

As of the date of this report, the U. S. has sent some 35,000 small arms, more than 10,000 other weapons, and medical supplies. Cambodia hopes that other countries will also furnish clothing, training facilities, and even perhaps volunteers. Ten thousand Cambodians have begun training in South Vietnam.

The Committee made it clear that, in its opinion, the U. S. would meet the pre-announced deadline for withdrawal from the Cambodian sanctuary areas, and continue a progressive reduction of U. S. combat forces in Southeast Asia. Cambodian leaders, although not happy about the prospect, are reconciled to it. They still expressed, however, the hope that the U. S. would continue to supply them with military hardware. Captured enemy weapons and ammunition, it is estimated, will give them a slightly greater capability for a few months. After that, additional arms and ammunition will be required. Although the army strength has increased to 180,000 through mobilization of men and women, we were told that many of these are government and office workers who do not really need arms. Estimates provided the committee were to the effect that about 70,000 or 80,000 should eventually be armed.

The conflict in Cambodia is not a civil war. Cambodians are not fighting Cambodians. Divisive internal elements are minimal in the country, although one cannot exclude the possibility that Sihanouk may be able to rally some Cambodians in the countryside. From what should be the viewpoint of other countries of Southeast Asia, this is the first opportunity for them to join together to help a beleaguered neighbor against a common enemy. The elimination of a number of key enemy sanctuaries may provide both a short breathing spell for the Cambodians to improve their own military capability and for other nations of the area to devise a common strategy.

While the Cambodians understand that no U. S. troops will assist them, they remain hopeful that, if the need becomes urgent, the U. S. will at least provide air support. At the present time, the U. S. Air Force activities in Cambodia are confined to the northeast section of the country, although the committee was told there are no restrictions upon operations by the Vietnamese Air Force in Cambodia.

Under Prince Sihanouk the defense establishment took about a third of the national budget. Presently, the military outlay has been increased five-fold. Although the war in the country has been in progress for only a few months, the economy has already been seriously affected. Little revenue is coming into the treasury and inflationary pressures have begun.

Except for the presence of pill-boxes, barbed wire and numerous soldiers, Phnom Penh and its citizens appear to be carrying on as usual. The loss of Sihanoukville, Kompong Som, formerly Cambodia's principal seaport on the Gulf of Thailand, would deny the country its major supply point and restore its availability to the North Vietnamese as a principal supply route for much of South Vietnam. It was estimated by a number of authorities that about 85 percent of the supplies the enemy had been using against the southern part of South Vietnam have been coming through the port of Kompong Som. These were transported across Cambodia by truck to the sanctuary areas - something that has been occurring for several years.

During the committee's stay on Cambodian soil, both in the sanctuary areas bordering on South Vietnam and in the capital, members were impressed both with the evident success of the

sanctuary clearing operation and with the apparent
determination of the Khmer people to maintain themselves.

LAOS

The Royal Laotian Government (RLG) is perennially and seasonally menaced by Communist Pathet Lao (PL) and North Vietnamese Army (NVA) troops pushing out of mountain and jungle areas into populated Mekong River lowlands. Until recently the Laotian Government forces have been able to reclaim much of the territory so taken during the dry season.

The Communist control most of the country's terrain, but the Government most of the people. The Lao are basically a peaceful people who want to be left alone. Hundreds of thousands of them have fled either the Pathet Lao and North Vietnamese Army or U. S. Air Force and Royal Laotian Air Force (RLAF) air strikes. Fortunately, most of them have gone south toward freedom, rather than north toward Communism.

The Committee members received conflicting reports on the abilities of the Royal Laotian Army and those of the Royal Laotian Air Force. Their capabilities have improved, however.

There are relatively few U. S. governmental employees stationed in Laos - about 900 in the mission and 2,000 in all. There are very few American military men in Laos acting as advisors to the Royal Laotian Army. Other Americans work with the tribal forces, such as those led by Meo Maj. Gen. Vang Pao.

