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CAN THO A-001

TABLE OF CONTENTS

	<u>Page</u>
1. Summary	3
2. General Border Situation	3
3. Situation Within Cambodia in Early Summer 1973	4
4. The VC/NVA Response to the Rice Shortage	4
5. Communist Supply Routes and Markets	5
Ca Sach Market	6
Logo Market	7
Krachap Market	8
Lok Market	8
6. GVN Response: Establishment of the Blockade	9
7. Impact of the Rice Collection Campaign	9
8. Mechanics of the Blockade	10
9. Effectiveness	10
a. Material Confiscation and Arrests	11
b. Effect on the Communists	12
c. Effect on GVN Areas	13
10. Conclusions	13

Attachment A - EC, VC/NVA Fank Areas of Control Inside Cambodia
Attachment B - VC/NVA Markets and Commercial Routes

- 2 -

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3
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CAN THO A-001

1. Summary

This report describes and assesses the GVN economic blockade of the Cambodian border areas of Chau Doc Province, Ha Tien District of Kien Giang Province, and Hong Ngu District of Kien Phong Province during the period September 1 to December 1, 1973. With the exception of one PANK naval base on the Mekong River, the Viet Cong (VC), North Vietnamese Army (NVA) and Khmer Communists (KC) occupy the entire area of Cambodia along the Khmer-Vietnamese border stretching from the Gulf of Thailand to the eastern boundary of Kien Phong Province. This area is directly linked to VC/NVA areas in and near GVN MR3. Routes through this border area are a conduit for rice and other goods purchased in the Delta. To facilitate this trade, the VC/NVA maintain a number of open air markets on the border or just inside Cambodia which are connected to GVN areas by covert trails and canals. In mid-1973 the KC instituted measures aimed at isolating the VC/NVA and pushing them out of Cambodia. The KC, for example, forbade all trade between Cambodians and VC/NVA military units, precipitating rice shortages among the latter. The VC/NVA responded by taking more rice from GVN areas. The GVN, fearful itself of rice shortages, and generally desirous of keeping essential commodities out of VC/NVA hands, established an economic blockade of VC/NVA areas. In connection with the subsequent GVN Rice Collection Campaign, the blockade was extended to cover all of Chau Doc Province and Ha Tien and Hong Ngu Districts of Kien Giang and Kien Phong Provinces. The blockade exacerbated the serious food shortage among local VC/NVA military units in August, September and October, and significantly reduced their combat effectiveness. In Hong Ngu, however, bribes to local officials and GVN soldiers and poor command emphasis rendered the blockade ineffective. At least 600 tons of rice continued to move illegally through Hong Ngu to VC/NVA markets each month through November. The blockade in Ha Tien was equally ineffective, but food and material moving across the district border into Cambodia was significantly less. The blockade was much more effective, though not totally so, in Chau Doc Province. Economic disruptions which occurred in GVN areas are not properly attributable to the blockade but rather to the Rice Collection Campaign. The two were separate programs, but tended so to overlap that even GVN officials often confused them.

2. General Border Situation

Since the fall of the PANK 32nd Brigade at Phnom Den in May 1973, the entire border area inside Cambodia stretching from the Gulf of Thailand at Ha Tien to the eastern end of Hong Ngu District (about 175 Km) has been without any PANK presence except a Mekong River naval base 5 Km from the SVN border (WT 200108). The rest of the border area, at places stretching 35 Km deep into Cambodia, is divided into areas occupied by the Khmer and Vietnamese Communist forces (see map - Attachment A) which maintain major supply and rear service centers there. The two most significant of these centers, as far as the war in Vietnam is affected, are: (1) the base area for the 1st NVA Division, the 195th NVA Transportation Group and the 200th Rear Support

- 3 -

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CAN THO A-001

Group in the O Mountain complex in southern Takeo Province opposite Tinh Bien District, Chau Doc Province (VS 8070); and (2) the 207th NVA Regimental Resupply point north of Hong Ngu District at Ca Sach (WT 2904) (see map - Attachment B). This border area is also the extreme southern terminus for the Ho Chi Minh Trail, and provides a direct link between the Delta and VC/NVA areas within GVN MR3, and along the MR3 Cambodian border. Thus this trail serves as a conduit for rice and other goods procured in the Delta for NVA divisions and VC/NVA-populated areas further north. This supply system is linked to the GVN economy by a series of covert commercial trading routes used by both smugglers and VC supply cadre, and a number of open market areas located inside Cambodia. On the South Vietnamese side of the border, on the other hand, the entire border area is garrisoned by the GVN with the exception of a Viet Cong hamlet in Hong Ngu District at Ca Sach.

