

CAMBODIA: DECEMBER 1970

A STAFF REPORT

PREPARED FOR THE USE OF

**THE COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**



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DECEMBER 14, 1970.

LETTER OF TRANSMITTAL

DEAR MR. CHAIRMAN: On November 19, the committee asked us to go to Cambodia and to report on the situation there in order to assure that the committee would have as much information at its disposal as possible regarding the President's request for supplemental funds for military assistance and economic aid to Cambodia. We departed from Washington on November 22.

We spent a day and a half in Saigon on our way to Cambodia in the course of which we were briefed at U.S. Military Assistance Command Vietnam (MACV) Headquarters and 7th Air Force Headquarters. We also visited the Long Hai Training Center at which Cambodians were being trained.

We arrived in Phnom Penh on November 26 and departed on December 4. During our stay we were received by Prime Minister Lon Nol, Deputy Prime Minister Sirik Matak, the Ministers of Foreign Affairs, Justice, Posts and Telegraph, Finance and Information, the Counselor to the Government, officers and members of the Senate and the National Assembly, the Commissioner General of Economic Planning and a number of senior Cambodian military officers. We met with officers of the American Embassy, including members of the Defense Attaché's staff, and with a number of foreign diplomats, journalists and others. We visited the Cambodian Training Center at Kambaul, outside Phnom Penh, and called on General Sosthene Fernandez, Commander of Military Region II, at Kompong Speu.

Following our classified report to the committee on the morning of December 8, you asked that we prepare an unclassified report but that it not be released until after the committee had received testimony from the Secretaries of State and Defense in support of supplemental appropriations for foreign assistance in fiscal year 1971. Our unclassified report, in which we have followed our usual practice of avoiding direct attribution, is attached.

Sincerely yours,

JAMES G. LOWENSTEIN,
RICHARD M. MOOSE.

I. INTRODUCTION: CAMBODIA 9 MONTHS AFTER SIHANOUK'S FALL

The events following Sihanouk's fall have brought an increasingly wider war to Cambodia with military consequences in virtually every part of the country and economic consequences already felt or soon to be felt in every sphere of the country's commercial and financial life. As of December 4 when we left the capital, Phnom Penh was practically isolated from the rest of the country. All major roads out of the city were interdicted in one or more places by North Vietnamese and Viet Cong forces, with the exception of Route 1 to Saigon which was under the protection of the South Vietnamese Army (ARVN). The country's two major railroads were also cut. Thus, there was and still is no land route between the capital and the country's principal port of Kompong Som or between Phnom Penh and the major rice producing area in the northwest.

In the northern and northeastern portions of the country, the Cambodian Government is no longer in control, having lost or abandoned the area to the North Vietnamese, Viet Cong, and local Khmer Communist groups. Throughout the rest of the country, except from Phnom Penh and a few isolated major cities, government control is actively contested.

Facing some 45,000 invading North Vietnamese and Viet Cong troops, the Cambodian forces—which stood at 35,000 poorly armed men in May—would probably have been destroyed and the country completely taken over were it not for the assistance that has been given by the United States and South Vietnam.

The Cambodian Army—now about 165,000 men—and Cambodian Air Force are completely dependent on the U.S. military assistance program, on the captured weapons and war materiel provided by the South Vietnamese, on the training of tens of thousands of Cambodian Army personnel in Vietnam (and, in smaller numbers, in Thailand), on ARVN operations in the eastern and southeastern parts of Cambodia, and on the air support provided by the United States and South Vietnamese Air Forces.

The military situation is thus already serious. The economic situation promises to be. Cambodia is faced with the certain prospect of falling domestic revenues and export earnings amounting to between a third and a quarter of normal, a budget deficit which some Cambodian officials have said may go as high as \$400 million, future losses of their industrial infrastructure which has already been severely damaged, and serious if not total disruption of their distribution system.

