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CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 7 February 1968

INTELLIGENCE MEMORANDUM

The Situation in South Vietnam No. 21 (As of 12:30 P.M. EST)

There has been no basic change in the situation since our report of 7:00 A.M. EST. Following is a roundup of the more significant developments noted from field reports.

I Corps

- 1. Late reports clearly indicate that fighting diminished at the Lang Vei Special Forces Camp during 7 February. However, the status of the installation and its garrison remain unclear.
- 2. Thirty wounded personnel, including 16 US, have been evacuated from the area, but no additional friendly or enemy casualty figures are available. A Special Forces reaction force was reportedly en route to Lang Vei during the late afternoon of the 7th.
- 3. The armored vehicles which supported the estimated company-size assault at Lang Vei have been identified through aerial photography as PT-76 amphibious tanks. This Soviet-built vehicle can float and move through inland waterways. However, it is lightly armored and armed only with a 76-mm. gun and one light machinegun. Of the nine PT-76's photographed at Lang Vei, five were destroyed or disabled.
- 4. The exact origin of the PT-76's is not known, but they may have come from elements of a North Viet-namese armored regiment possibly now located in the Vinh Linh area of southern North Vietnam.



- 5. There have been no reports of significant activity at Khe Sanh or elsewhere along the DMZ since the 7:00 A.M. Situation Report.
- 6. Press reports from Hue indicate slow progress continues in block-by-block fighting.

II Corps

- 7. Except for continuing heavy pressure by Communist forces against the provincial capitals of Kontum City and Dalat, the military situation in the western highlands and coastal provinces of II Corps remains relatively quiet.
- 8. The heavy contact between US forces and elements of the NVA 1st Division's 66th Regiment just northeast of Kontum City apparently continues, but battle results are still sketchy. Meanwhile, the heavily damaged city of Kontum is bracing for a possible epidemic of plague and cholera. There are also reports that the commander of the ARVN 24th Sector Tactical Zone, which has responsibility for the defense of Kontum, has been relieved for incompetence and malfeasance.
- 9. Meanwhile, in Tuyen Duc Province, an estimated 1,500-man Viet Cong force apparently remains entrenched within the city limits of Dalat. A North Vietnamese Army prisoner captured in the recent fighting at the one-time mountain resort has stated under interrogation that the Communist intention is to capture Dalat city and hold it for two months. He further claims that Viet Cong battalions presently en route to Dalat have been ordered to break up into company-sized units and to use propaganda among the population to get them to rally to the enemy cause.
- 10. While presently under tenuous allied control, the provincial capitals of Ban Me Thuot and Nha Trang are bracing for a possible new round of attacks. Elments of B-3 Fronts 33rd and 95 "B" Regiments are said to be threatening Ban Me Thuot, while elements of the 5th NVA Division's 18 "B" Regiment are reportedly massing for an attack in a mountain range west of Nha Trang. The relatively unscathed Phu Bon provincial capital of Cheo Reo also anticipates an attack by enemy forces, some of which



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may be withdrawing westward to Cambodia from recent major attacks on urban coastal centers.

Saigon

11. No clearcut change in the situation in Saigon has emerged in the reporting from the area during the past 24 hours. Security, however, is clearly the worst from all reports on the southwestern side of the city. Most indications of VC movement and activity have come from the race track area in that sector and from the 5th precinct to the south.

North Vietnam Air

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- 13. Hanoi's transfer of six IL-28s from their reserve base at Yunnani strengthens the belief that North Vietnam will undertake significant air operations against friendly forces in the near future. It would be to Hanoi's advantage to employ these strike aircraft before they can be caught by a US raid on Phuc Yen. However, adverse weather or some hold-up in the tactical situation in South Vietnam may have caused a delay.
- 14. Targets in northern South Vietnam still appear to be the most likely objectives of any IL-28 operations, but it is conceivable that they could be used in diversionary attacks against targets in Laos or US naval forces in the Gulf of Tonkin.
- 15. The southward deployment of North Vietnam's AN-2 force may also have been complicated by weather conditions or tactical considerations,

seven AN-2s did depart Hanoi/Gia Lam

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in the late afternoon of 7 February (Hanoi time) and flew at least 50 miles south of Vinh.

16. Additional unconfirmed reports indicate that shortly thereafter these planes attempted to fly further south--possibly to an "inactive" airstrip at Tchepone, Laos, which is located about 35 miles west of the Khe Sanh area.

The AN-2s ran into bad weather and were forced to abort an attempted landing in this region.

The AN-2s did fly north from the vicinity of Dong Hoi in southern North Vietnam and that by 2200 (Hanoi time) three of the planes had

Political Developments

landed at Hanoi/Gia Lam.

- 17. Vietnamese Communist propaganda is stressing that the present military offensive will not necessarily be of short duration, and that difficult days for the allies are still ahead.
- 18. Earlier appeals seem to characterize the fighting as "urgent" and stressed the immediate objectives, whereas Front and Hanoi statements in recent days have frequently predicted that the fighting would become fiercer and fiercer, but that greater victories are yet to come. The AFP correspondent in Hanoi, whose material is censored through and sometimes inspired by the North Vietnamese, reports he was told that the present fighting is only the beginning of a "new phase" of the struggle and that there will be a "second phase" to prevent the allies from recovering from the first blow.
- 19. In the absence of any genuine popular uprising, the Communists have probably found it necessary to bolster Viet Cong morale in some quarters by stressing that the fighting must continue in order to nail down the partial successes achieved in the initial Tet thrust. Such propaganda is also designed to encourage greater uncertainty and fear among the already shaken populace and to magnify and prolong the Communist threat.



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