3. Situation Within Cambodia in Early Summer 1973

By the middle of 1973 it was clear that KC policy aimed at isolating the NVA and VC and driving them at least out of areas of KC influence, if not out of Cambodia entirely. Perhaps the most important of various KC measures was that prohibiting almost all Cambodian trade with NVA and VC units. FVA 4588 and FV 4514 describe this prohibition as extremely effective. FVA 4500 describes a late June VC An Giang Province Committee meeting at which the participants discussed a rice shortage: In addition to KC establishment of a system of strict economic controls and the prohibition of rice sales to any VC or NVA unit, the VC leaders gave two causes for this shortage: (a) the heavy bombing in Cambodia in the spring and summer had caused some people to abandon normally-productive areas, and (b) the KC policy of forced relocation resulted in further abandoning of nearby rice lands. Prisoners and ralliers in Chau Doc Province in August and September also confirmed this KC policy, reporting that it precipitated a rice shortage among all NVA and VC units in the area. They also said the KC had forced large numbers of the people in southern Kampot, Takeo, Kandal and Prey Vang Provinces to move to "more secure" areas. (Many people were able to avoid relocation and have taken refuge in GVN areas of South Vietnam. Some of these ethnic Cambodian refugees told ConGen officers they were fleeing the KC, whom they described as much more brutal than the NVA or VC under whom they found life to be relatively easy.) Flights along the border by ConGen officers confirm that these KC areas are almost completely devoid of population and mostly uncultivated. This is particularly true of the Kampong Trach area north of Ha Tien, Reminh town north of Chau Doc city, and Kaoh Thom District north of An Phu District of Chau Doc Province. VC/NVA-occupied areas in Cambodia are, in contrast, more heavily populated, and there is a great deal of movement and commercial activity.

4. The VC/NVA Response to the Rice Shortage

According to ARVN officers in Chau Doc, COSVN, realizing it could no longer procure rice in Cambodia, instituted a program for the second half of 1973 which originally was meant to procure rice but which later also aimed at breaking the GVN economic blockade. It included the

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CAN THO A-001

following provisions: (1) District and province level cadre were to buy rice in the villages and move it to secure locations. (2) All lines of communications were to be strictly controlled to prevent VC rice from moving to GVN areas. (3) Armed teams were to infiltrate GVN areas and forcibly take rice. (4) Cadre were to make contacts in GVN villages and arrange to buy rice there and have it delivered to VC areas. (5) All military and political units were to find land and begin to farm with an aim toward self-sufficiency. (6) Women and children were to be organized to go to GVN market areas and buy rice in small amounts and bring it to VC areas, making as many trips as possible.

VC/NVA in the border area have relied mainly on points 4 and 6 above and on the market mechanism to get rice. In addition to utilizing several covert supply systems, they offered a higher price than was available in GVN areas to anyone willing to run the blockade and bring rice to their distribution points. The following chart, which compares prices for one kilo of rice in GVN areas and at the Ca Sach VC market in northern Hong Ngu District (WT 295043) at various times over the past six months, illustrates this point.

	<u>June</u>	<u>September/October</u>	<u>November</u>
GVN	80\$	180\$	165\$
Ca Sach	115\$	250\$	200\$

(Source: Chau Doc Sector S-2; FVA 4458; other contacts familiar with the problem.)

In June, prior to the GVN blockade, a relatively slight price differential seemed sufficient to attract rice to Ca Sach. At the height of the blockade in September and early October, as rice became more and more scarce in GVN areas, the price spread was increased. The higher prices probably reflect, too, the additional risks borne by suppliers to the VC market. By the end of November, however, the VC price had apparently begun to fall back, probably indicating that the VC/NVA had enough rice to carry them until the year-end harvest of local floating rice.

5. Communist Supply Routes and Markets

The main VC/NVA ^{border} markets for Delta-procured rice are at Ca Sach; Logo (VT 975150) in Kaoh Thom District of Kandal Province; Krachap Village (WT 5317) in Kampong Trabek District of Prey Vang Province; and Lok Hamlet (VS 389546) in Kampong Trach District, Kampot Province (see Attachments A and B). All these markets are linked with GVN areas by trails which are traversed regularly by merchants, smugglers, and VC legal cadre. These "leaks" in the GVN blockade, according to all

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CAN THO A-001

information available, exist because of lax GVN enforcement of the program and/or because local officials can be bribed into letting goods through. There follow short descriptions of each market.

