

UNCLASSIFIED

APPENDIX II

COMPTROLLER GENERAL OF THE UNITED STATES
Washington, D.C. 20548

B-169832

February 10, 1971

Dear Mr. Chairman:

In your letter of January 28, 1971, you asked for our views concerning GAO work in Cambodia and suggestions on how the GAO can assist the Committee and the Congress in staying better informed on the operation of our aid program in Cambodia.

We are now making a detailed review of the use of excess or surplus property for the military assistance program pursuant to your letter request of October 2, 1970. In addition to reviewing the broad policy matters and procedures for implementing this program we have selected several recipient countries for detailed review. In view of the fact that Cambodia has now become a significant recipient under the excess program we have decided to include that country in our review in addition to the other Asian countries of Korea, Taiwan, and Indonesia. Accordingly, we will be monitoring the programming and delivery of military equipment and supplies to that country.

The staff of our International Division are continually monitoring the international activities of the Department of Defense, especially in Southeast Asia at this time, and we will continue to be available to render whatever assistance we can to the Committees of the Congress. Members of my staff will soon be meeting with your Committee staff to brief them on our current and planned work.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General
of the United States

The Honorable J. W. Fulbright
Chairman, Committee on
Foreign Relations
United States Senate

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APPENDIX III

**U.S. MAP-FUNDED ASSISTANCE TO CAMBODIA BY FISCAL YEAR
AS OF FEBRUARY 21, 1971**

<u>Category</u>	<u>Programmed</u>			<u>Delivered</u>		
	<u>1970</u>	<u>1971</u>	<u>Total</u>	<u>1970</u>	<u>1971</u>	<u>Total</u>
	(000 omitted)					
Aircraft and support	\$ 627	\$ 9,503	\$ 10,130	\$ -	\$ 3,066	\$ 3,066
Boats and support	-	1,678	1,678	-	227	227
Combat vehicles	-	550	550	-	398	398
Support vehicles	196	17,439	17,635	196	506	702
Weapons	2,340	9,955	12,295	2,340	1,352	3,692
Ammunition	3,889	95,559	99,448	3,889	42,574	46,463
Communications	455	4,576	5,031	455	993	1,448
Other support	104	16,564	16,668	104	329	433
General support	788	10,745	11,533	788	473	1,261
Special activities	-	5	5	-	-	-
Total	\$8,399	\$166,574	\$174,963	\$7,772	\$49,918	\$57,690
Packaging, crating, handling, and trans- portation of property for Cambodia	500	16,500	17,000			
Total	\$8,899	\$183,074	\$191,963			

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APPENDIX IV

U.S. MAP MATERIAL PROGRAMMED AND
DELIVERED TO CAMBODIA IN THE
PERIOD APRIL 22, 1970, TO FEBRUARY 14, 1971 (SECRET)

	<u>Programmed</u>	<u>Delivered</u>
M-16 rifle	28,631	6,376
M-2 carbine	54,290	29,801
M-1 rifles, cal. 30	23,000	13,066
45-cal. pistol	3,319	628
M-79 grenade launcher	6,757	1,758
30-cal. machine gun	2,536	536
60-mm mortar	931	271
81-mm mortar	233	24
105-mm howitzer	33	23
C-47 aircraft	17	10
O-1D aircraft	28	0
UH-1H helicopter	6	6
2-1/2-ton trucks	917	86
Armored personnel carrier	21	21
Armored mortar carrier (4.2")	3	3
Field telephones	6,348	1,451
AN/PRC-10 radios	2,542	1,506
AN/PRC-25 radios	1,861	575
AN/VRC-46/47/49 radios	125	40
Patrol boats, river	19	8
Patrol boats, other	4	0
Landing craft, medium	16	0

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CAPTURED ENEMY PROPERTY

TRANSFERRED TO CAMBODIA BY THE UNITED STATES (SECRET)

