

**TOP SECRET**

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CENTRAL INTELLIGENCE AGENCY

*Memorandum*



**THE SITUATION IN VIETNAM**

Information as of 1600  
18 July 1966

State Dept. review completed

ARMY review(s) completed.

PREPARED FOR THE NATIONAL SECURITY COUNCIL  
FURTHER DISSEMINATION OF INFORMATION  
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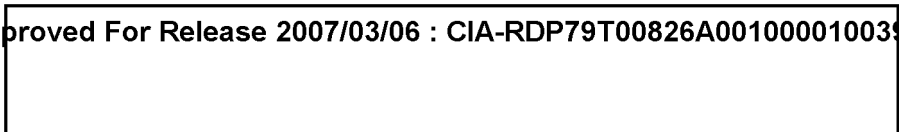
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18 July 1966

HIGHLIGHTS

Several engagements have been reported in the US/ARVN operation under way near the Demilitarized Zone.

I. The Military Situation in South Vietnam:

US and South Vietnamese forces continue to encounter Communist troops in northernmost Quang Tri Province (Para. 1). Operation HAYNES, a border-surveillance campaign in western Kontum Province, began yesterday (Para. 2). An operation to clear Route 1A in Binh Duong Province, Operation CEDAR RAPIDS, began on 17 July (Para. 3).

II. Political Developments in South Vietnam:

The South Vietnamese Government plans to release about 20 North Vietnamese prisoners for repatriation on 20 July (Para. 1). Premier Ky may visit the Philippines next month (Para. 2). The Viet Cong are planning to use terrorism to disrupt the September election in Khanh Hoa Province (Para. 3). Recent reports indicate that divisions within the Buddhist Institute remain unresolved, and Institute policy toward the government and the September elections remains unsettled (Para. 4).

III. Military Developments in North Vietnam:

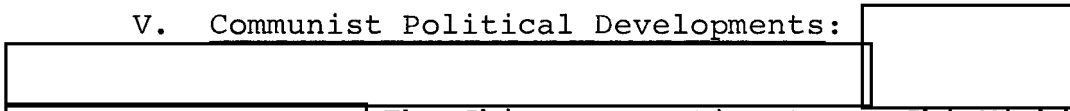
MACV's latest figures on infiltration in 1966 (Para. 1). Elements of the 324th NVA Division--numbering some 5,000 men--are accepted in Quang Tri Province (Paras. 2-4). One of the captured North Vietnamese naval personnel reports on sea infiltration (Paras. 5-8).

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

V. Communist Political Developments:

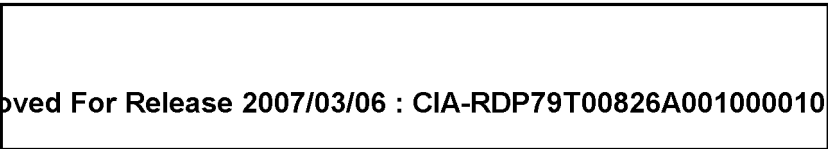
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The Chinese reaction to Ho Chi Minh's

