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CENTRAL INTELLIGENCE AGENCY

*Memorandum*



THE SITUATION IN VIETNAM

Information as of 1600  
14 August 1966

State Dept. review completed

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HIGHLIGHTS

There are continuing signs that a breakdown in negotiations between the government and FULRO, the dissident montagnard autonomy group, may be nearing. At least 11 North Vietnamese POL barges and three gunboats were sunk this week end off Haiphong by US Navy planes.

I. The Military Situation in South Vietnam:  
Only light and sporadic contact with Communist forces was reported this week end (Paras. 1-3).

II. Political Developments in South Vietnam:  
Premier Ky returned to Saigon on 13 August from his three-day official visit to the Philippines (Paras. 1-2). Negotiations between the GVN and FULRO have reached a critical juncture with the failure of Ky to agree to certain demands of the dissident montagnards (Paras. 3-4). FULRO negotiators are reported preparing to leave South Vietnam (Para. 5). The Buddhists are reported to be engaging in antigovernment and antielection protests in Ninh Thuan (Para. 7). Viet Cong are attempting to sabotage elections in Chau Doc Province (Para. 8). Thich Tri Quang continues fasting despite the patriarch's plea to stop (Para. 9).

III. Military Developments in North Vietnam:  
Several North Vietnamese POL barges and naval vessels were sunk by US Navy planes on 12 and 13 August near an unidentified oil tanker anchored some 20 miles east of Haiphong (Paras. 1-3).

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

V. Communist Political Developments:

ports speculating that DRV Minister of Defense Giap has been losing influence continue to come in (Paras. 4-6).

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VI. Other Major Aspects: Prince Sihanouk is apparently calling off Governor Harriman's early September visit to Phnom Penh because of reports emanating from Saigon and Washington that two villages recently attacked by US planes lie on the South Vietnam side of the border (Paras. 1-4).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Only light and sporadic contact with Communist forces was reported over the week end in the 26 ground operations in which allied forces were involved. In the I Corps area four battalions of US Marines continued to engage the enemy in Operation PRAIRIE. The 11-day search-and-destroy effort, covering the same ground near the DMZ as Operation HASTINGS, has so far resulted in four US and 68 enemy dead.

2. In Operation COLORADO/LIEN KET 52 on the border of Quang Nam and Quang Tin provinces, US air strikes on 13 August killed 33 Communist troops. An enemy force of more than 3,000 men, including seven North Vietnamese battalions, is believed to be in the area. The joint USMC/ARVN operation has accounted for 514 VC/PAVN dead since its inception on 3 August 1966.

3. Other corps areas reported no significant contact. In Operation PAUL REVERE nine North Vietnamese soldiers were killed as US, ARVN, and ROK units continued to search along the South Vietnam - Cambodian border for enemy forces. US units have lost 68 killed and 239 wounded in the 15-day campaign while the enemy has lost 532. More than 300 air sorties have been flown in support of the border surveillance effort. On the coast in Phu Yen Province, Operation JOHN PAUL JONES continued into its fourth week with only light contact reported. The US Army/ROK joint effort is providing security for engineers repairing lines of communication near Tuy Hoa. Five US and 161 enemy troops have been killed thus far. In Ba Xuyen Province, ARVN Operation DAN CHI 252 was terminated on 12 August. VC losses were reported to have been 23 dead and 16 captured, while the ARVN suffered only 5 wounded.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Premier Ky returned to Saigon on 13 August, after completing his three-day official visit to the Philippines. In a Saigon press interview, Ky amplified remarks that he made in the Philippines regarding the withdrawal of US forces from South Vietnam. He explained that there has been "much progress" in the military, political, and economic areas since he has come to power, and that if favorable trends continue it would be possible to look forward to the withdrawal of some US troops in about two years.

2. Ky was also queried about his remarks suggesting that some Asian nations were "dragging their feet" in the anti-Communist effort in Asia. He answered that although South Vietnam continued to receive assistance from free Asian nations, what is needed now is closer cooperation and coordination among such nations leading to a unified policy against Communist expansion in Asia.

3. A recent embassy report again points up the seriousness of a potential breakdown in negotiations between FULRO, the dissident tribal autonomy movement, and the government stemming from the failure of Premier Ky to sign a document agreeing to conditions laid down by FULRO for returning to the GVN side. Ky's signature had been expected before his visit to the Philippines. The document itself [redacted] was a more palatable rendering of the earlier FULRO demands and reportedly had the approval of the II Corps commander, General Vinh Loc, and the minister of revolutionary development, General Nguyen Duc Thang. The main point of contention is whether FULRO military units will be permitted to join ARVN and paramilitary forces as separate units. Government negotiators had earlier indicated that a viable formula could be devised to overcome this difficulty.

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[REDACTED]

4. The mission indicates that it doubts that there will be a more favorable time than now for an accommodation between FULRO and the government. A breakdown in negotiations at this juncture would be particularly unfortunate, especially if it leads to a FULRO boycott of the elections. Such a boycott would seriously damage Saigon's argument that the elections will be a free expression of the will of all the peoples of South Vietnam.

