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Developments in Indochina

State Dept. review
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Developments in Indochina

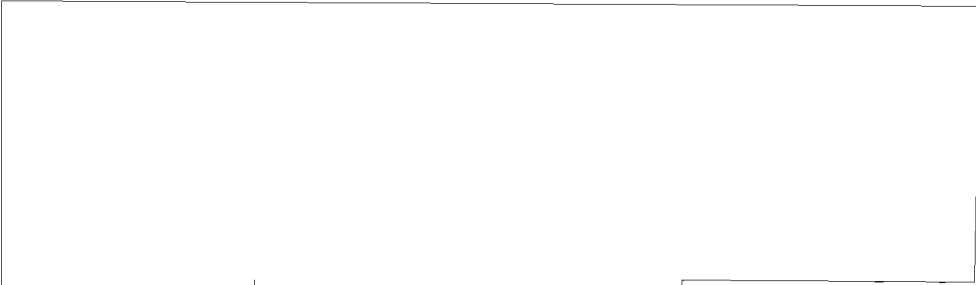


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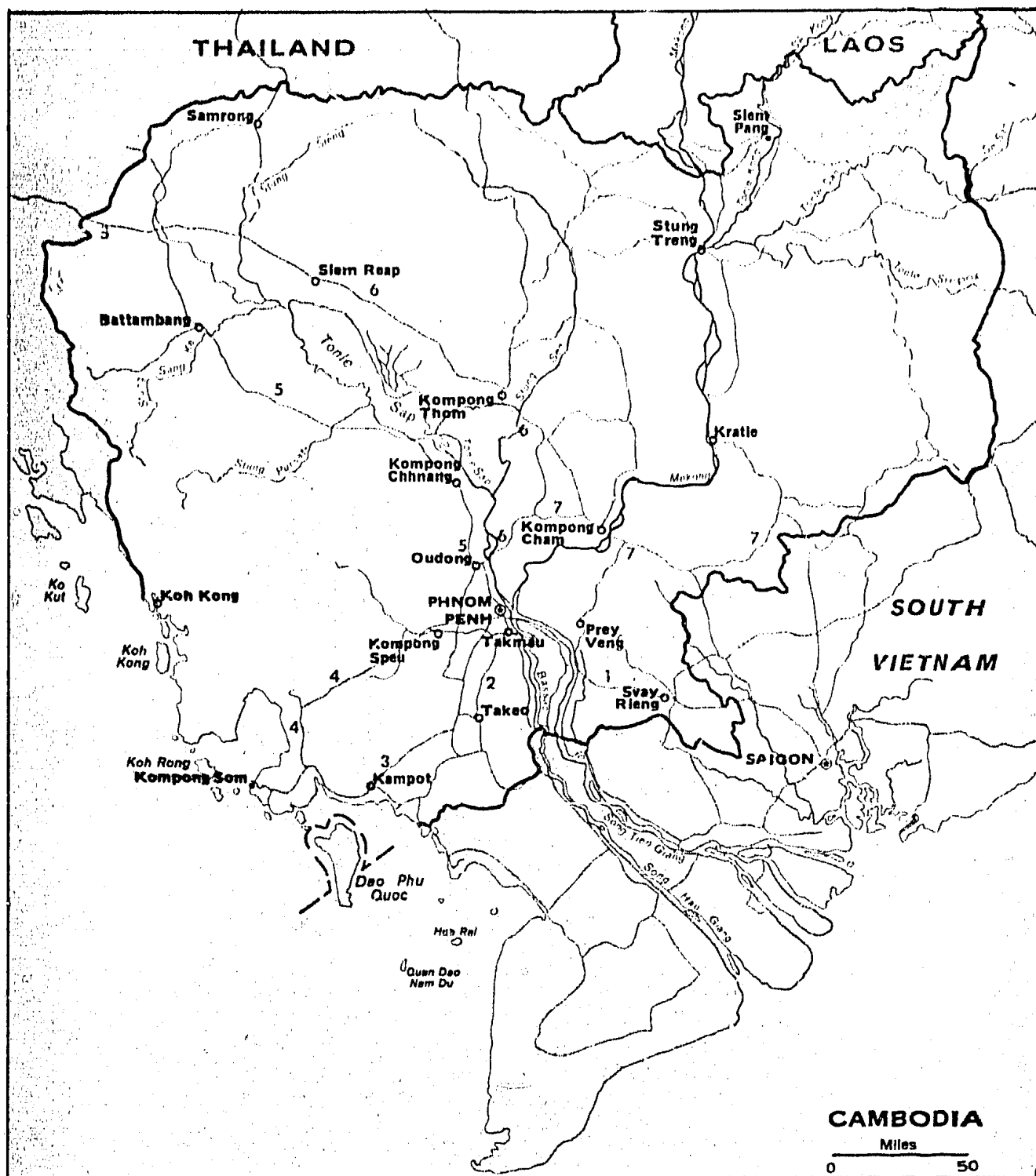
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In Tam Still In