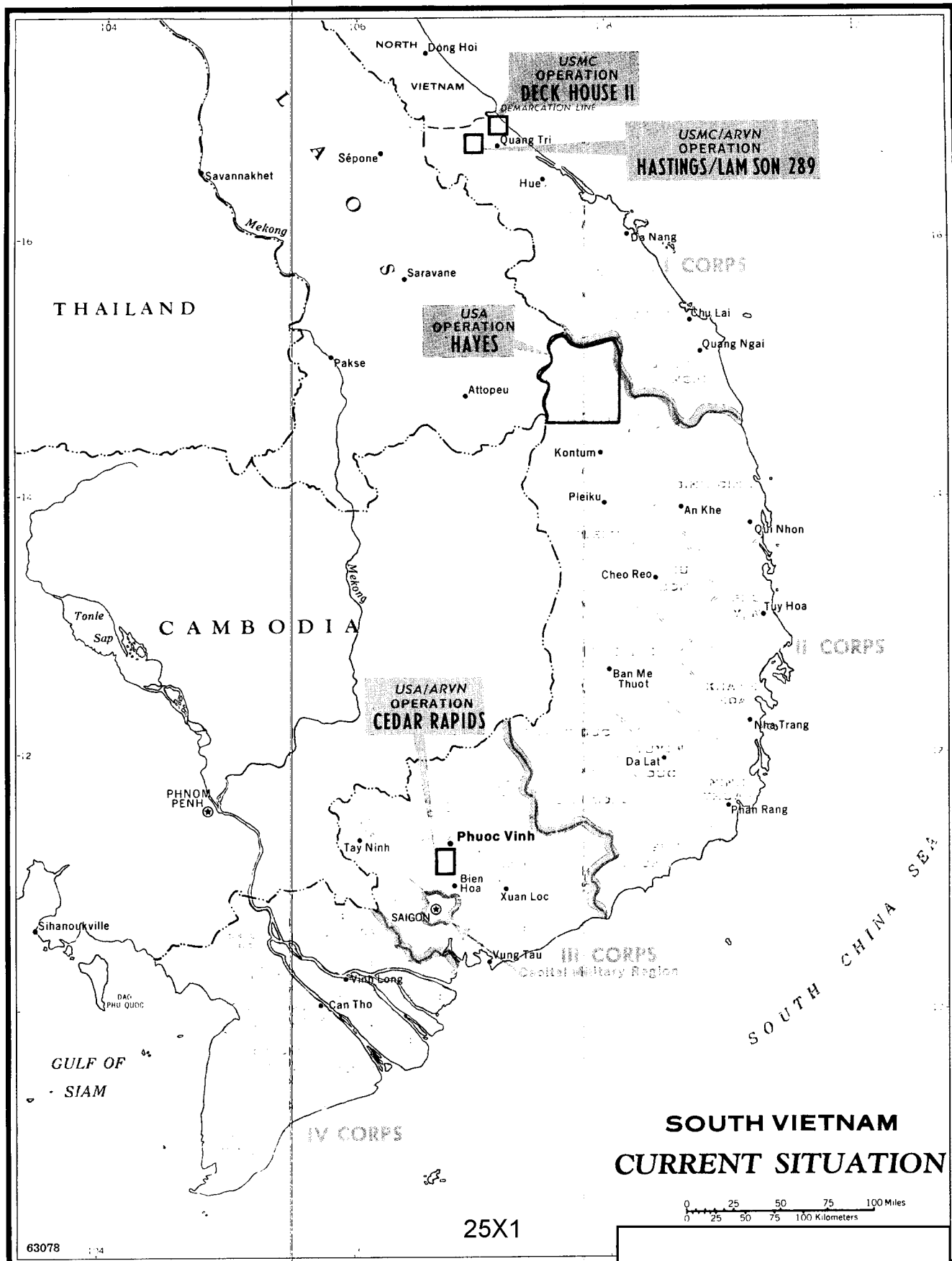


recent speech appears unlikely to cause much joy in Hanoi (Paras. 2-3).

VI. Other Major Aspects: Two days of rain have reportedly cut one of the USSR/China rail lines that carry some Soviet aid shipments to Vietnam (Para. 1).

18 July 1966

ii



I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Joint US - South Vietnamese Operation HASTINGS/LAM SON 289 is continuing near the DMZ in northernmost Quang Tri Province with many platoon- and company-size engagements reported throughout the day. One of the South Vietnamese battalions participating in the operation reported a heavy engagement with an estimated battalion-size Communist force. The friendly battalion was reinforced by the South Vietnamese Black Panther Company, 11 tanks, and a battalion of South Vietnamese Army troops. Preliminary information for today's engagements indicate five US Marines killed and five wounded and eight South Vietnamese wounded with a total of 21 enemy dead reported. Cumulative casualties for this operation, which began on 7 July, included 33 Americans killed and 62 wounded with more than 150 Communists killed.

2. In a continuation of the allied border surveillance campaign in the high plateau region of central South Vietnam, one battalion of the US 1st Cavalry Division (Airmobile) began Operation HAYNES yesterday in northern Kontum Province. The US force will conduct reconnaissance operations against known and suspected Communist infiltration and supply routes. Two North Vietnamese Army regiments--the 24th and the 88th--with a total strength of 3,800 are reported to be in the area of this operation.

3. Two battalions of the US 1st Infantry Division, in conjunction with a South Vietnamese Army regiment, began search-and-destroy Operation CEDAR RAPIDS in Binh Duong Province on 17 July. The area of operation is along Route 1A north of Saigon. This operation is designed to secure Route 1A to allow the movement of supply convoys from Saigon to Phuoc Vinh.

18 July 1966

I-1

4. Operation DECK HOUSE II, conducted along the northern coast of northernmost Quang Tri Province, ended today. The US Marine force engaged in that operation will join other US forces now participating in Operation HASTINGS. No significant action was reported in DECK HOUSE II, but three enemy snipers were killed. There were no American casualties.

