CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
6 February 1968

INTELLIGENCE MEMORANDUM

The Situation in South Vietnam No. 18
(As of 12:00 A.M. EST)

1. The Communists may be about to launch a new series of military attacks in South Vietnam, possibly with some kind of assistance from North Vietnamese aircraft in the DMZ area.

3. Although fighting in most urban centers in the South has abated for the moment, intensive new fighting could come at any time. There are many indications of concentrations of VC/NVA main force units maneuvering near towns throughout the country. Some of these units were not committed in the offensive which began last week. Fresh attacks by these forces seem quite possible in the near future, perhaps in coordination with the opening of the enemy assault on Khe Sanh.

4. Intercepted communications on North Vietnamese air defense nets suggest some kind of unusual air activity is forthcoming, possibly in the vicinity of the Demilitarized Zone.

For more than a month there have been strong indications
that Hanoi has been preparing to employ its fighters in the southern part of the country, possibly against US-B-52 bombers in the DMZ area.

5. In the past five days there has also been considerable activity concerning movement of DRV tactical AN-2 transport aircraft. It had been assumed that any AN-2 attacks would take place against targets in Laos, but certain intercepts now suggest they might be used in a ground attack role to support Communist ground assaults on allied positions in the Khe Sanh region. Recent intercepts have discussed deployments of AN-2s. A message on 6 February from a DRV unit in Laos said that "our propeller aircraft" would be landing in the Ashau Valley on 6 February. It is also possible that the enemy may only be planning to transport men and/or equipment on an urgent basis to the South.

6. There also is considerable air activity by North Vietnamese aircraft, which have been based in China, and which could be related to the above developments.

Political Moves

7. In an unprecedented move to put the Communist case in the public eye, Dang Quang Minh, chief of the National Liberation Front mission in Moscow, held a press conference today to which all members of the Western press were invited. Its primary purpose seems to have been to give the Communist view of recent developments in South Vietnam. According to a Reuters account, Minh told his audience that the Communists would continue with the struggle until
the US decides to end its "aggression." Minh rejected a suggestion that the Viet Cong might agree to a coalition government with the present Saigon regime and declared that the Front's aim was to "overthrow the Thieu-Ky administration." He said the Front had many offers of volunteers, but that they would be called on only "if the time comes." Minh apparently did not mention negotiations and apparently held out no hope for a settlement except on Communist terms.

Other Military Developments

8. There have been no significant changes in the current status of Communist military pressure on the urban centers of South Vietnam since that reported in this morning's CIB and 7 A.M. Situation Report.

9. In the Saigon area, sharp fighting apparently continues in Cholon, the Chinese quarter in the southwestern sector of the capital. ARVN's 18-battalion task force continues to press its house-to-house clearing operation throughout the entire capital city, but is meeting determined enemy resistance on some areas.

10. The director of the Saigon police believes that the Viet Cong hope to isolate Cholon from the rest of the city, and that they have as many as two VC main force battalions in Cholon. It was earlier reported that the VC were attempting to infiltrate additional manpower into the southern portion of the city.