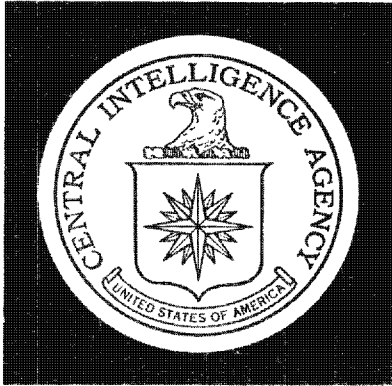


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DIRECTORATE OF  
INTELLIGENCE

# WEEKLY SUMMARY

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48

19 January 1968  
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C O N T E N T S

(Information as of noon EST, 18 January 1968)

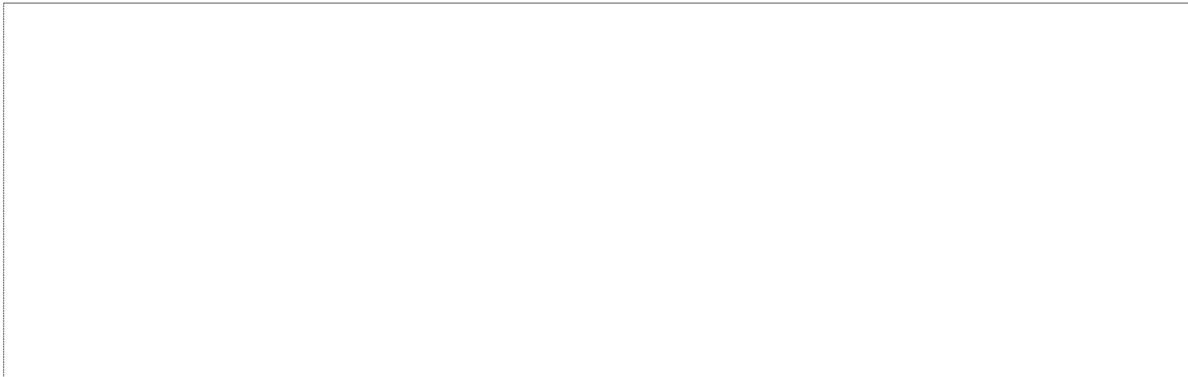
Far East

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
VIETNAM	3
<p>Enemy aggressiveness has continued to increase during the first weeks of the year. The government in Saigon settled the electrical workers strike, but its heavy-handed tactics created widespread popular resentment. Hanoi, meanwhile, is trying to maintain the political initiative by stressing the favorable impact of its latest gesture on talks with the US.</p>	



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COMMUNISTS STEP UP MILITARY OFFENSIVE IN LAOS	7
<p>The Communists, maintaining pressure on government forces in northern Laos, have captured Nam Bac in the most significant success of their current dry-season offensive.</p>	



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## FAR EAST

Hanoi's latest statement on talks with the US continues to dominate the political stage. North Vietnamese propaganda claims that Foreign Minister Trinh's statement of 30 December has become the "focus of world public opinion." Hanoi is trying to sustain the momentum of this political offensive by insisting that the ball is now in Washington's court and pointing out that the US so far has not responded to Trinh's gesture.

In Saigon, President Thieu has attempted to counter Hanoi's move and to reassure South Vietnamese who have shown growing uneasiness over the possibility of unilateral US peace initiatives. In a major speech on 15 January, Thieu attempted to gain greater leverage on US decisions by insisting that South Vietnam should have the "central role" in any peace moves. Thieu also reaffirmed the right to pursue Communist forces if they continue to use staging areas in Cambodia.