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5. [REDACTED] the chief negotiator for FULRO, Y-Dhe Adrang, will return to Cambodia if Premier Ky does not reply to FULRO's conditions by 15 August. Adrang's group has been in South Vietnam since early July awaiting a reply from the government. The FULRO negotiators are reportedly planning an antigovernment demonstration before they depart.

6. Further complicating the confrontation between FULRO and the government is the possibility that the II Corps commander, General Vinh Loc, has ordered that FULRO hostages be taken as a guarantee that other dissidents will return to the government. Such a unilateral action on the part of the government could cause irreparable harm to the negotiations.

#### Election Notes

7. [REDACTED] Buddhist elements have been engaging in antigovernment activity in the town of Phan Rang, Ninh Thuan Province. This activity seems, at least in part, to be directed against the forthcoming elections. At a 12 August antigovernment protest rally at the provincial pagoda in Phan Rang, two Buddhist bonzes promised that they would immolate themselves on 11 September to protest the elections. A hunger strike of unspecified duration was commenced by approximately 150 members of the protesting group.

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8. In Chau Doc Province, early this month, the Viet Cong were reported to be attempting to gather

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up voter registration cards from local residents. The Communists were apparently satisfied when they were told that no cards had been issued yet. The Viet Cong used this tactic to disrupt election procedures, although with only limited success, in the 1965 local council elections.

Buddhist Institute Developments

9. According to press accounts, the supreme patriarch of the Buddhist church in South Vietnam, Thich Tinh Khiet, flew from Hue to Saigon on 12 August in an attempt to persuade Thich Tri Quang to end his antigovernment hunger strike. However,

[redacted]

Tri Quang would continue his fast despite the special plea.

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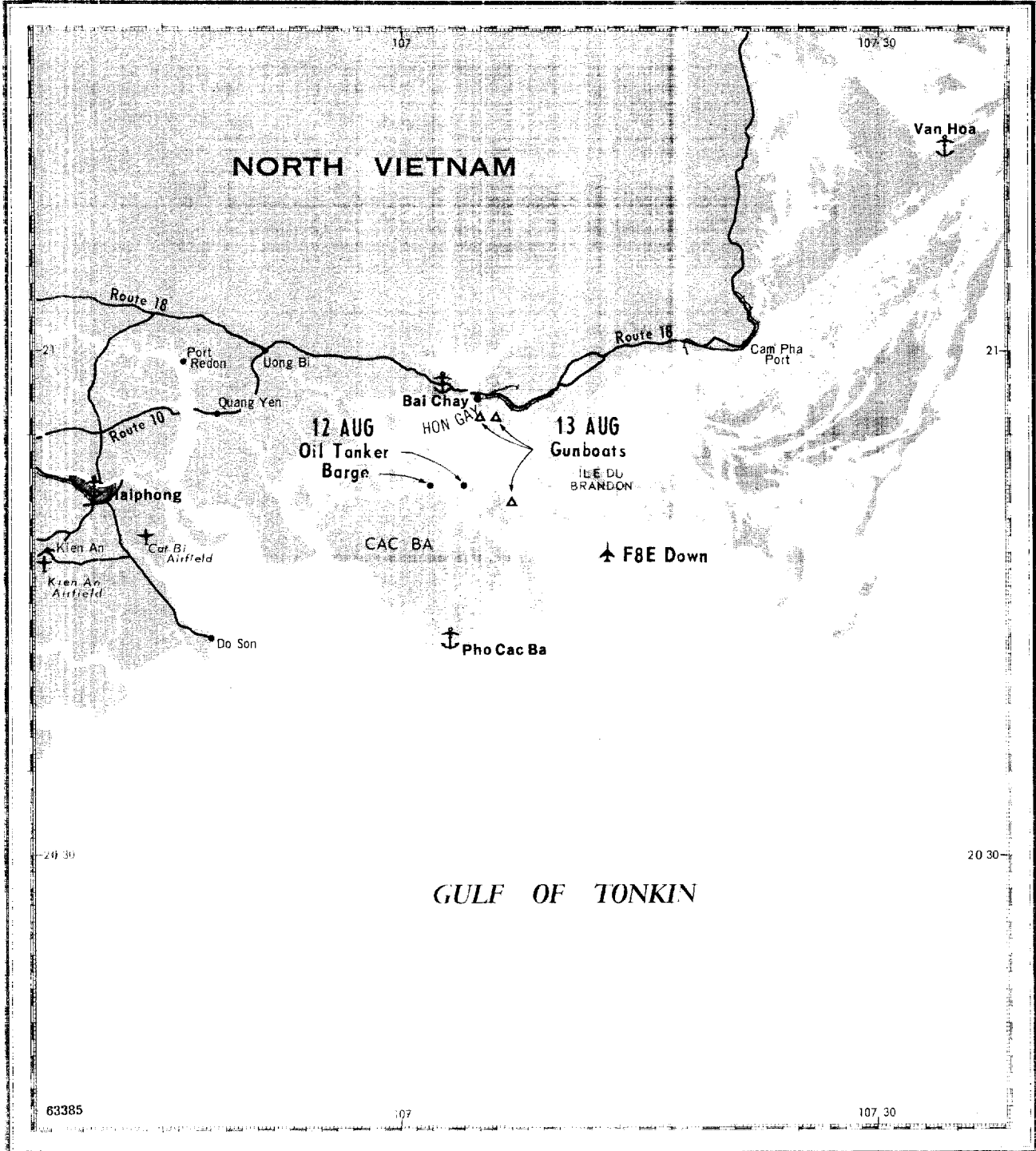
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**NORTH VIETNAM – SITES OF NAVAL ACTIVITY**

