

TR MR HA 851 23

MORI/CDF
C03325216

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

*K - does
this indicate
a step up
of activities
at their base
in Cambodia
this -*

-- South Vietnam Military: Although fighting in South Vietnam remained generally light, the enemy did launch two significant attacks in Quang Ngai Province in Southern Military Region 1. Thirteen Americans were killed in a ground and mortar attack against Fire Support Base Stinson during the night. The enemy assault came 15 hours after a mortar and sapper attack on an ARVN Special Forces Camp and an adjacent battalion headquarters just four miles away. Friendly casualties were 34 soldiers killed (one U.S.) and 42 ARVN personnel wounded. Enemy losses were 26 killed. (Map at Tab A)

-- Cambodian Military Situation: The major Cambodian Army operation to reinforce Kompong Thom continues, and only light contacts have been reported. In the ground portion of the operation, the Cambodian force pushing toward Kompong Thom reportedly is nearly halfway to its objective, although the enemy has been destroying bridges along Route 6 in an effort to impede the government's advance. The river convoy, which includes three infantry battalions and two commando units, reached Kompong Chhnang without serious incident and was to leave yesterday for Kompong Thom. The Cambodians say that the major purposes of the operation are to clear Route 6 from Skoun to Kompong Thom, open a water route to the town, conduct psychological operations along both routes, and resupply the troops and civilians in the town. (Map at Tab B)

-- Communist China: Our Consulate General at Hong Kong reports some new mobility in Peking's conduct of foreign relations which may present opportunities for improving relations. Signs of this include payment to the International Committee of The Red Cross (Geneva), of back dues, and an approach to a U.S. businessman regarding possible business travel to China. Consul General Osborn notes that it is premature to reach conclusions concerning Chinese intentions on the basis of this report, but it is possible some Chinese officials are thinking in terms of eventual trade with U.S. firms. Osborn observes that if this is so, a further liberalization of U.S. travel regulations might serve to encourage Sino-U.S. contacts at commercial levels. (The remaining U.S. restrictions on travel to China expire September 15 unless renewed.)

State Dept. review completed

OSD review completed

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

*K - should you not try again
Walter contact with
Paris?
use N. name in Rose area after
interview*