Most of the other Americans in Laos are either with the Embassy or working in AID development programs.

USAF air strikes in Northern Laos are approved by the U. S. Mission. While the next year may be a difficult one militarily for Laos, U. S. and RLG officials, including Prime Minister and Prince Souvanna Phouma, emphasize that they will neither make a request nor see the need for employment of U. S. ground troops in that country. However, the Prime Minister expressed the opinion that it is essential for Laos' future that the U. S. maintain some type of military support in Thailand.

The Members were told that continued American financial aid to the Laotian military is indispensable to Laos' existence. Not only does this aid provide the means for Laotian forces to deny the most heavily populated part of the country to the North Vietnamese, but their military actions also result in tying down two crack NVA divisions that could otherwise be fighting in South Vietnam.

One other important factor adding to the volatile situation in Laos is the Chinese Communists' road-building program in NVA/PL-held areas of Northern Laos. Since 1964-65 the Chinese Communist have been building roads through that area designed to connect China and North Vietnam. Recent information indicates

that the road may well be aimed at the Thai border. Once constructed, the road could be used to transport supplies in one day, where it now takes 30 days.

The long-term outlook in Laos is therefore cloudy. If the Communists choose to break more openly the 1962 Geneva accords, they could overrun Laos and imperil Thailand.

THAILAND

Thai government officials are convinced that the countries of Southeast Asia should assume greater responsibility for their own security. Especially is this true with respect to manpower. However, they stress the need for U. S. military equipment, as they do not want to become dependent for defense equipment upon any country with whom they could have a territorial dispute.

The United States has approximately 32,000 Air Force personnel with equipment at six major Thai air bases in addition to several smaller facilities. Thai officials express fear that U. S. withdrawal from Vietnam and Thailand might be carried out in such a way as to be misunderstood. They fear that the people in some nations of the area might interpret U. S. withdrawal as abandoning the goal of self-determination for Southeast Asian nations rather than a belief the South Vietnamese can now handle their own manpower requirements. Such misunderstanding, they feel, could have adverse consequences in a struggle which is partly psychological.

Thai officials state that the war in South Vietnam has never been simply a "Vietnamese War" but rather that North Vietnam with Chinese backing has for many years been waging a war to dominate all of Southeast Asia. If they had not been

convinced of this fact, they state they would never have sent troops into South Vietnam.

They also expressed the opinion that Americans should understand that North Vietnamese aggression against Laos and Cambodia is nothing new, because the North Vietnamese have partially occupied these countries for years.

While Thailand is prepared to furnish troops and training to assist the Cambodians, the Thais say they cannot do so without external financial assistance. Foreign Minister Thanat Koman was obviously disturbed by reports emanating from the United States that the Thai soldiers in South Vietnam were mercenaries, when the Thai government needs financial aid for part of their expenses. Thai officials stated that their soldiers were paid far less than prevailing civilian wage rates in Thailand.

The Royal Thai Air Force (RTAF) does not have enough trained pilots and ground crews to handle fully its need for air power, but it is training 100 pilots per year, and wants to train more. The Thais believe they have enough pilots, so that with updated planes they could handle more of the air responsibility for the region. They say it would be better psychologically to have Asians flying aircraft over targets in Southeast Asia, which would afford less opportunity for the Communists to create anti-American feelings.

Thai expenditures for defense account for 23 percent of their budget, and those for economic and social development are 14 percent of the budget. Their economic position is obviously stronger than that of most of Southeast Asian nations.

Communist guerrilla activities along the border with Malaysia are being countered through close cooperation with the Malaysian armed forces and police. Thais are concerned about North Vietnamese activities on their border with Cambodia, and about the modern fortified road which is being built from China to Thailand's northern frontier.

Thailand strongly supports an Asian development program based upon Mekong River development. Extensive surveys and construction of two dams have already begun. Thailand would welcome North Vietnamese participation and sharing in the benefits of such development, if North Vietnam would turn to peaceful pursuits and abandon any plan to take control of much of Southeast Asia by force.

