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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

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119
25 December 1967

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Information as of 1600
25 December 1967.

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HIGHLIGHTS

Allied ground and air operations have resumed in Vietnam following the Christmas military standdown. Except for small-scale guerrilla activity, Communist forces generally respected the cease-fire while at the same time apparently repositioning and resupplying some regular units. Political leaders in Saigon, meanwhile, appear to be increasingly disenchanted with President Thieu's conduct of the affairs of government.

I. Military Situation in South Vietnam: Allied forces have resumed military operations in Vietnam following the Christmas cease-fire (Para. 1). While at least 92 Communist truce violations were recorded during the allies 24-hour version of the cease-fire, no major attacks occurred, suggesting that Communist main force units were generally content to abide by the standdown while continuing to reposition troops for future offensives (Paras. 2-6).

II. Political Developments in South Vietnam: President Thieu's government appears to be under mounting criticism from political leaders in Saigon (Paras. 1-2). Thieu's inability to exert forceful leadership has adversely affected the performance of both the executive and legislative branches (Paras. 3-4). Vice President Ky is steering clear of the government and its problems (Para. 5). Thieu appears to be taking a relaxed attitude toward the criticism (Para. 6). The strikes by Vietnamese workers against Pan American and Air America airlines are continuing (Para. 7).

III. Military Developments in North Vietnam: [redacted] the North Vietnamese may have utilized the Christmas holiday bombing standdown to

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resupply and reinforce Communist forces in the southern DRV, the DMZ area, and in South Vietnam's two northernmost provinces (Para. 1).

[redacted]

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V. Communist Political Developments: There is nothing of significance to report.

VI. Other Major Aspects: The motorable portion of Laotian Route 110 has been extended eastward into South Vietnam. [redacted] (Paras. 1-3).

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I. MILITARY SITUATION IN SOUTH VIETNAM

1. Allied forces have resumed offensive ground and air operations against the Vietnamese Communists following the Christmas holiday truce.

2. While the holiday cease-fire brought major ground fighting in the South to a virtual standstill, preliminary reports from American officials in the field charge the Communists with at least 92 truce violations during the 24-hour pause (1800 24 December-1800 25 December-Saigon time) declared by the allies. Twenty-nine of these violations are considered "major," in that they resulted in allied casualties.

3. Statistically, the great majority of the 92 Communist truce violations reported thus far occurred in South Vietnam's I and III Corps areas (36, including 9 major ones in I Corps and 29, including 10 major violations in III Corps). Over-all allied casualties resulting from enemy-initiated contacts during the truce period included 2 killed (2 US), 40 wounded (23 US, 16 GVN, 1 ROK), and 3 missing (2 US, 1 GVN). Communist losses numbered 28 killed and four captured.

4. Most of the violations consisted of harassing fire against allied outposts and base camps or were the product of Communist reactions to intensified allied ground and air reconnaissance activities. In one case a US Marine observation plane was downed by ground fire in the Communist-infested A Shau Valley area of northwestern Thua Thien Province. No major enemy attacks occurred, however, suggesting that North Vietnamese Army and Viet Cong main force units were generally content to abide by the standdown.

5. Significant repositioning of major enemy units in southern I Corps, the DMZ area, and the western highlands continued to be reflected in SIGINT during the holiday period, suggesting possible impending Communist initiatives in these regions in

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the near future. The most immediate threat would appear to be in the Quang Nam - Quang Tin Province area where SIGINT has evidenced a major buildup of enemy units. The 2nd NVA Division, main and provincial Viet Cong units subordinate to Military Region 5, and a new communications group tenuously associated with the 320th NVA Division--elements of which have been detected in southward deployment since early November--are involved.

6. The allies will observe a second 24-hour cease-fire on New Year's Day and a 48-hour standdown for Tet, the Vietnamese Lunar New Year, in late January and early February. The Viet Cong have announced a 72-hour pause for New Year's Day and a seven-day respite for Tet (27 January-3 February).

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Saigon politicians are continuing to grumble about the lackluster performance of the Thieu government.

2. Their major complaint is that President Thieu has failed to provide the kind of dynamic leadership needed to break the inertia which has gripped the government since it was installed two months ago. One high-ranking government official asserts that Thieu has been delinquent in not establishing a close working relationship with Prime Minister Loc, whose political inexperience and retiring personality has proved to be a major liability.

