The three major factions of the Khmer Rouge (NR) are as follows:

- a. Hanoi Faction: A Vietminh-aligned group active since about 1954 and led by SALOT SAR, chairman of the Khmer Communist Party and reportedly the top personality in the KR.
- b. PRC Faction: Led by IENG SARY, who was a teacher at the Lycee (secondary shoot) Chamroeurn Vicchea, PHNOM PENH (1133N/10455E), until 1962 when he fled to HANOI (2102N/10551E). IENG SARY later went to the PRC for insurgency training. IENG SARY's wife and SALOT SAR's wife, KHIAU PONNARI (presently KR Vice Minister of Education), are sisters.
- c. Nationalist Faction: The main current faction led by SIHANOUK's former political foes such as KHIEU SAMPHAN, HOU YOUN, HU NIM, PHOUK CHHAY (presently the KR forces political commissar for the Southern Liberated Zone (NFI)); POK DOEUS KOMA (presently the KR Vice Minister of Foreign Affairs); and Prince NORODOM PHURISSARA (SIHANOUK's cousin and presently the KR Minister of Justice).
- 2. (C) A fourth faction exists within the KR, the Sihanoukists' Liberation Faction, while it is not anti-SIHANOUK, it reportedly has no noteworthy leaders.
- 3. (C) These three major factions are all said to be anti-SIHANOUK and have adopted the basic policy of ignoring him. However, the KR is actually controlled and backed by Hanoi and makes all moves according to Hanoi directives.
- 4. (C) Despite a general KR reliance on Hanoi, the Nationalist Faction is considering complete alienation with VN. It is unable to effect such a break because a breaking of relations with Hanoi would result in the following untenable situations:
 - The supply of weapons and ammunition to the KR would cease.
- b. The KR would be incapable of large-scale operations without VN experts' tactical guidance.
- c. Suspension of war funds would render the KR hard-pressed financially. Hanoi reportedly furnishes financial support, other than US currency, to the KR in the form of gold and opium produced in Laos. Some members of loyal CB forces as well as some CB officials and foreign businessmen reportedly deal in the transactions involving these commodities.
- 5. (C) Hanoi does not trust the KR despite its superior position over the insurgents. Hanoi-trained soldiers have reportedly been placed in KR units or in the rear areas to control Hanoi's aid activities and also to maintain a firm grip on the KR forces. It is also reported that Hanoi, anticipating that the KR main current faction will eventually become anti-Hanoi, is considering support of SIHANOUK or some leading Sihanoukist to lead opposition to the KR. Additionally, it appears that Hanoi is giving highland tribesmen in CB intensive education to form a consciousness that they are not Khmer but Chinese of Kwangtung or Yunnan stock. This indoctrination is apparently with a view to eventually building the tribesmen into a rival force against the KR.
- 6. (C) The Nationalist Faction maintains the attitude that if it is allowed to play the leading role in the CB government, it will immediatly merge with the government and demand the withdrawal of all VN and Viet Cong troops from CB. However, the nationalists presently refuse to enter into peace negotiations with the Lon Nol regime.

Source Comments: (C) Basic source of this report is CHAU SAU, former Minister of Finance, Minister of Planning, and president of the National Credit Bank, who is now the head of the Democratic Party and financial advisor to the National Bank of Cambodia. He is the topmost politician among those in their forties and is expected to someday become a national leader. Because of his unswerving anti-Lon Nol stand and his adamant refusal to cooperate with LON NOL, CHAU SAU is not presently in government service. All the KR leaders are his former friends or subordinates and he seems to have contacts with them at present.