INDONESIA AND SINGAPORE

Members of the Committee visited Indonesia because half of the population and much of the resource potential of Southeast Asia lie within that nation. Indonesian diplomatic initiatives show promise that this young nation, which has achieved its own independence, sees itself as playing a leading role in the Southeast Asia region.

Indonesia would appear to be a prime mover in developing East Asian regionalism, not only at the present time but especially in the future. The future is emphasized because of Indonesia's continuing problem of creating a viable nation out of a vast **archipelago**. Not only do these island people have wide racial, linguistic, cultural and religious differences, but there is a problem of creating a rational economic system out of the chaos left by Sukarno. However, since the fall of Sukarno, Indonesia's new leaders have shown a willingness and ability to step forward and provide responsible international leadership. An example of this was the May 16, 1970, meeting in Djakarta at which eleven Asian nations, with a combined population of approximately 350 million people, met on their own initiative to discuss the Cambodian crisis.

Indonesia has taken a responsible and positive role in regional economic developments and, to some extent, in a

parallel development of political organizations. Because the present day Indonesian leaders do not have the personal pretensions and ambitions of former leaders, they are better able to provide acceptable leadership for nations of the area.

The varied island nature of the nation provides more scope for developing individual leaders with differing backgrounds. This, together with the national spirit developed through its own achievement of independence, furnishes the impetus for its initiatives. The Members were impressed by the capability, and the depth and breadth of perspective of those Indonesians with whom they talked. The diplomatic initiatives of Foreign Minister Adam Malik -- one of the several very competent and effective civilians in what has been thus far a military government -- reflect the Indonesian potential for leadership. In the search for stability in the area, so as to be able to achieve real economic progress, Malik has adopted the approach that his country must take action to "buy more time" to achieve Indonesia's national development objectives.

Indonesia does not want to help in the present Cambodian situation, but has not yet found an appropriate alternative or means to implement her diplomatic initiatives.

Despite the heritage of debts and low per capita income from the Sukarno era, Indonesia is turning the corner economically

but it is not climbing out fast enough to assume significant overseas commitments. They still feel that they cannot afford to furnish troops for external military action, specifically for Cambodia. Neither they nor the other Southeast Asian nations are psychologically prepared for a defense organization such as NATO; they feel they cannot afford it politically or economically. In their view they cannot support a combat role on the mainland of Southeast Asia.

Indonesia, which was so recently dominated by a foreign power, cannot be seen - either internally or by its neighbors - as again even being remotely subservient to a foreign government. Thus, Indonesia must not only be careful about what it does, but also as to how and when it accepts foreign aid.

A number of primarily economic regional organizations have come into being with diffused leadership. Examples are: the Economic Commission on Asia and the Far East (ESCAPE), a United Nations organization; the Asian Development Bank (ADB); the Asian Parliamentarian Union (APU); and the Southeast Asian Ministers of Education Secretariat (SEAMES). These organizations hold meetings, conferences, seminars, etc., not all of which are economically productive, but they have provided a form of cement and regional consciousness among the nations of the area. Through these meetings the leaders of the various nations of the area have come to know one another both officially and

personally. Barriers still exist, but progress has been encouraging.

As the countries of Southeast Asia achieve a greater degree of economic and political cooperation, more effective regional defense relationships can and hopefully will be developed. Having been exposed to Communism in its own government and overcome it, the Indonesians believe their country has a bright, though difficult future, involving friendly and fruitful relationships with countries both of the East and of the West.

The city-state island of Singapore is strategically located in the heart of Southeast Asia. It can play a significant role in the region's development through its technological, banking and investment resources. Singapore is a center of commerce with an excellent educational system which contributes to its capability to play a most significant role in Southeast Asia. However, its potential is limited by its large population inhabiting a small area. This in turn may limit its significance in Southeast Asia.

