

Re your January 15 "Confidential"

Excerpt from SitRep 120 - 90.8 Disp. 131515Z

10 JAN FRENCH NAVY PATROL CRAFT SEIZED 7 LARGE JUNKS PROCEEDING IN COMPANY OF TUG UP SONG GIA TO VIET MINH ZONE X CARGO CONSISTED 250 LONG TONS CEMENT, 880 GALLONS GASOLINE AND 260 GALLONS LUBE OIL X JUNKS LOADED IN HAIPHONG X FRENCH NAVY CONFISCATED JUNKS AND CARGO AND RETURNED HAIPHONG X CARGO ON QUANTITY CONTROL LIST OF VIET NAM-VIET MINH TRADE AGREEMENT BUT NO CERTIFICATE OF PERMISSION OBTAINED X EVENT IMPORTANT PRIMARILY BECAUSE SEIZURE IMPLICATED LARGE NUMBER CHINESE MERCHANTS AND SOME VIETNAMESE GOVT OFFICIALS X CASE TURNED OVER TO VIET NAM SECURITY POLICE X WITHIN PAST FEW DAYS OVER 300 CHILDREN OF CHINESE DESCENT AGED 9-15 DEPT HAIPHONG FOR PEKING X CHILDREN ARE HAIPHONG RESIDENTS X CHINESE REDS AND VIET MINH HAVE ARRANGED TRANSPORTATION AND PROMISED FREE EDUCATION IN PEKING X

This is the extent of knowledge on this subject. It was submitted by Commadore Frank when he was still here. His intelligence man has departed with him. I am unable as yet to come up with a story on it from any other source, but will continue trying. No other American unit here has the story as far as I can determine.

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