CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 21 August 1966

ARMY review(s) completed.

State Dept. review completed

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HIGHLIGHTS

Military activity in South Vietnam was extremely light during the weekend. For the first time in South Vietnam 37-mm. antiaircraft rounds have been reported captured by US troops in Pleiku Province. A high-level North Vietnamese delegation may have recently visited Moscow and Peking.

I. The Military Situation in South Vietnam:
The Australian Operation SMITHFIELD continues to
search Phuoc Tuy Province for the remnants of the Viet
Cong force which suffered heavy casualties on 19
August (Para. 1). Light contact was reported in
Operation PAUL PRESENT (Para. 3)

Operation PAUL REVERE II (Para. 3).

US forces have captured rounds of 37-mm. antiaircraft ammunition for the first time in South Vietnam (Para. 6). Ten people were wounded by four grenades thrown into an American NCO club in Da Nang on Saturday night (Para. 10).

II. Political Developments in South Vietnam: Rumors persist of efforts to revive the Buddhist "struggle" forces in the Hue area (Paras. 1-3).

Steps are about to begin to implement a government agreement with the tribal autonomy movement FULRO (Para, 7). A new strike is reported in the Saigon area (Para, 8).

III. Military Developments in North Vietnam: Three US aircraft were lost during air strikes over North Vietnam this weekend (Paras. 1-4).

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

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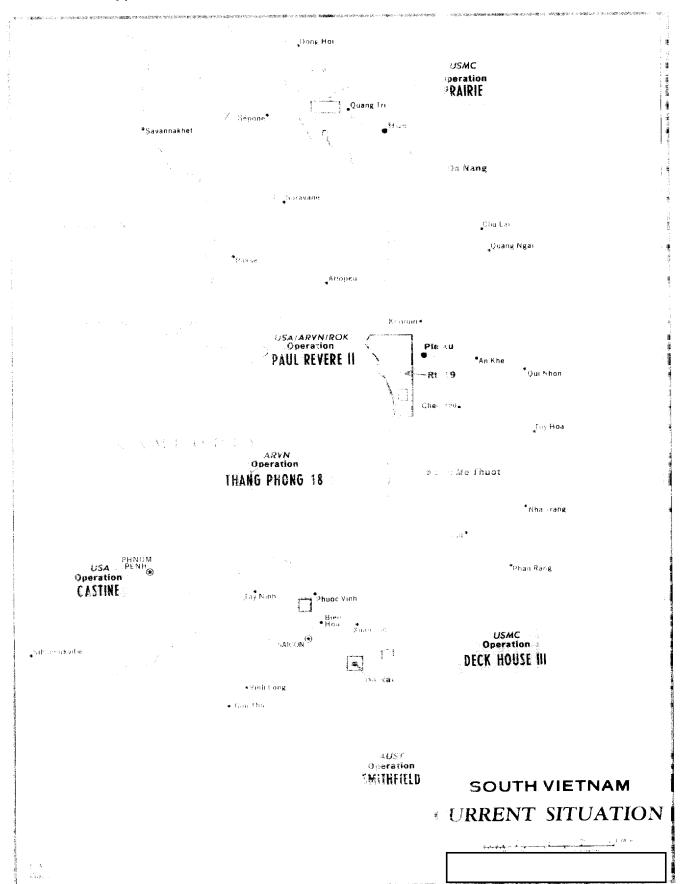
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V. Communist Political Developments: A high-level North Vietnamese delegation is believed to have visited the USSR (Paras. 1-2). Other Vietnamese delegations are in China (Paras. 3-5).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. The one-battalion Australian operation which began on 18 August near Ba Ria in coastal Phuoc Tuy Province has been named SMITHFIELD. US aircraft flew 20 strikes yesterday in support of Australian infantrymen, who continue to sweep the hills and rubber plantations in an area about 40 miles southeast of Saigon in an effort to locate the remmants of the Communist force which the Australians engaged successfully on 19 August. Cumulative casualty figures for this operation indicate 17 Australians killed and 22 wounded. A total of 231 Viet Cong have been reported killed and 62 weapons captured.
- 2. The US Operation DECK HOUSE III has completed its first phase. The one battalion of US Marines in the operation has been reloaded on ships of the US 7th Fleet Special Landing Force. These forces are scheduled to be recommitted on 22 August with an assault on the beaches of Phuoc Tuy Province immediately to the west of the area covered in phase one. No contact with the Viet Cong was established during the initial phase of this operation.
- 3. Light contact was reported on 20 August between US troops participating in Operation PAUL REVERE II and a Communist force of unknown size. The two-and-one-half-hour engagement along Route 19, near the Cambodian border, resulted in one American killed and two wounded. Seven enemy troops were killed, according to a US body count.