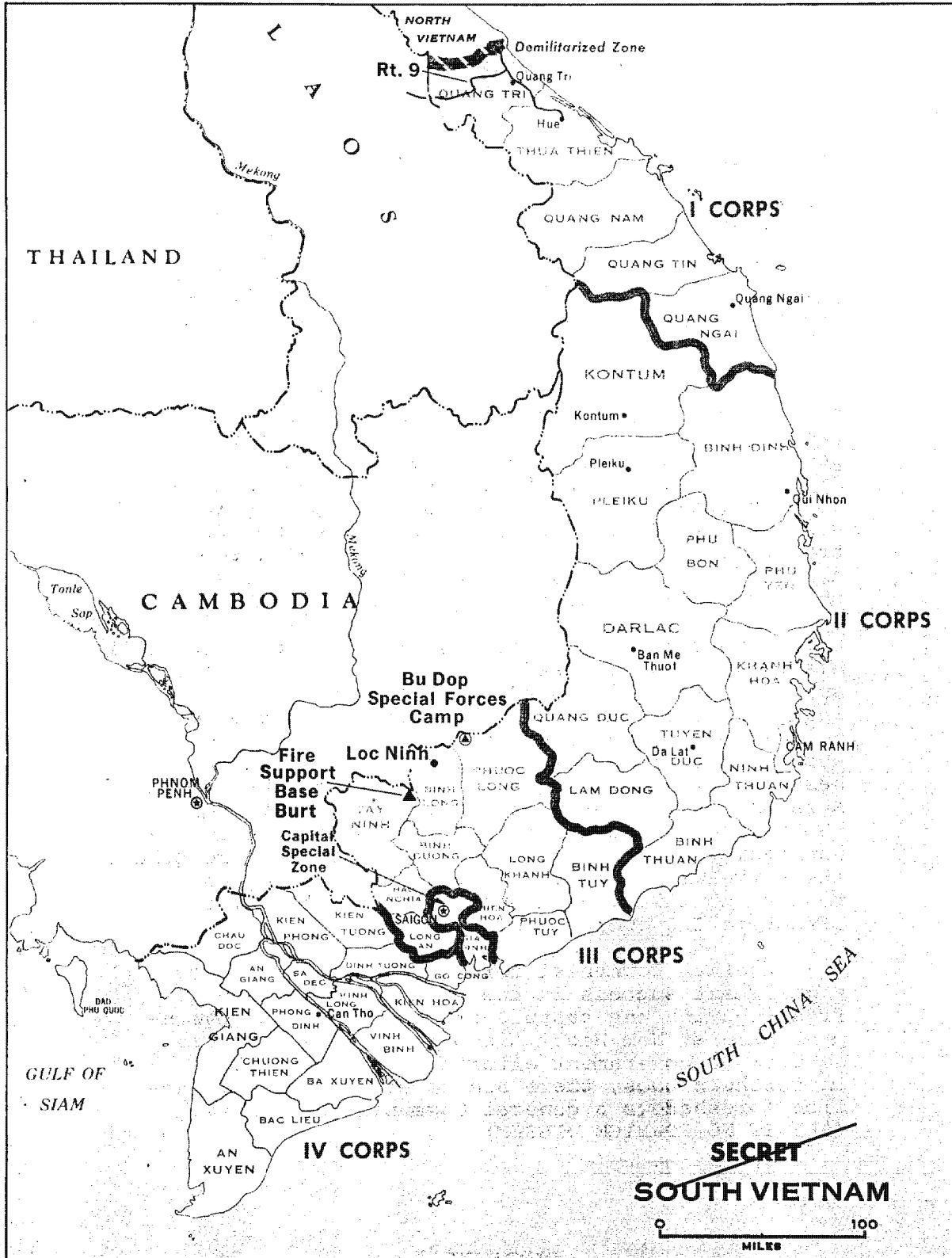
Sihanouk, meanwhile, has tried to represent his talks with Ambassador Bowles as an "enormous success" over "US hawks" advocating hot pursuit into Cambodia. He has emphasized the US pledge in the communiqué to do everything possible to avoid "acts of aggression" against Cambodia and has criticized Washington's move to set the record straight on the issue of hot pursuit. Although the Cambodians sent a formal request to the International Control Commission (ICC) that it strengthen its surveillance of the border, Sihanouk appears to have no illusions about the prospect of more effective ICC operations.

Laotian Communist forces achieved their most significant success in the current dry-season fighting with the capture of the important government base at Nam Bac. Although this is a severe setback to government efforts to expand control in northern Laos, there are no signs that this action foreshadows a general Communist offensive.

