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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 8 July 1966

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HIGHLIGHTS

General Thi is said to be increasingly amenable to some assignment which will take him outside of South Vietnam. His sudden interest in a foreign assignment probably stems from the realization that he may become a sacrificial pawn in the renewed political fighting within the Directorate.

I. The Military Situation in South Vietnam:
Two new military operations have been initiated—
Operation EWA in Hau Province and Operation HASTINGS
in Quang Tri Province (Paras. 1-2). Binh Thuy Air
Base hit by 40 rounds of mortar fire yesterday (Para.
3). US aircraft inadvertently strike South Vietnam—
ese force (Para. 4). Viet Cong military and political
representatives discuss security measures and attack
plans during two-week meeting in June (Para. 5).
Elements of the 24th NVA Regiment observed in Kon—
tum Province (Para. 6).

Political Developments in South Vietnam:

	General Thi is now reported to desire an assignment outside of Vietnam, preferably in the United States
	(Para. 1).
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	Workers for the American construction consortium receive a 15-percent increase in wages,
	plus fringe benefits (Para. 4).
4	III. Military Developments in North Vietnam:
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•	Another drone reconnaissance vehicle was shot down by a SAM on 8 July (Paras. 7-8). The

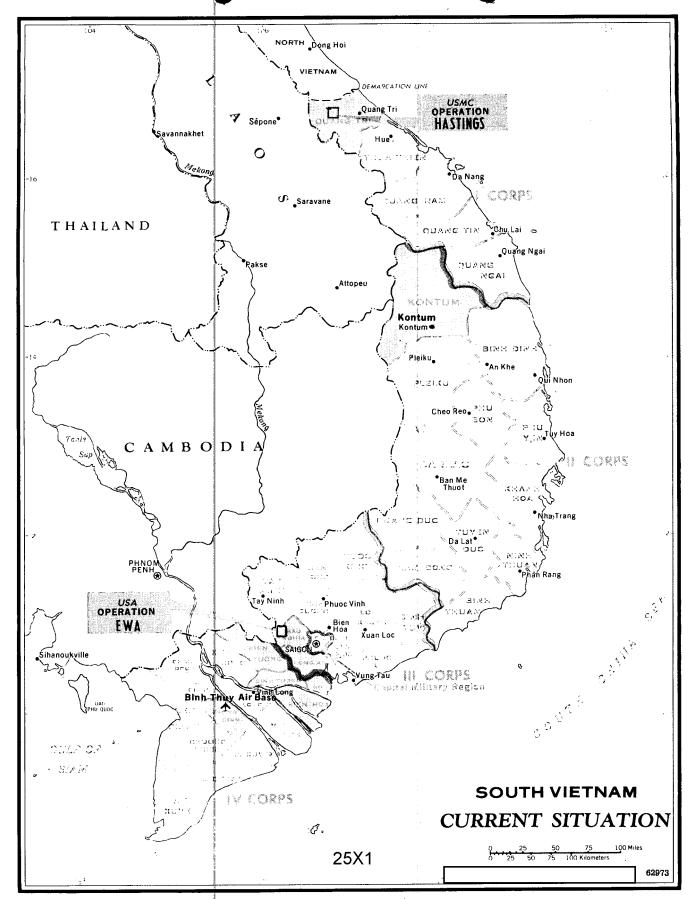
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IV. Other Communist Military Developments: There is nothing of significance to report.

V. Communist Political Developments: North Vietnamese propaganda following US strikes on POL facilities continues to emphasize the determination of the people in both North and South Vietnam to press on with the war (Para. 1).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

One US Marine battalion initiated reconnaissance Operation HASTINGS yesterday in northernmost Quang Tri Province. The 814th North Vietnamese Army Battalion is reported to be near the operational area.