<u>Weapons</u>	<u>Number</u>
12.7-mm machine gun	5
7.62-mm rifle (AK-47)	27,411
7.62-mm machine gun	291
7.62-mm submachine gun	239
7.5-mm rifle	198
7.5-mm machine gun	7
60 mm mortar	75
Grenade launcher (RPG)	562
Launcher, antitank (RPG)	99
57 mm recoilless rifle	21
75 mm recoilless rifle	37
82 mm mortar	17

<u>Ammunition</u>	<u>Rounds</u>
7.62 mm	3,328,000
12.7 mm	2,377,000
7.5 mm	14,000
7.92 mm	2,119,000
14.5 mm	77,000
57 mm	5,725,000
60 mm	3,960,000
37 mm	2,180,000
75 mm	756,000
82 mm	4,832,000
120 mm mortar	367,000

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APPENDIX VI

CAMBODIAN TROOPS TRAINED IN SOUTH VIETNAM

IN THE PERIOD JUNE 1970 TO FEBRUARY 1971 (SECRET)

Number of
personnel trained

Army

Artillery mobile training teams (3)	24
Drivers (wheeled)	10
Armored personnel carrier drivers	28
Wheeled-vehicle mechanics	20
Platoon leaders	114
Infantry battalions	2,497
Infantry companies (refresher)	6,079
Infantry companies (initial)	6,430
Battalion staff officers	40
Engineer battalion training	397
Transportation drivers and mechanics	51
Brigade staff officers	20
	<u>15,710</u>

Air Force

Pilots	18
Maintenance personnel	32
Civil engineers	9
Forward air guides	<u>151</u>
	<u>210</u>

Navy

Forward air guides	7
River patrol boat maintenance	9
River patrol boat crews	<u>145</u>
	<u>161</u>

Total

16,081

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ECONOMIC ASSISTANCE TO CAMBODIA FROM OTHER DONORS

AS OF MARCH 17, 1971

<u>Bilateral assistance</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>
	----- (millions) -----		
Australia	\$ 2.0	\$ -	\$ 2.0
Belgium	-	7.0	7.0
Denmark	-	4.0	4.0
East Germany	-	12.0	12.0
France	-	22.5	22.5
Great Britain	.3	-	.3
Japan	<u>4.0</u>	<u>-</u>	<u>4.0</u>
Total	<u>6.3</u>	<u>45.5</u>	<u>51.8</u>
<u>Multilateral assistance</u>			
United Nations Development Plan	1.5	-	1.5
United Nations Childrens Fund	.3	-	.3
Asian Development Bank	-	1.7	1.7
Prek Thnot Dam Project (note a)	<u>8.2</u>	<u>11.0</u>	<u>19.2</u>
Total	<u>10.0</u>	<u>12.7</u>	<u>22.7</u>
Grand total	<u>\$16.3</u>	<u>\$58.2</u>	<u>\$74.5</u>

^aGrants from France, Great Britain, Japan, Italy, and West Germany; loans from Denmark, Australia, Canada, Japan, India, Pakistan, Netherlands, Philippines, and the United Nations Development Plan.

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APPENDIX VIII

COMPARISON OF EMBASSY PERSONNEL AS OF

APRIL 1970 AND MARCH 1971 (UNCLASSIFIED)

<u>Section</u>	April 22, 1970 (note a)	<u>March 4, 1971</u>		<u>Total</u>
		<u>Perma- nent</u>	<u>Tempo- rary</u>	
Executive	2	4	-	4
Political/Military	-	21	1	22
Political	-	4	-	4
Economic	2 ^b	5	1	6
Consular	-	1	-	1
Defense attache	3	20	-	24
U.S. Information Service	-	2	1	3
Administration	<u>4</u>	<u>17</u>	<u>10</u>	<u>27</u>
	<u>11</u>	<u>74</u>	<u>17</u>	<u>91</u>

^aThere were no temporary duty personnel at the post on April 22, 1970.

