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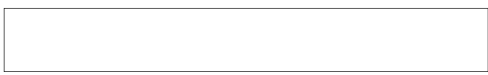
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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam



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22 December 1967

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Information as of 1600
22 December 1967

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HIGHLIGHTS

Another Chinese antiaircraft artillery division has apparently moved into South China; this suggests that one of the Chinese antiaircraft divisions in North Vietnam may be replaced.

I. The Military Situation in South Vietnam:

Five South Vietnamese civilians were killed and nearly 50 wounded during enemy mortar and rocket barrage just south of Hue late on 21 December. Additional enemy mortar attacks and skirmishes were reported in scattered areas, but no large-scale fighting developed (Paras. 1-2). US forces have begun a new operation in the Loc Ninh - Bu Dop area along the Cambodian border northwest of Saigon (Paras. 3-5).

II. Political Developments in South Vietnam:

The lower house of the National Assembly joined the Senate in voting down the government's partial mobilization decree (Paras. 1-2). The Senate on 22 December elected Nguyen Van Huyen as its permanent chairman (Paras. 3-4). General Khang has voiced his discontent with President Thieu's leadership and has predicted the military will have to remove him after the war if he does not improve (Paras. 5-6). Four of 26 Da Nang "strugglers" were convicted of treason and given relatively light sentences (Para 7). Strikes threaten transportation and electrical services (Paras. 8-10).

III. Military Developments in North Vietnam: There is nothing of significance to report.

IV. Other Communist Military Developments: The movement of another Chinese Communist antiaircraft artillery division to South China suggests that one of the Chinese divisions in North Vietnam may be replaced (Paras. 1-3).

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V. Communist Political Developments: Hanoi is apparently taking a cautious approach to President Johnson's recent television remarks in much the same manner as it treated Ambassador Goldberg's remarks of 2 November regarding Liberation Front participation at the UN (Paras. 1-3).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Five South Vietnamese civilians were killed and nearly 50 wounded on 21 December during a 45-minute mortar and rocket barrage directed at the Thua Thien Provincial Reconnaissance Unit compound just south of Hue. Ten houses were destroyed. An allied reaction force drove off the attackers.

2. Other enemy mortar attacks and skirmishes were reported in scattered parts of the country on 21-22 December, but no large-scale fighting developed. The recent step-up in terrorist incidents in the Saigon area has continued. A terrorist threw a grenade into a group of US servicemen standing at a bus stop early on 22 December; five were wounded.

New Allied Sweep in Northern III Corps

3. The 1st and 2nd Battalions of the US 11th Armored Cavalry Regiment began Operation FARGO in northern Binh Long and Phuoc Long provinces early on 22 December. The operation is directed against three subordinates of the Viet Cong 9th Infantry Division--the 271st, 272nd, and the 273rd regiments--currently scattered in the Loc Ninh - Bu Dop area of northern III Corps.

4. The Viet Cong 9th Division is estimated at nearly 4,000 men. Another 4,000 enemy troops--including the headquarters of the North Vietnamese 7th Division, the Viet Cong 275th Regiment, and the North Vietnamese 88th Regiment--are believed situated within seven miles of the area of the operation.

5. Some of these Communist main force units have recently suffered heavy losses and may attempt to avoid the US force. Nevertheless, other units such as the North Vietnamese 88th Regiment may offer stiff resistance in order to protect sensitive base and supply areas and the withdrawal and/or the infiltration of other enemy forces.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. The government's bid to have the National Assembly endorse its partial mobilization decree was rejected by the Lower House on 21 December. The Lower House's action follows a similar move by the Senate and clears the decks for the National Assembly to move ahead with creating its own version of a national mobilization order. One of the dilemmas facing the legislature in this regard, according to Senator Nguyen Van Chuan, is how to do this without the government or the assembly losing face.

2. Despite its setback, the government is going ahead with plans to implement the controversial decree. It was announced in Saigon on 21 December that veterans in the 18-33 age bracket will be recalled in 1968.

Upper House Chairman Elected

3. The Senate on 22 December elected Nguyen Van Huyen, a Catholic, as its permanent chairman. Huyen, President Thieu's favorite for the post, beat out the popular Tran Van Don who had been the leading contender for the post. Two other Catholics, Nguyen Gia Hien and Hoang Xuan Tuu, were elected vice chairmen.

4. Senator Nguyen Van Ngai, a Revolutionary Dai Viet Party member, recently disclosed to an embassy officer the formation last week in the Senate of a new coalition of about 40 senators calling themselves the Group of Independent Senators. Ngai declined to call the group a bloc, and did not define it any further. He also claimed that it included all senators except those who belong to the National Democratic Socialist Bloc headed by the two Catholic senators, Nguyen Gia Hien and Huynh Van Cao.

