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Communist Aid to North Vietnam

Over the past 15 years North Vietnam has received a total of more than \$4.1 billion in military and economic aid from other Communist countries, mostly from the USSR and Communist China.

Economic aid has totaled more than \$2.2 billion, with the major share -- just over \$1 billion -- coming from the USSR. The Chinese have provided \$760 million in economic aid and the East Europeans have provided \$435 million.

Military aid, most of it in the last four years, has amounted to almost \$2 billion. The USSR provided \$1.4 billion of this total and China provided \$470 million. Only token amounts -- some \$5 million -- were provided by the East Europeans.

In terms of the value of aid provided, 1967 was the peak year with total military and economic aid exceeding \$1 billion. The value of aid received in 1968 declined to \$875 million. This smaller figure reflects a slackening in military aid deliveries after the US bombing program was restricted in March 1968 and finally halted in October. The value of economic assistance, on the other hand, increased from \$380 million in 1967 to \$480 million in 1968, reflecting the very sharp increases in imports of almost all kinds of goods, most particularly foodstuffs and petroleum.

The Soviet and Chinese aid have tended to follow well established lines reflecting the capabilities of the donors.

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Soviet military aid has concentrated on the heavier and more advanced equipment such as air defense equipment, tanks and artillery. The Chinese have been the main suppliers of ground forces weapons and naval craft.

Both the USSR and China have military personnel in North Vietnam:

The number of Chinese support troops -- principally in construction engineering units -- now stands at no more than 23,000, compared to a peak of about 50,000 in 1968.

We estimate that there are about 2,000 Soviet military technicians in North Vietnam, working on SAM systems, jet fighters, communications and logistic support.

CIA/OER  
7 July 1969

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23 April 1969

DCI BRIEFING FOR THE  
DISARMAMENT SUBCOMMITTEE,  
SENATE COMMITTEE ON FOREIGN RELATIONS

VIETNAM

The Military Situation

- I. The Communists' spring offensive which began on the night of February 22-23 appears to have run its course.
  - A. At its peak, it consisted primarily of frequent mortar and rocket attacks, although there were some bloody clashes between allied and Communist ground forces as well.
  - B. For the most part, the enemy concentrated his attacks on U.S. installations and positions, apparently in the belief that a dramatic rise in the number of U.S. casualties would increase domestic pressures in the U.S. for early concessions to the Communists in Paris, and a quick end to the war.
- II. By late March, a number of enemy main force units in most areas of the country had begun to pull away from forward combat areas back into in-country base camps.

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A. A variety of sources, including captured documents and prisoners of war now indicate that Communist units are being refitted and indoctrinated for the next go-round. It is still not clear when the next Communist offensive will come. Some evidence points to mid- or late May, some to June.

B. The enemy still has enough forces in forward areas, however, to launch sporadic and fairly large-scale shellings of urban areas and allied installations, and even to stage some limited ground attacks.

1. He is not in position, however, to attempt anything on the scale of the February 23-March 31 offensive.

III. The main concentration of enemy main force units is still in III Corps near Saigon.

A. Right now, the enemy has some four divisions with a total of 13 subordinate regiments, plus an additional 9 independent regiments and numerous smaller independent outfits in III Corps. Altogether, this represents an enemy main force strength of 45,000 to 60,000 men in the provinces around Saigon. In addition, there are some 6,000 to 7,000 guerrillas in the same area.

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B. The North Vietnamese may also intend to create a new major threat in northern I Corps.

1. The North Vietnamese 325th Division has recently moved from well up in North Vietnam down into and just above the Demilitarized Zone.
2. In addition, the North Vietnamese 304th Division is now moving through the Laos infiltration corridor, apparently on its way to northern South Vietnam. At least one of its regiments now appears to be located in Laos just west of Khe Sanh, the scene of heavy fighting involving the 304th last year.
3. At full strength, these two divisions could consist of up to 20,000 North Vietnamese regulars.

IV. The best indication of the long-term nature of Communist military planning is the number of additional troops being sent south from North Vietnam.

- A. North Vietnam started some 20,000 troops south through the infiltration pipeline in February,

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but in March the level dropped to around 13,000. Since March 22, no groups have been detected entering the pipeline in North Vietnam.

1. The replacements for the most recent Communist losses were probably among the 45,000 North Vietnamese who started down the pipeline in December.
- B. The men now in the pipeline, most of them earmarked as replacements for III Corps, are the equivalent of half the current North Vietnamese manpower in South Vietnam.
- C. The overall movement pattern of reinforcements and replacements from the North suggests that the enemy intends to maintain the economy-of-force tactics which he employed during the latest offensive.

South Vietnamese Politics

- V. The South Vietnamese Government appears to be taking in stride the inevitable stresses and strains imposed by the fact that it is now talking with the enemy in Paris.
  - A. President Thieu continues to strengthen his control over the government and to make incremental improvements in its administrative performance.

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1. For example, he has given his supporter, Interior Minister General Khiem, the new post of Deputy Prime Minister. Khiem is in charge of the Pacification Portfolio. This puts under a single manager all ministries and programs aimed at extending the government's control in the countryside.
- B. Thieu has played almost all of his political cards well over the last year, with the result that his chief rival, Vice President Ky, has begun to acknowledge Thieu's staying power. Ky now is soft-pedaling his criticism of Thieu.
- C. In recent weeks, Thieu has begun a new effort to organize the country for political competition with the Communists after the cessation of hostilities.
  1. He is holding intensive discussions with a wide variety of political leaders with a view to launching a progovernment confederation of political groups that could be representative of the whole population.

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2. So far progress has been slow as expected, in view of the highly factionalized character of South Vietnamese politics, but Thieu seems to be proceeding about on schedule.

Pacification

- VI. In the countryside, the government has been consolidating its control over hundreds of villages previously contested by the enemy.
  - A. This has aroused serious concern among the Communists, but so far they have not done much about it.
  - B. Their recent offensive, for example, largely bypassed the villages, concentrating instead on harassing military targets and urban centers.
    1. As a result, there is widespread confidence in the villages as well as in Saigon that more people than ever before are "protected" from the enemy.
  - C. One sign of the government's increased rural strength is the fact that it was able to go ahead with previously scheduled local elections despite the Communist offensive.

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- D. One program which has begun to make headway, with considerable promise for the future, is the attack on the Viet Cong infrastructure.
1. This program, called Phoenix, stresses concerted intelligence and planning to root out the hidden Communist officials in the hamlets, villages, and towns.
  2. It is beginning to eliminate a substantial number of low-level Viet Cong officials, although it has not yet bagged many really important higher-level leaders.
  3. Captured documents, a new Viet Cong interest in assassinating members of the intelligence-gathering Grievance Census teams, and other Communist actions all attest to the seriousness with which they regard the threat posed by the Phoenix program.

Communist Aid to North Vietnam

- VII. Over the past 15 years, North Vietnam has received a total of about \$4.2 billion in military and economic aid from other Communist countries--the bulk of it from the Soviet Union and China.

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- A. Military aid, primarily in the past four years, has amounted to almost \$2 billion.
  - 1. This consists of \$1 billion 400 million from the Soviet Union, \$470 million from Communist China, and about \$5 million from the East Europeans.
- B. Economic aid, concentrated in the earlier years, totals slightly more: \$2 billion 235 million.
  - 1. Again, the major share--\$1 billion 40 million--is from the Soviet Union. The Chinese have provided \$760 million, and the East Europeans \$440 million.
- C. Russia's biggest input was in 1967, when military aid accounted for \$505 million and economic aid \$200 million.
- D. The rate of military deliveries slackened somewhat in 1968 after the U.S. bombing program was restricted.
  - 1. These figures for military aid are calculated in terms of what we call "Soviet foreign trade prices"--the list of prices charged by the Soviet Union for military hardware and ammunition in aid agreements with non-Communist countries.

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2. If we were to calculate the value of the material in terms of what it would cost in the United States, the total for Communist military aid would go up from \$2 billion to about \$2.4 billion.
- E. Soviet military aid has concentrated on air defense equipment, while the Chinese have provided mainly ground forces weapons and naval craft.
- F. The Soviet Union and China both have military personnel in North Vietnam.
1. The number of Chinese support troops-- anti-aircraft and construction--has been steadily declining since the bombing halt, and stands now at no more than 23,000.
  2. We estimate that there are as many as 2,000 Soviet military technicians in North Vietnam, working on the surface-to-air missile system, jet fighters, communications and logistic support.
  3. The North Korean fighter pilots, who were flying combat missions in North Vietnam during much of the bombing, pulled out in February.

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- G. Throughout 1968, incidentally, the Chinese Communists kept four anti-aircraft divisions in northern North Vietnam on a rotating basis. They have all been withdrawn; the last division left in early March.
- H. In addition, since the bombing stopped, the North Vietnamese have re-positioned their surface-to-air missile battalions so that they provide a more intensive coverage of the vital Hanoi-Haiphong region, but cover a considerably smaller portion of North Vietnam.
  - 1. The airfields at Kep and Yen Bai, for example, for the moment at least are outside the area protected by surface-to-air missiles.

Shipping

- VIII. Almost 90 percent of North Vietnam's imports arrive by sea, primarily through Haiphong. I want to emphasize, however, that as far as we know, exclusively military materiel is not and has not been shipped by sea.
  - A. Shipborne imports of course, include such military-related items as trucks, tractors, barges, and petroleum products.
    - 1. The weapons and ammunition, however, all come in overland, by rail or road from China.

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- B. Ocean shipping to North Vietnam in the first quarter of 1969 remains about the same as during 1968. An average of 43 foreign ships a month arrived during the first quarter of 1969, compared with 42 a month during 1968.
1. Free World arrivals declined from 12 a month in 1968 to 9 a month in the first quarter of 1969.
  2. The great majority of the Free World arrivals flew the British flag; most of these were under charter to Communist China and owned by Hong Kong firms dependent on or controlled by China. Most of the remaining Free World ships flew the Somalian, Cypriot, and Singaporean flags.
- C. Seaborne imports in the first quarter of 1969 were slightly below the 1968 level, averaging about 160,000 tons per month. Foodstuffs have risen sharply and P.O.L. imports have remained at a high level. Imports of fertilizer have dropped sharply.
1. Foodstuffs--mainly rice from China and wheat flour from the USSR--made up almost

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50 percent of first quarter 1969 seaborne imports, compared to 40 percent in 1968.

2. Imports from the Free World were up slightly from 2 percent of the 1968 total to 3 percent of the first quarter 1969 total, compared with 18 percent in 1965. Almost 90 percent of these imports consisted of timber from Cambodia.

D. Seaborne exports went primarily to China and Japan.

1. The volume of exports in the first quarter of 1969, principally coal, remained at the same level as in 1968--58,000 tons per month.

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13 March 1969

DCI 3/13 BRIEFING FOR  
DEFENSE APPROPRIATIONS SUBCOMMITTEE,  
HOUSE APPROPRIATIONS COMMITTEE

VIETNAM

*(MAP, SOUTH VIETNAM)*

The Military Situation

- I. The new Communist offensive which began on the night of 22-23 February is still continuing. So far it has consisted primarily of frequent mortar and rocket attacks against U.S. and South Vietnamese military facilities and outposts, although there have been some bloody clashes between allied and Communist ground forces as well as shellings of Saigon and other urban centers.
  - A. For the most part, the enemy appears to be trying to conserve his main force units and-- by committing them to action a few at a time-- to draw out the current round of fighting.
    1. The shellings have been spread out pretty much throughout the country. Allied positions and some urban centers in all four

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corps areas have been shelled.

2. Saigon has been hit four times since February 22 and the northern city of Hue once. Da Nang has also been shelled on several occasions during the current offensive.

*(MAP, III CORPS AREA)*

- II. The major concentration of Communist main force units is in the III Corps area around Saigon. This is where some of the stiffest ground fighting has occurred in recent days and where we expect to see a great deal more in the days to come.
  - A. Right now, the enemy has some four divisions with a total of 13 subordinate regiments, plus an additional 9 independent regiments and numerous smaller independent outfits. Altogether this represents an enemy main force strength of 45,000 to 60,000 men in the provinces around Saigon.
    1. In addition, there are at least some 6,000 to 7,000 guerrillas in the same area.
  - B. The enemy main force units are currently deployed in such a fashion as to pose an imminent threat to Tay Ninh city, to the huge allied

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military complex between Bien Hoa and Long Binh, and to the many smaller allied positions throughout the vicinity. Elements of at least two of these divisions could be deployed into the immediate Saigon area within a matter of days.

1. The Communists on February 23 tried a ground attack on the Long Binh base but lost 194 killed.
  2. Another abortive attempt by a Communist regiment to attack the Bien Hoa airfield on February 26 was beaten off, with the attacking units losing some 214 men killed.
- C. Captured enemy personnel report that their ultimate aim is to attack major allied posts, despite the heavy casualties the Communists are likely to incur in any such frontal assault. Some prisoners from the Communist 9th Division have claimed that their ultimate target is Saigon itself.
1. Given the present disposition of enemy main force units, however, it seems more likely that over the next few weeks at least, any major attack is more likely

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to be against targets outside Saigon,  
rather than against the city itself.

2. We do, nonetheless, credit the enemy with the ability to stage terrorist actions within Saigon, and even to get units as large as several hundred into the outlying parts of town, if he is willing to take the heavy personnel losses which are certain to result.
3. We cannot rule out such a suicide attempt, if the enemy should decide that the publicity he would gain would be worth the loss in men.

*(REPEAT MAP, SOUTH VIETNAM)*

III. Another concentration of enemy main force strength is in the northern portions of the Mekong delta where he could move against My Tho town or harass still further the U.S. 9th Infantry Division headquarters at Dong Tam.

A. The helicopter base at Dong Tam has been a prime target for enemy gunners thus far in the offensive.

1. They have hit it more than a dozen times

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since the offensive started on the night of February 22, clearly in the hopes of limiting our heliborne rapid strike and reaction capability in the northern delta.

- IV. Enemy action in the central provinces has been limited in large measure to two provinces in the highlands, Kontum and Pleiku, but the action, particularly in Kontum, has been some of the heaviest and most sustained anywhere in the country.
- A. There have been heavy attacks, not only on allied Special Forces camps and fire support bases, but on population centers as well.
1. In this current go-around, more hamlets have been hit by enemy forces in Kontum than in any other single province in the country.
  2. The Communists often like to make a show of force up in that rough terrain near the Cambodian border, where they know they can slip away to a sanctuary when the going gets tough.
- V. A new battlefield threat may be shaping up in the Demilitarized Zone area.