18 July 1966

I-2

25X1

25X1

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. The South Vietnamese Government is planning to release about 20 North Vietnamese prisoners for repatriation. The prisoners are being released as a humanitarian gesture in deference to the 12th anniversary of the 1954 Geneva Accords. The prisoners, all of whom apparently will have signed voluntary repatriation agreements in advance, will be released at the border between North and South Vietnam on 20 July, with International Red Cross representatives probably witnessing the event. Thus far, North Vietnamese press commentaries have been critical of the forthcoming event, but have not indicated what type of treatment will be afforded the repatriates.

Premier Ky Apparently to Visit the Philippines

2. According to the South Vietnamese ambassador in Manila, President Marcos today agreed to extend an invitation to Premier Ky for a three-day visit to the Philippines beginning 10 August. No further details of the proposed visit are yet available, although it may have been prompted by President Marcos' recent signing of the Philippines' aid-to-Vietnam bill.

VC Terrorist Plans

3. The Viet Cong are planning to use terrorism to prevent or disrupt the September election for a constitutional assembly in several districts of Khanh Hoa Province

[REDACTED] the Viet Cong are also planning to conduct an antielection campaign in Tay Ninh Province.

Buddhist Developments

4. Conversations yesterday and today between US Embassy officials and Buddhist Institute representatives indicate that policy and leadership problems

18 July 1966

II-1

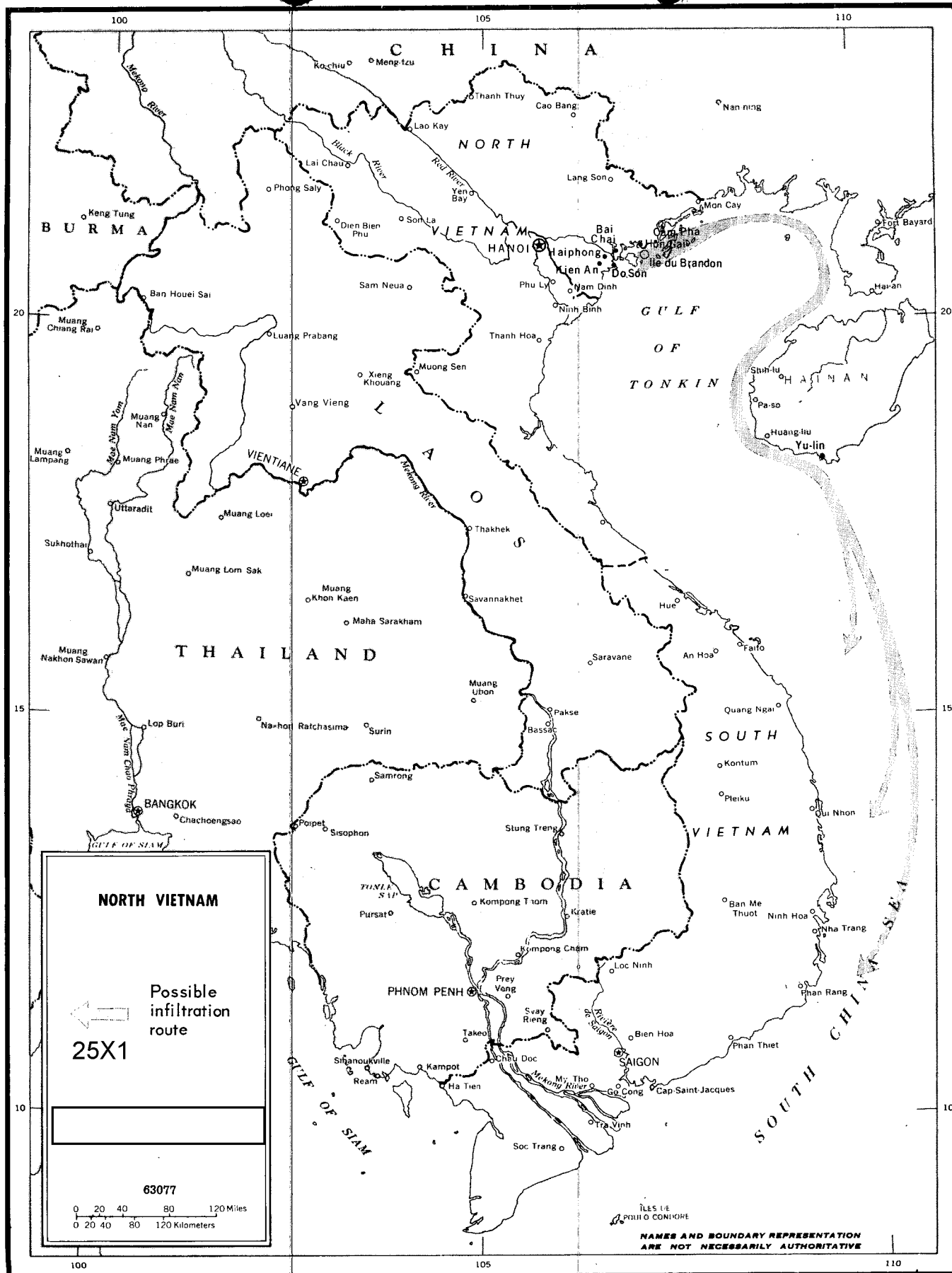
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in the Institute remain unresolved. Moderate Institute chairman Tam Chau has been visiting monks still under government detention in an effort to regain influence among the Buddhists, but he apparently has not been attending Institute council meetings. Some eight or nine Buddhist monks still remain in government custody following the release of about 60 monks on 15 July.

