poor. During a recent visit by the US Air Attache, a large number of Cambodian soldiers mobbed his helicopter in hopes of obtaining space on the return flight to Phnom Penh. In addition to Communist military pressure, pay irregularities are contributing to the morale problem.

27 April 1973

Takeo can probably hold out as long as the airlift and intense US air strikes against suspected Communist positions in the surrounding area continue. If Takeo should fall into Communist hands--even temporarily--it would be a major military and psychological setback for the government. [REDACTED]

The Other Battlefield

25X1

While the Khmer Communists (KC) are carrying the war to the government on a number of fronts, they are devoting considerable attention to the political aspects of the conflict. The KC are continuing to expand and upgrade their political apparatus throughout Cambodia. In a number of areas, the collapse of Cambodian Army (FANK) defenses in the face of KC pressure has enabled them to seize control quickly and establish a rudimentary political apparatus using new recruits and some who previously worked for the government.

In some areas, such as parts of Prey Veng Province, KC political organizations have reached new levels of sophistication that sometimes rival the Viet Cong's apparatus in Communist-controlled areas of South Vietnam. There is also evidence that the KC are continuing to assert their independence from the Vietnamese Communists, from regional down to the hamlet level in many enemy-controlled areas. Despite their increasingly strong position in Cambodia, however, the KC in some areas are having to resort to more stringent control measures over uncooperative local villagers.

As the KC have refined their administrative machinery, they have also stepped up their efforts to subvert FANK and civilian government agencies. They have put increased emphasis on the recruitment of personnel, particularly young people, to serve as low-level intelligence collectors or as fifth columnists within FANK. [REDACTED]

25X1

25X1

27 April 1973

25X1

[REDACTED]

25X1

A five-day KC congress held in Kompong Cham Province in February shed some additional light on the present and future KC objectives. The delegates discussed such goals as establishing several "capitals" and "instigating" violence and friction in both urban and rural areas. More importantly, KC leaders at the congress called for disruption of the economy in both government-controlled and contested areas by forcing prices up and by fostering dishonesty among government officials. The need to improve relations with the Buddhists was stressed. Finally, the KC are to expand their over-all training program, concentrating on training personnel to serve on village committees. A significant effort apparently has been made in this direction.

25X1

25X1

[REDACTED]

27 April 1973

[REDACTED]

25X1



SOUTH VIETNAMThe Military Situation

South Vietnamese forces are still on alert in anticipation of renewed Communist attacks in the next few weeks. [REDACTED]