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A. In recent weeks we have discovered that three North Vietnamese regiments have slipped through the DMZ into the northernmost area of South Vietnam.

B. In addition [REDACTED]

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[REDACTED] the North Vietnamese may be moving back into the DMZ area at least two of the divisions they pulled out of that region last year. They have spent several months back in garrison areas in North Vietnam, presumably receiving new recruits and retraining.

C. If all the units we see now moving southward in North Vietnam end up in the DMZ area, the Communists will have brought their strength there up to some 13 regiments, or exactly what they had in the DMZ region during the Khe Sanh siege last year.

VI. We have no firm evidence on how long the enemy intends to conduct this present offensive. We do know, however, from prisoners and captured documents that he is trying to conduct it in phases.

A. The first phase clearly ran from the night of February 22 to February 28.

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1. Then there was a comparative lull, during which the enemy probably brought in more munitions, assessed the results of his first phase, and positioned his troops for the next round.
- B. The second phase appears to be getting off the ground at different times in different parts of the country.
1. In the central highlands, he kicked off the second phase on March 4, but he has not followed up in the rest of the country as yet.
  2. We have good information that he wanted to start something on the night of March 9 in III Corps, but allied spoiling operations have probably forced some slippage in his timing. We still expect to see more action in III Corps at any time.
- VII. Allied counter-operations have clearly made it extremely difficult for the enemy to accomplish all he wanted to in the offensive thus far.
- A. Nevertheless, he may well believe that he is on his way to accomplishing his primary aim,

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which is to demonstrate to the United States, to the South Vietnamese government, and to his own troops that he can remain in the field and that no military victory for the allies is in sight.

- B. By shelling Saigon and by moving large units through the DMZ, Hanoi may hope to face the U.S. with the dilemma of either responding with air strikes against North Vietnam, which the Communists believe would arouse great public outcry, or of not responding and thus placing great strains on our relations with Saigon.

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Communist Strategic Planning and Manpower Resources

- I. The best indication of the long-term nature of Communist military planning is the number of additional troops being sent south from North Vietnam.
- A. North Vietnam started some 20,000 troops south through the infiltration pipeline in February, and preliminary communications intelligence suggests that this rate will be maintained through March.
1. Most of these troops, headed down the long Ho Chi Minh trail through Laos, will take at least another two or three months to reach the battlefield.
  2. The replacements for current Communist losses were probably among the 45,000 North Vietnamese who started down the pipeline in December.
- B. The men now in the pipeline, most of them earmarked as replacements for III Corps, are the equivalent of half the current North Vietnamese manpower in South Vietnam.
- C. As recently as March 10, [REDACTED] [REDACTED] five additional

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North Vietnamese regiments recently moved south to locations near the DMZ.

1. These forces would enable Hanoi to intensify the fighting in I Corps to the high levels of early 1968.

D. The overall movement pattern of reinforcements and replacements from the North suggests that despite the economy-of-force tactics which the Communists so far seem inclined to employ on the ground in South Vietnam, the Hanoi Politburo is prepared to suffer heavy losses in its planned military campaign. Hanoi has apparently decided that heavy casualties will be worth the price if Communist military pressures can produce in South Vietnam, in Paris, and in the United States a political climate more favorable for the achievement of Vietnamese Communist objectives.

*(CHART, COMMUNISTS MANPOWER)*

II. Because of the nature of the data and other technical difficulties, one of the most difficult intelligence problems associated with the Vietnam war has been that of framing reliable estimates

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of the size of the Communist force structure and its various different components.

- A. A CIA and DIA working group has recently concluded a joint review of our intelligence on the strength of the Viet Cong and North Vietnamese Army combat and combat support force in South Vietnam, the strength of the Communists' irregular and paramilitary organizations in the South, and the strength of the political apparatus which runs all phases of the Communist effort and is referred to as the Communists' political infrastructure.
- B. The agreed CIA/DIA estimates of these forces, as of 31 December 1968, are shown in our table.
- C. The Communist combat units (the so-called Main Force) include about 150,000 to 180,000 men in Viet Cong and North Vietnamese regular fighting units, and some 55,000 to 75,000 men in combat support units.
  1. These first line regulars are augmented by the guerrillas. Since only about one-third of the guerrillas are reasonably

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well trained and well armed, however, the military threat posed by the guerrillas is considerably less than our numerical estimates of the guerrilla pool would suggest.

III. Probably the most significant change in the total Communist force structure over the past year has been the marked and progressive increase in the North Vietnamese share of the combat forces.

A. Despite the heavy attrition suffered during 1968, the North Vietnamese input to Communist combat strength in South Vietnam grew from about 100,000 troops at the end of 1967, to between 115,000 and 145,000 at the end of 1968.

1. This has reached the point where the designation of regiments or even battalions as "Viet Cong" or "North Vietnamese" has become virtually meaningless because of the heavy North Vietnamese replacement input into all units.

B. The proportion of North Vietnamese in the Communist combat force in South Vietnam rose

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from about 57 percent at the end of 1967 to almost 75 percent in the latter part of 1968 before some North Vietnamese Army units were pulled back to points north of the DMZ.

IV. In the course of the past year, the Communists have refined their tactics, improved their logistics, and brought in new, heavier weapons. Even though its numbers may have increased somewhat, however, the Communist military organization is not as formidable a fighting force as it was a year ago.

- A. This is a result of the inordinately heavy casualties incurred in the Tet, May, and August offensives.
- B. Enemy killed in action averaged 3,500 a week in 1968, more than double the 1967 rate of 1,700.
- C. The body count reported by the U.S. Military Command in Vietnam totalled more than 180,000 in 1968. We estimate that another 63,000 died of wounds, or were permanently disabled.
  - 1. About 9,000 prisoners were taken. Some 12,000 enemy soldiers defected to Allied

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forces, and we estimate that at least an equal number deserted but did not turn themselves in.

2. Altogether, then, enemy losses in 1968 probably ran to more than 275,000 men, not counting illness and accident.
3. Although these losses are quantitatively replaceable, the qualitative drain on experienced unit leaders and key NCOs has not been made up.

- V. The enemy fighting force was maintained only by an unprecedented infiltration from the North.
- A. Our current estimate of North Vietnamese in South Vietnam, for example, runs some 35,000 to 45,000 higher than it did a year ago, despite the heavy losses.
  - B. Between November 1, 1967, and the end of 1968, the enemy started more than 300,000 men down the long infiltration pipeline-- more than enough to maintain combat strength.
  - C. The reason I say the present combat forces are not as formidable is that in addition to the problem of leadership replacements,

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a substantial share of the newly infiltrated North Vietnamese are not veterans from experienced line units, but brand-new replacement recruits, who have received a minimum of training before they were shipped out.

Allied Manpower

- VI. On the allied side, the strength of the South Vietnamese military establishment jumped sharply in the past year under new draft regulations.
- A. At the end of January, 1969, there were about 822,000 men in the regular and territorial South Vietnamese forces, and another 182,000 men in paramilitary units--bringing the total under arms just over the one million mark.
- B. This has been accomplished despite a continuing desertion problem, sustained by a number of factors.
1. Desertions were increased by the initial impact of last year's Tet offensive.
  2. The peace talks, on the other hand, have also added some impetus, by the natural

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emotion that death is particularly point-  
less if fighting is about to end.

3. Whatever the causes, desertion from South  
Vietnamese armed units continues at an  
overall net rate of about 12 per thousand  
per month.

C. On the plus side, South Vietnamese units are  
better armed, and morale is on the upgrade,  
as they prepare eventually to replace U.S.  
combat forces.

VII. At the end of January, the United States had  
542,100 men in South Vietnam.

A. Other friendly forces amounted to 66,400  
men--primarily 50,200 South Koreans.

1. There are about 7,700 Australian and  
6,300 Thai combat troops, and 1,600  
men from the Philippines engaged in  
civic action and psychological warfare.

B. That makes the total Allied military strength  
opposing the Communists in South Vietnam  
more than 1,612,000 men.

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The Paris Negotiations

- I. The Vietnamese Communists are standing pat on all their demands in Paris, while they try to feel out what they can get from the new U.S. administration.
  - A. They obviously hope that their military offensive in South Vietnam will help to get things going in a direction favorable to their overall interests.
    1. Before they go farther in Paris, they want to turn up the heat on the allied side, and drive home the idea that they can still outlast us on the battlefield.
  - B. North Vietnam tries to avoid any sign that it is under pressure to end the war or to compromise.
    1. Hanoi's colleagues from Moscow and Eastern Europe, as well as our French contacts, often peddle a softer line about Communist intentions, but Hanoi's leaders are actually offering nothing but demands for allied concessions.

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- II. The Communists will not separate the military and the political issues. They refuse to consider our suggestions for starting with talks about the Demilitarized Zone and troop withdrawals.
- A. Hanoi wants military issues tied up in a bigger package which includes a restructuring of the government in South Vietnam, with a powerful place for the Communists.
1. They say that they do not intend to go anywhere on military questions without some guarantees about the shape of the political package.
- B. Since the bombing halt last November, the Communists have been trying hard to get the U.S. to twist Saigon's arm as a first step toward peace.
1. Their line is that the war could be ended easily if only the U.S. would nudge Thieu and Ky out of office, and replace them with a so-called "peace cabinet." By that, they mean people who would be willing to work with the Communists.

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- III. Progress in the talks is likely to come only after the Communists begin to climb down from this kind of totally unacceptable demand.
- A. They are not likely to do so until they see what they can accomplish through military action, increased pressures on the Saigon government, and attempts to split the allied side.
1. Even if their military efforts don't pay off, the Communists believe the talks themselves offer plenty of chances for raising the political and diplomatic pressures on the allies--especially on the Saigon government.
- IV. When the time comes for real bargaining in Paris, we believe that Hanoi will zero in on two fundamental objectives: first, that all U.S. troops be withdrawn within a clearly defined period; and second, that the Communists get a power base in South Vietnam which leaves them with a clear shot at taking full control eventually.
- V. In sum, there is no reason to be optimistic about the chances for an early end to the fighting.

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- A. We believe that Hanoi does want to reach some kind of settlement, but the only terms it has unveiled so far require virtual allied surrender.
- B. We also believe the Communists still have the will and the punch to drag out the war for a long time if necessary, and that any compromises they make will not come fast or easily.

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South Vietnamese Politics

I. The South Vietnamese Government appears to be taking in stride the inevitable stresses and strains imposed by the fact that it is now talking with the enemy in Paris. Thus far, it also seems to be weathering the current enemy offensive with considerable aplomb.

A. President Thieu continues to strengthen his control over the government and to make incremental improvements in its administrative performance.

1. For example, he has given his supporter, Interior Minister General Khiem, the new post of Deputy Prime Minister. Khiem is in charge of the Pacification Portfolio. This puts under a single manager all ministries and programs aimed at extending the government's control in the countryside.

B. Thieu has played almost all of his political cards well over the last year, with the result that his chief rival, Vice President Ky, has begun to acknowledge Thieu's staying

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power. Ky now is soft-pedaling his criticism of Thieu.

C. In recent weeks, the chief challenge to the government--other than the Communist war--has come from the militant Buddhists, who have been trying to mount a peace agitation campaign.

1. Their peace agitation dovetails perfectly with the Communist demands that the present regime be junked--without reference to the constitution or elections--and that it be replaced by a "peace cabinet" acceptable to the Communists.
2. The government has suppressed this Buddhist peace agitation successfully so far, without sparking more widespread agitation. One prominent Buddhist leader, Thich Thien Minh, was taken into custody after Viet Cong materials were found in a Buddhist Youth Center under his supervision. The government is handling this potentially explosive issue with finesse, however, aided by the fact that Thien

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Minh is disliked by his colleagues and rivals, within the Buddhist Movement.

Pacification

- D. In the countryside, the government has been consolidating its control over hundreds of villages previously contested by the enemy.
1. This has aroused serious concern among the Communists, but so far they have not done much about it.
  2. Their current offensive, for example, has largely bypassed the villages, concentrating instead on harassing military targets and urban centers.
  3. As a result, there is widespread confidence in the villages as well as in Saigon that more people than ever before are "protected" from the enemy. It remains to be seen, however, whether this protection will stand up in the face of a more determined enemy effort against the peasants in the countryside.
  4. One sign of the government's increased rural strength is the fact that it is going

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ahead with previously scheduled local elections despite the Communist offensive.

- E. One program which has begun to make headway, with considerable promise for the future, is the attack on the Viet Cong infrastructure.
1. This program, called Phoenix, stresses concerted intelligence and planning to root out the hidden Communist officials in the hamlets, villages, and towns.
  2. It is beginning to eliminate a substantial number of low-level Viet Cong officials, although it has not yet bagged many really important higher-level leaders.
  3. Captured documents, a new Viet Cong interest in assassinating members of the intelligence-gathering Grievance Census teams, and other Communist actions all attest to the seriousness with which they regard the threat posed by the Phoenix program.

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(MAP, NORTH VIETNAM)

North Vietnam

- I. North Vietnam is increasingly turning attention to morale and discipline difficulties which have cropped up since the U.S. bombing halt.
  - A. There is persuasive evidence that the regime has had trouble getting the most from its people since the bombing halt, and that this problem is of growing concern to the leadership.
    - 1. Public misconduct in the form of black marketeering, pilfering, and failure to respond to direction has mushroomed in recent months.
    - 2. The regime appeared reluctant to crack down at first, but now more effort is going into restoring orthodoxy and discipline.
- II. Although details are sparse, there are several signs of policy debates within the North Vietnamese leadership.
  - A. We are pretty well convinced that a substantial majority of those at the top favor

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pursuing the negotiations, but most of the same men probably also believe that the war can be continued if allied political concessions are not forthcoming.

B. There are some limited signs of a contest for power between Party First Secretary Le Duan and Truong Chinh, to the man he replaced in that key position.

1. Ho Chi Minh is still active and appears in control, but much of the decision-making process is in the hands of his subordinates, who show some signs of strong differences on how Hanoi should proceed on the whole range of problems it now faces.

III. Nearly four years of bombing have caused substantial dislocations in North Vietnam's economy and have retarded its economic growth.