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Prime Minister In Tam has returned to the political fold--at least for the moment. The erratic In Tam, who submitted his resignation to Lon Nol on 6 October, announced on 14 October that he had decided "in principle" to stay in office and also to remain on the ruling High Political Council. He claimed that he had changed his mind in order to help maintain political stability and unity while Phnom Penh's credentials are under attack at the United Nations.

The three other council members had generally agreed that In Tam could give up the prime ministership, but they were opposed to his quitting the council. Lon Nol had difficulty finding a new prime minister, however, and thus apparently decided that In Tam should carry on in that position as well. In any case, the return to the status quo clearly is a stopgap. In Tam told the press on 15 October that he would remain in office until the recognition situation at the United Nations has been resolved. After that, he said, he would again consider whether he should resign.

Lon Nol, meanwhile, is considering a complete cabinet reorganization.

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[redacted] the President wants to group ministries in functional "clusters." Ministers primarily responsible for specific economic activities, for example, would be directly responsible to a person in overall charge of the economy. The President is also thinking of changing the political makeup of the cabinet by giving more portfolios to members of Sirik Matak's Republican Party and to independents, while reducing the number held by members of his own Socio-Republican Party. [redacted]

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SOUTH VIETNAM

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Communists May Be Planning
Retaliatory Strikes

The Communists may be seizing on recent government air strikes against their installations north of Saigon to justify planned attacks in the area.

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Vietnamese Communist propagandists also appear to be building a case for stepping up the level of fighting. They have intensified their charges that Saigon, with US complicity, is committing increasingly flagrant violations of the cease-fire. On 14 October, a *Nhan Dan* editorial charged that Saigon had taken a "new, escalated step" in indiscriminately bombing PRG-controlled areas. The editorial claimed that the situation has become increasingly tense since early October and warned that the more "crimes" Saigon commits, the "stronger the counterblows will be." It implied that US support of Saigon's actions "might lead to the danger of a fierce war."

South Vietnamese commanders in the region around Saigon are braced for major Communist military action centered in Tay Ninh Province sometime in late October or early November. These

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officials have been told that the Communists have been issued at least ten days' supply of rice and ammunition. They believe that the Communists may use as many as three divisions with armor and artillery support, and that the fighting may spill over into areas close to Bien Hoa city or Saigon itself. The commanders are putting South Vietnamese forces on alert and may move another government division to the area of Tay Ninh city.

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Rice Situation

Recent unusually high rice shipments to Saigon from the delta have considerably eased fears of a severe crisis later this year and concern over the timing of additional arrivals of US PL-480 rice. It now appears that during September about 65,000 tons of rice moved out of the delta into government stocks, nearly double the normal average for that month. The increased shipments apparently resulted from continued heavy government pressure on delta merchants to reduce inventories and suppress speculation. Some 25,000 tons of PL-480 rice--currently being tendered in the US--are still expected to arrive sometime in December, but the higher delta shipments have reduced the urgency of their arrival. Earlier Embassy estimates had indicated that government rice stocks would be critically low by the end of November.

If delivery rates from the delta during the October-December period are maintained at normal levels, government stocks will probably be sufficient to avert any rice crisis for the rest of the year. The rice situation for the country as a whole will nonetheless remain tight. Retail rice prices are likely to move further upward, despite a government ceiling on wholesale prices, and the black market for rice will continue to coexist with government

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[redacted]

sales as a result of persistent local supply problems in traditional rice-deficit areas. If the government increases its already strong controls over distribution and price levels, as now appears likely, some farmers may cut production next year. [redacted]

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Saigon - Viet Cong Talks [redacted]

The bilateral talks in Paris between the Saigon government and the Viet Cong currently are suspended, but neither side seems likely to force a complete break. Both have been trying to exploit the talks in an effort to maneuver for propaganda advantage, and neither has shown any disposition to compromise its position and move toward a final settlement of the war.