After Singapore's rude awakening to the necessity of self-defense when Great Britain withdrew from its former protective role in the Far East, Singaporeans have put 30 percent of their budget into defense. Singapore does not receive U. S. military aid and prefers to buy U. S. weapons and equipment. Its efficient

government uses Israeli military advisors who help produce tough, well-trained soldiers who contribute to the island-state's national development.

The leaders of Singapore rejected Communism and now pursue a policy of nonalignment. In supporting the U. S.'s Vietnamization policy, they indicate explicitly that we must not cause a "crisis of confidence" in Thailand and the rest of Southeast Asia by a precipitate pull-out.

THE FUTURE OF SOUTHEAST ASIA

The increase of military conflict in Cambodia and the tenuous situation in Laos inject additional uncertainties into the already complex situation in Southeast Asia. With the planned reduction and ultimate withdrawal of U. S. combat forces from South Vietnam, external economic assistance will be a survival factor exceeded only by the ability and will of the people of this region to make their own accommodations on how best to cope with external aggression and internal strife. An acid test is coming of their ability to survive as independent states with self-determined governments.

Some leaders in the region view the expansion of the war into Cambodia as an opportunity to draw together more closely the countries of that part of the world. A common strategy, grants of military equipment, provisions for mutual combat training, and the use of neighboring countries' forces to repel invasion are a few cohesive steps that have been suggested. South Vietnam has military units in Cambodia, and is helping to train the Cambodian army. The Thais have expressed a willingness to play an active role. The big question is if the combined manpower and military capacity of each of the possible allies is sufficient to help its neighbors to combat Communist aggression, and at the same time to fight insurgency

at home. Distances are vast and terrain is rugged. Inadequate transportation systems, communications, and airpower are common weaknesses. Progressive reduction of the U. S. military presence in South Vietnam can make available much of the needed materiel. A question arises as to the extent to which the South Vietnamese themselves need this equipment to further their Vietnamization efforts, and to maintain their lengthy supply lines if they penetrate more deeply into Cambodia.

Before one becomes intrigued by the potentials for close and continued military association of the countries of Southeast Asia, it is well to recall that hostilities that run deep into history cannot easily be erased. The past trials and tribulations of NATO, comprising nations with a common long and bitter experience in war, suggest some of the problems these less sophisticated countries now face.

Thailand excepted, all have a fragile political base. A century of colonial rule did not prepare them for survival as independent governments responsive to popular rule. While popular government may exist in all countries, the gap between the governing and the governed is often wide. The dangers of aggression and subversion understandably require a greater concentration of power in the hands of those entrusted with saving the country. The thin cadre of leadership often gravitates toward the military establishment. It is no easy problem to

strike a balance between military demands and procedural and popular government.

The elements that make for a cohesive and viable nation-state, such as common language, common objectives, and a common thread of history, are in short supply in most of the countries. These shortages are a result of thousands of years of turmoil with boundaries and power structures in perpetual change. Thus a greater and more pressing burden falls upon their governments to identify the interest of all citizens with the interest of the nation. To those whose land has fallen under colonial rule, occupation, and war, government means little more than taxation and military service. If the citizens' sights are to be lifted from defense of their ancestral hamlets, something they have been doing for centuries, to defense of central and remote centers of power whose motives they suspect, the government has a responsibility to develop and make know a set of meaningful values that merit defense.

Few governments in the region have mastered the technique of reaching down to their citizens and rallying them to support a common cause. Such success as North Vietnam has had in this regard has been achieved only at heavy human cost and through massive propaganda techniques. Other governments in the area have yet to devise and implement a strategy of communications

with their own citizens. This information vacuum has been filled by broadcasts from Hanoi. (See section on Communications and Public Information Programs above.)

While the economy of South Vietnam has been covered in detail above, further general remarks about Southeast Asia's economy seem in order. There the potentials for development are considerable. Traditionally, the large river basins that form the southern part of Southeast Asia are the "rice bowls of Asia." A wide variety of agricultural crops, together with livestock, form the basis for the area's economy. Even in the piedmont areas, subsistence farming has been the backbone of the economy. Mechanized farming and improved agricultural techniques could vastly increase production once "pacification" is achieved.