A. At the end of 1968, industrial output was about 25 percent below the pre-bombing level.

B. Agricultural output was down 10 to 15 percent from the 1965 level.

C. Even more serious was the loss of economic growth because resources had to be mobilized to counter the bombing.

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- IV. The economy is a primitive one, however, in which agriculture and small factories and shops predominate. It makes little direct contribution to the war effort.
- A. The majority of the people live simply, with their basic needs satisfied largely by local production.
  - B. Declines in agricultural output have been offset by increased imports, mostly the USSR and Communist China.

*(MAP, NORTH VIETNAM)*

- V. Reconstruction of North Vietnam's badly damaged modern industries has been progressing slowly since March 1968.
- A. About 45 percent of the nation's total electrical generating capacity is still out of operation, compared with 70 percent in early 1968 and 80 percent during much of 1967.
  - B. Major reconstruction of damaged manufacturing facilities has been noted only at the Haiphong Cement Plant.

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VI. Key logistic facilities north of the 19th parallel were repaired after bombing was restricted to the southern provinces on March 31.

A. Most of the principal bridges damaged by bombing have been repaired, but additional and more permanent repair work is needed.

1. The Doumer Bridge over the Red River at Hanoi, for example, was restored to full use in July 1968, but has shown signs of weakening, and traffic loads are restricted.

2. The Viet Tri Railroad and Highway Bridge on the Hanoi-Lao Cai railroad line was restored to use by the end of December, but a span of the bridge collapsed in January 1969 and has not yet been repaired.

B. All rail lines in the north except the Hanoi-Lao Cai Line are open for through rail service.

C. New construction and improvements on rail lines and on roads have continued.

1. North Vietnam has long been plagued by the fact that the meter guage of its French-built railroad system is not the same as

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the standard four-foot eight-and-a-half inch gauge of China's main rail network. This used to require all goods moved by rail to be transferred from one train to another at the border. The important Hanoi-Dong Dang rail line, however, is now entirely dual-gauge from the China border as far south as Yen Vien, about seven miles north of Hanoi.

2. A new rail line is half completed between Kep and the minor port of Hon Gai, a coal producing region.
3. A new road has long extended into China in the northeast, and several improvements have been made to the road network in the northwest.

D. In the area south of the 19th Parallel, the main lines of communication have been restored since bombing stopped on November 1. Supply bases are being extended further south, facilitating the increased movements of supplies into the southern Panhandle.

1. About 80 miles of a partially operational petroleum pipeline have been observed in

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North Vietnam near Vinh, and about 15 miles have been noted in Laos south of the Mu Gia pass; when fully operational, the pipeline will release a considerable number of transport vehicles, and will make petroleum transport less vulnerable to air attack and bad weather.

Logistics Movements

VII. Logistics movements have continued at a high level in the Panhandle of North Vietnam since the bombing stopped, and new logistic bases, warehouses, roads, and staging areas have been built, particularly in the southern most Quang Binh Province.

- A. Shipments that previously moved largely by motor truck have decreased, but rail and water transport shipments have increased.
- B. Traffic into the Panhandle of Laos during the current dry season--which began in November--has been about 20 percent higher than during the previous dry season.

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Communist Aid to North Vietnam

(CHART, ESTIMATED COMMUNIST AID 1954-1968)

VIII. Over the past 15 years, North Vietnam has received a total of about \$4.2 billion in military and economic aid from other Communist countries--the bulk of it from the Soviet Union and China.

A. Military aid, primarily in the past four years, has amounted to <sup>almost</sup> \$2 billion, <sup>15</sup> million. (\$2,015,000,000.)

1. This consists of \$1 billion <sup>400</sup> [545] million from the Soviet Union, <sup>495</sup> \$460 million from Communist China, and about <sup>5</sup> \$10 million from the East Europeans.

B. Economic aid, concentrated in the earlier years, totals slightly more: \$2.2 billion <sup>205</sup> million.

1. Again, the major share--\$1 billion 40 million--is from the Soviet Union. The Chinese have provided \$760 million, and the East Europeans \$405 million.

C. Russia's biggest input was in 1967, when military aid accounted for \$505 million and economic aid \$200 million.

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- C.* The rate of military deliveries slackened somewhat in 1968 after the U.S. bombing program was restricted.
- 1.* These figures for military aid are calculated in terms of what we call "Soviet foreign trade prices"--the list prices charged by the Soviet Union for military hardware and ammunition in aid agreements with non-Communist countries.
- 2.* If we were to calculate the value of the material in terms of what it would cost in the United States, the total for Communist military aid would go up from \$2 billion to about \$2.4 billion.
- D.* Soviet military aid has concentrated on air defense equipment *and more sophisticated weapons* while the Chinese have provided mainly ground forces weapons and naval craft.
- E.* The Soviet Union and China both have military personnel in North Vietnam.

  - 1.* The number of Chinese support troops--antiaircraft and construction--has been steadily declining since the bombing halt, and stands now at no more than 26,000.

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2. We estimate that there are as many as 2,000 Soviet military technicians in North Vietnam, working on the surface-to-air missile system, jet fighters, communications and logistic support.
3. The North Korean fighter pilots who were flying combat missions in North Vietnam during much of the bombing, pulled out in February.

*(MAP, NORTH VIETNAMESE SAM ENVELOPE)*

- F. Throughout 1968, incidentally, the Chinese Communists kept four anti-aircraft divisions in northern North Vietnam on a rotating basis. There is now only one.
- G. In addition, since the bombing stopped, the North Vietnamese have re-positioned their surface-to-air missile battalions so that they provide a more intensive coverage of the vital Hanoi-Haiphong region, but cover a considerably smaller portion of North Vietnam.
  1. The airfields at Kep and Yen Bai, for example, for the moment at least are

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outside the area protected by surface-to-air missiles.

Shipping

*(CHART, FOREIGN FLAG SHIPPING TO NORTH VIETNAM)*

- IX. Almost 90 percent of North Vietnam's imports arrive by sea, primarily through Haiphong. I want to emphasize, however, that as far as we know, exclusively military materiel is not and has not been shipped by sea.
- A. Shipborne imports last year did, of course, include such military-related items as trucks, and a record high of 384,000 metric tons of petroleum products.
1. The weapons and ammunition, however, all come in overland, by rail or road from China.
- B. Ocean shipping to North Vietnam increased significantly during 1968. An average of 41 foreign ships a month arrived during 1968, compared with 32 in 1967.
1. Free World arrivals rose from 7 a month in 1967 to 12 a month in 1968, but have dropped to 10 in 1969.

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2. Ten of the 12 monthly Free World arrivals in 1968 flew the British flag; most of these were under charter to Communist China and owned by Hong Kong firms dependent on or controlled by China. Most of the remaining Free World ships flew the Cypriot flag.

C. Seaborne imports increased sharply during 1968, averaging about 164,000 tons monthly compared with 118,000 tons in 1967. Food and P.O.L. products accounted for almost all of the increase. In the first two months of 1969, imports have stayed at the 1968 level.

1. Foodstuffs--mainly rice from China and wheat flour from the USSR--made up more than 40 percent of 1968 seaborne imports.
2. Imports from the Free World were down to about 2 percent of the total, compared with 18 percent in 1965. They consisted mostly of timber from Cambodia; fertilizer, pharmaceuticals, and general cargo from Japan; coconut oil,

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rubber and general cargo from Singapore;  
fertilizer from Italy, and general cargo  
from Hong Kong.

D. Seaborne exports went primarily to China and  
Japan.

1. The volume of exports, principally coal,  
increased from 48,000 tons a month in  
1967 to almost 58,000 tons a month in  
1968.

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SOUTH VIETNAM

The Economy

- I. Strong inflationary pressures have persisted in the war-torn Vietnamese economy since mid-1965, but the joint US/Vietnamese stabilization effort has succeeded in keeping them within tolerable limits.
  - A. Retail prices in Saigon increased 53 percent in 1965, 35 percent in 1966 and again in 1967, and 32 percent during 1968.
  - B. It is probable that the amount of inflation during 1969 will be at least as great as the average during the 1966-68 period (33 percent), given the proposed high level of Vietnamese government expenditures. The preliminary budget for 1969 estimates revenues (including foreign aid) at only 62 percent of expenditures, resulting in the largest budget deficit ever.
  
- II. The Tet and May-June offensives caused a drastic slowdown in economic activity. Business confidence gradually returned only after the third offensive failed and security of transportation routes improved.
  - A. The offensives also caused a speed-up of government mobilization plans, resulting in a further loss of manpower from agriculture and some disruption in commerce, industry, and civilian government agencies.
  - B. One of the most serious economic effects of the offensives has been the decline in rural real income. Rice production increased

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somewhat during 1968, but prices received by farmers dropped during February and remained low during most of 1968 largely because of large stocks of imported rice and increased transportation costs. At the same time, prices of agricultural inputs and consumer goods increased.

III. The principal economic objectives for 1969 include continued efforts to stabilize prices and hold down wage increases, raise government revenues, increase rice production, and establish a postwar development plan.

- A. Several new tax measures were passed during 1968 and more are needed in 1969 in order to absorb excess purchasing power and reduce the budget deficit.
- B. Experiments during 1968 with new miracle rice seed produced much larger yields than domestic varieties and more of this new seed will be planted in 1969. Nevertheless, total output of rice in 1969 is expected to be 15 percent below that of 1968, largely because of drought and salt water intrusion in the delta. As a result, South Vietnam will again import about a fourth of its rice requirements -- mainly from the US.
- C. Planning for the postwar economy has been underway by a joint US/Vietnamese group since early 1967. Specific proposals are to be presented to President Thieu early in 1969.

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Allied Manpower

- IV. The number of Allied military forces increased about 20 percent over 1967, totaling more than 1,613,<sup>000</sup><sub>A</sub> at the end of 1968 -- a force more than six times larger than the enemy's Regular Forces.
- A. The number of men in the South Vietnamese military establishment jumped sharply as the country's mobilization program was accelerated after the Tet offensive.
1. At the end of December there were about 826,000 men in the regular and territorial forces. There are an additional 184,000 men in paramilitary units.
  2. The South Vietnamese, however, are encountering serious problems with a high level of desertions. Although the net desertion rate of 7.7 per thousand troops during the first quarter of 1968 was well below the 1967 rate of 10.5 per thousand, there was a sharp increase in subsequent months. The rate for the fourth quarter of 1968 was 15.7 per thousand. This means desertions are running about 12,000 per month at the present force level.
  3. The South Vietnamese armed forces are much better equipped than they were a year ago. The M-16 automatic rifle -- now issued to all infantry units -- seems to have contributed positively to morale.

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4. Most observers believe that these forces are somewhat more effective than they were earlier, but the high desertions rate and the unsettling effect of negotiations remain causes for concern. In addition, the South Vietnamese remain heavily dependent on our forces for heavy fire power and logistical support.
- B. The level of US military strength totaled about 536,700 men at the end of 1968. Of this total, there were 360,200 Army, 80,700 Marines, 58,700 Air Force, 36,700 Navy, and 400 Coast Guard.
- C. Other friendly forces in South Vietnam totaled 65,600. The largest share of the total -- about 49,200 -- are South Koreans. There also are some 7,600 Australian and 6,000 Thai combat troops, and 1,600 personnel from the Philippines engaged in civic and psychological warfare activities.

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Enemy Manpower

- V. Despite heavy infiltration of manpower from North Vietnam during 1968, enemy casualties have caused the number of conventionally organized VC/NVA troops fighting in South Vietnam at the end of the year to remain at about the same level as at the beginning.
- A. There are about 135,000-150,000 North Vietnamese soldiers participating directly in the effort in South Vietnam. About 125,000-130,000 of these troops together with 50,000-60,000 Viet Cong soldiers comprise the enemy's combat forces.
- B. Rear Service troops numbering some 60,000-80,000, including some normally deployed along border areas, bring the number of his Regular forces up to 235,000-270,000; 10,000-20,000 of the support troops are also North Vietnamese.
- C. In addition to these Regular forces, the enemy maintains a Guerrilla force estimated at 60,000-90,000 persons. This force has been maintained at this level only at the cost of a significant diminution in its quality. We estimate that the military threat represented by the Guerrilla forces is limited by the fact that only one-third of them are estimated to be fully armed and adequately trained.
- D. In addition to these combat forces, the Communists may have on the order of 100,000 persons organized in organizations such as Self Defense Forces and Assault Youth. Few of these personnel

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are sufficiently well organized, armed, and trained to be considered part of the prime enemy military threat. They do, however, perform a number of useful police, security, and harassment functions. Finally, the Viet Cong Political Infrastructure has a strength of about 80,000-100,000. The bulk of these people are highly organized, well trained, and dedicated cadre that constitute the major target of Allied programs for the political resolution of the Vietnam War.

#### Casualties

- VI. The Communists have paid a high price in casualties for intensifying the war in South Vietnam.
- A. During 1968 the number of enemy killed totaled over 180,000 by body count -- a weekly average of about 3,500, compared to an average of about 1,700 a week killed during 1967.
  - B. It is estimated that an additional 63,000 enemy soldiers died of wounds or were permanently disabled since the first of the year.
  - C. About 12,000 enemy soldiers defected to Allied forces and we estimate that an at least equal number desert but do not turn themselves in. Allied forces also took about 9,000 prisoners during the period.
  - D. Apart from these losses (which total more than 275,000 men), Communist forces lose additional numbers of men to sickness,

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accidents, exfiltration to North Vietnam, retirements, and discharges.

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- VII. Total infiltration for 1968 exceeded a quarter million men -- and could possibly be as many as 300,000 men. This manpower has been sufficient, despite the enemy's heavy losses, to raise and maintain North Vietnamese numerical strength somewhat above the late 1967 level.
- A. Moreover, as long as Hanoi pursues the type of economy of force tactics it used in South Vietnam in the last few months of 1968, its personnel requirements are reduced.
- B. We are not sure why the slowdown in troop deployments observed in the second half of 1968 has occurred. We think it probable, however, that Hanoi believed North Vietnamese strength in South Vietnam has reached the desired level for the present. There is no convincing evidence that the decline in infiltration is due to manpower shortages in North Vietnam.
- C. The number of infiltrators moving in the pipeline toward South Vietnam during December and the first half of January increased sharply, reaching one of its highest levels to date. During this period over 75 new groups, with a minimum observed strength of about 40,000, have been detected in General Directorate of Rear Services communications. Most of these groups are of battalion size, as in the past, although a sizable number are believed to be regiments of about 1,200. In particular, a series

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of groups destined for the two northernmost provinces of South Vietnam is composed of several regimental entities believed to be part of the 304th NVA Division. Numerous groups ranging in size from 100 to 200 have also been detected. These are most likely either advance parties moving ahead of their main units or units to be engaged in non-combat activities such as administration.

