MEMORANDUM

DIRECTORATE OF INTELLIGENCE

The Situation in Vietnam

Top Secret
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3 March 1968

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Renewed allied offensive operations have resulted in sharp encounters in several sections of the country.

I. The Military Situation in South Vietnam:
Enemy-initiated military activity over the weekend was at a relatively low level. No attacks have yet occurred to confirm reported Communist plans for a second country-wide offensive on or about 3 March (Paras. 1-2). Sharp clashes occurred near Dong Ha during the past two days, and the Communists launched a rocket attack against the Da Nang military complex on 3 March. Tanks have been photographed ten miles west of Hue (Paras. 3-5). Bitter fighting has occurred between Communist forces and US and Korean units north of Qui Nhon (Para. 6).

Casualties were high on both sides in small-scale battles fought near Tan Son Nhut (Para. 8). The Bien Hoa/Long Binh military complex may soon be hit by Viet Cong main force units (Para. 9).

II. Political Developments in South Vietnam:
A new "Democratic Bloc," comprising 42 generally pro-Ky deputies, has been formed in the Lower House (Paras. 1-2). Criticism against Saigon's Chinese community has developed since the Tet offensive (Paras. 3-7). In Da Nang, anti-Communist feeling is strong, but the people are concerned about their ability to defend against future attacks (Paras. 8-11). In the Mekong Delta province of Kien Phong, government control is limited to the main towns, and over half the people have fled the provincial capital in fear of new Viet Cong attacks (Paras. 12-15).

III. Military Developments in North Vietnam:
There is nothing of significance to report.
I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Enemy-initiated military activity was at a relatively low level over the weekend. Several sharp clashes did occur, however, when renewed allied offensive operations encountered Communist forces in several sections of the country. Activity at Khe Sanh was confined to periodic exchanges of artillery fire.

2. A spate of reports had indicated that major drives would be undertaken by Viet Cong and NVA units in I, II, and III Corps on 3 March. No significant attacks by Communist forces have been reported so far, but it is possible that a general offensive—temporarily delayed—is in the offing.

I Corps Activity

3. US Marines completed a two-day sweep of an area immediately northeast of Dong Ha on 2 March in which 81 enemy soldiers and 22 Marines were killed. An ARVN battalion operating in the same general area reported 189 Communists dead in a four-hour battle.

4. Press reports indicate that enemy rockets were used against three sections of the US military complex at Da Nang on 3 March. An undetermined amount of damage was reported at the Da Nang Air Base, at Monkey Mountain, and at a major Marine supply base at Camp Brooks.

5. North Vietnamese have introduced tanks in the A Shau Valley and on the newly completed road between A Shau and Hue. At least two tanks were detected on this route at a point about ten air miles southwest of Hue.

II Corps

6. Allied units conducting sweep operations in Binh Dinh Province have become involved in intense fighting with enemy forces during the past two days. A Korean unit operating ten miles north of Qui Nhon

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engaged an unknown Communist element and reported losing seven men while killing 165 of the enemy. A US Army mechanized infantry company encountered a Communist unit 30 miles north of Qui Nhon on 2 March and killed 30 of the enemy in an eight-hour battle.

7. There are continuing indications that North Vietnamese units are planning major attacks against urban centers in the western highlands. Elements of the NVA lst Division are maneuvering toward Dak To and that units of the NVA 95B Regiment are within ten miles of Pleiku.

III Corps

8. Several bitter clashes between allied and Communist units occurred in the vicinity of Tan Son Nhut after enemy forces succeeded in hitting the base with 16 mortar rounds on 1 March. A US infantry company was ambushed while on a reconnaissance patrol just four miles north of Tan Son Nhut on 2 March. Forty-eight US soldiers and at least 20 Communists were killed in the encounter. An ARVN unit operating two miles north of the air base reported killing 35 enemy soldiers on the same date.