Ca Sach Market

Located in an extension of one of the 15 Communist areas described in Can Tho A-116, this is one of the principal supply points for VC MR2, according to Chau Doc officials. These officials as well as American sources report that rice, POL, medicine, and dry goods move from Tan Chau District market across the Mekong River to Thuong Thoi and Thuong Phuoc Villages in Hong Ngu (WS 2595 and 2995) and then up to Ca Sach via several small canals which run directly north from these villages across an open swamp and open paddies. Two of the most important of these canals are the Giong O (WS 315960) and the Thuong Thoi (WS 327962). There are no GVN outposts between these two villages and the Ca Sach area; as once a boat leaves the village headquarters area, it is not subject to any further GVN control. ConGen officer overflights of this area up to December 1 indicate extensive boat traffic on these canals back and forth between the Communist area and the GVN area. (In one 15-minute aerial reconnaissance, an officer observed at least 40 sampans making this trip.) From August until the end of October, smugglers moved at least 20,000 kilos of rice from Hong Ngu to Ca Sach each day via this route. This figure comes from the former Chau Doc Military Security Service Chief (protect source) and was later confirmed by FVA 4458 and other American sources. This means at least 600 tons of rice was shipped out of the Delta into VC/NVA hands each month through this point alone.

The above-described section of Hong Ngu is, along with Krachap (see below), the weakest link in the border blockade: more supplies probably move through it than through any other. Much of this traffic could not occur without the complicity of local RF and PF and Vietnamese naval officers. Bribetaking has been reported in FVA 4686 and FVS 32916, was confirmed by two other American sources, and was brought into the open in the investigation of the October 28 theft of USAID rice at Tan Chau. In that incident a naval NCO took a bribe to allow stolen rice to be shipped up the Mekong River and along a smaller canal where a second bribe was paid to an RF outpost commander, who then allowed the sampans to proceed to Ca Sach. Several high-level Chau Doc Province officials admitted that the Navy had been heavily involved in this kind of corruption for some time. The blockade is also circumvented by a well-established group of smugglers in Hong Ngu. One of the kingpins, who operates legally within the GVN community and reportedly conducts a large amount of trade with the VC, is Que Quan (Lame Quan), who lives in the Long Thuan area of Hong Ngu (WS 330902). FVA 4686 refers to a man named Quan Quen (whom we believe to be the same person) who regularly moves rice from Phu Lam and Long Son Villages of Tan Chau District (WS 3090) across to Long Khanh Island (WS 3194) and then across the Mekong at night to Thuong Thoi Village of Hong Ngu, whence it moves easily up to Ca Sach. According

- 6 -

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CAN THO A-001

to one source, Que Quan is in league with some high-ranking GVN officials including the previous Hong Ngu District Chief who shared in the profit. He is also believed to have been the brains behind the October 28 theft of USAID rice and to have arranged its delivery to the VC at Ca Sach. According to one ConGen source, because of Quan's high connections, the investigation of this theft was stopped when it implicated him.

Logo Market

According to Chau Doc military officers, the Logo market is a selling point for goods smuggled out of Chau Doc Province through northern An Phu and Chau Phu Districts. These sources contend, however, that the blockade has been successful in cutting off about 80% of these VC supplies and that rice and other goods are now moving only in very small amounts (1-5 kilos). ConGen officers overflying the area in October and November saw little cross-border traffic, the extreme northern tip of An Phu District providing the only exception. In this locale, just inside Cambodia, live about 2,000 people who move relatively freely in and out of Vietnam. ConGen officers observed a number of sampans moving goods from this area (WT 1111) to floating markets further inside Cambodia (vicinity WT 1610 and WT 1513). These goods would ultimately be moved to Logo. FVA 4674 confirms the existence of significant cross-border trade at this location and indicates the An Phu District Chief, Chau Doc Province Chief, and other local officials receive bribes to allow it to continue. In addition, GVN officials in Chau Doc have acknowledged that An Phu Village level officials subverted the blockade by accepting bribes. They charged, too, that wives of GVN soldiers, with de facto immunity from the law, freely moved rice and other goods for a profit. We note, however, that five Chau Doc village police chiefs and three hamlet chiefs were removed in October for abetting smuggling. This suggests the GVN was serious in its efforts to stop illegal movements of goods from the area north of An Phu. Moreover, Chau Doc sector forces conducted frequent helicopter and water-borne military operations in this vicinity and these are believed seriously to have disrupted VC supply efforts.

According to other province officials, VC legal cadre have moved smaller amounts of goods to Logo from Chau Doc City. These legal cadre live in Vinh Te Village, Chau Phu District, on the western side of Sam Mountain five kilometers from Chau Doc City (WS 080795). They buy rice and other commodities in Chau Doc, place them in small sealed nylon bags which small children drop off at prearranged hiding places along canals on the north side of the mountain. Other VC cadre come from Cambodia at night to pick up the bags, returning to the Logo area via the canal which runs from the mountain to WS 0488. The volume of goods which crossed the border in this fashion is believed small.