- D. The format of the group designators indicates that the bulk of the infiltrators presently moving south are destined either for the DMZ-Tri-Thien-Hue Military Region or for the III Corps area. Normal travel times of about 2 and 4 months, respectively, were required to reach these locations before mid-December. Since then, however, the bombing halt has enabled an important segment of the commo-liaison system to be streamlined, so that increased use of truck and rail transport is now possible. This is reflected in a cut in average infiltration time by at least 3 weeks. In light of this development, those groups destined for the northern area of South Vietnam could arrive by late January, and those going to III Corps could do so by late February or early March.

#### Recruiting

- VIII. Recruiting in South Vietnam averaged about 7,500 men per month during 1967. During the first quarter of 1968, captured documents

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suggest there occurred a sharp increase in recruitment to a monthly rate perhaps as high as 20,000.

- A. The Viet Cong have not been able to maintain this high rate and are now probably recruiting at about or somewhat below the 1967 rate of 7,500 per month.
- B. There is some tentative evidence of plans for a geared-up recruitment campaign to support the 1969 Winter-Spring campaign.

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Logistics

- IX. Communist forces operating in South Vietnam cover the bulk of their food and supply requirements locally -- with the important exceptions of weapons and ammunition.
- A. At present force strengths and combat levels, the Communists need about 310 tons of supplies a day, including 260 tons of food.\*
1. They obtain about three-fourths of their needs within South Vietnam.
  2. Under 90 tons a day have to be brought in from outside the country -- 60 tons of food, and the remainder of war materiel, principally weapons and ammunition.
- B. This tonnage poses no great strain on the capacity of the individual infiltration routes.
1. Supplies are moved by truck all the way from the Mu Gia Pass, through Laos, and into South Vietnam -- for instance, into base camps in the A Shau Valley.
  2. They are also lugged down jungle trails by porters.
- C. During 1968 the Communists trucked and portered sufficient tons of supplies over the Ho Chi Minh Trail to meet several

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\*Based on OB of 190,000 NVN, VC Main and Local Force troops, and 70,000 Administrative Services.

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times their daily resupply requirement for weapons and ammunition in South Vietnam.\*

- D. About 60 percent of the external rice requirement is covered by open purchase or smuggling from Cambodia. The remainder is obtained from North Vietnam and transported across the DMZ or via Laos.
- X. Communist forces in South Vietnam are not short of weapons.
- A. All of the North Vietnamese units, and probably most of the main and local force Viet Cong, are armed with the Communists' new family of 7.62 millimeter small arms, which compare favorably with the equivalent allied weapons.
1. This shows the degree of Communist confidence in logistical supply from North Vietnam, because ammunition for this family of weapons is not made in South Vietnam.
- B. The Communists have increased their use of heavy weapons throughout South Vietnam.
1. The heaviest firing has taken place in the DMZ area, where supply lines are shorter and not as vulnerable to ground attack.
  2. Heavy weapons ammunition expenditures continue to predominate in I and III Corps, corresponding to the higher combat levels occurring in these two Corps areas.

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\*An average of 165 tons per day were trucked and portered into southern Laos, during 1968. Sixty-five tons are needed daily by the Communists in southern Laos leaving 100 tons available for stockpiling or movement to South Vietnam.

3. Conventional artillery has been concentrated in the I Corps DMZ area. In other areas, mortars up to 120 millimeter in size, as well as 107, 122, and 140 millimeter rockets, have been employed with considerable success.
- C. Allied military forces have been increasingly successful in disrupting the supply network, creating distribution bottlenecks, and in some instances, effecting some severe local shortages.
1. In an average month this year, Allied forces have captured over five percent of the enemy's daily food requirements and about a quarter of his ammunition needs.
  2. Despite these successes the overall effectiveness of the Communist supply system has not been critically impaired.



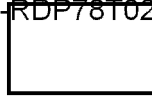
**TOP SECRET**NORTH VIETNAMThe North Vietnamese Economy

The North Vietnamese economy is a primitive one in which agriculture and small factories and shops predominate. It makes little direct contribution to the North Vietnamese war effort.

- A. The bulk of the people have always lived at a bare subsistence level and most of their simple needs can be satisfied locally.
- B. Declines in output of farm products and manufactures in the past three years have been offset by increased imports paid for by Soviet and Chinese aid.
- C. Food supplies have remained adequate despite a decline in food production.
  - 1. Rice production in 1966, 1967, and 1968 has been below average, because of bad weather and disruptions from the war.
  - 2. Imported grains -- wheat flour and corn -- are being used increasingly as substitutes in the rice ration.
  - 3. A black market has grown because of scarcities of domestic rice, meat and consumer goods.
- D. Civilians who evacuated the cities during the bombing program are returning, although without official sanction by the regime. Air raid shelters are still being built in Hanoi.

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Reconstruction of North Vietnam's badly damaged modern industries has been progressing slowly since March. Most of the effort is on the main electric power network.

- A. About 45 percent of the nation's total electrical generating capacity is still out of operation, compared with 70 percent in early 1968 and 80 percent during much of 1967.
- B. Major reconstruction of damaged manufacturing industries has been noted only at the Haiphong Cement Plant.
- C. Only superficial work has been seen at the Thai Nguyen Iron and Steel Complex which is still not operating.
- D. Petroleum imports have been at high levels during 1968.
  - 1. Reserves equal to at least three months supply at current consumption levels have been maintained throughout 1968.
  - 2. Distribution and storage at dispersed sites has been adequate to meet requirements.

Key logistic facilities north of the 19th Parallel were restored during the restricted bombing and the country's overall logistic capability has been increased.

- A. Most of the principal bridges damaged by bombing have been repaired.
  - 1. The important Doumer Bridge over the Red River at Hanoi was repaired for rail traffic by mid-June and for truck traffic by mid-July.

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2. The Haiphong railroad/highway bridge that carries traffic from the port area, was restored by April 1968.
  3. The Viet Tri Railroad/Highway Bridge on the Hanoi - Lao Cai railroad line, interdicted in June 1966, was restored by the end of December.
- B. All rail lines in the north are open for through rail service. At least 15 new bypasses have been completed around rail yards, bridges, and sidings.
- C. New construction on rail lines and on roads has continued.
1. The important Hanoi - Dong Dang rail line from the China border is now entirely dual guage as far south as Yen Vien, about seven miles north of Hanoi.
  2. A new rail line is half completed between Kep and the minor port of Hon Gai, a coal producing region.
  3. A new road was extended into China in the northeast and several improvements were made to the road network in the northwest.

In the area south of the 19th Parallel the main lines of communication have been restored since the 1 November bombing halt. Supply bases are being extended further south facilitating the increased movements of supplies into the southern Panhandle.

- A. Through rail service to Vinh was quickly restored.
1. Small tram cars could be sent through 4 days after the bombing halt.

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2. Regular meter gauge service was possible by early December.
  3. The tramway south of Vinh also came into greater use.
- B. Considerable road and bridge repair activity has been underway.
1. Heavy equipment and large crews were observed on repair and construction work.
  2. Most of the observed reconstruction was on heavily bombed coastal Route 1A and its inland alternate Route 82, south of Vinh.
- C. Almost 45 miles of petroleum pipeline have been observed near Vinh.
1. A 40-mile section goes on a north-south axis west of Vinh.
  2. A 5-mile section is located near the coast on an east-west axis terminating at the Vinh petroleum storage area.
  3. When operational it will release a number of other transport vehicles and will be less vulnerable to air attack or bad weather.

Communist Aid to North Vietnam

North Vietnam received about 3.8 billion dollars in military and economic aid from Communist countries from 1954 through the first

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six months of 1968. The bulk of it was from the Soviet Union and China. Tentative evidence suggests that an additional \$400 million in military and economic aid was received during the last six months of 1968.

(CHART, COMMUNIST ECONOMIC AID, 1954-June 1968)

- A. More than half of the total aid delivered up to mid-1968 has been economic aid, but the military shipments have been much greater than the economic assistance from 1965 to mid-1968.
1. The Soviet Union has provided about \$920 million in economic aid, China \$710 million, and Eastern Europe \$345 million.

(CHART, COMMUNIST MILITARY AID, 1954-June 1968)

- B. The rate of military deliveries increased rapidly during the first three years of the bombing program but slackened somewhat when the bombing was restricted in early April.
1. We estimate that up to mid-1968 Soviet help has been worth \$1,365 million, and Communist China has contributed about \$420 million. Military aid from the East European countries has totaled about \$5 million.
  2. These figures for military aid, incidentally, are calculated in terms of what we call "Soviet foreign trade prices" -- the list prices charged by the Soviet Union for military hardware and ammunition in aid agreements with non-Communist countries.

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3. If we were to calculate the value of the material in terms of what it would cost in the United States, the total for Communist military aid would go up from \$1,790 million to about \$2,130 million -- with more than one billion dollars of it arriving since the end of 1966.

C. Soviet military aid has concentrated on air defense equipment, while the Chinese have provided mainly ground forces weapons and naval craft.

D. The Soviet Union and China have both sent military personnel to North Vietnam.

1. We estimate that there may be as many as 30,000 Chinese support troops still in North Vietnam, although some have been withdrawn in 1968.
2. There are four antiaircraft divisions, defending critical junctions on the transportation network from China.
3. Chinese engineer troops have built the major new airfield at Yen Bai, and are working on the construction and repair of transportation facilities.
4. We estimate that there are about 2,000 Soviet military technicians in North Vietnam, working on the surface-to-air missile system, jet fighter aircraft, communications, and logistic support.

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**TOP SECRET**Shipping

Almost 90 percent of North Vietnam's imports arrive by sea, primarily through Haiphong. Virtually all of the exports also are carried by sea, principally from the coal ports of Cam Pha and Hon Gai. Almost all of North Vietnam's seaborne trade is carried in foreign ships.

- A. Ocean shipping to North Vietnam increased significantly during 1968. An average of 41 foreign ships a month, 29 Communist and 12 Free World, arrived in North Vietnam during 1968. This compares with an average of 32 arrivals a month in 1967.
1. Free World arrivals plunged from 21 a month in 1965 to 7 a month in 1967, but rose in 1968 to 12 a month.
  2. Ten of the 12 monthly Free World arrivals flew the British flag; most of these ships were under charter to Communist China and owned by Hong Kong firms dependent on or controlled by China. Most of the remaining Free World ships flew the Cypriot flag.
  3. Most of the Free World ships carried cargo from North China to North Vietnam.
- B. Seaborne imports increased sharply from a monthly average of 118,000 tons in 1967 to an average of 164,000 tons during 1968. All but two percent of the 1968 imports originated in Communist countries.

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1. Foodstuffs -- mainly rice from China and wheat flour from the USSR -- made up more than 40 percent of total tonnage, general and miscellaneous cargoes accounted for another 31 percent, and petroleum products accounted for 20 percent. Over three-fourths of the petroleum came from the USSR.
  2. Imports from the Free World were down sharply from 1965 when they accounted for 18 percent of total imports.
  3. Imports from the Free World during 1968 consisted mostly of timber from Cambodia (26,000 tons); fertilizer, pharmaceuticals, and general cargo from Japan (8,800 tons); coconut oil, rubber, and general cargo from Singapore (4,600 tons); fertilizer from Italy (3,500 tons); general cargo from Hong Kong (1,600 tons).
- C. Seaborne exports, principally coal, increased from 48,000 tons a month in 1967 to 57,800 tons a month in 1968.
1. Coal exports improved through April 1968 but fell off steadily from April through September because of poor maintenance of equipment at coal production centers. However, they increased sharply during the fourth quarter of the year.
  2. Seaborne exports of apatite, cement and pig iron -- all victims of US bombing -- did not resume in 1968.

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3. China received 49 percent of 1968 exports, and Japan 46 percent.

D. A combination of record import levels and severe weather conditions led to new peaks in ship congestion at Haiphong port in July and September.

1. The average number of dry cargo ships in port per day reached records of 30 in July and 34 in September.
2. The average layover time for departing dry cargo ships, which reached a low of 14 days in May, rose to a high of 41 days in September.
3. Congestion began to ease in mid-September and continued to decline through December when the average number of dry cargo ships in port dropped to 27 and the average layover time to 29 days.
4. The discharge capacity of the port was raised significantly after the bombing pause at the end of March 1968. The stevedore force was increased, and cargo handling continued around-the-clock without interruption by air raid alerts.
5. Dredging operations in the channel approach to the wharf area also were increased after the bombing pause.
6. A new wharf large enough to accommodate two ships is under construction and could be completed during the first quarter of 1969.

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**TOP SECRET**Logistics

Logistics movements have continued at a high level in the Panhandle of North Vietnam since the bombing halt. Rear services communications reflect intense activity in constructing new logistic bases, warehouses, roads and staging areas, particularly in the southernmost Quang Binh province.

- A. Rear Services shipments averaged 206 short tons per day during 1968.
  - 1. Shipments increased 45 percent in the last half of the year to 244 tons per day.
- B. Since the bombing halt, Rear Services shipments that move largely by motor truck have decreased primarily because of greater use of rail and water transport.
  - 1. Shipments in December averaged 192 short tons per day compared with 266 in November and 292 in September.
  - 2. The reduction probably results also from a reorganization of the logistic system in Thanh Hoa Province and a change in reporting procedures.
- C. Traffic through the Mu Gia Pass into the Panhandle of Laos has continued since the bombing halt at about the same rate as a year ago. However, in 1968 estimated traffic was almost 50 percent higher than in 1967.
  - 1. Trucks continued to move in the rainy period in 1968 whereas none moved to the Pass during July and August 1967.

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2. In November and December 1968, an average of 11 and 21 trucks per day, respectively, moved south through the Pass, compared with 10 and 20 in 1967.

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LAOS

The Air War

US air attacks against the logistics system in southern Laos have increased the disruption and delay of supply movements within and through the area. However, they have not been able to prevent the flow of supplies required by enemy forces in southern Laos or in South Vietnam.

