INTELLIGENCE MEMORANDUM

Spot Report on the Situation in Hue
(Information as of 3:30 PM EST)

1. The friendly position in this city has apparently deteriorated seriously during 31 January.

2. According to a local US official who made a flight over the area late on the afternoon of 31 January, and received information relayed from US military officials in Hue, the city appears to be largely under the control of the Communists.

3. During his flight, the official reported a major marketplace on the north side of the Song Huong river in flames, with other smaller fires burning on the south side of the river. A fire fight was in progress along the river road on the south side. Ground fire was also coming up from the vicinity of the air strip inside the citadel area.

4. The official was able to raise several local elements by radio and was told that a provincial reconnaissance headquarters outside the city had been overrun, and that many VC were present throughout the area. The official was unable to make contact with the MACV headquarters, or the CORDS headquarters. He observed an ARVN battalion approaching Hue from the northwest, firing artillery to clear the way.

5. A message from the G-2 adviser's office in the MACV compound at Hue, received at I Corps Headquarters at Da Nang, stated that the MACV compound and the 1st Division Headquarters in the citadel at
Hue were the only "known" places still holding out against the VC. Reportedly, a marine company had tried to cross the highway bridge from the south into the northern sector of the city, but had been driven back with heavy casualties.

6. There is no other information currently available here to confirm the above report.