18 July 1966

II-2



III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. MACV's latest figures on infiltration for 1966 now stand at 29,495 men. Of these, 12,020 infiltrators have been confirmed with the remainder carried in the probable or possible categories. This figure, compared with the yearly total of some 26,000 for all of 1965, gives an idea of the magnitude of the Communist effort in the last few months. Possibly as many as half of the infiltrators who have entered South Vietnam in 1966 are fillers for the casualties sustained by VC and NVA units. The other half appear to have infiltrated as regular units of the North Vietnamese Army.

2. The most significant recent infiltration into South Vietnam involves elements of the 324th North Vietnamese Infantry Division. The presence of one regiment of this unit--the 812th--has already been confirmed by MACV. Two other regiments--the 803rd and the 90th--along with division headquarters elements have been accepted in the possible category of the order-of-battle. These forces, estimated to number around 5,000 men, are located in Quang Tri, the northernmost province of South Vietnam.

3. They apparently infiltrated into South Vietnam in recent weeks across the Demilitarized Zone instead of utilizing the normal route through Laos. This new route has the advantage of allowing the troops to make the trip in a relatively short time--one unit reportedly took only 12 days--free from the usual rigors of long marches through the jungle. In addition, they were able to infiltrate without being subjected to air strikes and with the security of North Vietnam close by in case of any need to withdraw hurriedly. This is the first time that regular units of the North Vietnamese Army have been reported as infiltrating across the DMZ into South Vietnam.

III-1

18 July 1966

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4. The infiltration of a force this large at this time may reflect Hanoi's concern with the deteriorating VC military position in the central highlands. The presence of a large Communist force in close proximity to the North Vietnamese border could allow the Communists to mount a number of large-scale attacks in Quang Tri. They might hope such actions would draw off US forces from the highlands, giving their hard-pressed troops there a respite and an opportunity to launch some of their long-planned operations.

5. The interrogation of North Vietnamese naval personnel captured after US aircraft sank three NVN torpedo boats on 1 July 1966 continues with lucrative results. One of the senior officers of the group has provided information on the facilities and tactics of the DRV's program for infiltration of South Vietnam by sea.

6. The source has identified the naval organization associated with sea infiltration activities as "Group 125." [REDACTED]

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[REDACTED] The captured DRV officer reported that infiltration craft, disguised to resemble Chinese Communist fishing trawlers, depart the Hon Gay port area and transit the Gulf of Tonkin to Hainan Island. Navigating close to the western shore of Hainan, the ships are said to make their departure from a point off Yu-Lin for destinations on the South Vietnamese coast. Occasionally infiltration ships may take a longer route around the east coast of Hainan. A Viet Cong prisoner interrogated in June 1965 stated that he had taken part in an eight-day infiltration operation using a route to the east of the Chinese island.

7. The source further reported that while Group 125 units and its headquarters are staffed with naval personnel, they are not responsible to DRV Navy headquarters at Bai Chay but take orders directly from the "high command." The source described the naval personnel detached for duty with Group 125 as "a breed apart" and as "fanatical

18 July 1966

III-2

25X1

Communists who wish to gain revenge against South Vietnam." The group is said to have its communications station at Kien An Airfield, operating under the cover of a meteorological station and that a pier at Do Son serves as an assembly and loading point for supplies destined for the south. He described the pier area as "very sensitive" and stated that security procedures there were extremely strict.