- A. The interdiction campaign was greatly intensified after the bombing halt in North Vietnam.
1. Almost all of the attack sorties that had formerly been flown against North Vietnam were diverted to Laos.
  2. The number of attack sorties against targets in southern Laos, or the Steel Tiger area, was more than triple in November and December compared with the average for the rest of 1968.
  3. About 660 B-52 sorties were flown during November and 690 in December.
  4. Particular emphasis was given to attacks against key logistics choke points, such as the Ban Pha Nop area south of Mu Gia Pass and the Ban La Boy area south of Ban Karai Pass. (See map)

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B. Despite increased damage to the logistics system, a normal level of traffic for that time of year moved into and within the Steel Tiger area during October-December 1968.

1. Roadwatch teams and pilot reports of trucks sighted for each of the last three months of 1968 was at about the same level as during 1967, with traffic reaching a peak in December each year.
2. Reports based on sensors along the major roads in the area also indicated a significant increase in traffic during November and December 1968.
3. Targets available for attack in Laos are exceptionally rudimentary and interdicted points are quickly repaired or bypassed with the use of local materials.
4. The road network is also flexible enough to accommodate shifts in traffic around most interdicted road segments.
5. An estimated 12,000 full-time and 5,000 part-time workers are in the area moving supplies and constructing and maintaining roads, trails, water routes, and supply bases.
6. Even on such heavily bombed areas as the Ban La Boy Complex on Route 912, trucks continued to move through the area although the level of traffic was probably reduced.

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7. The number of trucks reported destroyed or damaged increased significantly in November and December with the increased sorties, but still remained below the level of the last two months of 1967.

The Communists have strengthened their antiaircraft artillery defenses in southern Laos, but US combat losses have remained low.

- A. Air defenses in southern Laos rely primarily on 37-mm AAA but an increase in larger-caliber guns as well as smaller-caliber automatic weapons has recently been noted.
  1. At least five Pathet Lao and three to six North Vietnamese AAA battalions with an estimated 400 to 700 guns were located in southern Laos at the end of 1968.
- B. Forty-five US aircraft flying attack missions were downed by Communist defenses in Laos during 1968, including 13 during November-December.
  1. The combat loss rate in Laos in 1968 was about 0.6 attack aircraft per 1,000 sorties compared with 1.1 attack aircraft per 1,000 sorties in North Vietnam during January-October 1968.

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**SECRET**North Vietnamese Rail Imports

North Vietnamese rail imports for the first 11 months of 1968 and for 1967 are shown in the following table.

	<u>1967</u>			<u>Thousand Metric Tons</u>		
	<u>Total</u>	<u>USSR and E. Europe</u>	<u>China</u>	<u>Total</u>	<u>USSR and E. Europe</u>	<u>China</u>
<u>Total</u>	365	155	210	310	132	178
Military Equip- ment	125	100	25	90	72	18
Economic Goods*	<u>240</u>	<u>55</u>	<u>185</u>	<u>220</u>	<u>60</u>	<u>160</u>
Coal	65		65	-	-	-
Petroleum**	10	10		13	13	
Rail Con- struction materials	20		20	55		55
Other	145	45	100	152	47	105

\* Many of these goods are joint use items for civilian and military consumers. Included is a large variety of consumer and industrial goods such as vehicle machinery, spare parts, and construction equipment.

\*\* Including petroleum moved only by rail and that delivered by ship to Chinese ports, thence moved by rail to North Vietnam.

The total tonnage of military equipment and economic goods imported into North Vietnam by rail during the first 11 months of 1968 was nine percent under that imported in the comparable period of 1967. This decrease in the total tonnage resulted from a 30 percent decrease in the tonnage of military imports, economic imports remaining at par with those of the comparable period in 1967.

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Seaborne Imports

North Vietnamese seaborne imports are shown in the following table.

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Jan-Nov 1968</u>
<u>Total (Rounded)</u>	690	850	1,030	1,420	1,777
Food	160	120	80	460	681
Fertilizer	140	160	230	150	145
Petroleum	140	170	200	250	346
Miscellaneous	240	400	520	560	606

Since the beginning of the Rolling Thunder program in early 1965, North Vietnam's seaborne imports have more than doubled. Deliveries from Communist countries currently account for 98 percent of total import tonnage, compared with 74 percent in 1964. The volume of shipping in December is expected to be at the November level so that total imports for the year will reach 1.9 million tons, a third above the total for 1967. Imports of food during the first 11 months of this year have amounted to 681,000 tons -- almost 50 percent more than the amount delivered last year. Imports of petroleum for the year are expected to increase 53 percent over 1967 reflecting the increase in consumption during the year.

Railroads

Since 1 November, through rail service using small tramcars from the north to Vinh has been quickly restored. [REDACTED]

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through rail traffic was possible by 4 November, and photography of 8 November revealed two small tramcar trains in operation just north of Vinh. [REDACTED]

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[REDACTED] On the tramway south of Vinh, which extends 25 miles into Route Package I, sporadic indications of increased activity such as reconstruction of bridges, repair of the road-bed, and use of small tramcar trains are available. The tramway ends about 15-20 miles north-west of Quang Khe in an area which, in the past, was extremely active as a storage/transshipment point. While we know the Nguon Nay river between Quang Khe and the end of the tramway has been very active, we do not know the flow of goods from this point. As Route 137 into Laos is only about 10-15 miles south of this general area, it is very likely that most of the supplies were shipped on that route. Presently, we have little coverage of this area to determine activity, although we do know that the Quang Binh Provincial Unit was established in September 1968 with the responsibility to provide for logistic services in this general area.

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Logistic activity at Vinh has increased since early November, but indications of train movements after early November <sup>have</sup> has been spotty due to inconsistent coverage. We know the logistic base will most likely be shifted to Vinh from Thanh Hoa, since there has been repair and construction of new facilities at Vinh. However, as to how this applies to the DMZ is unknown as supplies from Vinh can move either into Laos or along Route 1A farther south to the DMZ.

Rail activity at Thanh Hoa has also increased since the bombing halt. About 320 rail cars were noted in 7 November photography of the rail yard, compared to an average of 155 observed in October photography. Activity at transloading areas also increased, and there was an overall increase in the numbers of POL tank cars. In November, the count of rail cars declined to 195, but 38 POL tank cars were part of the total -- one of the highest levels ever noted.

The railroad/highway bridge at Tam Da, ten miles north of Vinh, is undergoing what appears to be permanent reconstruction, indicating that regular-sized meter-gauge rail equipment may soon be able to reach Vinh.

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Truck Traffic

Since the 1 November bombing halt, observed motor vehicle activity has sharply increased in all areas of the Panhandle. How much of this increase is due to a shift from night and covert operations to daytime operations is not quantifiable, however, it is evident by the large numbers of trucks sighted and the type of operations noted that overall vehicular activity has significantly increased compared with the pre-bombing halt periods. Sightings obtained from photo reconnaissance during the month of November are six times greater than the previous month's figure and nearly three times greater than the April-October monthly average.\* (see Table.) In conjunction with the heavy increase in observed traffic, photography also detected numerous and widespread instance of LOC reconstruction activity, primarily along the major logistic routes and especially along heavily bombed coastal Route 1A. Bulldozers and large work crews have been observed repairing roadways, and many new pontoon and permanent type bridges have been quickly emplaced at key watercrossings.

The pattern of observed traffic since the bombing halt indicates that Vinh and the surrounding area has become the central hub for vehicle activity. The flow of concentrations of hundreds of trucks has been observed moving into and out of the area, with hundreds more parked in staging and transshipment areas. Apparently Route 1A is being used for

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\*Sightings prior to 1 November were recorded from pilot reports.

entry into the Vinh area and 82 and 15 for movements south of Vinh, although traffic noted along the coastal route has significantly increased south of the city.

The large majority of vehicle traffic observed south of Vinh on inland Routes 82 and 15 together with the heavy traffic intermittently detected further south on the major infiltration routes leading into southern Laos, tend to indicate that the heaviest flow of traffic is moving toward the Laotian border rather than the DMZ area. Of the 3,800 sightings tabulated for all of Route Package I during the month, about 35 percent of the total was detected on road segments leading directly into Laos. It should be noted, however, that the 35 percent figure represents photocoverage of only eight days of the month and could probably have been substantially greater with more coverage of the area during the month. A striking example of this can be demonstrated by noting that a 2 December reconnaissance mission over Route 15, the first since 18 or 19 November, detected almost 500 vehicles on the thirty mile long segment leading to Laos; almost without exception large numbers of trucks have been observed by each reconnaissance mission covering this infiltration route.

Coastal truck traffic in Route Package I, although much increased when compared to previous periods, has been mostly concentrated in and around the active logistic centers at Quang Khe and Dong Hoi, and is probably associated with clearing the area of the newly arrived supplies.

Traffic noted south of Dong Hoi on the several roads leading to and into the DMZ has been light to moderate, but well dispersed with only a few sizable convoys of 10-15 trucks spotted near the border zone. However, photo coverage of this extreme southern portion of the country has been irregular and greatly hindered by poor weather, and possible a higher level of traffic is working within the area.

Improvements to the road system in the Panhandle, particularly along coastal Route 1A and the several infiltration routes (15, 137, 1A, 103, and 1036) leading to southern Laos and the DMZ, were repeatedly observed throughout the month. On Route 1A, numerous bridges have been erected or repaired obviating the use of slower ferry facilities and eliminating bottlenecks. Late November photography detected a new 600 foot long pontoon bridge in operation at Ron replacing a ferry operation in use at this key chokepoint since before 1965. The emplacement of this bridge at Ron removed the last major highway choke between the 19th Parallel and Quang Khe, restoring the road to its prior usefulness as the best and most direct route into the southern Panhandle. Also noted in photography have been many instances of new dispersed and revetted petroleum storage sites being constructed along 1A and several other key roads. Large capacity tanks have been seen in transit and others noted being emplaced at these new sites. The new facilities provide convenient and relatively safe refueling stops for the large number of vehicles operating in the area and also reduces the use of and dependence upon less efficient drum storage operations.

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Monthly Average Sightings of Motor Vehicles  
in North Vietnam - Route Packages 1, 2, and 3  
1968

<u>Date</u>	<u>Total</u>	
2nd Quarter	4,000	Reported by Armed Reconnaissance Pilots
3rd Quarter	2,900	Reported by Armed Reconnaissance Pilots
Oct	1,500	Reported by Armed Reconnaissance Pilots
April-Oct	3,400	Reported by Armed Reconnaissance Pilots
November	9,500	Obtained by Photo Reconnaissance

Vehicle Sightings and Photo Reconnaissance  
Missions - North Vietnam  
November 1968

<u>Route Package</u>	<u>Sightings*</u>	<u>Percent of Total</u>	<u>Tactical Reconnaissance Sorties Flown**</u>	<u>Percent of Total</u>
I	3,760	40	108	60
II	4,200	44	48	27
III	1,550	16	24	13
Total	9,510		180	

\*Sightings derived solely from photo reconnaissance missions.

\*\*Total does not include approximately ten low level drone and four Giant scale missions which covered sections of the Panhandle, but yielded little additional information on truck counts. Because of poor weather and operational and technical difficulties, not all mission flown yielded intelligence data.

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Estimated Average Tonnage of Supplies Delivered Daily  
From North Vietnam to Southern Laos<sup>a</sup>, 1967 and 1968

<u>Date</u>	<u>Estimated Average Tons Per Day<sup>b</sup></u>
1967	95
1968	
January	180
February	290
March	260
April	360
May	120
June	135
July	110
August	75
September	95
October	135
November	85
Jan-Nov	170

a. Based on reports of roadwatch teams, the estimates include tonnage delivered by truck over Route 15 and 137 and on trails around the DMZ. Estimated requirements for Communist forces in southern Laos from deliveries from NVN are 1967 - 39 tons per day; 1968 - 66 tons per day.

b. Rounded.

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The Level of Bombing

A. Attack Sorties

Attack sorties in Laos have increased 184 percent over the level flown in 1967. This step-up resulted from US attempts to preempt the enemy's historical dry season logistic offensive in the Laotian Panhandle and was facilitated by resources diverted from North Vietnam bombing programs. More than half of the sorties flown in Laos have been concentrated on Echo sector -- the area covering both entrance routes from North Vietnam to Laos (see Table). No data is available on the tonnage of bombs dropped -- other than that dropped by B-52 (see below) -- or on the number of sorties per route segment.

B. B-52 Strikes

There has been a 143 percent increase in B-52 strikes in Laos in November over the level attained in October. During November, 40 percent of the total B-52 sorties flown in Southeast Asia were flown over Laos where more than 18,000 tons of bombs were dropped. About 60 percent of the B-52 attack sorties in Laos were directed against the entrance routes from North Vietnam. The Mu Gia Pass areas accounted for 30 percent of the sorties and 32 percent of the ordnance exploded while Route 912 accounted for 29 percent of the sorties and 28 percent of the bombs dropped. About 73 percent of the Mu Gia strikes were against 23A-1202 complex while on Route 912 some 90 percent of the attacks were focused on 912B -- the segment including the Ban Laboy ford.

C. Route 912

Route 912, the southern entrance route into the Laos Panhandle from North Vietnam, opened in early 1966. In an attempt to stanch the logistic flow down this route, the US airforce has bombed the Ban Laboy ford segment of the road since late summer. The bombing was greatly intensified in October-November 1968 and continues. Strikes have been conducted daily and the concerted bombing has left this chokepoint heavily cratered and, the US military feels, impassable for lengthy periods (see Table). CIA takes no such sanguine view. We believe that the enemy's supply effort through the Ban Laboy ford area has been impeded for, at the most, short periods never exceeding 24 hours and that the north-south flow, therefore, is essentially intact. Besides the original road in the ford areas, the Communists have a northeast bypass road now accomodating more traffic than the original and may be constructing another bypass road two kilometers downstream (northwest) from the original ford (see map and photos). Moreover, we believe that the Ta Le River throughout the area is fordable by truck except during periods of high water. This plus the fact that much of the soil is bedrock -- thus impervious to bombing -- makes interdiction here almost impossible. By bringing in construction engineering elements and some bulldozers, the Communists have been able to repair damage and to sustain their logistic flow through this area.

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Mu Gia Pass Interdiction Points

The primary infiltration corridor for men and supplies moving from North Vietnam to Laos is Route 15 in North Vietnam, which becomes Routes 12/1201 in Laos. With the complete cessation of the bombing of North Vietnam after 1 November, attacks against the Laotian routes increased significantly in an attempt to disrupt as severely as possible the flow of men and material into Laos.