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4. Five South Vietnamese Army battalions began a search-and-destroy operation--THANG PHONG 18 --on 21 August in western Pleiku Province in coordination with Operation PAUL REVERE II. Four of these battalions were helilifted into an area about 30 miles southwest of Pleiku town and will sweep toward the northeast. The fifth battalion is being held in reserve. No contact with enemy forces has been reported.

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- 6. Soldiers of the US 1st Cavalry Division in Pleiku Province captured some rounds of 37-mm. antiaircraft ammunition on 11 August. This is the first reported instance of the capture of this type of ammunition in South Vietnam. It adds to growing evidence of the presence in the South of 37-mm. guns, larger than any antiaircraft caliber known to be in Communist hands below the DMZ. Earlier this year, POWs claimed to have seen such guns in the South, and since the beginning of the year allied pilots have occasionally reported seeing airbursts such as a 37-mm. shell would make.
- 7. Operation PRAIRIE continues in northern-most Quang Tri Province with contact reported on 19 August between US Marines and a company-size Communist force. During the five-hour battle, two Americans were killed and 14 wounded. A total of 11 enemy troops were killed.
- 8. South Vietnamese Regional Force and Popular Force units operating about ten miles northwest of Hue in Thua Thien Province established contact with an estimated two-company-size enemy force

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on 19 August, Friendly losses in the two-and-one-half-hour battle included 19 killed, 16 wounded, and two missing. A total of 37 Communist troops were reported killed and eight captured.

- 9. Three battalions of the US 1st Infantry Division began Operation CASTINE on 20 August. This search-and-destroy operation is being conducted in Binh Duong Province in an area where the 272nd Viet Cong Regiment-with a strength of some 2,000 men-is reported to be located. No contact with the enemy has been reported.
- 10. Two Viet Cong terrorists hurled six hand grenades into a crowded US noncommissioned officers club in Da Nang on Saturday night. Four of the grenades exploded, wounding six US servicemen, three US civilians, and one Vietnamese civilian. One of the terrorists was shot and killed and another one was captured. Three other Viet Cong suspects were also arrested.

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. Rumors predicting strikes or some other form of renewed "struggle" activity in Hue this week-end, in connection with the anniversary on 20 August of the Diem regime's crackdown on Buddhist pagodas in 1963, did not materialize. The US consul reported on 20 August that activity in the city appeared normal.
- 2. The consulate has commented, nevertheless, that remnants of the "struggle movement" remain active in the form of a low-keyed propaganda effort, and that rumors persist that "the strugglers" are reorganizing for a new effort. Most of this spring's "struggle" leaders who are still at large appear to be coalescing around a "Committee for the Salvation of Buddhism." Two new publications—both of them antigovernment, antielection, and anti-US—have appeared since mid-July.
- 3. Government authorities, determined not to allow a new antigovernment "struggle" to gain momentum, are monitoring the situation, including the attitudes of the Vietnamese Army's 1st Division in the area. The Hue police chief, however, privately admits that the police in I Corps--reorganized after last spring's dissidence--are still an unknown political quantity.

Election Attitudes

4. Reports continue to be received of both Buddhist and Viet Cong efforts to discredit or disrupt the September constituent assembly election. The embassy has received evidence that the Buddhist Institute's antielection communique of 13 August has been transmitted in the form of instructions to Buddhist representatives in the delta, and possibly throughout the country. Provincial officials report

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an increase of Viet Cong antielection propaganda, but only a few overt acts to date. They anticipate growing Communist harassment, but hope to provide adequate security to assure a substantial voter turnout.

5. Various sources are claiming that certain generals on the Directorate are taking steps to ensure the election of favored candidates, and that similar steps are being taken by some province chiefs. Although the validity of these reports is unknown, they are probably typical of rumors circulating among skeptics who expect the government to control the election outcome.