The long period of conflict and insecurity that dates back to World War II has made farming precarious and hazardous. Millions have become unwilling refugees divorced from their land. Manpower has been drained to fill the demands of military service. For many, exposure to the excitement and somewhat greater security of urban life has not encouraged a return to the routine of a rural society.

To meet their heavy fiscal burdens, governments have relied increasingly upon government ownership or control of business. (Thailand is the exception.) The effect has been

to stifle private initiative and to multiply the problems with which government cannot cope.

The area does not lack the basic resources to embark upon industrialization. Take South Vietnam as an example. With peace and improved farming techniques, soil and climatic conditions will permit food production with a smaller percentage of the populace. There are five excellent ports. With training, many Vietnamese mechanics are as proficient as their contemporaries in the industrial nations. The Mekong Delta offers bright prospects for multi-purpose development, including power generation.

In each country, fiscal strategy more than military strategy may well be the decisive factor in national survival. Inflation is widespread and growing. Mounting military costs cannot be sustained if the economy falters. A decline in foreign exchange earnings, the import of necessary (and sometimes unnecessary) items, and a shaky tax base strain the financial resources. Our own efforts to combat inflation in the face of heavy domestic and defense expenditures are a microcosm of the problems faced by these countries. If inflation is allowed to go unchecked, the governments face financial ruin.

The current instability of the area is not conducive to a

major influx of private investment. Reduction of U. S. military outlays that parallel the reduction in our troop strength adds another problem.

While Communist China, either directly or through its satraps, remains a military threat to Southeast Asia, the quiet economic penetration of Japan is giving cause for some concern over the long haul. It requires no exhaustive research to become aware of Japan's role in Saigon, Bangkok, Vientiane, Djakarta, or Phnom Penh. The endless procession of wheeled vehicles, ranging from bicycles to automobiles, and a walk through the commercial centers give convincing evidence. One member expressed his concern this way, "The U. S. will spill the blood and spend the billions; Japan will move in and capitalize." Southeast Asians do not generally look upon Japan today as a Asian protector or mediator. Although still linked with the U. S. by security arrangements, they note Japan's slowly strengthening military posture and its rapidly increasing economic aggressiveness. The impending reversion of Okinawa to Japan is a further thrust southward.

What of the future rule of the U. S. in Southeast Asia? Most officials of the various governments with whom members of the Committee spoke are reconciled to, but unhappy about, the determination to withdraw our combat forces from the area. Some seem to welcome it, provided direct economic assistance is

bolstered. With varying of bluntness, all urge increased military equipment, more training, the presence of advisors, and air support.

If the U. S. presence is to be low-keyed, it would be advisable to increase emphasis on international lending agencies such as the World Bank and the Asia Development Bank. Certainly, Japan is in a position to and should pick up a larger share of the burden.

Perhaps the U. S. has gone full circle in this part of the world and should direct its assistance to **specific, but** essential activities. Three fields that warrant immediate assistance are agricultural and industrial development and public administration.

Agriculture is the basis of the economy. If it falters, these countries face serious internal problems. Industrialization offers a needed economic balance. Public administration should fill the gap in the design and operation of essential public services and provide the glue needed to hold these countries together.

After a long and costly involvement in Vietnam, the progressive reduction of U. S. forces will have a short-term adverse effect upon the Vietnamese economy. One can only guess at the number of Vietnamese who, directly or indirectly, derive

all or much of their livelihood from the sale of goods and services to the U. S. and its personnel in that country. While Vietnamization of the military forces continues, any sudden drop in U. S. assistance will only intensify economic strains and jeopardize the financial structure. This juncture of conditions both offer opportunity and the absolute need to exert more leverage upon the Vietnamese government to address itself more vigorously to improved military capabilities, internal reforms, and to put its economic house in order. Possibly these pressures will not be well received. But such pressures are imperative if one both reads correctly the mood of the United States and observes the reaction of the South Vietnamese to the overwhelming American presence.