**12–13 August 1966**



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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. Several North Vietnamese POL barges and naval vessels were sunk by US Navy aircraft on 12 and 13 August. During the night of the 12th two A-4E Skyhawks using flares discovered an oil tanker anchored north of Cac Ba Island about 20 miles east of Haiphong. Further search revealed four 150-foot POL barges being pulled by a tug about two miles away. A direct hit from the Skyhawks caused one of the barges to explode, setting fire to the others. Pilots flying over the carrier USS Oriskany, 120 miles away, reported that the flames were visible.

2. Poststrike photography showed that as many as eight PT-type vessels--probably Swatow-class motor gunboats--were near the tanker and the barges at the time of the attack. The gunboats were firing from beneath heavy netting used as camouflage. Air attacks carried out on the following day sunk three of the gunboats and at least seven additional POL barges. An F-8E Crusader was shot down by gunfire during the engagement, but the pilot was rescued.

3. The unusual concentration of DRV naval ships about the off-loading tanker and the barges may be indicative of the importance the North Vietnamese attach to this method of bringing POL into the Haiphong area. The DRV Navy has now lost 11 of the 40 vessels estimated to remain in its order of battle on 1 July.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

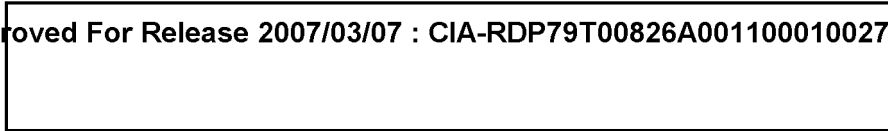



Giap's Status

4. Reports, speculating on the possibility that DRV Minister of Defense Vo Nguyen Giap has suffered a loss of influence in Hanoi because of policy differences with other members of the regime, are continuing to come in.

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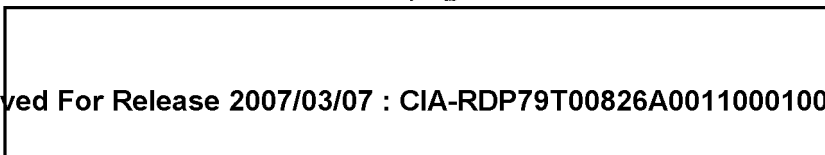
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6. Despite the persistent rumors about Giap, firm evidence of a decline in his influence is still lacking. He has appeared in public in his usual capacity  Moreover, his latest speeches give no impression of any belief that the war should be damped down in South Vietnam. Although there have been some hints in recent articles by Nguyen Chi Thanh, the DRV politburo member said to be in the South directing the war, and others, of possible strategy differences in the Hanoi hierarchy, the exact nature of these differences and their real importance in the present situation is still far from clear.

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VI. OTHER MAJOR ASPECTS

1. Prince Sihanouk is apparently calling off Governor Harriman's early September visit to Phnom Penh. In a 13 August press conference, Sihanouk said that he would ask the Australian Embassy in Phnom Penh to recommend that the Harriman visit be canceled because the "atmosphere has become more and more troubled" as a result of the 31 July and 2 August attacks on border villages by US planes.

2. Sihanouk's earlier reaction to the bombing incidents was relatively mild. He had voiced displeasure that the US did not apologize for the attacks, but indicated that the Harriman talks would proceed nonetheless. His 13 August decision to cancel the visit was in reaction to reports emanating from Saigon and Washington that the attacked villages lie on the South Vietnam side of the border. Sihanouk portrayed these reports as a tacit refusal by the US to recognize Cambodia's boundaries.

3. Sihanouk has been consistently hypersensitive on the border issue. Recognition of Cambodia's borders by neighboring countries and the great powers has been the keystone of his foreign policy. He has taken an inflexible negotiating position with all sides. His recent statements, for example, suggest that border talks with the Vietnamese Communists, which apparently have been under way in Phnom Penh, are not going smoothly.

4. Sihanouk's latest blowup comes at a time when he has been genuinely seeking a lessening of tensions with the US. References in the 13 August press conference to the fact that talks with the US are not possible "at the present time" suggest that he has not ruled out another move toward better relations.

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