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CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 6 February 1968

INTELLIGENCE MEMORANDUM

The Situation in South Vietnam No. 17
(As of 7:00 A.M. EST)

Allied troops continued to battle small Communist concentrations in the streets of Saigon and Hue today as the enemy offensive entered its second week. It appears that fresh enemy elements may have been infiltrated into the Saigon area.

While no major new attacks on urban centers were reported, the enemy again hit two northern coastal cities with small ground assaults—a development which adds to indications that the basic Communist war strategy now partly envisages continuing close pressure on the urban centers, which were formerly safehavens from the fighting.

Scattered fighting in some urban centers in the Delta continues, and throughout the country Communist forces still appear in a position and a state of readiness from which they could launch a new wave of attacks.

No new fighting developed in the Khe Sanh area.

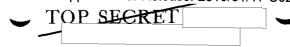
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I Corps

- 1. US and South Vietnamese troops are continuing their block by block sweep of Hue with slow, but steady, progress reported. The South Vietnamese now control the major portion of the two-square-mile citadel area while US Marines are reported in possession of 40 percent of the western half of the city.
- 2. Early this morning an estimated three Viet Cong companies hit Hoi An and are presently locked in combat with South Korean troops who have one small enemy group trapped in a school. The South Korean force is believed to have inflicted heavy casualties on the attackers.
- 3. Viet Cong activity was stepped-up in Quang Ngai city shortly after midnight with a mortar attack on the city followed by a ground assault on the Revolutionary Development headquarters. The power plant was struck, but not severely damaged.
- 4. The cities of Quang Tri and Tam Ky were quiet during 5-6 February with allied reaction forces ferreting out the remaining pockets of resistance.
- 5. The ominous build-up of Communist forces-including the entire North Vietnamese 2nd Division and several other regimental-size formations--remains in the coastal area just south of Da Nang. South Vietnamese soldiers were engaged in heavy combat some six miles south of Da Nang this morning, possibly with one of these enemy units.
- 6. In the early hours of 6 February, Viet Cong attacked two refugee camps: Quy Thanh camp in Quang Tin Province and the Tam Hoa camp in Quang Nam Province, destroying nearly 100 houses. A total of 52 Communists were killed during one of the battles. Civilian casualties were light.

7.	The	Khe	Sanh	area	remains	quiet,
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II Corps

- 8. Most of the major provincial capitals in central South Vietnam were quiet during the night of 5-6 February. Ban Me Thuot, Tuy Hoa, and the helicopter airfield at Pleiku were the targets of limited enemy mortar bombardments. Renewed fighting was reported in a battle near Dalat this morning.
- 9. The action at Dalat involved the Viet Cong 186th Main Force Battalion, a unit previously identified in the area. The attackers used tear gas during one stage of the assault which was continuing at last report. The enemy troops were reported fully equipped including gas masks.
- 10. The capital city of Cheo Reo in Phu Bon Province was reported girding for an attack expected during the night of 6-7 February. Other cities throughout South Vietnam's II Corps are anticipating renewed attacks and are making defensive preparations.

Saigon

- 11. Sharp fighting was again reported in the outlying Cholon section southwest of Saigon last night. Following up their seizure of the 8th Precinct Police Headquarters at 8:00 P.M. (Vietnam time), the Viet Cong captured a nearby police substation and brought a third substation in the area under heavy fire. In addition, the Communists detonated a large explosion in a power plant and engaged police in several firefights. In one action, 25 Viet Cong were said to have been killed and a wheel-mounted machine gun and a 60-mm. mortar were captured. Fighting elsewhere in capital area was relatively light, but two companies of Viet Cong reportedly launched a brief raid on the main gate at Tan Son Nhut Airbase as civilian workers were returning to their jobs this morning.
- 12. The Communists have evidently moved fresh forces into the capital area. A police report early this morning indicated that a concentration of some 500 Viet Cong-dressed in the traditional black peasant dress-had been sighted in Cholon.

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13. Tentative indications that the headquarters of the VC 9th Division had moved near the outskirts of Saigon are now known to have been erroneous. On 5 February, the headquarters was confirmed in the Binh Long Province - Cambodian border area, a normal base of operations. It is still believed possible, however, that strong troops complements from the 9th may be in the Saigon area.

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Other III Corps

- 14. US Army troops are making search and destroy sweeps in the area immediately surrounding Saigon in an effort to prevent additional Viet Cong forces from infiltrating into the city. On 5 February, in half a dozen contacts 15 Americans and nearly 150 Communist troops were killed in these operations. Another 40 US soldiers were wounded.
- 15. Elsewhere in the III Corps area the only significant military activity reported overnight was a heavy mortar attack on the US Army brigade base camp at Quan Loi in Binh Long Province. There was no report of casualties or damage.
- 16. Allied forces continue to mop up small pockets of Viet Cong in Bien Hoa Province. US officals report that refugees are being given medical attention by an Australian surgical team at Bien Hoa Airbase, US Army food stocks have at least temporarily alleviated a food shortage problem for civilians, and local GVN agencies are coping adequately with other problems.
- 17. Only about 1,000 refugees remain in Bien Hoa city itself as most have returned to their homes or the homes of relatives. Highway 1 between Bien Hoa and Saigon is still considered insecure and travel on it has been restricted.

IV Corps

18. Fighting was reported within or on the outskirts of a number of provincial capitals and district towns in the delta on Monday and early this

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morning. The heaviest action was in Can Tho where some 40 to 50 Viet Cong have fortified themselves in the university buildings in the city. Airstrikes were being directed at the Communist positions at last report.

- 19. Light Communist mortar fire and ground probes took place near Vinn Long, Ben Tre, Soc Trang and at a number of other locations in the delta late yesterday and this morning. Significant results were reported only at Vinh Long where one US soldier was killed and 24 were wounded. In general, the Viet Cong in the delta appear to have lost the momentum that they displayed early last week. The continuing harassment activities by the Communists, however, have kept many cities tense, and renewed large scale attacks are feared in several areas.
- 20. In the city of Cao Lanh US officials report that civilian morale is low due to a shortage of rice and to uncertainty over Viet Cong intentions. Rach Gia city is quiet, although the people expect another attack at any time. Other cities which are still off balance and fear new attacks are My Tho and Tra Vinh. Some estimates place the number of Communists around the latter city as high as three Viet Cong battalions and several local force companies.

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