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CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 1 February 1968

INTELLIGENCE MEMORANDUM

The Situation in South Vietnam No. 7 (As of 11:30 A.M. EST)

There have been no major changes in the military situation since 7 A.M. this morning, although a few new attacks have been reported.

I Corps

1. Enemy forces hit the US Marine installations at Phu Bai with about 8 rounds of 140-mm. rocket fire on the morning of 1 February. They also seized control of Phu Loc, a district capital near the Quang Nam - Thua Thien provincial border along Route 1.

2. The situation in Hue is still unclear, although one report states that the allies have retaken most of the city. It appears, however, that enemy forces may still control much of the citadel area--a traditional military strongpoint.

II Corps

3. Enemy forces estimated at company size attacked Dalat in Tuyen Duc Province early on 1 February. They hit an MP billet, seized the market place and a number of civilian hostages and are said to be largely in control of at least the center of the town. The enemy action against Dalat could have an important psychological effect on the South Vietnamese, since the town to some extent has been an alternate residential area for South Vietnamese leaders, and has not been the scene of military action for some years.

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4. In Kontum, at least one North Vietnamese battalion is still entrenched in strongpoints in the city. Friendly forces still control all the military compounds, however.

5. In Ban Me Thuot, elements of the 33rd NVA Regiment, apparently in conjunction with Viet Cong local forces, are continuing to occupy significant portions of the Darlac provincial capital.

III Corps

6. A ground attack was launched on the Cu Chi District headquarters on 1 February, but failed to penetrate the main defenses. Later, a 350 round rocket and mortar attack was initiated against the nearby headquarters of the US 25th Division. Personnel casualties in the latter assault were light; there is no report of material damage.

7. In Saigon, sniper fire continues throughout the city, but no major new enemy initiatives have been reported.

IV Corps

8. Another enemy attack was apparently launched in Ben Tre, capital of Kien Hoa on 1 February. Considerable destruction was apparently inflicted on the buildings and homes in the city, and heavy casualties were apparently sustained by the civilian populace.

9. Some additional ground probes against delta towns on 1 February have been reported, but details are lacking.

10. The friendly situation in My Tho, which was under heavy mortar and ground attack at noon on the lst, has reportedly "improved."

11. No additional, confirmed information is available on the situation in Chau 'Phu which was reportedly in Viet Cong hands on the 31st.

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Other Related Developments

12. The Vietnamese Communists are now portraying their current offensive as an all-out effort to destroy the Thieu government and replace it with a Communist-controlled administration. They are trying to give the impression that their efforts are winning widespread popular support and that a new administrative apparatus is being set up to manage the seizure of power.

13. A statement issued by the Viet Cong headquarters on 31 January says the time has arrived for a "general offensive" aimed at toppling the Saigon regime. The statement asserts that a government will be set up "which will be entirely ours," and calls on the people to join in the effort of trying "to win victory at any cost."

14. There are no signs so far that the Communists have, in fact, been successful in rallying significant popular support for their current effort. Both Hanoi and Viet Cong propaganda, however, are trying to convey the impression that the time is now ripe for bringing about a solution to the conflict in accord with the program of the National Liberation The propaganda plays down the role of the Front. Liberation Front itself, and asserts that other groups are demanding a new administration based on Front objectives. The Communists say an organization called the "Alliance of National and Peace Forces" has become a rallying point for coordinating political action, Communist broadcasts claim there has been an enthusiastic popular response to a call from the "allianco" demanding that the US withdraw and end the war, and that negotiations be conducted with the National Liberation Front for restoring peace and bringing about "independence and sovereignty" for the South.

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