On the basis of the limited number of contacts it was possible for us to have in 8 days, it appeared to us that there is considerable support for the government of Gen. Lon Nol among the youth and intellectuals, in marked contrast to the situation in South Vietnam, and among civil servants and members of the Senate and the Assembly. There

is concern about corruption, which continues, and a division of opinion in connection with the drafting of a new constitution between those who favor a strong executive and those who prefer a strong assembly. But, in general, internal divisions seem to have been put aside for the moment. There is an evident sense of national identity and purpose and a determination to defend the country without foreign troops.

It seems to be a universally held assumption in Phnom Penh that, because the United States has given so much to so many and has so frequently proclaimed itself the ally of those subjected to aggression, we will come to Cambodia's rescue, enabling the Government to maintain its present precarious position and eventually to drive the invaders from Cambodian territory. Indeed, it is taken as a foregone conclusion by Cambodian officials and by our Embassy that American help—which has, after all, already begun—will continue.

II. THE MILITARY SITUATION IN EARLY DECEMBER

A. Between one-third and one-half of the country is no longer under the control of the Cambodian Government which means that enemy forces—that is, the North Vietnamese, the Vietcong and the Khmer Rouge (Cambodian Communists)—can do there what they wish. This part of Cambodia, which lies north of an imaginary line bisecting the country in a generally southeasterly direction from Siem Reap to Kompong Thom to Kompong Cham, is sparsely settled with a population probably not exceeding 150,000. In this area, there are no Cambodian Government forces and no Government administration. There is some organizing of the population by the North Vietnamese and by the Khmer Rouge, but no one seems to know how much.

B. In the remaining portion of the country, there are enemy elements in every province including Battambang which was thought to be free of the enemy until a few weeks ago. The enemy units, which are of various sizes, seem to be able to move at will. Some small enemy units are as close as 15 miles to Phnom Penh.

C. Major segments of the Cambodian Army are tied down in scattered locations where they are confined to roads and isolated from their sources of supply. These units are badly lacking in firepower.

D. One cannot travel safely at night outside Phnom Penh beyond the airport or in any other part of the countryside. Even during the day, all highways radiating out from Phnom Penh are cut except Route 1 to Saigon which, as we have noted, the South Vietnamese Army is keeping open. Railroads to the port of Kompong Som, Cambodia's principal port, and to Battambang and on to the Thai border, the center of Cambodia's principal rice-producing area, are both cut.

E. Terrorism and sabotage, while not yet serious problems, are on the increase, the bomb in our Embassy being a recent example.

F. Cambodian and U.S. estimates of North Vietnamese and Vietcong forces fall within the range of 40,000 to 55,000 with Cambodian estimates tending to be higher than American estimates. Enemy forces are said to be about evenly divided between combat and support troops, and some Western observers believe that only 5,000 to 6,000 enemy combat forces are committed against the Cambodian Army as a primary objective.

G. The most frequently heard estimate of the number of Cambodians fighting under Communist leadership against the Government

is 10,000. There are reports that some Cambodian units are fighting with North Vietnamese-Vietcong regiments and that over a hundred enemy training centers have been established in Cambodia. It is unclear whether the local Communist forces consist only of Khmer Rouge (the strength of the Khmer Rouge was estimated in May, when we were last in Cambodia, at about 3,000) or Khmer Rouge and FUNK (the name given to pro-Sihanoukist forces). It is also unclear whether the Khmer Rouge is still an anti-Sihanoukist Communist movement, whether all FUNK units are pro-Sihanoukist and indeed how large a force FUNK has become. Certainly it is not as large as many believed 6 months ago it would be by this time. There are reports of friction between the North Vietnamese and Vietcong, on the one hand, and the Khmer Rouge, on the other. Cambodian officers and civilian officials often deny that any Cambodians are fighting with the enemy.

H. Figures regarding Cambodian combat losses can seldom be substantiated. Estimates of enemy losses are also imprecise. It is said in Phnom Penh that 40,000 of the enemy have been rendered "hors de combat" since the beginning of the war. The ratio of enemy weapons captured to enemy killed and wounded by Cambodian forces is far lower than what one would normally expect, far lower, for example, than comparable South Vietnamese ratios. So is the ratio of prisoners captured. American officials know little about prisoners because the only source of information on this subject is the Cambodian military, and one Western observer told us that "they do not like to talk about prisoners." Some reporters say the explanation is simply that the Cambodian Army is killing virtually all of those captured, and one correspondent claims to have sent his home office photographs of Cambodian soldiers killing prisoners.

