

Approved For Release

25X1

2008/11/03 :

CIA-RDP85T00875R001000090

Dec

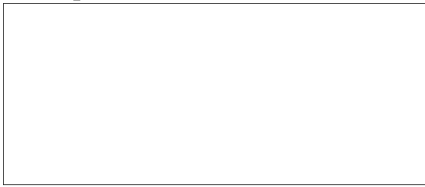
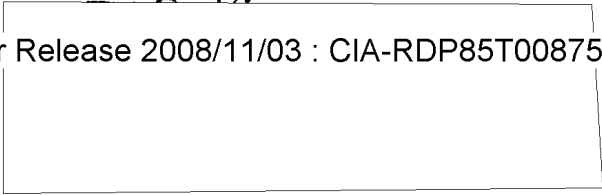
Approved For Release

2008/11/03 :

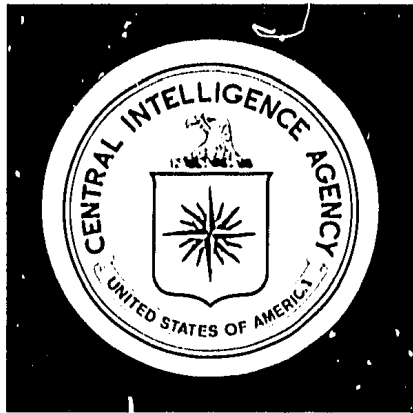
CIA-RDP85T00875R001000090

completed

**Top Secret**



25X1



DIRECTORATE OF  
INTELLIGENCE

*Developments in Indochina*

State Dept. review completed

**Top Secret**

127

25X1



22 February 1973



25X1

**Page Denied**

25X1



DEVELOPMENTS IN INDOCHINA

(Information as of 1500)

Page

SOUTH VIETNAM

1

Both sides are reportedly trying harder to honor the cease-fire. The Communists have officially protested the South Vietnamese air attack on Duc Co in Pleiku Province. Prices are still declining in Saigon.

LAOS

4

Communist forces retook Paksong just as the cease-fire went into effect. The rightists are grumbling about the new peace agreement; the Communists claim it marks a turning point. The government has already begun to organize the supervisory mechanism.

CAMBODIA

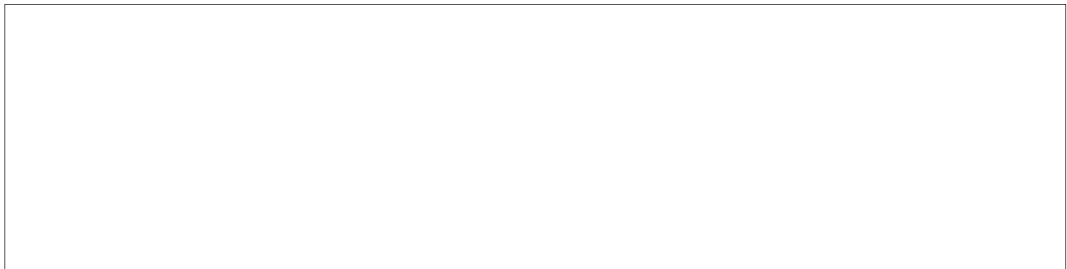
6

Insurgent activity is increasing along Routes 2 and 3.



25X1

The provincial capital of Kompong Thom is now virtually a refugee camp. Cambodians don't like American rice.



25X1

22 February 1973



25X1

SOUTH VIETNAM

Both sides seem to be reducing the level of fighting in response to the Joint Military Commission's appeal last weekend to honor the cease-fire. On 21 February, the number of Communist cease-fire violations claimed by the South Vietnamese declined to the lowest number since 28 January.

South Vietnamese military commanders reportedly have been instructed by the Joint General Staff to honor the appeal. Some commanders, notably in the two southern regions of the country, have expressed their intention to continue "defensive" military operations, but so far no major new government actions have been reported.