3. The leadership vacuum has affected the performance of ministries in the executive branch. Although some progress has been made in clearing the decks for implementing new programs and carrying out added responsibilities, reorganization has been painfully slow. The foreign and economy ministries have been cited by observers as examples of departments which are almost certain to face critical new problems in the coming months but which are still caught in the grip of bureaucratic indecision.

4. Thieu's inability to exert strong leadership has also contributed to the problems which the National Assembly has encountered in getting organized. A number of deputies have commented that the work of the legislature, especially in the politically fragmented lower house, would be assisted considerably if Thieu or Loc made a real effort to organize a progovernment bloc to push through the administration's programs.

5. Vice President Ky, meanwhile, is taking pains to steer clear of the government and its problems. According to one of his followers, Ky is turning aside complaints about Thieu's performance with assertions that Thieu and Loc deserve the opportunity to run the country's affairs without interference. Ky's withdrawal from active participation in the government,

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however, has given rise to speculation that he is only biding his time until he can play a more prominent role.

6. Thieu appears to be taking a relaxed attitude toward the mounting criticism of his government. He recently told a civilian adviser that he appreciated the need for more forceful leadership and that he was disappointed in the performance of some of his officials. He also stated, however, that popular dissatisfaction stemmed, at least in part, from the unrealistic expectations of the Vietnamese people, and that they must be taught not to expect too much from the government.

Strike Activity

7. The strikes by Vietnamese workers against Pan American and Air America airlines are continuing. According to a labor minister conciliator, negotiations between the companies and the workers have been exacerbated by managements insistence on firing the strike leaders. An additional problem is Pan America's use of management and US military personnel to keep its military-associated operations running. Air America activities have been brought to a virtual standstill. The US Embassy believes that the strike against Pan American is essentially for union recognition, with wage demands a peripheral issue. The next negotiating round is scheduled for 29 December, although labor leaders have expressed interest in getting talks resumed sooner.

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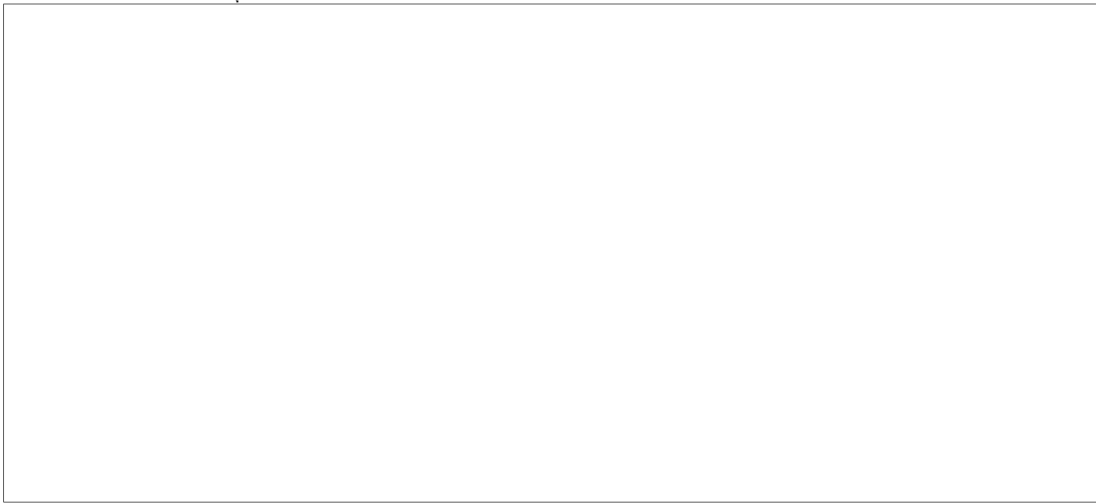
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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

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1. Signals from [redacted] radar, [redacted] [redacted] have been intercepted six times since 20 November in an area northwest of Haiphong. The actual number of [redacted] radars in North Vietnam is not known.

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2. The [redacted] an early warning radar [redacted] provides ground control intercept information. The relocation of a tactical air control outstation to the Haiphong - Cat Bi area in mid-November [redacted] suggests that the North Vietnamese are [redacted] in a ground control intercept role.

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3. [redacted] have been added [redacted] [redacted] along the North Vietnamese border since mid-November. [redacted] [redacted] along the Vietnamese and Laotian borders, providing early warning coverage of almost all of North Vietnam, the Gulf of Tonkin, southwest China, and parts of Laos.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

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VI. OTHER MAJOR DEVELOPMENTS

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the motorable portion of Laotian Route 110 has been extended eastward across the northeast extremity of Cambodia and about one mile into South Vietnam.