I. Cambodian Army forces now total some 165,000 compared to 35,000 in May. Cambodian officials admit that not all of these forces have arms. In addition, there is a small air force and navy. There are also paramilitary forces in the provinces.

J. The vast majority of new Cambodian military personnel have been or will be trained in South Vietnam and Thailand. Most of these trainees receive basic infantry training. Training is underway or planned for twice as many military personnel as have already been trained.

K. COSVN is now reportedly located at Kratie, about 45 miles inside Cambodia in the area no longer under Cambodian Government control.

L. While the assumptions about enemy intentions offered by American officials, on the one hand, and Cambodian officials, on the other, differ in varying degrees, the Cambodians, for perhaps understandable reasons, seem to believe that the immediate enemy objective is the domination of Cambodia. The American theory is that enemy activities in Cambodia are ultimately related to their objectives in South Vietnam. One well-informed diplomatic observer reasoned that for the North Vietnamese and Vietcong the optimum result of the present struggle would be the proclamation of a neutral Cambodia by forces friendly to them. In his view, this result could deter allied operations in Cambodia while assuring the enemy free access to Cambodia territory.

III. U.S. MILITARY SUPPORT FOR CAMBODIA

A. The U.S. has been virtually the sole supplier of new arms, ammunition and aircraft to the Cambodian military. Other countries (Australia, Japan, Nationalist China, New Zealand, Thailand, Korea and the United Kingdom) have provided only small amounts of equipment, uniforms, prefabricated bridging, medicines or humanitarian assistance.

B. Although the Cambodian Air Force flies more sorties a day than an air force the size of theirs could be expected to fly, the majority of bombing and support strikes against the enemy in Cambodia are conducted by the United States and South Vietnamese Air Forces. The U.S. Air Force has had to assume an additional part of the missions within South Vietnam in order to permit Vietnamese Air Force operations in Cambodia.

C. While it was announced in Washington some months ago that the United States would conduct air interdiction operations against enemy efforts to move supplies and personnel through Cambodia toward South Vietnam and to reestablish base areas relevant to the war in Vietnam, it is common knowledge among officials and unofficial observers in Cambodia that this general description covers a wide variety of combat support and intelligence missions. Examples of missions observed by journalists include flare ship missions, "Spooky" and "Shadow" gun ship attacks, medical evacuation missions, leaflet drops and forward air control missions for American and South Vietnamese aircraft operating in Cambodia.

D. We found it commonly accepted in Phnom Penh that both Vietnamese and U.S. aircraft are providing what amounts in fact to close air support for Cambodian forces. Close air support was defined for us twice by U.S. military authorities: Once as the expenditure of ordnance "within 300 meters of friendly positions" and another time as a strike against enemy forces "in contact" with friendly troops. Some journalists with whom we talked told us that they had seen U.S. aircraft using napalm and other ordnance closer than 300 meters to Cambodian forces. We noted that in casual conversation the terms "air interdiction" and "air support" tended to be used interchangeably. In sum, most U.S. officials clearly felt that describing all U.S. operational air attacks as "interdiction" missions was, purely and simply, "camouflage," as one official put it.

E. The United States plays some part in the training of Cambodians underway in Vietnam. We visited the training center at Long Hai where a Vietnamese captain is nominally in command. But it became apparent in the course of our visit to the center, formerly a U.S. Special Forces camp, that a U.S. Special Forces officer was, in fact, in charge of the training. There were other U.S. military personnel at the center most, if not all, of whom were Special Forces personnel. The other training center for Cambodians in Vietnam is at Lam Son. A Cambodian NCO who had been trained there told us when we talked to him in Phnom Penh that while his instructors had been Vietnamese, there were Americans present and they had "supervised" the training program.