On the northern battle frontier in Quang Tri Province, both sides have ceased artillery attacks. The South Vietnamese Marine commander there on 21 February said that such engagements had stopped the day before, but that some fighting was still going on between government forces and Communist units that had infiltrated behind the marine forward positions.

25X1

25X1

Government efforts to recapture the area around Sa Huynh village reportedly have progressed to the extent that South Vietnamese units now have opened Route 1 to within a mile of the border with Binh Dinh Province.

25X1

22 February 1973

25X1

Communists Officially Protest Attacks on Duc Co

The Communists have strongly protested to the Four-Party Joint Military Commission (JMC) a South Vietnamese bombing attack against the Duc Co airfield in Pleiku Province, which they claim occurred on 19 February. According to the US Embassy, the chief Viet Cong delegate told the JMC on 21 February that air strikes by four government aircraft inflicted casualties and damaged buildings being prepared for use by the ICCS at Duc Co, one of 12 entry check-points provided for under the agreement. The Communists complained that the incident not only violated the cease-fire agreement and the recent JMC appeal to stop the shooting, but also violated the agreement reached by the two South Vietnamese parties on 19 February designating Duc Co (along with Gio Linh and Xa Mat) as a Communist point of entry.

The South Vietnamese claim that the Communists attacked South Vietnamese forces in the Duc Co area and that the air strikes were in "self-defense." No South Vietnamese troops are believed closer than ten miles from Duc Co, however. The South Vietnamese may have bombed the site to discourage or prevent its use by the Communists.

25X1

25X1

Prisoners captured during fighting east of Duc Co also claim that tanks had been coming through this area.

25X1

The Economy

Reflecting the return of more normal economic conditions, retail prices continued to move downward this week, and the Saigon consumer price index now stands only about five percent above the level prevailing before the cease-fire. Nearly all major commercial routes interdicted during the early days of the cease-fire have

22 February 1973

25X1

[REDACTED]

been reopened, although the level of harassment along some of them is higher than in the months prior to the cease-fire. There have been no significant reports of commodity hoarding anywhere in the country.

In general, the economy continues to reflect the sluggishness that has been evident since the North Vietnamese offensive last spring. No significant new trends are likely to emerge until the political and military situations clear up considerably. Blackmarket gold and currency prices have been extremely volatile recently, but this has been more a function of international developments than a reflection of domestic confidence. Blackmarket dollar prices, for example, which plummeted last week at the peak of the international currency crises, are rapidly climbing back to the levels of early February. Gold prices continue to rise slowly, reaching \$79 per troy ounce on 21 February. Only minimal activity is reported in this market, however. [REDACTED] 25X1

22 February 1973

25X1

LAOS

North Vietnamese forces have driven government units from Paksong on the Bolovens Plateau. A preliminary report indicates that the attack came 15 minutes after the cease-fire went into effect. One government battalion was still holding on high-ground just east of the town, but it is likely to join the other government units retreating to the west along Route 23. Only heavy US air support had allowed the irregulars to reoccupy the town earlier this month. Elements of at least one North Vietnamese regiment remained nearby, obviously intent on driving the government off the Bolovens prior to a stabilization of cease-fire lines.

In the north, the Communists launched numerous attacks against irregular positions around the Plaine des Jarres on the eve of the cease-fire. Initial reports indicate that although a few outposts were lost, not much territory changed hands.

25X1

Rightists Reaction

The publication of the cease-fire agreement has sparked considerable criticism in some quarters in Vientiane. A number of civilian rightists and senior Lao army officers continue to grumble that Souvanna has "sold out" to the Communists. Despite the complaining, however, there are no signs as yet that these elements plan to challenge the accords. Ngon Sananikone, a powerful rightist leader, has said that his family is not happy with the agreement--but will live with it.

25X1

22 February 1973

25X1



[REDACTED]

Communist Reaction to the Agreement

Lao Communist radio broadcasts have instructed units in the field to adhere to the cease-fire agreement signed in Vientiane. A message from the Central Committee of the Lao Patriotic Front claimed that the agreement was a victory for the Communists and stated that the "armed struggle of our people will change its characteristics." It urged the cadre "to make the liberated zone a strong rear for the tasks of developing and constructing Laos."

