

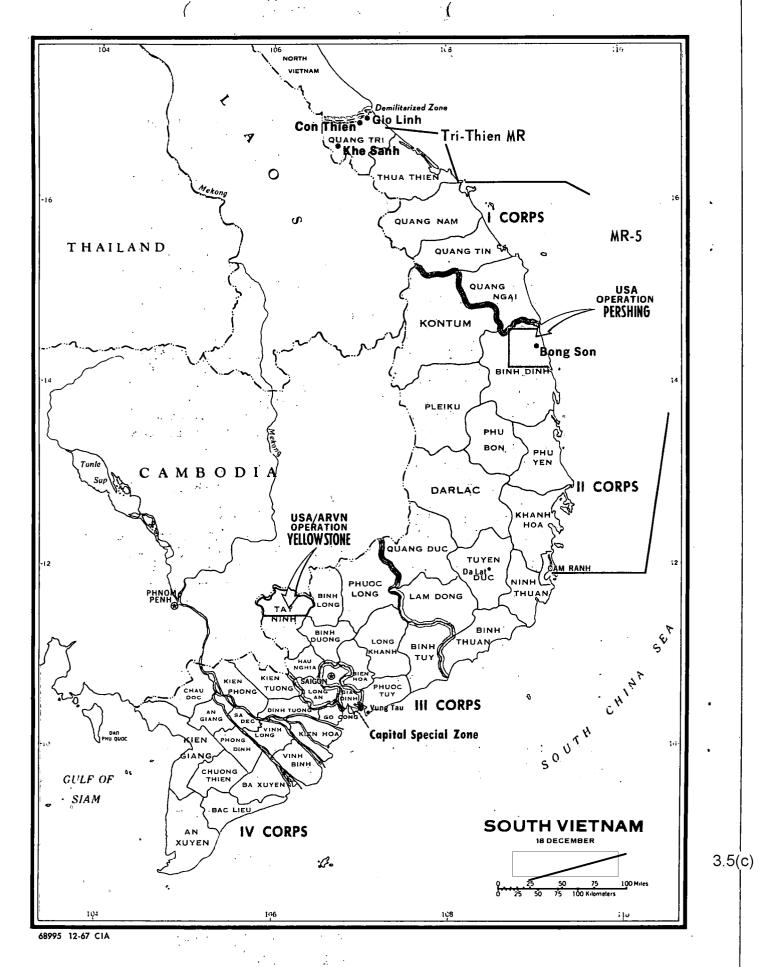
DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

Top Secret

18 December 1967



I. THE MILITARY SITUATION IN SOUTH WIETNAM

- 1. Fighting in the Bong Son plains in north-eastern Binh Dinh Province has tapered off following the action there on 15-16 December. Casualty lists show that the US troops of Operation PERSHING killed 128 Communists during the two-day battle. American losses for this engagement remain 22 killed and 52 wounded.
- 2. The enemy unit involved in the fighting has been identified as the 2nd Battalion of the North Vietnamese 22nd Regiment. This regiment, a subordinate of the North Vietnamese 3rd Division, has borne the brunt of the recent fighting in the flatlands north of Bong Son. Despite indications that the regiment has been reinforced and resupplied recently, its ability to maintain the recent high level of activity has probably been impaired.
- 3. In northern Tay Ninh Province, an estimated company-size enemy force attacked the site of a CIDG camp under construction with 75 rounds of 82-mm. mortar and recoilless rifle fire late on 17 December. The 45-minute barrage resulted in the wounding of 35 CIDG personnel and three US advisers. Enemy losses are unknown. Communist forces have previously harassed this site as well as other allied field positions established in northern Tay Ninh Province during Operation YELLOWSTONE.
- 4. A total of 78 Viet Cong were killed and 27 weapons captured during a fierce 30-minute firefight with elements of the South Vietnamese 9th Division in the Mekong Delta province of Vinh Binh on 18 December. The South Vietnamese force was supported by well-coordinated artillery fire and air strikes. The enemy force was identified as the provincial Viet Cong unit.

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Developments in the Demilitarized Zone Area

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- A recently captured enemy notebook indicates that the North Vietnamese may conduct a diversionary campaign in the Con Thien area this winter while launching their major offensives farther south in the Tri-Thien Military Region and coastal Military Region (MR) 5. The Tri-Thien region encompasses the southern half of Quang Tri Province and all of Thua Thien Province. Military Region 5 extends from Quang Nam Province south to Khanh Hoa Province in central South Vietnam.
- Several other recent developments lend some credence to the information in the notebook. The buildup of enemy units in base area 101 south of Quang Tri city, the recent movement of the North Vietnamese 31st Regiment toward the A Shau Valley southwest of Hue, and the movement of elements of the North Vietnamese 304th Division into the Laos panhandle west of Khe Sanh all suggest a shift in emphasis to areas south and west of the Demilitarized Such a shift could, in part, be an effort to bring the war closer to South Vietnam's population centers and to create yet another battle area in which to pin down allied forces. Nonetheless, the North Vietnamese can be expected to employ heavy rockets and artillery across the Zone with increasing intensity as the weather improves in . January and February.
- The captured notebook had been maintained by a company political officer, possibly in a unit subordinate to the North Vietnamese 90th Regi-The information in the book was dated November and December, 1967, and may have been derived from a "Commanders Conference" which was held recently north of the demarcation line.
- Other entries in the book refer to a party committee meeting held on 24 November in which it was reported that US troops were withdrawn from the unit's area and replaced by South Vietnamese soldiers. This probably refers to the position between Con Thien and Gio Linh which now is manned by South Vietnamese troops. The committee interpreted this development as an indication that the US forces were preparing to go on the offensive, citing as a

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. During a meeting with President Thieu on 14 December, All-Vietnam Bloc Chairman Tran Van An reportedly got Thieu's agreement in principle to send a four- or five-man team to survey provincial administrations in a number of areas and make recommendations for improvement. The team

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would be headed by An and manned by political, administrative, military, and communications media specialists who would also try to find ways the government could improve its image with the inhabitants. An is to discuss details of the plan with Thieu's brother, Nguyen Van Kieu.

2. On the subject of his own conduct of affairs in the presidency, Thieu reportedly told An that he must be slow in acting if he is to be a "prudent man." This comment was prompted by An's remark that many people, even Thieu's brother, feel Thieu is too meditative and too slow to react to situations and problems.

Strike Averted

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3. The threatened strike of the Electrical Workers' Union has been averted. The Compagnie des Eaux et d'Electricite has given the workers their severance pay and the Ministry of Public Works has agreed to give them an extra month's salary and a Tet bonus in January. An increase in the cost of living allowance will be discussed at a meeting this week. Union leaders say these terms are satisfactory.

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