G. Furthermore, some C-47's which Cambodia received from the United States under the military assistance program were not charged to the program. They were simply newer C-47's "swapped" for those

the Cambodians had that could not be used without extensive inspection and repair. Incidentally, the repair of Cambodian T-28's is being performed by Air America outside Cambodia under a contract charged to the military assistance program to Cambodia.

H. The United States has administered the military assistance program in Cambodia through a five-man political-military section in the Embassy. The Embassy is convinced it can continue to do without a Military Assistance Advisory Group (MAAG) as long as MACV in Saigon continues to backstop the program administratively.

I. Because of the need to insure a guaranteed continuing source of ammunition for captured AK-47's, which constitute more than 50 percent of the small arms in the Cambodian Army inventory, AK-47 ammunition is being manufactured in the United States under a contract paid out of military assistance program funds.

IV. SOUTH VIETNAMESE MILITARY SUPPORT FOR CAMBODIA

A. The South Vietnamese have provided captured enemy stores and have transported the arms and equipment provided by the United States as well as those they have provided themselves.

B. South Vietnamese forces are carrying the burden of fighting throughout eastern Cambodia. ARVN strength in Cambodia has been estimated by reporters at 15,000. Cambodians at all levels clearly regard the continued presence of ARVN troops as a mixed blessing. On the one hand, they recognize that the ARVN is bearing the brunt of the fighting in eastern Cambodia and will probably have to continue to do so, or even to do more, for a considerable time.

On the other hand, there are continuing stories in Phnom Penh concerning the misbehavior of the South Vietnamese troops and considerable indignation at the recent South Vietnamese Government request that the Cambodian Government pay between \$3 and \$4 million for expenses incurred by ARVN in the course of operations in Cambodia and establish a fund for food expenses in advance of future operations.

C. For the training of Cambodians in Vietnam, the Vietnamese provide instructors, facilities, transportation to and from training areas and medical personnel for dispensaries. Given the extent of overall U.S. support for the ARVN defense budget, much of the "Vietnamese" share of training costs could probably properly be attributed to the United States.

D. In early May several battalions of Khmer Krom, ethnic Cambodians residing in South Vietnam who were originally organized and trained by U.S. Special Forces but were at the time part of the South Vietnamese Civilian Irregular Defense Group, volunteered to go to Cambodia and were airlifted to Phnom Penh by the South Vietnamese. Other Khmer Krom units followed.

V. THE ECONOMIC SITUATION

A. The Cambodian Government has neither a clear idea of what its financial position will be at the end of this year nor a firm budget estimate for next year. (The Cambodian fiscal year corresponds to the calendar year.) At the beginning of 1970, before widespread fighting broke out, this year's deficit had not been expected to exceed \$9 million.

Now, however, it is estimated by Cambodian officials that the actual deficit will be about \$40 million.

B. As far as next year is concerned, the Cambodians initially requested approximately \$400 million of U.S. economic assistance, a figure which apparently corresponded to their estimated budget deficit. The Embassy believes that a deficit of such magnitude is unnecessary and that, in fact, a deficit in excess of \$100 million would be hazardous to the economic stability of the country.

C. One of the principal factors controlling the amount of the deficit will be the size of the Cambodian military establishment. On the subject of force levels, as on so many other points, there is apparently no firm planning figure. The Cambodians continue to talk about military force goals in what many regard as a most unrealistic way. The publicly announced goal is 210,000 by the end of 1970, and there is talk of an ultimate goal of 610,000.

D. Another factor which might contribute to producing an unmanageable deficit is the fact that the pay and allowances of a new Cambodian recruit add up to about \$30 a month. That rate is high by Asian standards. It is, for example, about twice what an ARVN recruit is paid. A high pay scale involved manageable costs when Cambodia had an army of only 30,000, but if an expanded force of 175,000 is paid at the same rate, the cost of just military pay will be staggering.