A Vietnamese commentary, published as a *Nhan Dan* editorial and aired by Radio Hanoi on 22 February specified that "all military personnel and forces of foreign countries" would withdraw within 60 days of the formation of a new government. In commenting on the political consultative council provided for in the pact, *Nhan Dan* said that it would "handle state affairs"--an interpretation which, if shared by the Lao Communists, could be a major point of contention. Vientiane has indicated that it considers the political consultative council an advisory body. [REDACTED]

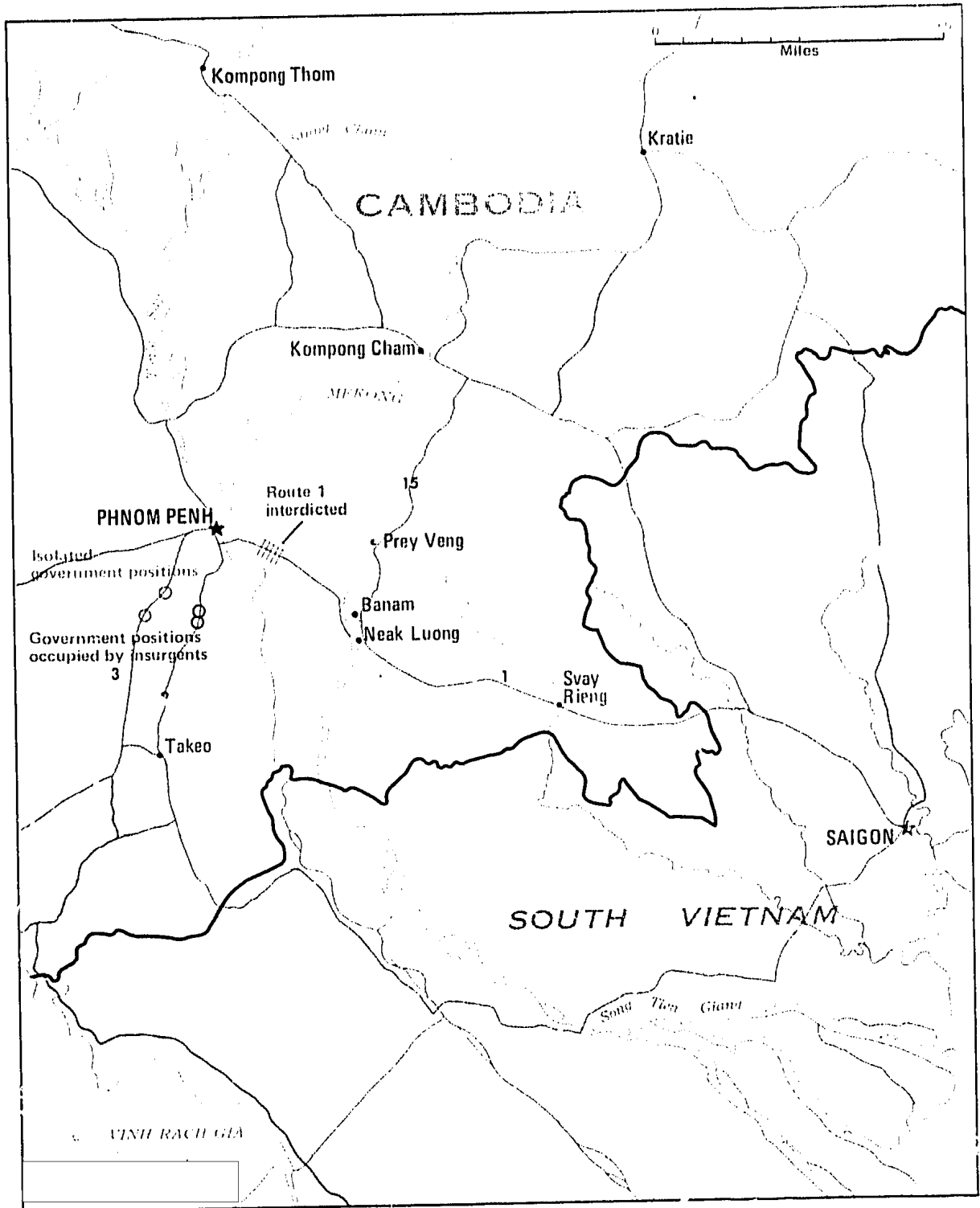
25X1

Government Gets Going on Supervisory Commission

The government has begun to line up personnel to serve under the "joint commission," which is tasked with carrying out important provisions of the Lao cease-fire agreement. Besides a joint central commission, there will be subordinate commissions for military and political matters. The military commission will, in turn, have subordinate commissions at the regional and local levels that are supposed to work with the International Control Commission in monitoring the cease-fire. Although the military commission may meet for the first time on 22 February to discuss the composition of its subordinate commissions, it may be some time before agreement is reached on the teams required at the local level. Prior to the signing of the cease-fire, the government had proposed that the ICC teams and the joint Lao commissions be placed at 45 locations--including some along the Ho Chi Minh trail network. This proposal was not included in the final agreement, however. [REDACTED]

25X1

22 February 1973



554173 2-73 CIA

25X1

CAMBODIA

Khmer insurgent activity along major highways south of Phnom Penh continues to increase. On Route 2, two government positions about 15 miles from Phnom Penh fell to the insurgents on 20 February, and other government positions north and south of this location apparently are still under heavy pressure. To the west, several Cambodian positions about 15 miles from the capital have been isolated by insurgent attacks. The government commander in the threatened Route 3 area has asked for reinforcements, but only a few units are available from Phnom Penh's military reserves because of other commitments along Routes 1 and 13.