The Commando Hunt program, which encompasses that portion of the Steel Tiger area in southern Laos north of 16°30'N, and thus includes the two main infiltration routes into Laos, was established in early November to stem the flow as much as possible. Thirty targets along the primary infiltration routes in the Laotian Panhandle were selected as Traffic Control Points against which repeated attacks were to be flown in an attempt to maintain permanent interdictions. These targets included truck parks, highway segments, fords, and staging/supply areas.

There are nine of the thirty Traffic Control Points along the 25 mile Route 12/1201 -Route 23A/1202 corridor in Laos. Most of the points are along Routes 23A and 1202 and are located at strategic fords or intersections which are potential bottlenecks.

The most heavily attacked targets have been those at Ban Pha Nop, near the junction of Routes 23A and 1202.

The level of total attack sorties against particular targets along this corridor is not readily available, but an indication of the levels

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achieved during November is apparent in studying B-52 sorties. In November, 659 B-52 sorties were flown over Laos compared to 271 in October and a monthly average of 209 in 1968. Of the 659, 30 percent or 197 sorties were flown over Traffic Control Points south of Mu Gia. Nearly three-quarters of these were directed against Ban Pha Nop at the northern junction Routes 23A and 1202. The following table summarizes the B-52 sorties against key intersections south of Mu Gia in November.

<u>Target Area</u>	<u>Sorties</u>	<u>Percent of Total</u>
Routes 23A and 1201	145	74
Routes 23A and 911	23	12
Route 2301	18	9
Routes 1201 and 1202	6	3
Routes 23A and 1281	5	2
	<u>197</u>	<u>100</u>

The continuous interdiction program against these Traffic Control Points during November has been successful in keeping key chokepoints inoperable most of the month. Available photography shows that Route 1202 near Ban Pha Nop was heavily cratered and unserviceable most of the time. However, some missions revealed heavy track activity over the rubble, indicating trucks continued to move through the area. Although the Ban Pha Nop area on Route 23A, an alternate to 1202, was also heavily damaged, photography showed it to be passable more frequently

than the ford on Route 1202. A Forward Air Controller report in mid-November indicated that with Route 1202 unpassable, traffic appeared to be using Route 23A.

The Ban Seng Phan highway segment on Route 23A near the southern junction with Route 1202 is another of the nine Traffic Control Points. Photography of this area is sketchy through November, but in December several missions showed it was unserviceable. However, there are also indications that a possible bypass route is available west of the segment.

There has been infrequent coverage of the rest of the Traffic Control Points south of Mu Gia, but photography is available of long stretches of the routes under attack. This coverage indicates that major portions of all the roads were serviceable during November and the first week of December, with Routes 23A and 1202 in the Ban Pha Nop area the major problem. However, there have been indications that some truck traffic has continued through this area. In addition, if Ban Pha Nop is severely damaged, another segment of 1202 could serve as an alternate. In general, the nature of the targets attacked tends to limit permanent strike effectiveness. Operations can be shifted, hasty repairs made, or bypasses used. To achieve a complete halt to the flow of men and materials into Laos, almost daily strikes are necessary.

A measure of strike effectiveness is recorded in pilot sightings of trucks. Comparing sightings along the routes in this area in November

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to October and the 1968 nine-month monthly average, it appears that there were no serious obstacles to movement. On Route 23, a total of 225 trucks were sighted in November compared to 29-37 in October and a monthly average of 261. On Route 12, 28 trucks were observed in November, 7-11 in October, and an average of six over the first nine months of 1968. Twenty-eight trucks were also sighted in November along Route 1202, an alternate to 23A. This compares to three in October and an average of 47. While much of the increase in November is due to the large increase in sorties flown, the sightings do indicate traffic is continuing to move.

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Waterway Activity

A considerable volume of supplies is currently flowing out of Haiphong southward via merchant ships and coastal vessels to Quang Khe, and on a smaller scale to Vinh and Dong Hoi. The level of logistical activity at Quang Khe indicates that the major portion of this materiel is moving through this small river port. Based on the capacities of the vessels moving south of the 18th parallel, the flow of materiel to the Quang Khe area may currently be as great as 10,000 tons per week.

Virtually all of North Vietnam's small merchant fleet (tabulated below) has been involved in southward coastal movements since 1 November along with smaller coasters that carry from 100 to 200 tons and barges with capacities up to 800 tons.

<u>NVN Coastal Fleet Ship</u>	<u>GRT</u>	<u>EST Carrying Capacity in Metric Tons</u>
Ben Thuy	1,622	2,500
Hoa Binh	613	925
Huu Nghi	613	925
Thong Nhat	617	925
July 20	1,300	1,950
Haiphong	309	500 Tanker
Viet Trung	250	400 Tanker
Cuu Long	1,778	2,000 Tanker

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Some grain and POL has been identified in open storage at Quang Khe. The Ben Thuy, NVN's largest vessel, was off-loading grain in a anchorage 15 miles north of Quang Khe on 15 November. This movement of food south appears to be of high priority and coastal craft are pre-empting berthing space at the main wharves at Haiphong to load grain.

There is little evidence from which to determine the further disposition of cargo arriving in the southern panhandle area. Quang Khe is strategically located near a large logistical storage area; it is less than 20 miles downstream from Route 137, a major road into Laos, and is on Route 1A -- the main road south to the DMZ. Some supplies undoubtedly move south througha Dong Hoi.\* There has been an increase in watercraft activity at Dong Hoi since 1 November -- small piers have been constructed to facilitate transshipment and barges of 100 capacity have been noted. This increase in watercraft activity around Dong Hoi may be related to the disposition of cargoes further south as truck activity south of Dong Hoi has increased. However, the majority of land movements as reported by SLAR and photography involves the trucking of supplies between Quang Khe and Dong Hoi and the movements of supplies north from Dong Hoi to the routes leading west.

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\*DIA has estimated the flow to Dong Hoi by watercraft to be at a level of 2,000 tons per week.



Communist Mortar Rocket and Artillery Firings in the DMZ

Communist mortar, rocket, and artillery shellings in the DMZ have declined from an average of 47 rounds per day in the period 3 September-4 November to 12 rounds per day during 5-18 November. Mortar and artillery fire have predominated, with some incidents of rocket fire reported in early September and mid-October. Mortar, rocket, and artillery firings in the DMZ and the four corps areas since 1 October 1968 follow:

Mortar, Rocket, and Artillery Firings\*  
STPD

<u>Weekly Period</u>	<u>Corps Area</u>				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>DMZ</u>
1-7 Oct	2.37	.29	.17	.63	1.56
22-28 Oct	1.01	.15	.56	.44	.80
29 Oct-4 Nov	3.10	.14	.89	.33	2.58
5-11 Nov	1.36	.65	1.34	.34	negl.
12-18 Nov	.90	1.41	.39	.45	.12

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\*DMZ tonnages included in I Corps.

Enemy Materiel Losses  
1 January - 23 November 1968

<u>Weapons</u>	(Units)
Individual	48,284
Crew Served	9,366
Rockets	2,291
<u>Munitions</u>	(Units)
Small Arms	6,197,707
Mortars	81,319
Mines	16,505
Grenades	76,112
Rocket Grenade B-40	7,335*
Rocket Grenade B-41	1,377*
Artillery	373**
<u>Foodstuffs</u>	3,021 tons

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\*Since 8 September 1968.

\*\*Since 13 October 1968.

Enemy Materiel Losses  
1 January - 23 November 1968

<u>Foodstuffs</u>			<u>STPD</u>
3,021 tons + <sup>328</sup> 238 days =			<u>9.21</u> STPD
<u>Weapons</u>			
Individual	.00446 x 48,284 =		215.35
Crew Served	.0448 x 9,366		419.60
Rockets	2,291 x 112 lbs.		
	256,592		128.30 + 328
			763.25 + 3.28 =
<u>Ammunition</u>			<u>2.33</u> STPD
Small Arms	.04 x 6,197,707 =		123.95 tons
Mortars	81,319 x 15		609.89 tons
Mines	15 x 16,505		123.79 tons
Grenades	1.47 x 76,112		55.94 tons
Rocket B-40	3.3 x 7,335		12.10 tons
Rocket B-41	1,377 x 5.1		3.51 tons
Artillery	90 x 373		16.79 tons
			945.97
	946 + 328 =		
<u>Total</u>			<u>STPD</u>
Food			9.21
Weapons			2.33
Ammunition			2.88
	Total STPD		<u>14.42</u>

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<b>TRANSMITTAL SLIP</b>		DATE <b>12 December 1968</b>
TO: <b>D/OFF</b>		
ROOM NO.	BUILDING	
REMARKS:  <b>Project S-2893 - Current Appraisal of Logistics in NVN and Laos.</b>  <b>Prepared for briefing of General Maxwell Taylor by Chief, D/I, on 10 December 1968.</b>		
FROM:	<b>D/I</b>	
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8 WHICH MAY BE USED.

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8 NOV 1968

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**AIR OPERATIONS**

The scale of the US air effort over the Panhandle of North Vietnam since July was increased over the level of the second quarter of 1968. The number of attack sorties during the months July through October also exceeded the number during the same months in 1967 by more than 20 percent. The number of attack sorties over North Vietnam during January-October, 1967 and 1968 is given in the following tabulation.

	<u>Attack Sorties</u>	
	<u>1967</u>	<u>1968</u>
January-March	20,550	14,790
April-June	31,730	27,450
July-September	32,040	38,340
October	9,370	11,820

Ordnance delivered during the second and third quarters of 1968 totaled approximately 164,400 tons, exceeding the amount delivered in this period of 1967 by more than 15 percent. During October the tonnage of ordnance delivered was about equal to that in October 1967. During April through July attack sorties by B-52 aircraft, which deliver 10 times the average tonnage per sortie, were five times the level of the comparable period of 1967. Since July, the number of B-52 attack sorties has been below comparable 1967 levels.

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TRUCK SIGHTINGS AND DESTRUCTIONS

Truck sightings and losses increased significantly after 31 March and continued through July. Since July, however, both sightings and losses have continually decreased, principally because of the prevailing poor weather over the Panhandle. From January to March the weekly averages of sightings and losses were 300 and 50 respectively; from April through July 750 and 140. After July weekly sightings decreased to an average of 390 and losses fell to 85.

Subsequent to 1 November several photographic missions indicate substantial truck traffic is continuing particularly on the routes leading into southern Laos.

<u>Month</u>	<u>Truck Sightings *</u>	<u>Truck Losses **</u>
January	2,090	220
February	580	130
March	1,230	300
April	2,350	400
May	3,740	590
June	2,880	560
July	3,700	790
August	2,740	620
September	1,540	300
October	1,120	240

\* CIA preliminary series.

\*\* 75 percent of trucks reported destroyed plus 25 percent of those reported damaged. Agreed DIA-CIA totals.



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TRUCK TRAFFIC THROUGH MU GIA PASS

The continuing logistic activity south of the 19th Parallel is reflected in the count of trucks moving south through Mu Gia Pass into the Panhandle of Laos. Traffic moving south through the pass during the first seven months of 1968 was about 80 percent higher than in the comparable period in 1967; since July this traffic has been about 10 percent higher than during the comparable period of 1967. Trucks continued to move throughout the rainy period in 1968 whereas no trucks moved to the Pass during July and August in 1967. Trucks have continued to move at about the October level since the halt in the bombing.

The estimated average number of trucks moving south through Mu Gia Pass is shown below:

	<u>Average Number of Trucks Per Day</u>	
	<u>1967</u>	<u>1968</u>
January	22	25
February	34	41
March	16	37
April	30	52
May	16	17
June	3	19
July	0	15
August	0	10
September	23	13
October	17	19
November (1-2) (1968)	10	19
December	20	

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WATERCRAFT

Sightings of watercraft South of the 19th Parallel have increased significantly since 31 March. However, part of the increase in sightings is the result of improved flying weather and high sortie rates. From 1 January - 31 March the weekly average of watercraft sightings was 150. Sightings were unusually low during this period due to poor weather in February and March; from April through July the weekly average was 400. Since July sightings have averaged 515 per week, an increase of almost 30 percent. Since 1 November there are indications that greater use is being made of the coastal routes for southbound movements, but no data on the number of watercraft are available. Sightings, and the number of watercraft destroyed since January, are given below:

<u>Month</u>	<u>Sightings</u>	<u>Watercraft Destroyed</u>
January	1290	200
February	305	40
March	390	65
April	1060	135
May	1190	185
June	1880	225
July	2700	530
August	2240	455
September	2675	470
October	2320	395

**SECRET**Seaborne Imports

North Vietnam's seaborne imports reached 1.6 million tons during January-October 1968, 15 percent higher than the record volume for all of 1967. Monthly imports reached a peak in May, dropped off sharply in the third quarter, and began to increase again in October, as shown in the following tabulation:

<u>1968</u>	<u>Thousand Metric Tons</u>
January	196
February	92
March	173
April	153
May	221
June	218
July	152
August	133
September	135
October	164
Total	<u>1,634</u>

Bulk food accounted for more than a third of total imports and petroleum -- about one-fifth. The remainder consisted of fertilizer and general and miscellaneous cargoes. Imports of bulk food and petroleum reached record levels during January-October 1968, exceeding deliveries during all of 1967 by 11 percent and 31 percent respectively. The sharp drop in imports during the third quarter resulted primarily from moderate decreases in deliveries from North Vietnam's main suppliers -- the USSR and Communist China, and sharp decreases from Eastern Europe and North Korea.

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8 NOV 1968

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NORTH VIETNAM'S INDUSTRY

Reconstruction of North Vietnam's damaged industry -- located almost entirely north of the 19th Parallel -- continues to be focused on the main electric power network, showing the importance of this branch of industry to the economy. The pace of construction, however, has slowed perceptibly since July and appears to be undergoing a transition from temporary to permanent repair. One of the powerplants apparently was shutdown for major reconstruction in September, leaving seven of the nine network plants in partial operation. There has been no significant change in available generating capacity. Total electric generating capacity in operation still is slightly less than half of the pre-bombing capacity, compared with about 35 percent at the end of March and only 20 percent during much of 1967.