^bTwo persons combined the political, economic, and consular functions. (UNCLASSIFIED)

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548



B-169832

Dear Mr. Chairman:

This is our report on the United States and other nations' assistance to Cambodia, which we have made in accordance with your request that we keep a close surveillance on the military and economic aid programs in Cambodia and furnish timely reports on significant matters. (UNCLASSIFIED)

Our review was conducted in Cambodia and Vietnam during March 1971, and the report contains data on the specific areas of special concern to the Committee outlined in subsequent discussions with our representatives; i.e., the number and types of U.S. citizens in Cambodia; the activities of CIA in Cambodia; the source of financing the training of Cambodian forces; sources utilized by the United States to support Cambodian forces; and the amount and types of economic assistance flowing into Cambodia. (UNCLASSIFIED)

Because assistance from U.S. sources and from other nations is varied, we have no assurance that our report includes all assistance that has been given to Cambodia. Also the combat conditions in Southeast Asia were a handicap in our expanding and verifying data obtained at Phnom Penh and Saigon at the field levels. We believe, however, that information obtained will serve a useful purpose in that it will indicate to some extent the involvement and commitment of the United States and of other nations in Cambodia. (UNCLASSIFIED)

We have not requested or obtained official comments from the Department of Defense on the contents of this report; however, the report was reviewed by the Department of Defense for security classification, and approval was obtained for the release of the classified information to the Committee. (UNCLASSIFIED)

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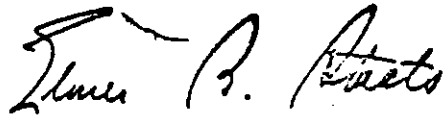
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We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained. (UNCLASSIFIED)

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James B. Aronson".

Comptroller General
of the United States

The Honorable J. W. Fulbright, Chairman
Committee on Foreign Relations
United States Senate

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classified as indicated.
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ABBREVIATIONS

AID	Agency for International Development
CIA	Central Intelligence Agency
CINCPAC	Commander in Chief, Pacific
DOD	Department of Defense
GAO	General Accounting Office
MACV	Military Assistance Command, Vietnam
MAP	Military Assistance Program
MEDT	Military Equipment Delivery Team, Cambodia

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COMPTROLLER GENERAL'S
REPORT TO THE COMMITTEE
ON FOREIGN RELATIONS
UNITED STATES SENATE

ASSISTANCE TO THE KHMER REPUBLIC (CAMBODIA)
Department of Defense
Department of State B-169832

D I G E S T

WHY THE REVIEW WAS MADE

The Committee Chairman requested that the General Accounting Office (GAO) keep a close surveillance on the military and economic aid programs in Cambodia and furnish timely reports on significant matters. (See p. 31.)

The Comptroller General notified the Chairman on February 10, 1971, that, in conjunction with a detailed review of the use of excess or surplus property for the military assistance program (MAP) being conducted in Southeast Asia, GAO would be monitoring the programming and delivery of military equipment and supplies to Cambodia and would provide whatever services were required. (See p. 33.)

FINDINGS AND CONCLUSIONS

The United States during 1950-63 provided substantial assistance to Cambodia under MAP. Map was resumed in April 1970 with funds approximating \$9 million, and \$185 million was programmed for fiscal year 1971. (See pp. 6 to 9.)

The fiscal year 1970 MAP was not developed in the normal manner due to the emergency nature of Cambodia's requirements. An attempt was made to design the fiscal year 1971 program along conventional lines. Due to limited information available as to what the Cambodians had and the combat conditions existing at the time, however, U.S. officials were extremely handicapped in this regard. (See pp. 6 to 9.)

Recognizing the inherent weaknesses of military assistance developed on an emergency basis, an important management control feature was incorporated into the requisitioning and delivery system. To ensure that only equipment for which Cambodia has a valid requirement and is capable of using is delivered, all items, including DOD excesses, must be called forward by U.S. personnel in Cambodia. Utilizing a "pull" rather than a "push" delivery system substantially diminishes the chance of providing items for which there is no valid requirement. As more information becomes available as to what assets are already in the Cambodian inventory, program adjustments and deletions are made.