Despite a lack of progress, the two sides had been holding regular weekly meetings until 4 October. On that date, the Viet Cong delegation walked out to protest alleged US and South Vietnamese violations of the cease-fire agreement. The Viet Cong had wanted to hold a regular meeting the following week, but the Saigon delegation rejected this and has proposed that the next session take place on 25 October. As yet there has been no Communist response.

The Thieu government reportedly believes that the regular sessions will resume soon but will remain unproductive. Saigon also anticipates that the Viet Cong may stage more such walkouts in the future. Any end to the impasse in the talks, Saigon feels, would have to come as a result of secret talks. Thus far the Viet Cong have rejected all of Saigon's overtures for secret talks. [redacted]

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NORTH VIETNAM

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Bringing The Local
Chinese Into Line

Hanoi apparently remains unhappy with the Overseas Chinese minority in North Vietnam. A recently available article, published last July in a Chinese-language newspaper in Hanoi, reminded the Chinese that "their right to survival and happy living is closely linked to the integrity of Vietnam society and Vietnam territory." Calling on them to "join their Vietnamese brethren to build a happy community in which they live together," the paper advised the Chinese "to heighten their class and socialist consciousness." The article placed particular emphasis on the need for further "education reform" in the Chinese schools.

The Overseas Chinese in North Vietnam, as in other Asian countries, have been clannish and slow to identify themselves with their country of residence. The North Vietnamese, for their part, are giving vent to a centuries-old xenophobia. In addition, of course, Hanoi would like to have all elements of the population marching to the same tune during the reconstruction period.

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LAOS

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More Complaints From the Right

During the final stages of negotiations this past summer, Prime Minister Souvanna Phouma went to considerable lengths to overcome rightist misgivings about the settlement that he was working out with the Communists. He could have asked his foreign backers to help keep his rightist critics in line, but he instead went back repeatedly to the Communists to seek concessions on points the rightists found objectionable. Souvanna handled the rightists gingerly because he knew he would need their good will, not only to get a protocol signed but also to get through the delicate early phase of the implementation period.

Nevertheless, Souvanna at the moment is in some danger of losing the good will he accrued with the right. On 10 October, for instance, Lao Army Deputy Commander in Chief General Kouprasith expressed displeasure over Souvanna's failure to press the Communists to convene the Joint Committee to Implement the Agreement (JCIA). Kouprasith also complained about Souvanna's personally handling a number of matters--such as the arrangements for billeting and transporting Communist personnel--which fall within the JCIA's purview.

When the first contingent of Lao Communist troops arrived in Vientiane on 12 October and the JCIA had still not met to define their responsibilities on the joint security force, army leaders moved to delay any further arrivals. The generals succeeded in halting the airlift from Hanoi for two days, but Souvanna reportedly interceded, and the

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Communist troop lift resumed on 16 October. By the end of this week, 525 Communist military and civilian personnel are scheduled to be in Vientiane and, unless the JCIA has met, the generals' agitation seems sure to increase.

Souvanna probably has his reasons for circumventing at this early stage the formal machinery established by the peace settlement. He may, for instance, believe it essential to generate some early momentum toward implementing the protocol and thus is taking personal charge of things. Souvanna cannot, however, keep ignoring the sensitivities of the rightists if he is to maintain an even political keel in Vientiane.

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INTERNATIONAL

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China Still Cautious

The Chinese continue to treat Vietnam developments with great restraint even as Vietnamese Communist statements increasingly adopt a menacing tone and may be building a case for stepped-up fighting in South Vietnam.

Peking has issued no comment of its own in support of official Vietnamese Communist statements and, as in the past, has deleted harsh criticism and threatening language prior to carrying accounts in the Chinese press. In a major policy address at the UN early this month, Vice Foreign Minister Chiao Kuan-hua stressed that the Vietnam war had ended and said nothing of cease-fire violations, even though Hanoi had just issued a protest note to participants of the International Conference on Vietnam.

The Chinese have passed up other opportunities to register strong support for the Vietnamese Communists. Although Peking and Hanoi wrapped up the details of their 1974 military assistance pact in a protocol on 5 October, Peking did not announce additional military aid as it has in past years. The 1974 agreement, hammered out last June, presumably contains far less military aid than Peking had granted during the war. Furthermore, the PRG delegation that attended the recent nonaligned conference in Algeria bypassed Peking--ordinarily a stop for high-level groups--during its return flight to Vietnam, suggesting the Chinese did not want an occasion to speak out on Vietnam.

If Hanoi recently has been seeking support from its patrons for accelerated military action in South Vietnam, even if retaliatory, Peking so far has not been publicly forthcoming.

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