Of the damaged manufacturing industries, major reconstruction has been observed only at the Haiphong Cement Plant. Two of the seven kilns at this plant now are in operation, compared with one in July, increasing the production potential to one-third of the plant's pre-bombing capacity. There are tenuous signs that preparatory work may be resumed on the large unfinished Thac Ba Hydroelectric Powerplant. Construction was halted in mid-1966. Similar tenuous signs indicate that repair of the heavily damaged Thai Nguyen Iron and Steel Complex may soon be undertaken. Little change in repair activity has been evident at other manufacturing plants.

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**CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
26 September 1968**

**MEMORANDUM**

**Communist Supply Losses in South Vietnam**

The attached publication, to be disseminated tomorrow, is a study of the effects of Communist supply losses as a result of Allied ground action through June 1968.\* The study concludes that despite the mounting losses of essential combat equipment there is little evidence that these losses have significantly degraded the enemy's combat effectiveness or have created insurmountable logistics problems. The enemy's increasing loss of supplies, however, has undoubtedly contributed to the disruption of many of his planned military operations. The effect of supply losses also is compounded by the increasing obstacles to internal distribution within South Vietnam as a result of Allied spoiling operations.

The increasing rate at which supplies have been destroyed or captured during the past three months has not been sufficient to change our overall conclusions significantly. The added logistics burden, in terms of replacing these losses from North Vietnam, is still less than 10 percent of tonnage deliveries to southern Laos during the first half of 1968. The main impact of the recent higher losses will be to aggravate even further the enemy's redistribution problems within South Vietnam. This difficulty is likely to be most severe in III Corps, an area of frequent Allied spoiling operations and the area that is most dependent on a much more tenuous and extended logistics pipeline.

The volume of the enemy's material losses is summarized below:

	<u>Food</u>	<u>Ammunition</u>	<u>Short Tons Weapons</u>	
182 days Jan-June 1968	2,900	494	429	21 tons/day
72 days July-September 1968	1,800	456	118	24.5 tons/day
Total	4,700	950	547	22.6 tons/day

\* This study does not consider losses from air attack and losses in Laos. The combination of these losses, if known, might add significantly to total Communist supplies.

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Our third quarter estimates show that the rate of capture of Communist weapons has declined when compared with weapons losses during the first half of 1968. (See the Table) More significantly, however, ammunition losses have increased dramatically. From 18 August to 17 September over 135 tons of ammunition were destroyed or captured compared to a monthly average of 82 tons in the first half of the year. Compared with the January-June period the daily rate of ammunition losses increased 34 percent for small arms, 121 percent for mortar ammunition, 309 percent for mines and 75 percent for grenades. Food losses also appear to have jumped by about 25 percent during the third quarter. At a current rate of about 600 tons a month they are still well below the monthly average of about 1,200 tons a month during 1967.

The bulk of these losses is felt in I and III Corps which accounted for 80 percent of total losses during both periods. Communist forces in the northern coastal regions of I Corps have had difficulty in mounting sustained military operations in the Hue and Quang Tri areas. This is due principally to the impact of Allied spoiling operations. In addition allied rice denial operations have been a significant factor. In III Corps, allied penetration of both forward and rear area staying points has been a major factor in preempting or postponing planned attacks upon Saigon and other targets.

Many factors contribute to the increasing volume of supply losses. The rising scale of combat, as seen in VC/NVA initiated actions, closely parallels the level of enemy supply losses. The increasing number of US spoiling actions is also a major contributor. More and better Allied intelligence also contributed to the discovery of caches. A final contributor is the decline in enemy battlefield discipline because of the increasing number of less motivated and more poorly trained younger troops.

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Communist Supply Losses, January-June and July-September 1968

<u>Category</u>	<u>January-June 1968</u>	<u>July-September 1968*</u>	<u>Average Daily Percent Increase or Decrease</u>
<b>A. Weapons</b>			
Individual	31,171	5,000	} - 60
Area Served	6,659	1,850	
Rockets	966	200	
<b>B. Ammunition</b>			
Small Arms	1,912,456	1,300,000	+ 34
Mortars	23,648	26,300	+ 121
Mines	4,063	8,200	+ 309
Grenades	23,072	20,400	+ 75
<b>C. Foodstuffs</b>			
(short tons)	2,041	1,800	+ 26

\* Projected through 30 September on the basis of preliminary data.

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Distribution:

- ~~Orig. &~~ 1 - DCI via DDI
- 1 - DDI
- 2 - OD/OER
- ✓ 1 - DD/OER
- 1 - Ch/D/I
- 1 - Ch/I/L
- 1 - St/P/C

DD/OER  (26 Sep 68)

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DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*Communist Supply Losses in South Vietnam*

**Secret**

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September 1968

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
September 1968

INTELLIGENCE MEMORANDUM

Communist Supply Losses in South Vietnam\*

Summary

Material losses suffered by Communist forces in South Vietnam during the first six months of 1968 have been at levels much lower than in 1967 but only because of a very sharp decline in losses of foodstuffs. Losses of weapons and ammunition, however, are far in excess of 1967 levels. The major share of supply losses occurred in the I Corps and III Corps areas, which account for about 85 percent of total enemy losses. Despite the mounting losses of essential combat equipment, there is little evidence that these losses have significantly degraded the enemy's combat effectiveness or have created insurmountable logistics problems. The increasing destruction or capture of enemy combat supplies, however, has undoubtedly contributed to the disruption of many planned military operations.

The following are the major developments in the destruction or capture of enemy supplies in the first half of 1968:

1. Known enemy losses of weapons and ammunition during the first six months of 1968 totaled 920 tons, about 35 percent greater than in all of 1967.

\* *Excluding losses from air attack and losses in Laos. The combination of these losses, if known, might add significantly to total Communist supply losses.*

*Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and was coordinated with the Office of Current Intelligence and the Director's Special Assistant for Vietnamese Affairs.*

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2. Weapons losses on a monthly average increased from about 20 tons in 1967 to 72 tons in 1968, an increase of almost 270 percent.

3. Ammunition losses on a monthly average increased from 38 tons in 1967 to 82 tons in 1968, an increase of more than 115 percent.

4. Foodstuffs losses, however, have declined sharply, from almost 14,000 tons in 1967 to about 2,900 tons during the first half of 1968.

The heavy losses of ammunition and weapons have not resulted in any apparent reduction of the overall combat effectiveness of the Viet Cong and North Vietnamese forces. There is no doubt that enemy forces in South Vietnam -- main, local, and guerrillas -- are better equipped and supplied than ever before. The destroyed enemy materiel represents only a small fraction of the estimated volume of supplies moving through Laos alone and available to the Communist forces in South Vietnam. Replacement of supply losses, including foodstuffs, would require about seven trucks a day, or less than 10 percent of the tonnage delivered to southern Laos during the first half of 1968.

There have been an increasing number of reports of logistical shortages among Viet Cong and North Vietnamese forces this year, but these shortages appear to be localized and are more related to forward distribution problems rather than to any overall weakness in the enemy's logistical system. In the III Corps area, which is dependent on a much more tenuous logistical pipeline, it is probable that the timely destruction of enemy military supplies has been an important factor in pre-empting or preventing sustained attacks upon Saigon or other targets in the III Corps area.

The increased destruction of enemy supplies of weapons and ammunition in 1968 results, in large measure, from the increased intensity of the ground war in South Vietnam. Battalion-size attacks by Viet Cong and North Vietnamese units during the first six months of 1968 have already exceeded the total number of attacks initiated in 1967. There is a close parallel between enemy losses of weapons and ammunition by Corps area and enemy troops killed in action by Corps

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area, suggesting the more enemy dead, the higher the intensity of combat, the higher the level of logistical support, and the higher the enemy's losses of weapons and ammunition. More and better intelligence available to the Allies has also contributed to the increased discovery of enemy arms caches, particularly in the I and III Corps areas. Another factor in the rise in captured Communist weapons has been the decline in enemy battlefield discipline. North Vietnamese troops taken in battle frequently tend to be younger, less motivated, and more poorly trained than in years past.

The increased number of US spoiling actions has undoubtedly also contributed to the higher volume of enemy supply losses. At the same time, a close look at the data suggests that the increase in enemy supply losses is also related to the increased combat initiative and aggressiveness of the enemy forces. The Communists are losing proportionately more offensive weapons this year than last. The enemy lost more than double the number of crew-served weapons, primarily offensive weapons, in the first six months of 1968 than were lost in all of 1967. Losses of mortar rounds in 1968 have already exceeded the number of those losses reported in 1967. The sharp drop-off in the enemy's losses of foodstuffs may be the result of the Allies not invading Viet Cong base areas, where rice is kept in large quantities, as frequently this year as last.

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**SECRET**Materiel Losses

1. The total volume of enemy supplies destroyed or captured in South Vietnam during 1968 has been running at monthly levels far below those attained during 1967. There have been dramatic changes, however, in the types of supplies being destroyed or captured. Enemy losses of foodstuffs during the first six months of 1968 totaled only 2,900 tons, compared with losses of almost 14,000 tons during 1967. Enemy losses of weapons and ammunition for January-June 1968 totaled 920 tons, 34 percent greater than similar losses in all of 1967.

2. A comparison of monthly tonnage losses of weapons and ammunition in 1967 and 1968 highlights the heavy enemy losses of this year. Average monthly weapons losses were almost four times greater in the first six months of 1968 than in 1967. Ammunition losses increased 116 percent, from 38 tons per month in 1967 to 82 tons a month in 1968. The monthly averages of known Communist losses of materiel in South Vietnam resulting from Allied ground operations\* since 1967 are given in the following tabulation:

	Short Tons		Percentage Change 1968 over 1967
	1967	1968 <u>a/</u>	
Weapons	19.50	71.53	+ 267
Ammunition	38.10 <u>b/</u>	82.37 <u>b/</u>	+ 116
Foodstuffs	1,161.75	478.50	- 59
<i>Total</i>	<i>1,219.35</i>	<i>632.40</i>	<i>- 48</i>

a. Through June 1968.

b. Including small arms; crew-served ammunition, grenades, and mines; and an allowance for packaging.

\* Excluding losses from air attack and losses in Laos. The combination of these losses, if known, might add significantly to total Communist supply losses.

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3. In quantitative terms, the number of weapons lost during the first six months of 1968 has already exceeded the number lost by the Communists in 1967 as shown in the following tabulation:

	<u>1967</u>	<u>January-June 1968</u>
Crew-served weapons	2,933	6,659
Individual weapons	28,614	31,171

4. Enemy losses of ammunition have paralleled the increase in Viet Cong and North Vietnamese weapons losses. During 1967, Communist losses of small arms ammunition totaled 2.3 million rounds; losses through June 1968 totaled 1.9 million rounds, an increase of 68 percent over a comparable period of 1967. Enemy losses of mortar rounds have also increased significantly in 1968; by the end of June they totaled almost 24,000 rounds, exceeding in the first six months of 1968 comparable losses for all of 1967. The higher losses of mortar ammunition are probably in part a reflection of the increased use of mortars by the Communists in South Vietnam.

5. The sharp decline in enemy losses of foodstuffs in 1968 -- from 1,160 tons a month in 1967 to about 480 tons a month this year -- shows the continuation of a downward trend that started as early as 1967. In 1966, enemy losses of foodstuffs had totaled about 19,500 tons, declining to about 14,000 tons in 1967. The reason for the decline in captured foodstuffs is not entirely clear, but it may be the result of the Allies not invading Viet Cong base areas, where rice is kept in large quantities, as frequently this year as last. The decline may also have resulted from the Communists being forced to disperse their stockpiles of food to a greater extent than previously to avoid the heavy losses sustained in 1966 and 1967. Enemy losses of weapons, ammunition, and foodstuffs during 1967 and the first six months of 1968 are summarized in Table 1.

#### Losses by Corps Areas

6. Materiel losses were unevenly distributed by Corps areas. Losses in the I and III Corps areas accounted for 83 percent of total Communist supply

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losses in South Vietnam (see Table 2). The heavy loss of supplies in these areas reflects the higher levels of combat which have been taking place in these two Corps areas. In the first six months of 1968, the I Corps area alone accounted for 44 percent of total enemy losses of weapons, compared with 35 percent in 1967. About 62 percent of enemy ammunition losses this year occurred in the I Corps area, compared with only 40 percent in 1967.

7. Enemy losses of weapons and ammunition increased in all four Corps areas in 1968, with the largest increase occurring in the I and III Corps areas. The monthly average of weapons losses in 1968 in the I Corps area has totaled about 32 tons, almost five times the monthly average in 1967. In the III Corps area the monthly average for 1968 has been about 23 tons, compared with 5 tons for 1967. Communist ammunition losses in the I Corps area have increased tremendously in 1968, averaging about 31 tons a month this year, compared with six tons a month during 1967. Average monthly losses of weapons and ammunition for 1967 and 1968, by Corps area, are given in the following tabulations:

	<u>1967</u>		<u>January-June 1968</u>	
	<u>Short Tons</u>	<u>Percent of Total</u>	<u>Short Tons</u>	<u>Percent of Total</u>
Average monthly weapons losses				
I Corps	6.90	35	31.65	44
II Corps	4.80	25	8.76	12
III Corps	5.40	28	23.19	33
IV Corps	2.40	12	7.93	11
<i>Total</i>	<i>19.50</i>	<i>100</i>	<i>71.53</i>	<i>100</i>

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	1967		January-June 1968	
	<u>Short Tons</u>	<u>Percent of Total</u>	<u>Short Tons</u>	<u>Percent of Total</u>
Average monthly ammunition losses				
I Corps	6.00	40	31.12	62
II Corps	2.10	14	4.80	10
III Corps	5.40	36	12.12	24
IV Corps	1.50	10	2.26	4
<i>Total</i>	<i>15.00</i>	<i>a/ 100</i>	<i>50.30</i>	<i>a/ 100</i>

*a. Totals differ from those in the tabulation in paragraph 2 because they exclude losses of grenades and mines, which are not available by Corps area. Losses also exclude packaging. The percentage distribution of ammunition losses, by Corps area, would probably not be changed significantly if the additional data on grenades and mines were available.*

8. Enemy food losses during January-June 1968 also have been heaviest in the I and III Corps areas, as shown in the following tabulation:

Corps <u>Area</u>	<u>Short Tons</u>							<u>Percent of Total</u>
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Total</u>	
I	152	92	160	148	282	360	1,194	42
II	101	93	27	124	35	23	403	14
III	377	245	153	171	99	146	1,191	42
IV	3	4	4	35	1	6	53	2
<i>Total</i>	<i>633</i>	<i>434</i>	<i>344</i>	<i>478</i>	<i>417</i>	<i>535</i>	<i>2,841</i>	<i>100</i>

9. Data on enemy weapons losses in 1968, by Corps area, closely parallel those reported for enemy killed in action, by Corps area, as shown in the following tabulation:

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<u>Corps Area</u>	<u>Percent Killed in Action</u>	<u>Percent Weapons Losses</u>	<u>Percent Ammunition Losses</u>
I	44	44	62
II	13	12	10
III	30	33	24
IV	13	11	4
<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

The close correspondence of data on enemy killed in action and weapons losses by Corps area suggests that enemy losses of weapons are closely related to the intensity of combat operations in the various Corps areas. The overall quality of the North Vietnamese fighting man in the I Corps area has declined somewhat, with the result that the enemy tends to abandon his weapon on the battlefield more frequently than in the past. However, relatively more ammunition has been lost by the Communists in the I Corps area than personnel casualties or weapons losses. This suggests that in order to maintain a large force level in the I Corps area and a higher level of combat, the enemy has had to establish larger-than-usual stockpiles of ammunition in areas where they are subject to increasingly successful detection and destruction by Allied forces.