25X1

25X1  
25X1

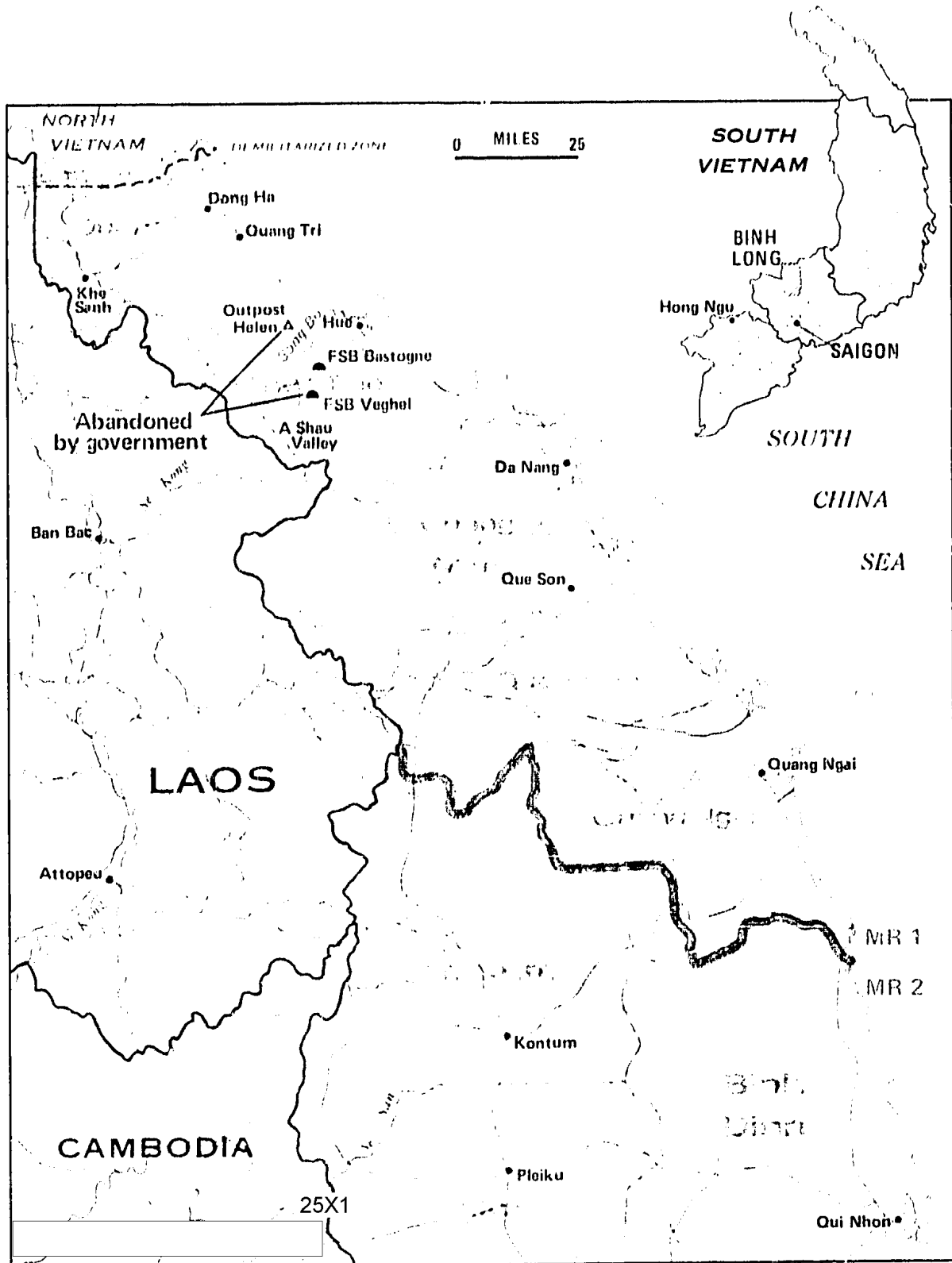
[REDACTED] Recently, the Communists have reacted more aggressively to the government's refugee resettlement and land development programs, particularly in areas where these efforts impinge on their own territory or civic action projects.

Some of the heaviest fighting in the past few days has occurred in the delta. South Vietnamese regulars are still encountering stiff resistance to clearing operations along the banks of the Mekong River in the Hong Ngu area. They have succeeded in opening the South Vietnamese portion of the river for convoy passage, but they have taken as well as inflicted substantial casualties. Senior South Vietnamese officials believe, however, that the Communists may soon make another try in the area. They claim that elements of the North Vietnamese 5th and 9th divisions are either in or moving toward Hong Ngu. [REDACTED]

25X1

The Communists have been active in several delta provinces, shelling and harassing government outposts and villages just enough to keep the government's local defense forces tied down. The Communists have also suggested that some main force units may be used in future attacks, a threat apparently sufficient to keep most of the government's regulars spread throughout the region.

27 April 1973



554341 4 71 CIA

25X1

[redacted]

[redacted] Pressure has increased against government positions in Thua Thien Province. The Communists have persistently directed heavy mortar fire against South Vietnamese troops trying to set up a new observation post overlooking the Bo River Valley west of Hue. [redacted] partly in response to this government effort, Viet Cong local forces in this area are building defensive positions and are being reinforced by North Vietnamese regulars.

