MEMORANDUM

DIRECTORATE OF INTELLIGENCE

The Situation in Vietnam

12 January 1968

Handle via Comint Channel

Approved for Release

APR 2000

b (1) b (3)
Information as of 1600
12 January 1968
SC No. 00881/68

HIGHLIGHTS

Labor unrest in Saigon has spread in the wake of the arrest of six labor leaders.

I. The Military Situation in South Vietnam:
Enemy forces launched attacks in Thua Thien, Kontum, Tay Ninh, and Bien Hoa Provinces on 11-12 January (Paras. 1-7).

(Paras. 8-13).

II. Political Developments in South Vietnam:
Port workers in Saigon walked off their jobs on 12 January (Paras. 1-4).

(Paras. 5-8).

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

IV. Other Communist Military Developments:

(Paras. 1-3).

V. Communist Political Developments: Hanoi has begun propagandizing Foreign Minister Trinh's statement about talks with the US (Paras. 1-2).
I. MILITARY SITUATION IN SOUTH VIETNAM

1. Communist guerrillas were active in the coastal areas of Thua Thien Province on 12 January, launching a mortar attack on a US Marine field position and setting explosive charges which cut strategic Route 1 in eight places near the Hai Van Pass.

2. Six Americans were killed and 12 wounded during the nearly hour-long mortar barrage on the position located about 17 miles southeast of Phu Bai. Enemy losses are unknown. Seven bridges were destroyed on Route 1, the main supply route from Da Nang to the northern provinces. The road is completely impassable. There was no estimate of the time it will take to repair and reopen the route.

3. On 11 January, Viet Cong forces killed 18 South Vietnamese and wounded 20 when they attacked a village 11 miles northwest of Kontum city in the central highlands. The Regional and Popular Force soldiers defending the village reported killing one of the attacking enemy.

4. In Tay Ninh Province a South Vietnamese CIDG patrol discovered an enemy base camp just south of the Cambodian border on 11 January. The base camp was occupied by an estimated battalion-size enemy force which defended the camp for three-and-one-half hours with intense small-arms and mortar fire before finally withdrawing. Friendly losses totaled eight killed and 22 wounded. Enemy losses are not known.

5. The enemy camp was located less than ten miles from the site of a Special Forces camp and a US artillery fire support base, both under construction. Both of these sites pose a potential threat to Communist forces in northwestern Tay Ninh Province and are probable targets for enemy attacks.

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Operation AKRON V Begins

6. Five battalions of US and Australian troops began search-and-destroy operation AKRON V in western Bien Hoa Province on 11 January. The joint sweep is designed to seek out and destroy elements of the Viet Cong 274th Regiment which have been operating in this general vicinity.

7. Late on 11 January, a US company, participating in this operation, came under attack from an enemy force of undetermined size. A heavy mortar barrage was followed by a large-scale ground assault which lasted for more than two hours. At daybreak, the attackers withdrew. Initial reports show 46 Americans wounded in the fight.

Buildup Near Khe Sanh

8. There are new developments related to the enemy buildup in the Khe Sanh area.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. North Vietnam has begun to issue propaganda in support of Foreign Minister Trinh's 30 December statement regarding talks with the US. Thus far, this has been limited to underscoring the importance of the new formulation and to claiming that the US response to it has been negative. No elaboration has been given on the timing or content of any post-bombing talks.

2. In separate broadcasts on 11 and 12 January, Hanoi praised the "correct stand" of the North Vietnamese Government as expressed in Trinh's remarks, stressing that the new formulation had already received world-wide support. The statements went to great length to indicate that the US was trying to distort Hanoi's position and to forward its own "arrogant terms" for talks. Hanoi discounted statements by US officials that Trinh's remarks were being studied and claimed that the US position as expressed by the president in the San Antonio formula was "an insolent demand that our people accept the US terms before the US agrees to stop the bombing." Hanoi also repeated allegations of the bombing of a Soviet and a Chinese ship and pointed to other "war acts" as evidence of US bad faith. He added that the US intends to intensify and expand the war and quoted Assistant Secretary of State Bundy's remarks that the cessation of the bombing might mean moving farther away and not closer to peace.

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