



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

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AMERICAN EMBASSY
SAIGON, VIETNAM
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Weekly Report - Haiphong

General:

This has been an interesting and eventful week. It has also been a very busy one, even though Tet made serious inroads in the work schedule. The lack of the local officials working for virtually the entire week has only served to add to the difficulties. We all hope that Tet is now behind us and that the various difficulties encountered particularly with reference to refugees will clear.

You should have received a wire requesting permission to hire a man, formerly a secretary at the consulate in Hanoi, as temporary staff here in Haiphong. I believe he will be excellent, and, should you approve, I plan to consider him as a replacement for either of the two now being employed here. Lee, as you know, is not a good interpreter, and I am inclined to let him go, but dare not until I am sure the new man would be completely satisfactory. D/K

On behalf of the entire American community here, I am working on a deal for new quarters which will provide both living and working facilities. The Hong Kong bank is closing at the middle of February, and will be empty by the latter part of the month. The building is ideally situated, has ample room and furnishings, and, joy of joys, has hot water. The building could house the Military Attache, USIS, MAAG, MSTS, and USOM. A high ornamental fence surrounds the entire area, ample parking area inside, plenty of room for a radio shack in one of two large outbuildings, and bars on the windows for security. The rental will be reasonable I am sure, and within one week I will be able to give further details when a letter sent by the local manager to Saigon is acknowledged.

A rather serious riot occurred this week when the army attempted to remove an army generator from the water works. Three persons were injured, and were carried by the mob of over one thousand to the steps of the International Commission. Commander Menon, Indian, was the only man willing to face the group, and the French military had to be called to protect the Commission building. Menon was rather shaken by a last second apprehension of a man with a grenade in his hand in the act of throwing it in his direction. British intelligence informs me that there is a growing concern on the part of the Commanding General concerning the security of the area. It is felt that the four thousand troops remaining here could do little if any organized activity began. It is also felt that with the developments in Formosa, Haiphong might well be brought into the picture for two reasons - one, the need of an additional port by the Viet^{Minh} and Chinese, and two, a diversionary action to occupy both the French and the American forces and shipping. Since this is purely speculative, there is even difference of opinion among the Americans here on this subject, with attitudes going all the way from business as usual till May 19 to practically an emergency basis. My own attitude is a middle of the road one only. I feel that it is unlikely that the closure period will be

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without incident, but outside factors can swing the seriousness or lack of it one way or the other. Col. Reiner is holding a meeting this coming week with the Viet Minh to clear material left for evacuation, and has asked me for a complete list of American Aid in this connection. They will agree on what items on this list can go, or must stay. The reaction of the Board on the radio equipment indicates clearly that it is probable that some American Aid cannot go, if for no more reason than the fact that we do not have sufficient records to prove ownership. The requirements for the radio material are such that I am certain we will not be able to remove the bulk of the equipment.

Material:

I seem to have developed this into the materials subject, so let me continue to say that much has happened this week on this subject. You will recall I accepted happily the concept of Col. Reiner when he said that American made was American Aid. This is no longer true. It is unlikely that American made equipment can be moved unless it is American Aid. We have received approval of thirty five vehicles, most of which are being loaded on the Capt. Olson on Tuesday, some must be retained to go later as they are being utilized by various ministries. I sent to Col Riner (I see this is the proper spelling) a combined list of American made and American Aid, and I was instructed to separate the list which I did. The latest word on American made is that perhaps a little bit at a time can be removed at a later date. As you are aware, a French board is determining what items can be taken from each ministry and what must be left to stay within the Geneva Treaty. Apparently there are 136 different public utilities which strikes me as a terrific number. The radio station equipment incidentally is number 56 on that list.

I am enclosing two letters, both confidential from Col. Riner which I have just received. Would you copy them, and return the originals to me. Both are self explanatory.

In regards to the cement plant, it is confirmed that they close at the end of March. The commercial representative came in to see me with a request for shipping up to 20,000 tons of cement. They have other means of shipping 45,000 tons on hand by the French, and are making every effort to secure British bottoms from Hong Kong for the remainder, but if unable to do so, request our assistance. I assured him that should they be unable to secure the necessary bottoms, I felt we could help at the usual commercial rates. In a way, it would be desirable to do so, for we could encourage the removal of some equipment that they plan to leave as matters now stand. The manager is in Hong Kong this week, and I will have further details upon his return both as to how he made out in locating bottoms, and also a proposition on the removal of additional equipment.

It is still my considered opinion that the coal mines will remain with all equipment. The French are in no position to press on this question.