FULRO Developments

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7. FULRO rep-

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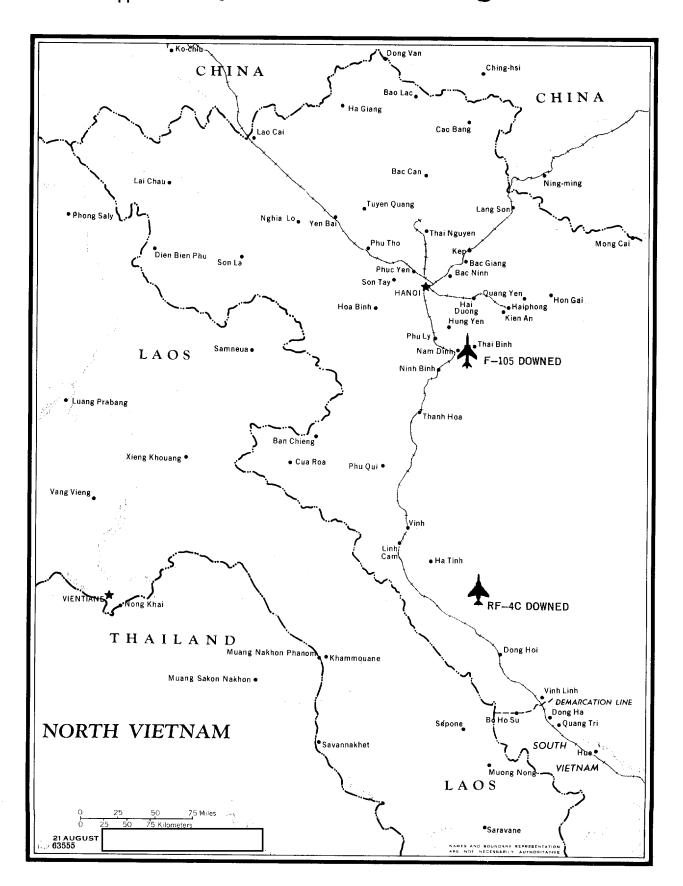
resentatives, although still skeptical of the government's good faith, plan to meet with government representatives in Ban Me Thuot on 24 August to discuss arrangements for the phased return of FULRO troops to GVN control.

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Labor Unrest

8. According to MACV, 400 workers in the Saigon area, engaged in moving goods destined for US troops, went on strike on 19 August. They are protesting a pay reduction resulting from a change of working hours from two 12-hour shifts to three 8-hour shifts. Military personnel have been moving the supplies since the strike began.



III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

- 1. Three US aircraft were lost to battle damage while participating in air strikes against North Vietnamese targets over the weekend.
- 2. A US Air Force RF-4C Phantom was shot down over the southern coast on 20 August. The pilot was rescued by a US Navy helicopter; however, the other crewman was not seen to eject and is presumed lost.
- 3. A US Navy A-4E Skyhawk was damaged on 20 August over North Vietnam. However the pilot was able to bring the disabled aircraft back to the vicinity of his carrier where he ejected and was recovered safely.
- 4. A US Air Force F-105D Thunderchief was downed by Communist ground fire on 21 August about 55 miles southeast of Haiphong. The pilot was recovered in excellent condition.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

High-Level DRV Delegation to Moscow

DRV Premier Pham Van Dong,
Defense Minister Glap, and Deputy Foreign Minister
Tien left Hanoi for Moscow several days ago, via
Peking.

North Vietnamese Missions to China

- gust that the North Vietnamese group, before going to Moscow, spent two days in Peking for talks with Chinese leaders. If so, that visit went unpublicized by Peking.
- 4. Two other North Vietnamese delegations are now in Peking. One, headed by DRV Deputy Premier Le Thanh Nghi--in China to negotiate for economic aid--was given a banquet yesterday by China's Vice Premier Li Hsien-nien. Li's speech during the dinner was a standard reaffirmation of China's support for North Vietnam against the United States.
- 5. Peking announced today that another delegation-from the DRV's State Commission of Science and Technology-had signed a 1966-67 plan for scientific cooperation with China. No details were given.

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