In sum, although some goods continued to cross the border to Logo market after the beginning of the blockade, most evidence suggests that the amount was minimal.

- 7 -

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CAN THO A-001

Krachap Market

FVA 4713 describes a VC settlement, including a market and rice mill, at Krachap Village in Kampong Trabek District of Prey Veng Province, Cambodia, about six kilometers north of the Cai Cai area of Hong Ngu District. ConGen officers conducted visual reconnaissance in the area in mid-December saw this market. They also observed, over a 30-minute period, at least 500 large sampans moving freely from Hong Ngu across the border to Kra Chap or resting at Krachap. The traffic level suggests the volume of goods being moved is quite high, probably at least equal to that going to Ca Sach. FVS 32999 states that this trade exists because of accommodation between VC and RF.

Lok Market

FVA 4686 reports the NVA maintain an open market at Lok Hamlet (WS 389546), Kampot Province, where tires, soap, nylon, POL, fish, medicine and other merchandise is traded. Goods reportedly move to Lok from Ha Tien, either by sea or across the rice paddies adjacent to the road. No estimate of the volume is available.

A second trade route between Ha Tien District and Kampot Province may be even more important. It is one of the major supply routes for the 1st NVA Division, located in the mountains of southern Takeo Province. Previously, goods going to the 1st Division and to the 195th NVA Transportation Group moved from Chau Doc Province through the village of Tan Hon (VS 5565) and then up to Tuk Meas (VS 525792), a major NVA base area. In August, however, with the beginning of the economic blockade, Chau Doc RF troops forbade all movement of goods into the area. Since that time, all reports indicate that no supplies have moved to the NVA through Tan Hon. The NVA has attempted to counter this ARVN ploy by setting up a new route through Phu My Village of Ha Tien District, according to ARVN officers in Chau Doc and other American sources. The route begins on the Giang Thanh Canal at either Tra Pho Hamlet (VS 5355) or Wat Co Hamlet (VS 527597) and then follows several small canals to the Ca Tho crossroads (VS 459665). From there the NVA moves supplies to Tuk Meas by truck or other vehicle for storage. FVA 4686 confirms that several hundred local residents use the route daily to bring to the NVA small amounts of rice purchased in the Ha Tien market. Most are Cambodians, who cross easily into Vietnam near Phu My. ConGen officers in three separate visual reconnaissance flights confirmed the existence of these routes but observed only a few lone sampans. We estimate one to three metric tons of rice per day moving along this route at maximum.

Rice reportedly not only moves up to Cambodia but comes down as well. There are reports that some rice comes down from Cambodia to be milled at Phu My and then returns to either the 195th Group or the 200th NVA Rear Support Group, also in this general area. Gasoline shortages and rice

- 8 -

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CAN THO A-001

mill breakdowns in Cambodia have necessitated this maneuver. A Ha Tien Police Special Branch man told ConGen officers of an illegal floating rice mill in the Phu My Village area which is processing NVA paddy. FVA 4686 confirms the mill's existence.

6. GVN Response: Establishment of the Blockade

Apparently alarmed that this VC/NVA rice buying program might drive up the price of rice in GVN areas and induce a runaway inflation, and that major rice diversions to the Communists could exacerbate an already short supply situation, the GVN in August began to implement plans to shut down the VC/NVA supply system. A Prime Minister's Directive in mid-August instructed border province chiefs to devise plans to halt the flow of goods to the Communists. The Chiefs of Chau Doc, Kien Giang and Kien Phong Provinces divided their areas into restricted, controlled, and free trade zones. The entire border area was declared a restricted zone, meaning that unregulated commodity could legally cross it. Other restricted zones were the Tram Forest area of western Ha Tien and parts of the Seven Mountains in Chau Doc. Controlled zones, i.e., those in which citizens may possess only limited amounts of regulated goods, were established, primarily in Hong Ngu District. These zones covered the entire district except for the border and a five-kilometer radius around the district town itself, which was made a free trade area. Controlled areas were also created in those parts of Chau Doc and Ha Tien adjacent to the Seven Mountains and the Tram Forest. The remainder of Chau Doc and Ha Tien were declared free trade zones, meaning that all goods could move therein without restriction.