- 2. One battalion of the US 25th Infantry Division began Operation EWA today. This search-and-destroy operation is being conducted in an area about 35 miles west of Saigon in Hau Nghia Province. Two Viet Cong battalions—the 267th and the 269th—with a combined strength of 900 men are reported to be in the area of operations.
- 3. Early yesterday morning the Binh Thuy Air Base, located about 80 miles southwest of Saigon in Phong Dinh Province, was attacked by the Viet Cong. An estimated 40 rounds of 81-mm. mortar fire hit the base during the 20-minute attack. One US Air Force policeman was killed and four other US Air Force personnel were wounded. One helicopter was destroyed, and a helicopter, a C-47, a jeep, and a truck were damaged. Several buildings, including a warehouse, sustained moderate damage. Two South Vietnamese Air Force retaliatory strikes were flown against four suspected Communist mortar positions with unknown results.
- 4. Fourteen South Vietnamese Popular and Regional Force troops were killed and 19 wounded in an attack by US aircraft this morning. South Vietnamese Army officials in the IV Corps had requested a US air strike on an enemy position about 41 miles southwest of Saigon in Kien Hoa Province. Two F-100 Supersabre aircraft responded and made an identification pass on the target which had been marked with yellow smoke by a forward air control aircraft. The F-100 flight leader noted that personnel in the target area did not disperse, and requested the forward air controller to confirm that they had made their identification pass on the right target. The airborne controller checked with the US ground controller and

confirmed that the proper target had been identified. The F-100s then made two strafing passes at the target before a red flare was fired from the ground and the attack was broken off.

<u>Viet Cong Discuss Security Measures and Plans for Attacks</u>

5. Viet Cong personnel from four delta provinces reportedly held a meeting in Dinh Tuong Province from 1 to 15 June. Communist military and political representatives from Dinh Tuong, Kien Tuong, Long An, and Hau Nghia provinces met to discuss security measures and plans for attacks during the monsoon season. The lack of success of the Viet Cong during the dry season was attributed to the careless movement of troops and the failure to conceal the location of troops. In the future, the punishment for security violations will be death. Attack plans discussed included the blocking of South Vietnamese operations in the area and assaults on several South Vietnamese outposts.

Elements of the 24th NVA Regiment Observed Northwest Of Kontum

6. The US 101st Airborne Brigade reported that three montagnards released by the Viet Cong in Kontum Province on 4 July stated that on 2 July two North Vietnamese Army (NVA) companies were located in an area about 50 miles northwest of Kontum town. Many of the personnel were wounded and all the soldiers appeared to be physically exhausted. Based on reports of movements of the 24th NVA Regiment after Operation HAWTHORNE, a multibattalion search—and—destroy operation conducted in Kontum Province from 2 to 20 June, these units may have been elements of the 24th NVA Regiment.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

General Nguyen Chanh Thi is increasingly amenable to some assignment that will take him outside of South Vietnam. This seems to be particularly interested in an assignment in the US, possibly at some senior military school. This sudden interest in a foreign assignment probably stems from the realization that he may become a sacrificial pawn in the political infighting that now appears to have revived within the Directorate. The future of Thisas well as that of four other generals involved in the recent "struggle" movement—is a major issue in the feuding.

4. "Vietnam Builders," the consortium of American construction firms in South Vietnam, today announced a 15-percent increase in the wages of its

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39,000 workers, many of whom were on strike until last weekend. Although the announced wage increase is only half of that demanded by the strikers, fringe benefits, including family allowances and adjustment of pay classifications, may assuage the laborers and keep work going on vital US military projects.

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	Approved For Release 2006/03/10 : CIA-RDP79T00826A001000010022-0	25X1
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	Drone Reconnaissance Vehicle Shot Down 7. Hanoi radio announced on 8 July that a US pilotless reconnaissance drone was shot down by a	
25X1	Hanoi missile unit at noon on 8 July.	25X1
- 25X1	8. This is the 16th drone vehicle lost to a SAM. This particular drone was configured for a high-altitude photographic mission. SAMs have been very effective against this type flight, which generally follows a preset course and cannot take evasive action. Surface-to-air missiles have not been as successful against low-altitude drones.	
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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

V. COMMUNIST POLITICAL DEVELOPMENTS

l. In the wake of the recent US strikes on targets in the Hanoi-Haiphong area, North Vietnamese propaganda has continued to emphasize the determination of the people in both North and South Vietnam to press on with the war. Numerous newspaper articles and propaganda broadcasts since 29 June have pointed to the "worldwide condemnation of the US barbarous acts" and have called upon the Vietnamese people to "hit still harder tintil the US gangsters are completely wiped out." The Hanoi regime has mounted a renewed effort to stir up greater enthusiasm from all segments of the population for the war effort and has even characterized its order calling for the evacuation of nonessential personnel from Hanoi as a measure designed "to assure the defeat of the US aggressor."