



UNITED STATES OF AMERICA OPERATIONS MISSION
(Special Technical and Economic Mission)
TO CAMBODIA, LAOS AND VIETNAM

Office of the Special Representative
of the Mission Director
for North Viet Nam

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Haiphong
VIETNAM
January 17, 1955

Weekly Report - Haiphong

Material:

In reply to your telegram concerning the charge made to civilians for shipments to Saigon, the following is the story:

On the 30th of November, in reply to a regular report made from MAAG, Haiphong, the first policy on charges was issued by General John W. O'Daniel. His letter is attached (copy). Actually, the entire problem of charges had begun to rear its head prior to your leaving Haiphong, but after you left, little was done for a rather long period. On December 16 it was established that civilian goods would not be moved without cost, but would pay regular established freight rates. At that time, Admiral Querville planned to charge 60,000 piasters for each large barge shipped south. On the 18th of December, it was learned that the figure for the movement of barges would be established at 400 piasters per square meter. On the 19th CINCPACFLT was asked if the same rates should apply for US shipping, and suggested MAAG handle the charges. On the 21st concurrence came. MAAG came back on the 23rd with the suggestion that all charges, manifests and other shipping papers be prepared by the French, and that after they had received payment that they hold it and pay in a lump sum upon completion of the sea lift to the American Embassy. By December 25, this procedure had been discussed by MAAG and the U.S. Navy, and MAAG was left with the responsibility of drawing up an agreement with the French. No final approval was received from CINCPACFLT so on the 9th of January, a wire was sent saying that unless we were informed to the contrary, charges would be made as proposed. On the 10th, exactly one week ago, the final agreement was reached. The Gunston Hall is doing the job.

We have not seen the final agreement that was drafted by MAAG, but it should contain a section on general cargo, and not the barges only. I can say that it is highly unlikely that U.S. shipping will be needed for civilian cargo, for the French feel that they can handle it all after the end of this month, and we have yet to move any items at all except for the barges. Should it become necessary, however, charges should be at the regular established Indo-China rates. The 400 piasters applies only to the barges. I repeat, it is based on square meters. I think that brings you fully up to date, but if you wish further details such as copies of the various telegrams back and forth, let me know.

AEA equipment is getting low. I am sending all the remaining asphalt down on the Sword Knot. She should be docking today to begin loading. The other equipment is being approved for shipment on the Captain Olson. We are being given the entire ship, and she should be docking here in the next two days. All that will be left will be a limited number of cars that are necessary to maintain the Viet Nameese government functions here. I do not intend to ship the ambulances down unless you so instruct, and I am leaving one X-ray in the Kienan Hospital. So far, it looks like a pretty complete job - I have gone through the various Ministries and written down every item in sight that is American made and submitted it to Mr. Reiner

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and I expect approval before today is over.

As we discussed, I will not take the Vocational School garage. The cost is out of proportion to its value. All the walls are solid anyway, so the only salvage is the roof.

When I have cleaned out all U.S. made items, then we will go to bat on other equipment that show some justification for being bought with counter-part funds. I have not acted on this yet, as I feel that there is much more of value in utilizing the attitude of Mr. Reiner concerning everything American made is American Aid. If everything of American make goes out, there will be little worth much left. Meanwhile, I am keeping the AEA warehouse area reserved for the collection of items as I can find them, or as they are turned in. I keep a pad in the car with me and write down the number of any vehicle I see that looks promising. Therefore, when I send a wire telling of American Aid stuff coming in, take a second look - much of it may be straight VN government stuff. I am working on the policy that the more we get out with French approval, the better. Before my next report, you should be receiving a rather long telegram with the list of goods.

I have approached Commadore Frank on having shipping available for an additional shipment in April after the VN government is finished with the items they are now using. He concurs.

Refugees:

The refugees continue at a steady pace, but we are geared up to care for a rapid increase should it occur after TET. At that time, two ships will be here, and representations have been made to CINCPACFLT for this to be maintained if the flow demands it. I have also talked about the need for shipping of refugees up to as near the final hour as necessary. We should use a dock, search the escapees and evacuees carefully prior to loading, and pull off at the last moment. I will live on board ship during the last days if still here, permitting the shipping of all USOM equipment south. The program is running very smoothly now, and I am sure it will continue to do so.

In reply to your comment on the movement out of VM zone of official persons with proper papers, I have not been able to find any basis for such since early November. From Hanoi, they simply get on the train and come, and the Evacuation Committee knows of no official cases, nor does the Canadian element of the Commission. I do not say that it is impossible, but no record is kept, and we have not met such in our daily interviews. I shall keep my eyes open for it though, and report such if I find it.

The Ambassador seemed very pleased with the refugee camps, and the loading as well. He was well received, and the entire time went off without a hitch.

General:

I might say that the first note on the charges for civilian goods was made by Commadore Frank, and it was on this that General O'Daniel took action by the enclosed copy.

Later - I have just finished a conference with Col. Reiner. He is not ready to pass the list - I will get word tomorrow on it. It has been rumored that the French policy will not be so liberal on shipping out the American Aid stuff - this is the test. Apparently Ely got stiffer instructions from Paris, and Reiner was in Saigon last week to receive his share of them.

Commadore Frank and the Balduck leave about the 22nd, and the Cook comes in with Commadore St. Angelo, a classmate of Frank. He is reportedly a good guy to work with if he has a bottle and a woman. We can supply the bottle if it improves the operation.

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My secretary has informed me that a special bonus is given employees for Tet. Would you indicate if this is so, and how much they should have. I have three - a mechanic employed for less than one month, Lee, and the chap who is really on Embassy rolls. Better wire the information in order to make Tet date. The secretary wants to go south for Tet and be with his family and return on Tuesday. I am O.K.ing it. Would you book him up on the flight back.

One tire on the Vedette is in poor shape - the split in the side is getting worse - probably due to a trip to the coal mines last Sunday with two Navy boys to look over landing sites. While on this subject, I assume you have received the info copy of the wire on this subject telling of the probable removal of SOME of the equipment in March and April. Left off the list are the steam shovels and the actual machines to mine the coal. I still say that to get the stuff out will take troops, and I am not sure then it can be done. There are ten thousand workers up there who would stop at nothing to keep equipment there. The International Commission is expecting trouble anyway, and the mobile teams expect to be very busy indeed. The coal could really touch it off. The French do not expect to try to hold the area should force be exerted by the Viet Minh. Only 20,000 troops will be here after this month. The town is looking increasingly empty, and more are to go. Rumor has it that the Viet Nameese government people are becoming fearful of their lives, and the French feel they would flee to the south at the first incident. Particularly if that incident should be a government official's life.

Back to the tire situation. The roads are gradually falling into disrepair, and a complete new set might be a good idea in view of the fact that the car should be going south anyway, and full use could be made of the rubber. Do as you see fit on this. Size is 165 - 400.

If I do not show up tomorrow, it is because of the press of the deal on the Captain Olson with Reiner. I will try to clear it before plane time and get down, but time will tell.

Well, that is the top of the news. I enclose a check as discussed on the phone. Thanks for your help.

R. R. Ashley

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