7. Impact of the Rice Collection Campaign

The border blockade was barely underway when, in early September, MR4 initiated a more strict internal rice restriction and Saigon delivery plan (Ke Hoach Thu Msa Lus Gao) aimed at preventing a rice shortage in the capital city and the Central Highlands. The plan made it illegal in the border provinces to move rice and paddy in any zone, whether free, restricted, or controlled. Thus, by the beginning of September the entire tri-province area had in effect become a giant controlled zone in which rice and paddy could not be legally moved without permission except for minimal amounts for family consumption. The plan made any unauthorized movement of rice or paddy--and not just transportation across the border into Communist areas--grounds for confiscation. This point is particularly important for a full understanding of the results of the blockade in the tri-province area, since a large portion of GVN-confiscated goods were actually seized in areas designated as free trade zones under the original blockade plan. For example, the great majority of the 1,125 people arrested in Tan Chau were apprehended in what originally were free trade zones. It was, therefore, the Rice Collection Campaign--not the economic blockade--which accounted for most of the goods confiscated since September. Because the two programs operated

- 9 -

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CAN THO A-001

simultaneously, it is difficult to tell which program accounted for which confiscations. Furthermore, conversations with numerous GVN officials reveal that the officials soon ceased distinguishing between the two programs, at least as far as the prevention of illegal movement goes. (The Rice Collection Campaign, it must be remembered, not only made such rice movement illegal, but in Chau Doc and Hong Ngu, had a forced sale aspect to it as well.) In reality, while there were two programs, there was, in effect, only one unified blockade operation and it covered the entire tri-province border area.

8. Mechanics of the Blockade

The GVN used basically the same apparatus to carry out the blockade in all three provinces. On Major waterways, the Navy and Marine Police shared responsibility for stopping and searching all craft. On land at major border crossing points, combined checkpoints were established which comprised personnel of the Military Security Service, National Police, Military Police, S-2 sections, and RF and PF. Additionally, each village was required to establish a combined mobile inspection team incorporating police, PSDP, PF, and village and hamlet civilian officials. Moreover, the ubiquitous RF and PF outposts became static checkpoints along all major highways. In each case the mission was to stop and search vehicles and confiscate those items moving illegally. In Chau Doc Province helicopter military operations were conducted regularly (about once every ten days) against known VC market places and occasionally helicopters arrested smugglers moving goods surreptitiously. On one occasion, Chau Doc RF, on August 15, permanently occupied an open market area, effectively closing it. According to controlled American sources, the National Police Special Branch was given a special tasking by General Nghi to check up on the entire GVN blockade and to report directly to him on any instances of corruption or failure to carry out orders, thus giving the program a covert inspection team.

9. Effectiveness

In trying to determine the effectiveness of these measures, several aspects are relevant: the total amount of goods confiscated and the estimated percentage which got through; the effect of the blockade on Vietnamese Communist military units; and repercussions within GVN areas.

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CAN THO A-001

a. Material Confiscation and Arrests

The following table shows the number of arrests made and goods confiscated in the border area during the period September 1 to November 15, 1973:

District	No. of Cases	Persons Arrested	Paddy (Kg)	Rice (Kg)	Sugar (Kg)	Gas (l)	Diesel (l)
Hong Ngu	100	385	5,734	2,656	0	2,890	4,177
Tan Chau	346	1,133	26,887	47,857	6,974	2,161	1,580
Tinh Bien	29	22	580	270	2,450	0	0
An Phu	72	152	197	2,225	1,442	1,365	100
Chau Phu	158	576	105,879	34,914	43,485	3,303	80
Ha Tien	17	16	0	660	0	40	150
Total	722	2,274	139,277	107,582	54,351	9,759	6,087

Following are the totals for the same categories for all of MR4:

1,923 5,516 782,660 2,076,480 75,601 45,004 67,944

These figures show that roughly one-third of all MR4 violations and 40% of all MR4 arrests occurred in Hong Ngu, Ha Tien, and the border districts of Chau Doc. The volume of goods captured in these districts was, however, low in comparison with the number of violations, except for the case of sugar. For example, tri-province area arrests (40% of the total) account for only about 20% of total paddy and gas confiscations, 10% of diesel confiscations, and 5% of milled rice confiscations. This suggests a more rigorous program on the border than elsewhere, with confiscations of small as well as large shipments. Stated VC/NVA strategy, it should be remembered, called for smuggling of goods in small amounts.

A second significant point is that the blockade achieved much better results in the districts of Chau Doc Province than in either Ha Tien or Hong Ngu. The evidence indicates the Chau Doc success resulted from greater command attention and more effective low-level implementation, and did not occur because more contraband moves through Chau Doc than through the other two districts. It is instructive in this regard to compare Tan Chau and Hong Ngu, which lie side by side and have a common covert VC/NVA supply route running through them. Both have similar levels of traffic but Tan Chau had many more arrests. Another indicator of greater blockade zeal in Chau Doc is the higher proportion of incidents recorded and arrests made there as compared with totals for the rest of MR4.