#### Logistic Impact of Materiel Losses

10. Total enemy losses of supplies in South Vietnam account for about 24 percent of their estimated daily external requirements for supplies in 1968. Enemy losses of foodstuffs are equivalent to 26 percent of external food requirements; losses of Class II and IV supplies, mainly weapons, account for 29 percent of the enemy's external requirements for these supplies; and ammunition losses are equivalent to about 13 percent of the enemy's external requirements for Class V supplies, as shown in the following tabulation:

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<u>Class of Supply</u>	<u>Short Tons per Day</u>		
	<u>Daily External Requirements</u>	<u>Daily Losses 1968</u>	<u>Daily Losses as Percent of Requirements</u>
Class I (food)	60.00	15.60	26
Class II and IV (clothing and equipment) a/	11.80	3.38	29
Class III (POL)	Negl.	Negl.	Negl.
Class V (ammunition)	20.60	2.75	13
<i>Total</i>	<i>92.40</i>	<i>21.73</i>	<i>24</i>

a. *Largely weapons losses.*

11. A comparison of enemy losses and requirements by Corps area suggests that the logistic impact may be relatively severe in some areas. Losses of foodstuffs in the III Corps area, for example, account for more than 38 percent of the daily external logistic requirement. The data suggest that the enemy may also be suffering significant losses of Class II and IV supplies (weapons) in the I and III Corps areas. However, the enemy's losses of ammunition as a share of his requirements in both of these Corps areas -- 16 percent in the I Corps area and 14 percent in the III Corps area -- have not been exceptionally high. Enemy forces in the I Corps area are much closer to the supply bases in North Vietnam and are therefore in a much better position to replenish weapons and ammunition supplies than are the forces in the III Corps area. Conversely, units in the III Corps area can replace lost stocks of food more easily than can enemy forces located in some of the rice-deficit sectors of the I Corps area but have greater difficulty in replacing weapons and ammunition losses. The capture of large quantities of weapons and ammunition in the III Corps area, particularly around Saigon, has undoubtedly aggravated Viet Cong and North Vietnamese problems of ammunition resupply and internal distribution and has made it difficult for Communist forces to maintain continuous pressure against Saigon and other installations in the III Corps area. Enemy losses as a percent of requirements, by class of supply and Corps area, are shown in the following tabulation:

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Corps Area	Class of Supply			
	I (Foodstuffs)	II and IV (Clothing and Equipment)	III (POL)	V (Ammuni- tion)
I	26	35	Negl.	16
II	12	15	Negl.	10
III	38	40	Negl.	14
IV	a/	18	Negl.	4

a. *The Communists have no external requirements for foodstuffs in the IV Corps area, the rich rice-growing area of South Vietnam.*

12. Daily supply losses in 1968 represent only a small fraction of the estimated volume of supplies moving through Laos and available to Communist forces in South Vietnam. The external requirement to offset daily losses, including losses of foodstuffs, would increase by 22 tons a day, the equivalent of seven trucks a day, or about 10 percent of the average daily tonnage delivered to southern Laos during the first half of 1968. This is not a significant addition to the capabilities of the Communist logistics system. The major impact of these losses, in terms of logistics activity, is undoubtedly in the added burden imposed on the distribution and supply system within South Vietnam.

#### Impact on Combat Effectiveness - Evidence of Shortages

13. Despite the heavy losses of weapons that enemy forces suffered in 1967 and the even greater losses thus far in 1968, they have had no appreciable effect to date on overall Viet Cong or North Vietnamese combat effectiveness. In fact, there is no doubt that enemy combat forces in South Vietnam -- main, local, and guerrillas -- are better equipped today than ever before. During 1967 and in the period immediately before the Tet offensive, the Communists infiltrated large quantities of new and improved weapons into South Vietnam. These included large numbers of AK-47 assault rifles; 82-mm and 120-mm mortars; 107-mm, 122-mm, and 140-mm rockets; and the RPG-7 antitank launcher.

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14. The comparatively low level of actions initiated recently by the Viet Cong or the North Vietnamese can be attributed in part to Allied success in uncovering and destroying enemy caches of essential war materiel. Destruction of such caches appears to have played an especially important role in restricting enemy attacks in the Saigon area. However, available intelligence does not support the conclusion that these losses have been the principal factor dictating enemy strategy. Interrogation reports and captured documents make little mention of weapons shortages, and the continued capture of largely new and serviceable arms indicates that Communist forces are resupplying weapons at a high rate. Of the total number of small arms captured in 1967, only about 10 percent of the weapons were of the new family of Soviet and Chinese semiautomatic carbines (SKS) and assault rifles (AK-47). The remainder were a conglomeration of French bolt-action rifles, German Mausers, US rifles and carbines, and Soviet bolt-action carbines. About 90 percent of recently captured weapons were modern and of the type needed by the enemy.

15. There have been some indications in recent months that ammunition shortages have acted as a constraint on Viet Cong and North Vietnamese initiative in certain areas. Shortages are most frequently reported in the I Corps area, the one in which the greatest volume of enemy ammunition expenditures and ammunition losses has been taking place. Again, however, the shortages of ammunition appear to be more related to forward distribution problems than to the destruction by Allied forces of enemy caches. It is doubtful, moreover, that the enemy would have introduced the new family of weapons into South Vietnam on such a widespread basis if the Communists had anticipated any ammunition resupply problems. Finally, the number of captured documents and interrogation reports indicating that both weapons and ammunition are available in sufficient quantities has been greater than the number of reports of weapons and ammunition shortages.

16. Although Allied forces are destroying much less food than formerly, it appears that the enemy is confronted with increasing difficulties in supplying

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food to his combat forces, especially in the I and III Corps areas. Captured documents and interrogation reports are replete with examples of insufficient rations and resulting poor morale. However, the shortages appear very uneven. North Vietnamese units separated by only a few kilometers at Khe Sanh had widely contrasting experiences with respect to the availability of rations and other supplies. Allied interdiction efforts have undoubtedly contributed to food shortages, but analysis of captured documents and interrogation reports indicates that forward distribution problems have probably been the more important factor. Reports of food shortages continue at a high level this year despite a substantial reduction in the amount of food captured and destroyed by Allied forces, suggesting distribution bottlenecks as the principal cause of local food shortages.

17. Shortages of medical supplies experienced by both Viet Cong and North Vietnamese forces are evident in all areas of South Vietnam, except the IV Corps area, and are especially acute in the III Corps area. There is, however, little evidence that Allied destruction of enemy caches has been a major factor in causing these shortages. There have been some reports of other shortages of Class II and Class IV supplies, specifically some deficiencies in the resupply of quartermaster items in the I Corps area. However, none of these shortages are seriously impairing the combat readiness of Communist forces.

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Table 1

Viet Cong and North Vietnamese Supply Losses  
in South Vietnam As a Result of Allied Ground Forces  
1967 - June 1968

<u>Category</u>	<u>1967</u>	<u>1968</u> <u>(1 January - 29 June)</u>
<b>A. <u>Weapons</u></b>		
	<u>Units</u>	
Individual	28,614	31,171
Crew-served	2,933	6,659
Rockets		966
<b>B. <u>Ammunition</u></b>		
Small arms	2,327,341	1,912,456
Mortars	22,418	23,648
Mines	12,776	4,063
Grenades	65,980	23,092
<b>C. <u>Foodstuffs</u></b>		
	<u>Tons</u>	
Rice	13,779	2,841
Salt	162	30

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Table 2  
 Viet Cong and North Vietnamese Supply Losses  
 as a Percent of External Requirements, by Corps Area

Corps Area	Short Tons Per Day										Losses as a Percent of External Requirements
	External Requirements					Supply Losses					
	I	II and IV	III	V	Total	I	II and IV	III	V	Total	
	(Food)	(Clothing and Equipment)	(POL)	(Ammunition)		(Food)	(Clothing and Equipment)	(POL)	(Ammunition)		
I	25.0	4.25	Negl.	10.60	39.85	0.56	1.50	Negl.	1.71	9.77	25
II	18.0	2.83	Negl.	2.75	23.58	2.21	0.42	Negl.	0.28	2.91	12
III	17.0	2.71	Negl.	4.80	24.51	6.54	1.09	Negl.	0.66	8.29	34
IV		2.01	Negl.	2.45	4.46	0.29	0.37	Negl.	0.10	0.76	17
Total					<u>92.40</u>					<u>21.73</u>	24

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Infiltration of Supplies and Personnel  
from North Vietnam  
1968

Infiltration of supplies and personnel from North Vietnam into South Vietnam during 1968 has been at levels considerably above those for 1967. Since the bombing restrictions of 31 March, movements along the infiltration corridors have reached new peaks. April was the highest month for the movement of supplies thus far in 1968, while May saw the greatest infiltration of personnel into South Vietnam.

Personnel infiltration levels are expected to remain high during July and August. Logistic flows, however, will be smaller than during the past dry season, but will still be significantly greater than during the previous rainy season.

Personnel

1. At least 116,400 North Vietnamese have infiltrated into South Vietnam during the first half of 1968, about the same number that infiltrated during all of 1967. The peak month thus far in 1968 was May; when 25,200 North Vietnamese entered South Vietnam. At least 27,000 enemy personnel will enter South Vietnam in July and an additional 28,000 in August. These estimates are conservative because they include only those groups identified in communications intelligence, captured documents, and interrogation reports. Prisoner reports and captured

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material have consistently revealed the entry of more enemy personnel than had been detected in communications. For example, since 1 January 1968 MACV has uncovered evidence of the infiltration of 51,300 troops

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[redacted] Tentative analysis of 4-digit infiltration group numbers suggests that as many as 145,000 men may have infiltrated during the first half of 1968.

2. So far during July only 14 battalion-sized infiltration groups involving an estimated 8,600 personnel have been detected. If this deployment rate continues, the total for July should be about equal to the 17,000 detected in June. This level is roughly half that noted in March, April, and May, and suggests that a decision may have been made by Hanoi not to maintain the high rate established earlier in the year. It is not known whether this decision is the result of a shift in strategy, or an assessment that poor weather conditions in Laos make mass movements impractical during the summer months.

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[redacted]

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Logistics

3. Communist deliveries of supplies into the Laotian Panhandle during the first six months of 1968 are estimated at 225 tons a day. This is more than double the deliveries during the first six months of 1967.\* After deducting requirements for Communist forces and construction workers in southern Laos, an estimated 160 tons a day were available for forwarding to South Vietnam, compared to only 70 tons in 1967. No deduction has been made for losses of supplies due to air attacks, pilferage, breakage, etc. which may run as high as 20 percent.

4. Although roadwatch data for May of this year reveal that the flow of supplies declined sharply, reflecting seasonal trends, the tonnage delivered to southern Laos is still substantially higher than last year during the 1967 rainy season. Indeed deliveries during June of this year are six times higher than that delivered in June 1967.

5. Intensive construction and improvements during the past dry season have given the road network in southern Laos an increased limited all-weather capability.



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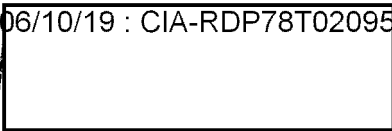
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George Allen called saying the matter of how many North Vietnamese are presently serving in South Vietnam was brought up by Bill Bundy at the 5 July 1968 meeting of the working group. The group was aware of the fact that the issue is a problem in the intelligence community. General DePuy was present. It was opened by some members that such an estimate would have to be a USIB matter. George seemed to think an estimate could be used outside USIB and I believe agreed to bring in such an estimate.



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12 July 1968

MEMORANDUM FOR: George Allen, SAVA

SUBJECT : An Estimate of North Vietnamese Personnel in South Vietnam

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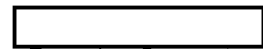
1. As you requested of [redacted] we have come up with what we believe is a reasonable estimate of northern personnel serving the Viet Cong in South Vietnam. However, there seems to be some serious problem in presenting such an estimate to the Interagency Vietnam Task Force. Our strength estimates are still in sharp disagreement with MACV estimates, and the DCI and General Wheeler agreed not to surface contended estimates pending General Wheeler's attempt to gain further agreement with MACV.

2. Our estimate for 30 January 1968 is on the order of 135,000-145,000. Its components are:

Main and Local Forces	110,000-115,000
Administrative Services	15,000- 20,000
[ Infrastructure	10,000 ]
	<u>135,000-145,000</u>

3. The first two components were cabled to [redacted] in May. The 10,000 in the infrastructure is a new estimate.

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Deputy Director  
Economic Research

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downgrading and  
declassification

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<input type="checkbox"/>	ACTION	<input type="checkbox"/>	DIRECT REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	PREPARE REPLY
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<b>Remarks:</b> <i>y Deputy</i> <i>the Director received this from</i> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; vertical-align: middle;"></span> <i>on 14 June. I trust</i> <i>you have seen this, but if not</i> <i>here it is. any problems?</i> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; vertical-align: middle;"></span>			
<b>FOLD HERE TO RETURN TO SENDER</b>			
<b>FROM: NAME, ADDRESS AND PHONE NO.</b>			<b>DATE</b>
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