25X1

25X1

The government last week quietly abandoned its outermost position west of Hue, ex - Fire Support Base Vachel. [redacted]

25X1

[redacted] Abandonment of another base west of the city has enabled the Communists to move close to the boundary separating South Vietnamese Army and Marine sectors--one of the weakest points in the government's northern defenses. Both of the abandoned government positions had come under increasingly heavy shell fire during the past few weeks. [redacted]

25X1

#### Refugee Resettlement

During the past two months, the government has made substantial progress in the handling and resettlement of war refugees. Recent statistics show that the number of persons in temporary government camps has declined to the lowest level in eight months, some 603,000 people. Since the cease-fire in January, an estimated 300,000 persons are said to have been affected in some way or another by the fighting, but only about 39,000 remain displaced from their home areas. In Quang Tri Province, for example, almost 20,000 persons have been resettled in a program that started in mid-March.

27 April 1973

25X1

The government's resettlement efforts in Quang Tri and in some other provinces, however, are now beginning to encounter increasing problems, including poor security. [redacted]

25X1

25X1

[redacted] The government has been trying to replace its elite marine units stationed in this area with territorial forces whose morale is said to be low. Recent rumors of impending Communist attacks in this area have had an unsettling effect on the refugees.

The Communists have steadily increased their pressure against government strongpoints in northern Thua Thien Province, where many of the camps sheltering refugees from Quang Tri are located. South Vietnamese units in some instances have been forced back closer to the coast, dampening the desire of the refugees to volunteer for resettlement in the exposed areas.

25X1

The initial high priority and resources given the resettlement program by the government seems to be in question. [redacted]

[redacted] Administrative and logistic breakdowns have slowed the arrival of promised construction material, and what is available is not distributed equally.

In several other provinces, resettlement programs are being hampered by increasingly aggressive Communist reaction to government clearing and land development projects. In Bien Hoa Province near Saigon, Communist pressure has forced the abandonment of a new refugee settlement. In Binh Dinh Province on the central coast, the government has indefinitely

27 April 1973

postponed plans to resettle another 10,000 people in Tam Quang District because of poor security and an insufficiency of government-controlled rice lands. Roughly one half of some 7,000 persons already resettled in this district reportedly have returned to their former camps. Similar problems are cropping up in nearby Quang Ngai and Quang Nam provinces, particularly as government forces on land clearing operations move closer to territory long held by the Viet Cong. [redacted]

25X1

The Government and the Labor Movement

The South Vietnamese Government is showing concern over possible Communist penetration of the labor movement and is trying to strengthen its influence within the ranks of labor. When a railway workers' union staged a brief walkout last week in defiance of the ban on strikes, the government ordered the arrest of the union's leaders. It also used the occasion to arrest leaders of several other unions who have long been suspected of pro - Viet Cong activity.

On the surface, the railway dispute was a minor demand for a pay raise, but the union leader who directed the walkout has a history of involvement in left-wing agitation. Reflecting the government's concern over any disturbances during the cease-fire period, National Police Commander Binh stated [redacted] that the strike had to be stopped immediately to prevent other unions from turning it into a general strike.

25X1

Despite the government's fears, militants are only a small minority within South Vietnam's labor movement. The country's major union, the Vietnamese Confederation of Labor (CVT), is headed by firm anti-Communists who have frequently cooperated with President Thieu. Recently, however, strains have developed between the CVT and the government over political tactics. The government's Democracy Party has formed a special unit for labor, and CVT leaders

27 April 1973

25X1

[REDACTED]

claim that the party has been trying to force their members to join. Moreover, CVT president Tran Quoc Buu recently mentioned to the US Embassy fears that Thieu's entourage is trying to set up a rival "government union."

Under Buu's leadership, the CVT's political arm has rejected overtures from the Democracy Party and is instead participating in the newly formed independent Social Democratic Alliance. As a result, Thieu and his political lieutenants, while claiming that they do not intend to compete with the CVT, may have become less reluctant to step on the union's toes in solidifying their own support among labor.