	<u>Number of Violations</u>	<u>Number of Persons Arrested</u>
Chau Doc	550	2,079
Rest of MR4	1,373	3,392

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CAN THO A-001

It must be pointed out, however, that apparently a great deal of rice did move illegally from southern Tan Chau District to Hong Ngu, and from there either into the black market and/or to the VC/NVA. This was apparently a response to the high price being offered by the Communists and the low price paid by the Government in their forced collection campaign in Chau Doc. This traffic so depleted Tan Chau's rice stores that in November, faced with rising popular opposition and fears that continued forced collections would leave the people without rice, the GVN had to cancel its rice purchase quotas for all of Chau Doc. Most of the smuggled rice moved from Tan Chau across Long Thuan Village of Hong Ngu to Long Khanh and up to the Communist market at Ca Sach.

In summary, we estimate that the blockade in Chau Doc stopped as much as 60% to 80% of the traffic flowing from Chau Doc to VC/NVA areas in Cambodia. In Ba Tien and Hong Ngu, we estimate only 25% to 40%.

b. Effect on the Communists.

All evidence available suggests that the economic blockade and other factors inside Cambodia combined to put the NVA and VC units along the border in a very short supply situation. Hunger reportedly caused many soldiers to rally to the GVN, to desert, or, in a few extreme cases, to mutilate themselves so they would be sent to a field hospital where rations were more plentiful (Can Tho 767). In September, almost every prisoner and rallier brought to Chau Doc sector for questioning said rice in his unit was in very short supply. FVA 4615 confirms that, beginning as early as June and July (prior to the blockade), the E-207 NVA Regiment located in Peam Chor District of Prey Vang Province (above Hong Ngu) was running out of rice and suffering desertions as a result. Other reports indicate that as many as 20% of VC An Giang Province soldiers deserted in August and September because of food shortages. Further, FVA 4597 report that in early September NVA units located in the mountains in southern Takeo Province (north of Chau Doc) were having difficulty in buying and transporting rice because of the GVN blockade. This report also attributes to the GVN blockade a gasoline shortage in VC/NVA areas of Cambodia. The report says lack of gasoline forced most rice mills to cease operations, further exacerbating the rice shortage. FVA 4598 confirms this, stating that in early September VC and NVA rice stocks in southern Takeo Province were only one-half their normal level and, despite the fact that they had plenty of money to spend, finance and economic cadre had been unable to find enough rice to buy.

It seems apparent that the tight VC/NVA supply situation was initially caused by developments in Cambodia (outlined in paragraph 3 above) and that the GVN economic blockade served to make a difficult situation worse. One other factor--the need to provide rice to the VC/NVA units along the Cambodian border in GVN MR2--further hampered the VC/NVA supply situation. According to ARVN officers, all local VC/NVA units were forced, as part of a general self-sufficiency program, to grow their own rice, freeing rice purchased from the GVN economy for shipment back up the trail. This requirement to ship local rice north, plus a concomitant severe reduction of rice supplies from COSVN, put these units in an extremely tight rice supply

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CAN THO A-001

situation. It is the opinion of all senior ARVN officers in the border area that this rice shortage greatly aided in keeping the VC/NVA from initiating any significant military operations during September, October and November, and was an important factor in the successful ARVN operations to clear the NVA from the mountains in western Chau Doc Province.

c. Effect on GVN Areas

Although the rice collection campaign precipitated a black market system and price dislocations in Chau Doc, little disruption appears traceable to the blockade. Most of the black market activity seems to have been caused by the relatively low prices set by the GVN. We conclude, therefore, that the economic blockade as originally designed--i.e., not to include the free trade zones--can be conducted indefinitely along the border without disrupting the local economy and without placing any stress on the internal political situation. We further conclude that the free trade zones could be controlled as well without any serious economic or political repercussions, as long as it is not associated with a forced rice purchase program based on what are perceived by farmers as unrealistically low prices. It is our belief, however, that, if the blockade were carried out in an effective manner in the restricted and controlled zones, there would be no need for restrictions in the free trade zones.