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Discontent Among the Military

5. General Le Nguyen Khang, III Corps commander, has again voiced his discontent with President Thieu's leadership of the government. Khang is particularly disappointed with Thieu's failure to initiate any major programs and added that if Thieu does not become more effective it will be necessary for the military to remove him, but not until the war is concluded. He believes that any extra constitutional action now would create serious problems with South Vietnam's allies and disrupt the war effort at a time when he believes that victory is in sight.

6. Khang also expressed doubts that the government would be able to make any significant headway against corruption. He does not, however, entirely blame the government for its failure, claiming that corruption is an issue that is quite complex and very deeply interwoven in the political and economic fabric of the country. He despairs altogether of any anticorruption campaign catching the "big operators," whom he declares have political leverage and are too clever in arranging their dealings. He does think that a campaign against corruption may sweep in lower officials who do not have protection. Part of the problem in rounding up big offenders is finding subordinates who are willing to risk their careers by testifying against corrupt superiors.

"Strugglers" Convicted

7. According to a late press report, four former members of the Buddhist "struggle" effort of early 1966 were convicted of treason on 22 December. Twenty-two other defendants, all military officers, were reportedly acquitted. Prominent among those convicted were the former mayor of Da Nang, Dr. Nguyen Van Man, and a former area commander in Quang Nam Province, Colonel Dam Quang Yeu, both of whom received relatively light sentences of ten years for what is normally a capital offense. It remains to be seen whether President Thieu will exercise clemency as he has previously indicated he might.

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Strikes and Strike Threats

8. Workers have struck both Pan American and Air America demanding substantial wage increases, and electrical workers are again threatening to strike since they are not convinced they will get the benefits they have been promised. Four hundred Vietnamese walked off their jobs at Pan American on 21 December to enforce their demand for a 30-percent increase in wages, maintaining they will continue striking until their demands are met. The situation has been aggravated by a false rumor that the company would import foreign workers to continue service.

9. At Air America, 700 Vietnamese employees struck on 22 December after no agreement was reached on their demands for a 40-percent wage increase and other benefits. The embassy reports that Air America's operations may be drastically curtailed if the company's foreign workers also strike in support of their own demands for an 80 percent increase in wages.

10. In addition to these strikes, the electrical workers' union is once again threatening to strike on 25 or 26 December against the French-owned power company whose franchise will be taken over by the government on 31 December. The union apparently is dissatisfied with the letter from the minister of public works promising them a wage increase and bonuses, fearing that the government's commitments will not be kept. US officials are actively concerned with all of these labor difficulties and are trying to keep negotiating channels open.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. Another Chinese Communist Air Force anti-aircraft artillery division has apparently moved into South China, possibly to replace a unit already stationed there for duty in North Vietnam. [redacted]

[redacted] 104th Anti-aircraft Artillery Division has moved into the Nan-ning/Ning-ming area. The previous location for this unit is not known.

2. The movement of the 104th could portend the replacement of the air force's 105th Antiaircraft Artillery Division, which has been stationed in the Lang Son area of North Vietnam for over six months. Chinese antiaircraft units in the past have been rotated in and out of North Vietnam in six-to-eight month cycles. Either the 111th or 113th divisions currently at Ning-ming would probably be the replacement. The newly arrived 104th would fill the gap at Ning-ming. The Army's 64th Antiaircraft Artillery Division at Yen Bai in northwestern North Vietnam is also due for rotation soon.

3. The arrival of the 104th raises the number of major Chinese antiaircraft artillery units in the Nan-ning/Ning-ming area from five to as many as seven divisions. The normal contingent was three divisions until October 1967.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. The Vietnamese Communists are taking a cautious public approach toward President Johnson's television remarks about possible South Vietnamese contacts with the Liberation Front. There has as yet been no official comment from either Hanoi or the Liberation Front.

2. The chief of the Front mission in Prague, however, seems to have dismissed the President's statements rather perfunctorily, but probably without any authoritative instructions. A Czech newspaper says he "answered" President Johnson in an interview on 20 December. "We do not intend in any way either to ease the position of the Saigon puppets or to help the American imperialists solve their problems," he said.

3. Hanoi appears to be wary of such brusque disclaimers, probably because it sees US encouragement of contacts between Saigon and the Front as another step toward bolstering the role of the Front in any future settlement. The Vietnamese Communists took a similar approach toward Ambassador Goldberg's congressional testimony on 2 November in which he said the US would not stand in the way of Front representatives appearing at the UN Security Council or at a Geneva-type conference. They completely avoided comment on Goldberg's remarks at that time. Only after the US disclosed Front overtures for a presence at the United Nations did the Vietnamese Communists address themselves to the issue. Then both Hanoi and the Front denied the overtures and once again dismissed the competence of the UN on Vietnam issues.

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