E. As Government expenditures rise, the productive capacity of the country is being crippled as a result of extensive damage to its industrial infrastructure. In addition to the interdiction of railways and roads and the destruction of bridges, mentioned earlier, the following facilities have been destroyed by either the enemy or by allied air and ground operations: Most of the rubber processing plants, a cement plant, a paper mill, a phosphate fertilizer plant, a munitions plant, and several rice mills.

F. The Cambodian Government thus faces the prospect of a drastic fall in both domestic revenues and export earnings. The latter, which were \$64 million in 1969, dropped this year to between \$40 million and \$45 million, a figure roughly corresponding to current imports. Due to the present impossibility of exporting any rubber, and to substantial decrease in other exports, total 1971 earnings are not expected to exceed \$20 million. The possibility of reaching even this level depends almost entirely on whether the large (\$15 million) rice crop now being harvested in Battambang province can be moved to port for sale abroad. Ordinarily the rice would move by railroad but at present all lines are cut. Two alternative plans, once thought feasible, now appear unlikely: Trucking the rice to Kompong Som, at three times the normal transportation cost, or taking it out on barges via the Tonle Sap lake. The first of these is now apparently ruled out by a shortage of trucks and by North Vietnamese interdiction of the road to Battambang, and the second by the presence of North Vietnamese forces at the lower end of the lake and the normal dry season drop in the water level.

G. As of December 4, when we left Phnom Penh, no decision had been communicated to the Embassy regarding the kind of an economic assistance program to be instituted in Cambodia. An early AID report had suggested one approach, a recent IMF report had suggested another, and the most recent report by a team of economists under AID contract had suggested still a third. With respect to some questions, the three reports apparently reached contradictory conclusions. In sum,

there may still be no agreed program for utilizing the funds which are now being requested, although apparently the Embassy has told the Cambodians that we are not going to provide budgetary support *per se*.

H. The prospects seem dim for economic assistance of the sort Cambodians now need urgently from other countries. Cambodia has decided to draw on a French line of credit, extended shortly before Sihanouk's ouster, but these credits are for development projects. There is no indication that Australia is thinking of additional aid beyond what they are giving. Some Cambodians speak gamely of getting \$20 million or even \$40 million more from the Japanese, but our impression was that this is not a likely prospect.

VI. MISCELLANEOUS COMMENTS

A. It is literally impossible for anyone—foreigner or Cambodian—to have a precise idea of what is going on in Cambodia. In the first place, there are virtually no westerners outside the capital. The Cambodians themselves are not well informed in many cases. Because Embassy personnel are able to travel only rarely, and because—to the best of our knowledge—there are no U.S. advisers with Cambodian units, our officials must rely on what Cambodian officials or journalists tell them. There is apparently some reticence on the part of the ARVN, as far as keeping the United States informed of operations in Cambodia is concerned, and, since there are no U.S. advisers with ARVN forces in Cambodia, according to everyone with whom we talked, we are really dependent on the ARVN for any information they wish to provide about their own activities.

B. Both United States and Cambodian Government officials are optimistic, although our officials are quite sensitive to being so characterized, about the military situation; that is, about the ability of the Cambodian armed forces to "hold the line" as it now stands. Even they do not talk of the possibility in the foreseeable future of pushing the enemy out of the area in which there is no longer government control. They base their relatively optimistic view in large part on the belief that interdiction efforts against the Ho Chi Minh Trail, coming on top of the loss of the use of the port of Sihanoukville (now Kompong Som) and the heavy losses of supplies captured in the sanctuaries, will severely impair the enemy's ability to reinforce or resupply his forces in Cambodia and on the assumption that the enemy will not be able to recruit significant numbers of Cambodians. They are convinced that the enemy is weaker than heretofore in terms of morale, supplies, equipment, health, and manpower. Some correspondents, who have seen military action at close hand, some diplomats and some ARVN officers with whom we talked in Phnom Penh are considerably more pessimistic.