10. Conclusions

a. The blockade was effective in most of Chau Doc, marginally effective to ineffective in Ha Tien, and ineffective in Hong Ngu.

b. The GVN will never be able to stop all movement of goods across the border, but has the necessary men and equipment to curtail most of it.

c. The effectiveness of the blockade is highly dependent on command emphasis, regular checking and inspection, and proper allocation of resources. In Chau Doc, where the Province Chief forcefully committed himself to the program, where lax performance was punished, and where helicopters were regularly used, the blockade proved extremely effective.

d. The most prevalent form of blockade subversion was the acceptance, by GVN and ARVN officials, of bribes to allow goods to move illegally. Wives of ARVN servicemen, effectively immune from arrest, also accepted bribes to move goods through the blockade.

e. The blockade's second major weakness was lack of an effective unified chain of command for blockade enforcement. Although all military units in the border areas were under the control of the Commander of the 44th Special Tactical Zone (STZ), he and his staff took no part in day-to-day blockade operations. The Tan Chau situation points up the difficulties in such an arrangement. In the Tan Chau City vicinity there were no fewer than three separate independent commands implementing the

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blockade: the Navy, Tan Chau Subsector, and Hong Ngu Subsector. With no one authority to orchestrate their activities, there was little or no cooperation among them and deficiencies went uncorrected. When USAID rice was stolen at Tan Chau on October 28 (Can Tho 0907); all three organizations were able to deny responsibility for allowing the theft to occur.

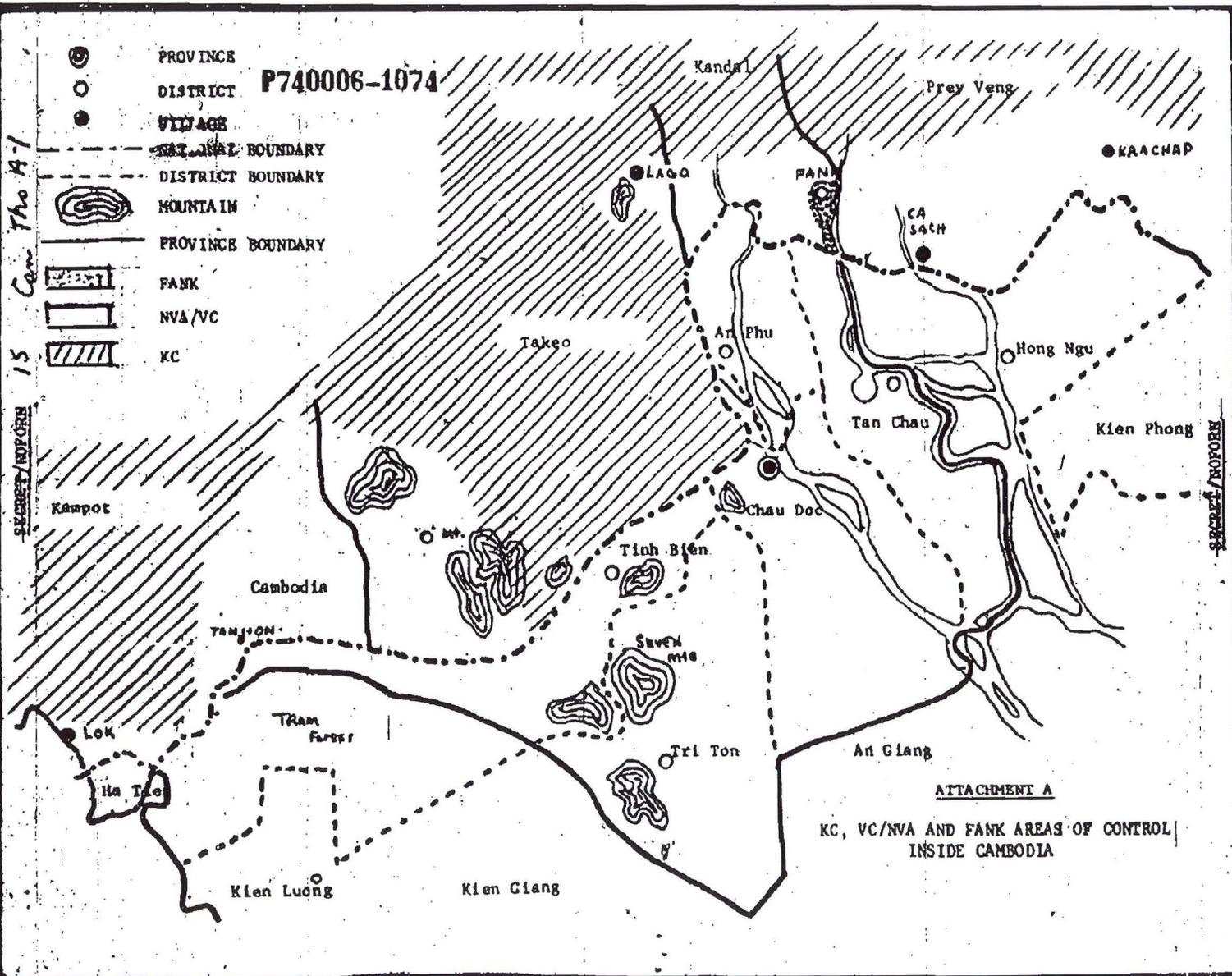
f. A third weakness of the blockade was the failure to prosecute it vigorously in Hong Ngu District. Helicopters, for example, were not used. More importantly, the authorities have made no move against Ca Sach market, which operates openly and blatantly. FVS 32916 states that it remains open because the VC have bribed a number of officials in Saigon.