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## VIETNAM

Military Situation  
In South Vietnam

The tempo of Communist military activity in South Vietnam has increased markedly in the first weeks of 1968. The activity, moreover, has been widespread, with heavy pressure against both South Vietnamese and US units. This pressure has included mortar and rocket attacks--often followed by ground assaults--and increased ambushes of patrols and convoys.

The increased enemy aggressiveness is also reflected in key statistical indicators. Enemy personnel losses reportedly reached nearly 5,100 during the first two weeks of this year--a sharp increase over the 1,700-man weekly average for 1967. The number of attacks in the first weeks is already higher than any monthly total in nearly two years, with nine battalion-size Communist assaults having occurred so far.

Some of the heaviest fighting occurred in Quang Tri Province last weekend when a US Marine convoy was ambushed while traveling along Route 9. American casualties totaled 89 in the

ensuing five-hour battle.

Early in the week, main force subordinates of the Communist B-3 Front in the highlands of II Corps staged two ambushes against US supply convoys. In addition, both B-3 Front elements and local force Viet Cong units launched numerous small-scale attacks.

In South Vietnam's III Corps, there appears to be a distinct chronological pattern in the enemy's current winter-spring campaign. The major attacks--against Loc Ninh, Bu Dop, and fire-support base Burt--have occurred at approximately one-month intervals. If this pattern continues, coordinated attacks--spearheaded by elements of the Viet Cong 5th, 9th, or North Vietnamese 7th divisions--could occur before the Tet holiday that begins in late January.

Hanoi Maintains  
Political Initiative

The North Vietnamese seem determined to keep their "will talk" statement in the news and to maintain the impression that

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they have taken a significant initiative in trying to bring about negotiations with the US. On 16 January, Mai Van Bo, the DRV representative in Paris and one of Hanoi's most authoritative spokesmen, attempted to heighten world interest in the statement by commenting on the timing of talks as well as their possible substance. He said negotiations could start "after a suitable time" and indicated that both the level of talks and the agenda were negotiable. Although Hanoi officials have taken this line in private conversations in the past, this is the first time they have discussed it in public. Bo's phraseology, however, still carefully preserves considerable flexibility for Hanoi in deciding on the actual timing and substance of any contacts.

Political Problems  
In Saigon

On 15 January the government succeeded in wiring together a temporary settlement of the five-day-old electrical workers' strike, but not before its tactics had sparked widespread resentment from labor and criticism from informed Vietnamese. The government at first resisted the demands of the workers, arrested some of their leaders, and applied pressure for a return to work. Walkouts by sym-

pathetic workers in other fields, however, raised the threat of an extensive economic paralysis in Saigon and elsewhere, forcing the government to accede at least partially to demands for a pay increase. All workers returned to their jobs on 17 January. The six arrested leaders have since been released, but there is some possibility that at least one will still have to face trial by a military court.

Although the settlement will probably damp down labor agitation temporarily, the government's inept handling of the dispute impaired popular confidence in the regime. Some elements of organized labor may now become more willing to make common cause with Buddhists, students, and other disaffected groups in pressing grievances against the government.

Meanwhile, criticism of the government's do-nothing attitude toward the country's critical problems has continued. So far, however, President Thieu appears unmoved.

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Part of Thieu's difficulties spring from his continuing poor relations with Vice President Ky, but he is also clearly

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unwilling to tangle with entrenched military circles unless or until he feels strong enough to outmaneuver potential enemies. For his part, Ky continues to disparage Thieu and to predict that the government will have to turn increasingly to himself for direction.

In an effort to strengthen his image and to dispel a growing uneasiness in Saigon that his government may be pressured into an unfavorable compromise with the Communists, President Thieu delivered a hard-hitting speech on 15 January reiterating his previous insistence that Saigon be a primary party in any negotiations with Hanoi. He also rejected any coalition with the

National Liberation Front. Arguing forcefully that South Vietnam was a victim of North Vietnamese aggression, he declared that if Hanoi continued to reject reasonable proposals for a settlement of the war, military pressure should be increased.