8. The officer reported that normally six Group 125 craft are anchored in the vicinity of Ile du Brandon. The total number reportedly remains constant despite arrivals and departures, suggesting a larger inventory of boats available for infiltration missions. He stated that the ships are painted blue-green and are identifiable by their gun mounts and stanchions, crudely disguised with fishing nets. He observed that bona fide fishing craft would not drape nets in these locations and would have more booms.

18 July 1966

III-3

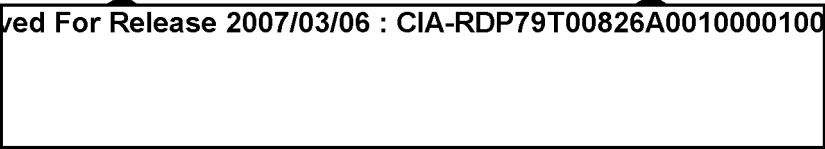
IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing significant to report.

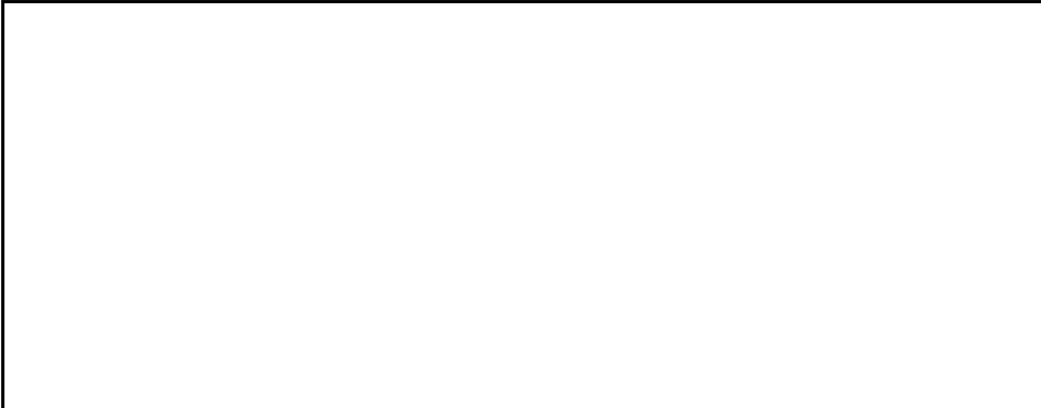
18 July 1966

25X1

IV-1

  
V. COMMUNIST POLITICAL DEVELOPMENTS

25X1

  
Chinese Reaction to Ho's Remarks

2. Chou En-lai's remarks to the North Vietnamese ambassador on 17 July reflect Peking's continued cautious attitude in commenting on aid to Hanoi. The ambassador was delivering the text of Ho Chi Minh's statement and at the same time declaring Vietnamese gratitude for the "resolute, timely, strong, and effective support" given by the Chinese. In response, Chou dragged out shop-worn "lips and teeth" pledges, adding that the "development of history" dictates that the Chinese and Vietnamese people must "stick together, fight together, and win together." Chou was confident that the Vietnamese, led by Ho, will "certainly achieve final victory" but made no mention of help from the "socialist states" in gaining this objective.

3. The People's Daily editorial comment on Ho's statement, broadcast by Peking on 18 July, had a similar ring. It promised "most resolute support" in familiar terms and with the usual caveats. It did not have the ring of enthusiasm that marked Chinese statements on this subject a year ago. In one paragraph the Chinese state that "facts are harsh"--the Vietnamese will either win in this "life-and-death struggle" or all of

18 July 1966

V-1

25X1

Vietnam will be turned into a US colony. Nothing specific is said about what China will do. All the editorial promises is that the Chinese people will back the Vietnamese people in an "unwavering" manner, and declares that "our vast national territory is the rear of the Vietnamese people."

18 July 1966

V-2



VI. OTHER MAJOR ASPECTS

1. Two days of torrential rain in Outer Mongolia have reportedly cut the USSR/China rail line which is believed to carry some Soviet aid shipments to Vietnam. Estimates of the current flood damage indicate that the repair of the line may require as long as a month. The bulk of Soviet aid shipments to North Vietnam, however, enter China farther to the east at Manchouli. This line will probably be able to take up the slack in Soviet shipments caused by the outage of the Mongolian portion of the rail network.

18 July 1966

25X1

VI-1