[REDACTED]

25X1

27 April 1973

[REDACTED]

25X1

INTERNATIONAL DEVELOPMENTS

A review of the state of play in Indochina at the policy level in Peking may have led the Chinese to encourage its Indochinese allies to follow a more moderate course. Ranking Vietnamese, Lao, and Cambodian officials have been in Peking this month, and there have been hints in the press of a subtle shift in Peking's position on some key issues.

The outlines of China's current thinking seem to be emerging in a series of authoritative statements dealing with Indochinese Communist protests of US activity in Laos and Cambodia and with the third anniversary of the Indochina summit conference held in China a few weeks after Sihanouk's ouster. As in the past, Peking's statements are less biting in tone and more sparing of US actions and motives in Indochina than companion commentary by the Indochinese Communists. Peking's latest statements, however, appear more moderate and flexible than those of only a few weeks ago.

With respect to Cambodia, for example, a *People's Daily* editorial on 25 April made no mention of the Khmer Communist line that any settlement requires the ouster of Lon Nol and recognition of Sihanouk as Cambodia's chief of state. The editorial used a softer formulation than heretofore in expressing Peking's terms for a Cambodian settlement: that the US Government stop bombing and all "military interference" in Cambodia. Publicly and privately, Chinese spokesmen have long insisted that an end to all US involvement--presumably political and economic as well as military--was a prerequisite to settlement. Chou En-lai advanced this formula less than three weeks ago in formal remarks at a banquet for Sihanouk.

Several times this week Peking has addressed the question of "foreign" involvement in Laos and

27 April 1973

Cambodia in a way that infers that the Chinese may have Hanoi in mind, as well as the US. Both in the *People's Daily* editorial and in a message to the summit participants signed by Chou, the Chinese referred to the Lao and Vietnam cease-fire agreements as having "created conditions" for the Lao or Vietnamese people "to settle their internal affairs free from foreign interference." In a similar vein, a Chinese commentary last week spelled out the provisions of the agreements dealing with "foreign" forces in a deadpan way suggesting that Peking was referring to the need for adherence by all parties.

If Peking does have Hanoi in mind, its recent public statements suggest there has been much more pointed private counsel. The Chinese, for example, may have advised Hanoi that the time is right and that there is little to lose by moving ahead on the formation of a new government in Laos or by making a display of compliance with the Paris Accords by withdrawing some of its forces from Cambodia. Regarding South Vietnam, Chinese diplomats have indicated for some weeks that Peking does not favor a fresh Communist offensive.

Perhaps to add weight to its less rigid views on substantial issues, Peking's ritualistic expression of support for its allies is much briefer and tamer in this year's anniversary editorial and message than in 1972. Gone are references to Mao's teachings, to Peking's "bounden internationalist duty" and to China as "the reliable rear area." The trimming here clearly reflects in part changes in the situation since last year when the Communist spring offensive was in full swing and a cease-fire was still months away. It also may signal that Peking is attempting to dissociate itself from some of its allies' more risky and provocative moves.

Peking may have been persuaded to moderate its position by growing concern that recent military and political developments threaten prospects

27 April 1973



[REDACTED]

for defusing Indochina as an issue in major power politics any time soon. The Chinese may believe the Communists control as much Laotian territory as they can without stepping up military pressure, which might invite US retaliation against the Ho Chi Minh trail complex. Under these circumstances, the Lao Communists, in Peking's view, are in a strong position to negotiate a coalition arrangement in Vientiane; this, in turn would tend to formalize their territorial control. Regarding Cambodia, Peking seems certain that hard Khmer Communist terms for a settlement virtually preclude any serious bargaining and that a more flexible position might put more pressure on Washington and Phnom Penh. The Chinese, moreover, may be counseling Hanoi that a withdrawal of some North Vietnamese forces would have no adverse effect on Communist prospects and would place Hanoi's record of compliance with the cease-fire agreements in a more favorable light. [REDACTED]

25X1

27 April 1973

-11-

25X1