SECRET

For example, to program aid to Cambodia effectively, the United States must be aware of the extent and nature of assistance being provided by other countries and by non-MAP sources. Indications are that the United States is not always aware of the equipment being supplied by other countries--e.g., six C-47 aircraft supplied by Australia. (See p. 14.)
(SECRET)

Although not all inclusive, support amounting to about \$90 million has been provided by the United States at less than full cost under MAP and from other sources. Some of this assistance is summarized below.
(UNCLASSIFIED)

- Cambodia has participated in the DOD excess program to the amount of \$7.4 million. (See pp. 17 and 18.) (UNCLASSIFIED)
- The United States has expended about \$1.7 million on the construction, operation, and maintenance of a troposcatter communication station near Phnom Penh. (See p. 18.) (SECRET)
- About \$500,000 was provided by the United States for psychological operations in Cambodia. (See pp. 21 and 22.) (SECRET)
- Major repairs, costing about \$2 million, to five Cambodian T-28 aircraft were provided by U.S. forces in Thailand. (See p. 22.)
(UNCLASSIFIED)

Examples of the kind of support provided to Cambodia for which GAO could not readily assign a dollar figure are as follows:

- The United States has provided captured weapons and millions of rounds of ammunition to Cambodia. (See p. 18.) (UNCLASSIFIED)
- About 100 U.S. military instructors, using U.S. facilities in Vietnam, trained 16,000 Cambodians. (See pp. 18 and 19.) (CONFIDENTIAL)
- Other nations have provided arms, ammunition, uniforms, medicines, equipment, and training. The major contributors have been Australia, South Vietnam, and Thailand. (See pp. 22 and 23.) (UNCLASSIFIED)

GAO has also included in this report, as requested by the Chairman, information and data on

- the amount and type of economic assistance flowing into Cambodia and
(UNCLASSIFIED)
- the number and types of U.S. citizens in Cambodia (UNCLASSIFIED) including those involved in the activities of the Central Intelligence Agency. (SECRET)

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RECOMMENDATIONS OR SUGGESTIONS

Several deficiencies were noted in the procedures for receiving material in Cambodia and were discussed with responsible officials. GAO was advised that a new system was put into effect on March 9, 1971.

AGENCY ACTIONS AND UNRESOLVED ISSUES

Formal agency comments were not requested.

MATTERS FOR CONSIDERATION BY THE CONGRESS

It appears that the U.S. involvement in Cambodia has grown steadily since April 1970. The Congress will want to keep a close surveillance of U.S. activities in Cambodia.

SECRET

CHAPTER 1

INTRODUCTION

Our review was made pursuant to a request dated January 28, 1971, from the Chairman, Committee on Foreign Relations, U.S. Senate. The request stated that the Committee was concerned over the worsening situation in Cambodia and feared that the large military and economic aid programs being initiated might involve the United States more deeply. The Committee felt that, in view of the unusual and critical situation in Cambodia, the public would be best served by the General Accounting Office's keeping a close watch on the operation of the assistance programs in Cambodia and furnishing timely reports on significant matters.

(UNCLASSIFIED)

The Comptroller General notified the Chairman on February 10, 1971, that, in conjunction with a detailed review of the use of excess or surplus property for the Military Assistance Program being conducted in Southeast Asia, GAO would be monitoring the programming and delivery of military equipment and supplies to Cambodia. Subsequent to this date the Chairman requested GAO to obtain data on five specific areas of special concern to him. (UNCLASSIFIED)

The audit effort during this assignment consisted of reviewing available records and holding discussions with U.S. officials pertinent to MAP, non-MAP programs, CIA activities, and data relating to U.S. citizens in Cambodia. (SECRET)

Our review, which was conducted in Cambodia and Vietnam during March 1971, was limited in scope in that some of the information was fragmentary and some data was obtained without the desired extent of verification. Since support of the Cambodian military forces is provided through a variety of means, which, for the most part, emanates outside of Cambodia, we cannot be sure that we have accounted for all the support given Cambodia from the U.S. sources other than MAP. Also, due to the combat conditions in Cambodia, no fieldwork was done to expand upon or verify data obtained in Phnom Penh or Saigon. (UNCLASSIFIED)

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In the interest of providing a timely report, extensive work was not undertaken to further substantiate our findings. This fragmentary data does, however, provide sufficient indications of the U.S. and other nations' involvement in Cambodia.