Meanwhile, the government appears to have scored a victory in the National Assembly, with the election on 17 January of Nguyen Ba Luong as the chairman of the Lower House. Luong's election appears to represent the first successful cooperative effort by that body's progovernment Democratic Bloc, of which he is the nominal head, and the predominantly Catholic Independence Bloc. [redacted]

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## COMMUNISTS STEP UP MILITARY OFFENSIVE IN LAOS

The Communists are maintaining pressure on government forces in north Laos. The capture of Nam Bac is the most significant success in their current dry-season offensive.

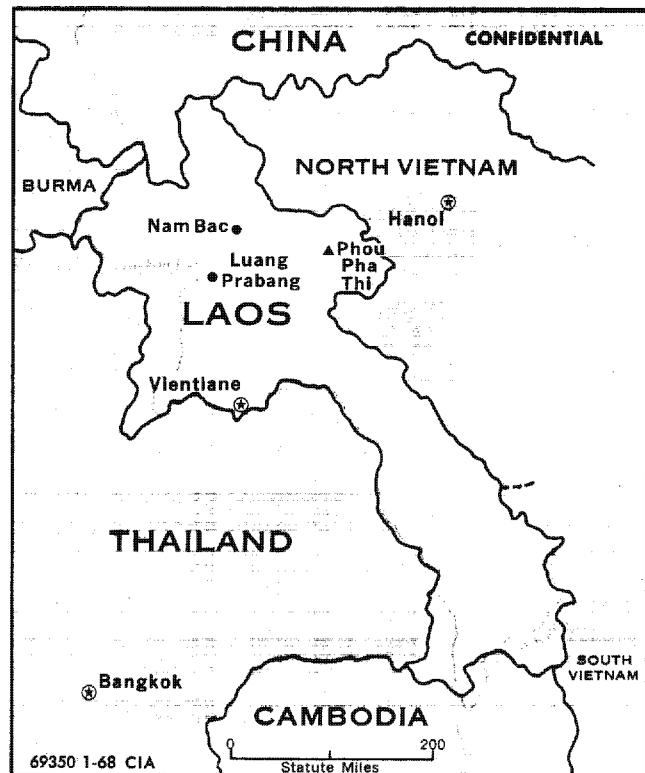
The collapse of this important government position culminated a ten-month Communist campaign to reoccupy an area they had controlled for nearly ten years before losing it in August 1966. The local commander ordered evacuation of the defense perimeter in the face of well-coordinated enemy thrusts. The government is now attempting to rally its forces along a new defensive line 20 miles to the south. There are no reports as yet of casualties resulting from the engagement.

The Communists also have shelled the Luang Prabang Airfield, 60 miles south of Nam Bac, probably hoping to forestall air support for the beleaguered government forces to the north. The Communists have continued to harass this important staging base, but there is no indication that they intend to enlarge their efforts and attack the town itself.

The loss of Nam Bac is more a reflection of the lack of decisive leadership within the Royal Army than an indication that the Communists have embarked on a larger offensive role in Laos. Although the defeat is a severe blow to government plans to ex-

pand its control in the area, it will not, by itself, greatly alter the strategic situation in northern Laos.

The debacle may have a longer range effect on the hard-won confidence and increased capability that the armed forces have acquired in recent years. In addition, the loss of Nam Bac will almost certainly have some political repercussions in Vientiane. This may precipitate a new round of political maneuvering within the army's top command, since commander in chief General Ouan Rathikoun was closely associated with the Nam Bac operation.

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The most unique aspect of the current enemy military push in northern Laos was the unprecedented aerial attack carried out by four North Vietnamese light transport aircraft (AN-2s) on 12 January against the important government outpost at Phou Pha Thi, close to the North Vietnamese border.

Phou Pha Thi has long been a thorn in the side of the Communists because it provides an advanced staging base for friendly guerrilla operations

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The base is on a high plateau, and would be a difficult target for a ground assault. Two of the North Vietnamese aircraft were downed in the raid, however, while negligible damage was done to the base. It is thus likely that Hanoi may conclude that the use of such slow, vulnerable planes in an attack role is not worth the expenditure of men and machines.

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