C. Given the scope and complicated nature of what we are doing in Cambodia—with these efforts divided between U.S. commands in Vietnam and Thailand and among State, AID, and Defense in Washington—it is not surprising that the left hand of the U.S. Government is often unaware of or misinformed about what the right hand is doing. For example, in reply to our inquiries about reports of damage to civilian targets by U.S. air strikes, Embassy personnel said they did not know where bombing attacks were being made or the results of such attacks. Yet it seems that U.S. military assessments of the results of bombing attacks are available at least in Saigon.

D. If the Cambodian military assistance program is to be continued without greatly increasing American military presence, the existing end-use reporting requirements might be reviewed. As they now stand, these reporting requirements strengthen the case for the establishment of a full scale MAAG mission in Phnom Penh. The military assistance program is now being administered by the Embassy's political-military section, but there is constant pressure from Defense to send additional personnel to satisfy an alleged need for additional end-use information.

VII. GENERAL OBSERVATIONS

We alluded at the beginning of this report to the assumption of both Cambodian officials and U.S. officials in Phnom Penh that U.S. military assistance will continue and that U.S. economic assistance will begin. It is perhaps stating the obvious to say that the question before the committee is not whether to initiate a military assistance program. That program is already underway to the extent of \$100 million. If such a program can constitute a commitment of support, as the Cambodians have certainly inferred, the commitment has already been assumed. It appears, therefore, that the question before the committee is not whether to enter into such a commitment but whether to terminate it, on the one hand, or to continue or expand it, on the other, and, if so, with what limitations.

It seems clear that providing effective assistance to Cambodia—sufficient for it to train, arm, equip and sustain in the field a large enough force to hold the present line militarily—will require a military assistance program of several years duration and—given the effect the war has already had on the economy, not to mention the effect that continued fighting will have—a concomitant program of related economic assistance. There will undoubtedly also be indirect costs to the United States as a result of South Vietnamese ground and air operations in Cambodia.

In a way, these costs might be considered as merely an additional price it has become necessary to pay for Vietnamization. But there are subtle and complex undertones to justifying military and economic assistance to Cambodia on the ground that such assistance is, as the President said in his transmittal message to the Congress on November 18, "a vital element in the continued success of Vietnamization."

Notwithstanding the obvious strategic connection between Cambodia and Vietnam, the Cambodians themselves emphasize the distinction between the situation in their country and the situation in Vietnam, a distinction they seem to believe Americans do not understand. They point out that they are asking not for troops and advisers but for material assistance, and that this help is needed not to fight a guerrilla war but to meet an unprovoked invasion by foreign forces, which are occupying parts of their country and are attempting to subjugate other parts. In Vietnam, they point out, American forces are fighting what is in part a civil war and in part a guerrilla war between Vietnamese on Vietnamese soil.

If this distinction is valid, and if assistance to Cambodia is justified primarily on the ground that it assures that U.S. forces can continue to be progressively withdrawn from Vietnam or that the preservation of a non-Communist Southeast Asia is vital to U.S. security, why should other countries be expected to assist the United States to solve

a problem that is primarily an American concern? Furthermore, if the United States intervened in Vietnam originally, and continues to to maintain forces there, to enable the South Vietnamese to determine their own future without outside interference, why does the same principle not apply to Cambodia today? And if it does not apply to Cambodia today, why was it ever valid for Vietnam or, for that matter, for any other country receiving American military assistance.

Finally, does tying Cambodian assistance to Vietnamization not mean that as a practical matter Vietnamization is now tied to the survival of the Lon Nol Government for the next 2 years, despite disclaimers that have been made, for could Vietnamization continue if Cambodia fell under complete enemy control?

Cambodians find it difficult to understand the complicated and involved elements of the American dilemma in Southeast Asia today. Looking back at the pattern of American behavior in Asia over the past two decades, they seem mystified by the signs of American hesitancy in arming them to defend against an invading force armed by China and the Soviet Union. Seeking to understand American perceptions of the U.S. national interest in Southeast Asia, they sometimes see this interest in surprising ways. One Cambodian leader remarked to us that having "lost face" in Vietnam, the United States now had an opportunity in Cambodia to regain its lost prestige.