9. The Communists intend to strike the Bien Hoa/Long Binh military complex northeast of Saigon in the near future. The Viet Cong 9th Division moved some of its units to a position about ten miles north ofBien Hoa on 3 March. Viet Cong 274th Regiment reveal that some of its elements had plans to attack the Long Binh area on or about 3 March.
II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. A new "Democratic Bloc" of 42 members has been officially formed in the Lower House. The member deputies are generally progovernment but are considered primarily responsive to Vice President Ky.

2. The new bloc includes a large number of ethnic minority deputies, with six ethnic Cambodians, five montagnards, two Chams, and two Chinese, as well as 27 Vietnamese members. Although a number of members participated in the constituent assembly, none has yet built a reputation for outstanding performance, and the new group appears to be having difficulty attracting proven leaders.

Criticism of Chinese Community in Saigon

3. A wave of criticism against the ethnic Chinese living in Saigon has developed since the Tet offensive.

4. Editorials in the Vietnamese-language press have denounced the Chinese for tolerating Viet Cong in their midst and for failing to help the ARVN during the enemy attack. Some papers have accused the Chinese of being pro-Communist or at least neutral during the emergency. When the campaign for refugee relief and reconstruction funds began, the editorials demanded that the "rich Chinese" give a share of their "huge fortunes."

5. The director of National Police, General Loan, has expressed similar sentiments.

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The recent wave of criticism seems likely to add to the distrust that already exists between the ethnic Chinese and Vietnamese communities and further inhibit cooperation between the Chinese and the Saigon regime.

Situation in Da Nang City

8. Normal activity has been resuming in Da Nang city but security has remained tenuous in the surrounding districts of Quang Nam Province.

9. Many of the refugees in Da Nang have been helped by their friends and relatives, and the refugee burden has not been particularly serious for the city. Most stores in Da Nang have begun to stay open except during curfew, which lasts from 5:00 P.M. to 8:00 A.M. Food is not abundant, but it has not been critically scarce and the 30-percent increase in prices is partly attributable to the blocking of supplies by security checkpoints in and around the city as well as to black-market operations.

10. Feeling against the Communists is strong and widespread, according to US observers in the province. After the allies began to regain control of Hue and Saigon, the people began to recover from their shock and take a more positive attitude. Anticipating another attack, many families have reportedly been digging bunkers and stocking a reserve supply of food. Many people have also been eager to help defend the city, and I Corps authorities have armed civil servants and some special groups.

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11. Security in the "GVN-controlled" areas near Da Nang, however, has remained poor. Each district headquarters complex is protected by a relatively small secure perimeter, and operations outside these perimeters require company-size ARVN or US units for security.

Situation in Kien Phong Province

12. Security in the Mekong Delta province of Kien Phong is the poorest it has been since the introduction of American forces in the area.

13. Indications of a large Viet Cong build-up in the province near the Cambodian border have been reported and the provincial capital city, Cao Lanh, expects further attacks. Government control is limited to Cao Lanh and the district capitals, and government forces remain in a defensive posture. Over half of Cao Lanh's population has fled the city in fear of renewed enemy attacks.

14. In the countryside, only three of the 14 hamlets that had been recorded as pacified during 1967 are still under government control. About half of the outposts in Cao Lanh District have been destroyed or abandoned. All overland transportation in the province has been cut, and support for the US community there now depends entirely on air transport.

15. In addition, the Viet Cong have seized a majority of the rice mills and warehouses, jeopardizing control of the 1967 rice crop, which was expected to net 70,000 metric tons available for export.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. Peking's statement of 1 March on Vietnam, the first official government pronouncement since last November, was largely a reiteration of China's standard propaganda line. Again, Peking refrained from any specific commitment to Hanoi offering only the "all-out support" of the "Chinese Government and the 700 million Chinese people."

2. The statement emphasized the Chinese contention that Hanoi and the Viet Cong can achieve final victory if they will only persevere in the fighting. The results of the Communist spring offensive were cited as proof that "complete defeat" for the US "is not far off." The statement warned, however, that out of desperation the US would further escalate the fighting while it engages in "peace-talk plots" in collaboration with the Soviet Union.

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