Government forces on Route 1 are still making slow progress clearing the few miles of roadway still in enemy hands. If the road is not reopened in the next few days, elite Khmer Krom troops will be added to the operation. On the east bank of the Mekong River, other government units trying to regain control over Route 15 between Neak Luong and Prey Veng remain bogged down. Meanwhile, the insurgents are continuing to harass Cambodian outposts along the river north and south of Neak Luong. [REDACTED] 25X1

25X1

22 February 1973

25X1

[REDACTED]

25X1

[REDACTED]

25X1

Tough Times at Kompong Thom

US Embassy officials who recently visited the beleaguered provincial capital of Kompong Thom, north of Phnom Penh, have reported that the once-thriving town is now little more than a refugee camp. About half of Kompong Thom's 15,000 inhabitants are refugees-- the rest are soldiers and their families. The scarcity of rice, medicine, gasoline, and other essential items has demoralized the civilian population and has caused some refugees to return to their homes in insurgent-controlled areas.

The local government commander believes that if he receives adequate amounts of military supplies he can withstand any efforts by the Khmer insurgents to capture Kompong Thom. Such supplies must be delivered in limited quantities by air drops and by helicopter, however, because the town's airfield has been closed since December. Although the commander acknowledged that the supply situation would improve considerably if the airfield were reopened, he indicated a reluctance to begin the necessary clearing operations around the airfield.

[REDACTED]

25X1

22 February 1973

25X1

US Rice Hard to Swallow

Cambodian consumers have been unwilling to eat the American rice being sent to Phnom Penh to alleviate this year's critical domestic rice shortage. No American rice at all is being distributed through civilian outlets, and the military is using less than expected. US and Cambodian officials had hoped that the three months the rice has been on the market would be sufficient to familiarize consumers with its different taste. The long-grain Thai rice imported through commercial channels, however, is still preferred to the short-grain, PL-480 - financed US rice, and large stocks of the latter have been accruing in Phnom Penh. The problem is not yet acute because the 10,000 tons of US rice on hand account for only 20 percent of current supplies, but Cambodia is scheduled to receive some 70,000 tons more of US rice this year. Consumption of the US rice will no doubt increase as Thai rice itself comes into short supply.

25X1

22 February 1973

**Page Denied**

Next 1 Page(s) In Document Denied