(b)(3)

Approved for Release: 2021/03/25 C03162323 Car and a second SC#00815/68 TOP SECRET Cy 116 COMBINED WATCH REPORT of the UNITED STATES INTELLIGENCE BOARD 31 January 1968 (b)(1)(b)(3)Conclusions We believe that, in South Vietnam, Communist military operations utilizing (b)(3)major units will develop in the two northern provinces and the central highlands, with diversionary harassment tactics being employed on a large scale elsewhere in the country. (b)(1)We expect Communist pressure to continue in both northern Laos and the Pan-(b)(3)handle during the dry season. 1. **Communist International Developments** The Soviet Union has given diplomatic and propaganda support to the North (b)(1)Korean position on the Pueblo incident, while treating it as a matter to be settled be-(b)(3)tween the US and North Korea. Soviet tactics seem to be directed toward delaying or preventing possible US military action, primarily out of genuine concern to ease a potentially dangerous crisis, but also to build a case with Pyongyang for having aided the latter. The Chinese have cautiously announced their support for the North Korean position in the Pueblo incident. (b)(3)(b)(3)

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II. Soviet and Eastern European Military Developments

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Soviet military reaction to the North Korean seizure of the USS Pueblo has (b)(1) been mainly limited to moderate naval activity in the Far East. Soviet naval units (b)(3) continue to shadow the US naval task group in the Sea of Japan off the Korean coast.

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III. Critical Areas

(b)(1)

(b)(3)

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(b)(3)

2. <u>Vietnam</u> (as of 1600 EST, 31 January): Communist attacks on 30-31 Januar(b)(1) throughout South Vietnam, hitting many Allied military installations and population (b)(3) centers, probably were designed to achieve maximum psychological as well as military effect.

We believe that Communist military operations utilizing major units will develop in the two northern provinces and the central highlands, with diversionary harassment tactics being employed on a large scale elsewhere in South Vietnam. In the Khe Sanh area, there has been some evidence of the introduction of Communist armored vehicles and 37mm AAA weapons. Khe Sanh is also within range of various calibers of artillery operating from Laos. (b)(3)

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(b)(3)

3. Laos: The Communists initiated no major new actions within the past week, but there are continuing indications that they are preparing for an imminent attack on Lima Site 85 in Sam Neua Province, an important facility for support of guerrilla operations in Laos and US air operations in North Vietnam. We have had no evidence that Communist forces are moving southward toward Luang Prabang, although there is a continuing potential threat to the area as a result of the heavy FAR losses at Nam Bac. In southern Laos, the fall of the border post of Ban Houei Sane to the North Vietnamese was directly related to the Communist buildup at Khe Sanh. While the Communists have increased their pressures on FAR forces this year as compared with their dry season operations last year, we see no persuasive signs that they have changed their basic (b)(3)strategy or that they are initiating a general offensive in Laos.

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North Korea: Further incidents in the DMZ area within the past week indicate 4. that North Korea intends to maintain its militant attitude toward the US and South Korea. There has been evidence for many months of North Korean preparations for an intensification of harassment operations, and an increase in infiltration operations began last year. We would anticipate further North Korean provocations. (b)(3)

(b)(3)

(b)(1)

(b)(3)