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Enclosures

Attachment A and B

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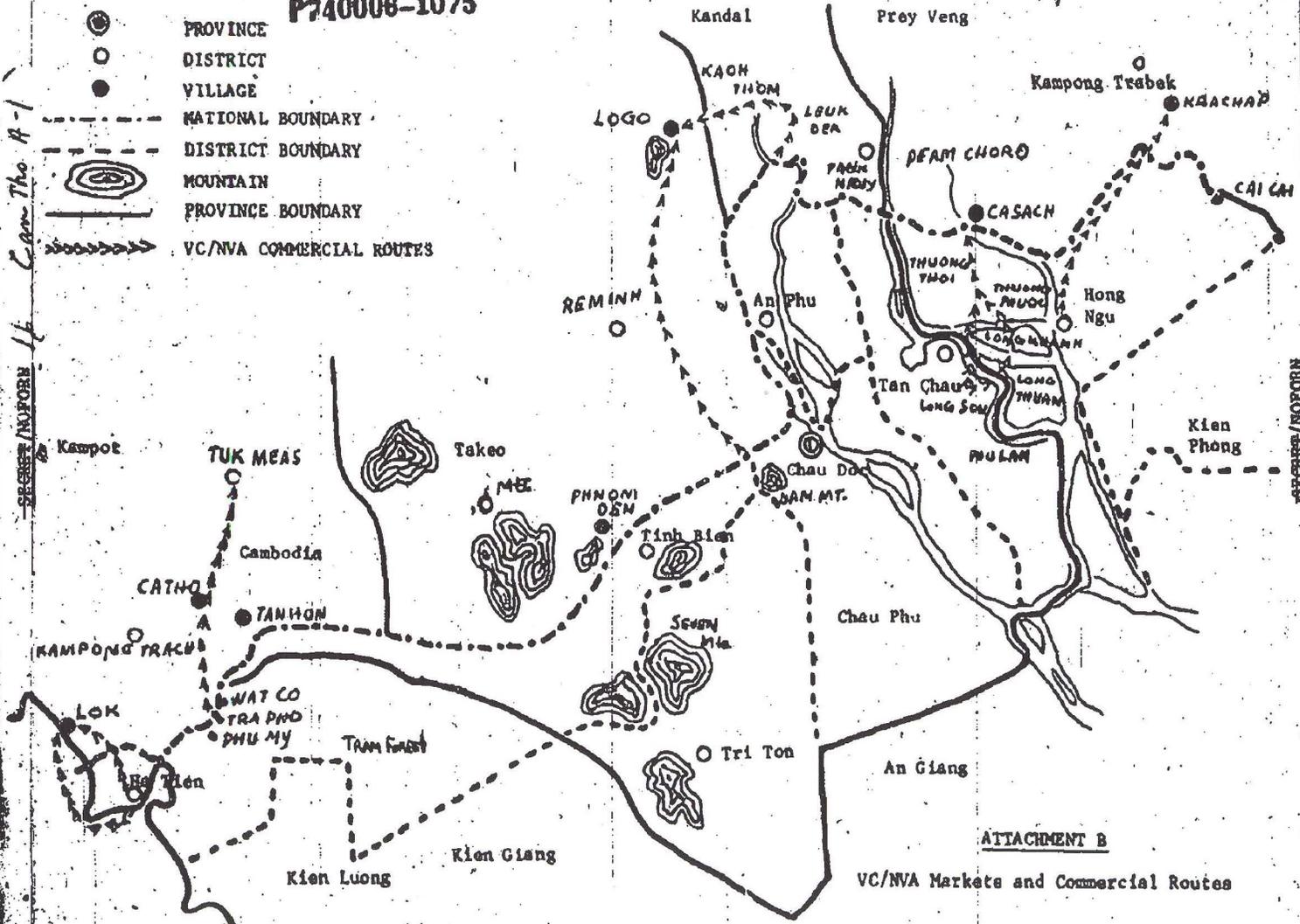


ATTACHMENT A
 KC, VC/NVA AND FANK AREAS OF CONTROL
 INSIDE CAMBODIA

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ATTACHMENT B

VC/NVA Markets and Commercial Routes

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