I assume you are obtaining a decision on my wire concerning preemptive procurement. This matter is urgent.

The LSTs have only one load left before returning to Japan. They have done an excellent job of removing MDAP material and the town is increasingly free from traffic.

A final word on our American Aid equipment. I feel that we are about at the end of it, and while I will try in every legal way possible to remove it all, it can be seen that some will not go. Weighed in the overall picture,

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this should not be considered too serious. Much of what is left is badly worn or wrecked, and if we accept the line of the French, there it is. If, however, we wish to make a show of convictions, I suggest that we use the radio station as the focal point, and move in with a detachment of ^{Army} airborne troops or marines and take it indicating to the world that we did not sign the Geneva agreement and indicating to Congress our intention that American Aid does not fall into enemy hands without a struggle. Obviously, this approach is top level and drastic. The developments in Formosa rather indicate that we are taking a firmer policy in the Far East and demonstrating that we will stand by the Asiatic, and a move such as is proposed above may well be in keeping with such an effort. The Military Attache proposed the idea, and I feel it should be considered if there is to be any change in our policy here in the Far East.

Of course, the coal mine equipment would be a more significant venture, but the situation is distinctly different. The equipment is owned by a private concern, and thus should only be removed if they request it which I doubt if they will do. In overall policy, it would be distinctly unwise to fail to recognize that private property remains as such even though counterpart credit was used in procurement. With the radio station, it would only take the approval of the Vietnamese government to permit us justifiable grounds for action.

Refugees:

The Howzie is on her last trip south with the 50,000th refugee carried by that ship. Her participation has been notable, and I suggest Mr. Barrows write the Captain a letter of appreciation for a job well done.

The Marine Serpent is loading today, but only 2,500, so she will be held over for another day to permit us to have time to load an equal number tomorrow. This ship can hold more than the Howzie, and we would hope to have at least 5,000 on every run, and probably not sail her with less than 4,500. This afternoon I am working in the Cement Camp giving some training to the tent chiefs on how to get a load. I base it on the principles used in all refugee work. Haiphong is a transit camp, and yet some people have been here for four months using our per diem.* This is contrary to the project agreement, and I have impressed that on the committee. Because the people are for the most part uneducated, they do not see the value of an immediate move south, and I am suggesting that a firm date or sailing be assigned, and only for very good reasons should a person be permitted to alter it. Thus, rather than say, "Who wants to go today", we say, "We all go today" and make their decision for them. It is not force, but it makes it hard to say no rather than hard to say yes as they now operate.

Tet dragged on for the entire week here, and the ships have been delayed twice now - in the case of the Howzie, it wasted a possible trip that could have been squeezed in before she is recalled.

No increase in numbers has been noted yet, but this next week will tell the story whether our suppositions were correct or not concerning a post Tet rush.

On the matter of Father Khue, I hope you are taking action. There is no question but what things would be better up here if he were removed. He has developed a position much too strong for the common good, and all those here are afraid to touch it do to the Father's contacts in the south.

The Minister of Refugees is in town for the week-end with three of his staff. We are having a meeting Monday morning on the Cook. He is already acquainted with some of the problems noted above.

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General:

As of the plane tomorrow, I am taking no passengers except American personnel until I receive orders from you as to policy. I have one request for a passenger to come from Saigon next Tuesday that I would appreciate a favorable action and notification by wire. Tony Fox, of the British Consulate here wishes to bring up some pouches from Saigon on that day, and as that consulate has and is being very helpful in connection with bringing things out from the American consulate in Hanoi to us, I think we should reciprocate in this way. Would you please wire concurrence on this request at once.

If you have not wired approval on the extra person on the staff, please indicate your decision upon receipt of this report.

Back again to the subject of the plane. I am convinced that we did not overload the plane the last trip down. The pilot figured that each passenger weighed 200 pounds, and that figure is incorrect. We had a number of small children, even babies, and the Vietnamese adult is nearer 100 than 200. However, a policy must be given to cover my actions here on this matter of who loads on the plane. It is not fair to expect me to refuse top officials of the French and Vietnamese governments with whom I must be in daily contact to run effectively my job without a written order on who I can and cannot load. In a telegram I sent I pointed out that one plane a week is essential. That is the minimum. The need to evacuate material and personnel without normal customs and security procedures is obvious, and the USOM plane permits such. The need for materials and logistic support grows as the closure of Haiphong develops. We may well have to go into foodstuffs in April if the present rate of closure continues.

Your letter of January 15 on the Navy Sitrep will be replied to in this pouch if my present schedule for the day is held to. I think this is enough for one week!