2. The new construction is visible to within four miles of SVN Route 512 which hooks up with SVN Route 14 in the Dak To region of the central highlands. The Communists already have access to this area via foot trails and the motorable route will aid in supply movements. A second two-mile southerly extension of Route 110 into Cambodia is also under construction, but there are no motorable Cambodian roads in the area and this construction is probably to aid in moving supplies to the adjacent regions of South Vietnam.

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[redacted] the Cambodian Tonle Kong and a small section of Route 97 along the Laotian border are being used to send supplies--mainly rice--into Laos. At least 15 tons per day are estimated to have reached Communist forces in Laos and South Vietnam, largely via these routes, during the 1966-67 dry season.

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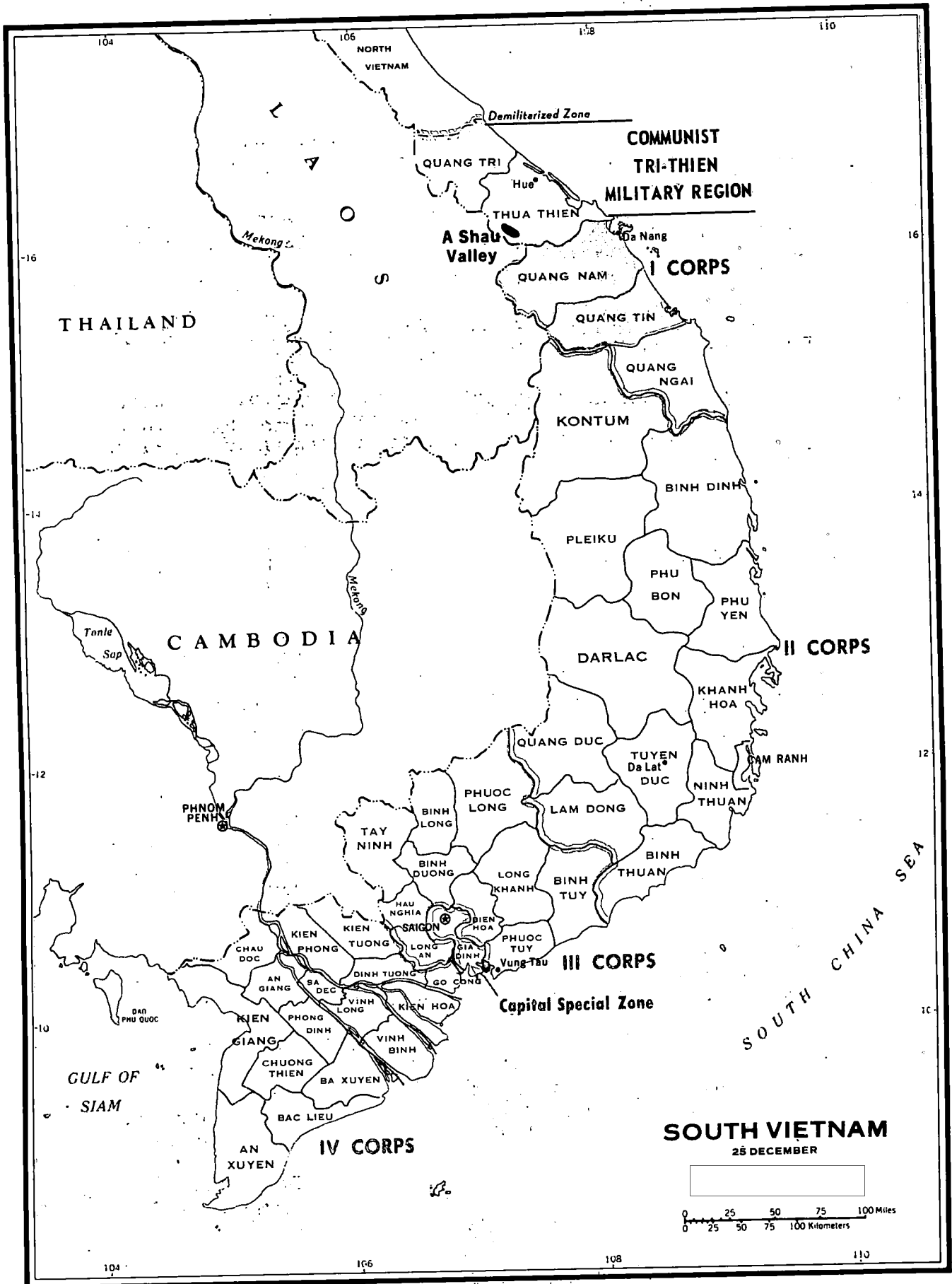
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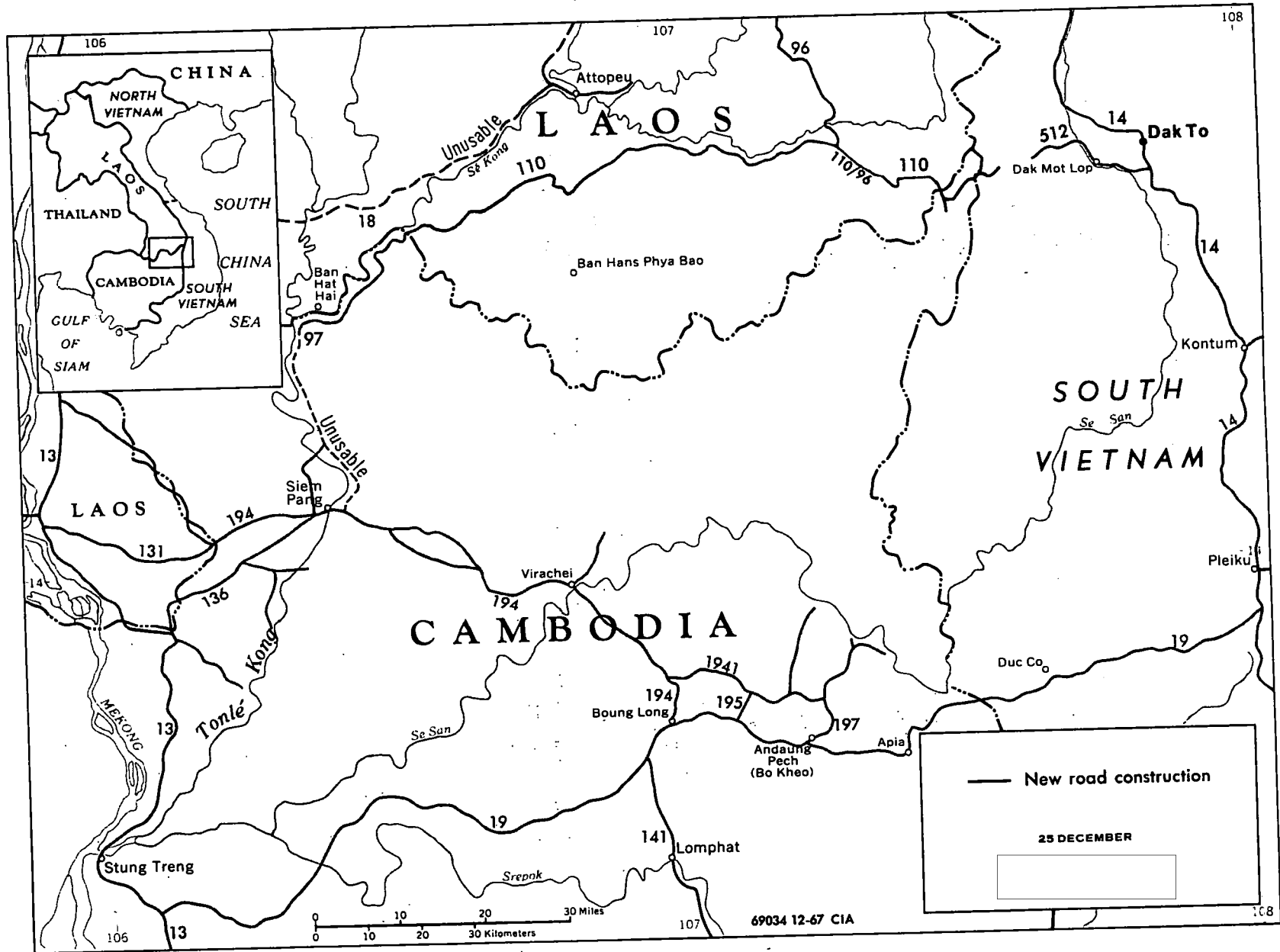


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