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CHAPTER 2

U.S. ASSISTANCE PROVIDED AT FULL COST UNDER MAP

U.S. assistance to Cambodia began in 1950 and ended in 1963 at the request of the Cambodian Government. In the period 1955 to 1963, the United States extended about \$309.6 million in economic grant aid and about \$83.7 million in military assistance. In the earlier years, this assistance was devoted to repairing physical damage resulting from hostilities in Indochina, the reestablishment and support of military forces to maintain internal security, stabilization of the economy, and the expansion of capital facilities needed to stimulate economic growth.

U.S. assistance to Cambodia was resumed in April 1970 on the basis of a Presidential Determination that the United States would provide small arms and other materials for the defense of Cambodia against armed Communist aggression.

With this Presidential Determination, the current U.S. MAP was officially launched. During the last weeks of April and through most of the month of May, the majority of U.S. supplies delivered to Cambodians were transferred to Cambodian military units operating in or near the enemy's former sanctuary areas and consisted primarily of small arms, ammunition, and a few radios.

Early guidance from the President and the Secretary of Defense concerning assistance for Cambodia was succinct. The program was to be unsophisticated and simple and was designed to maintain a non-Communist government in Cambodia. U.S. military participation in the program in Cambodia was to be restricted to those personnel assigned to or attached to the U.S. Embassy in Phnom Penh.

FORMULATION OF MAP FOR CAMBODIA

In formulating the fiscal year 1970 MAP to provide emergency support to the existing Cambodian Armed Forces the Secretary of Defense issued certain guidelines and constraints for developing a crash program within authorized dollar limitations.

SECRET

The Secretarial guidelines for developing the fiscal year 1970 program provided that:

- The program would be keyed to the existing military structure and equipment of the Cambodian Armed Forces. (UNCLASSIFIED)
- Partial support would be provided for a 65,000-man force which would not include high-cost sophisticated items such as tanks and aircraft. (UNCLASSIFIED)
- Ground forces should be developed as lightly armed infantry, supported by 60 mm and 81 mm mortars and 105 mm howitzers with mobility provided by equipment already in the Cambodian Armed Forces inventory. (SECRET)
- For the Cambodian Air Force, only T-28 aircraft would be supported, and naval support would be limited to small patrol craft. (SECRET)

The fiscal year 1970 Presidential Determination was for \$7.9 million and was later raised to \$8.9 million. (UNCLASSIFIED)

Because of the emergency nature of Cambodia's requirements under the fiscal year 1970 program, MAP was not developed in the normal manner, i.e.: (1) establishment of a formal force structure to be supported, (2) ascertaining what serviceable equipment was on hand, and (3) developing total requirements to support the established force structure. Rather, in accordance with Secretarial guidelines, urgently needed light weaponry was provided for existing forces. (UNCLASSIFIED)

The fiscal year 1971 MAP was designed to provide follow-on support of the 1970 program and to support a specified force structure. Initial planning guidance for fiscal year 1971 remained the same as for the prior year program regarding force level, avoidance of expensive add-on equipment, and emphasis on building on existing Cambodian assets. Subsequent guidance increased the supported force level to 155,000 troops. (SECRET)

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In developing a program for fiscal year 1971, an attempt was made to design it along conventional force structure lines, and to establish Tables of Organization and Equipment for use in identifying specific requirements. U.S. officials were extremely handicapped in this regard. Limited information was available as to the assets in the Cambodian inventory, and the condition of these assets. The organizational structure of the Cambodian Armed Forces was not compatible with developing a functional maintenance and logistical support system. Further, combat conditions existed in Cambodia at the time program formulation was in process. (SECRET)

Working with these handicaps and within the guidelines established by the Secretary of Defense, Tables of Organization and Equipment were developed for each MAP-supported unit within the authorized force structure. (SECRET)

U.S. officials utilized input from several sources in formulating the Tables of Organization and Equipment for the Cambodian Armed Forces. First, consideration was given to the Cambodian strategy for containing the enemy, and the force structure previously developed and provided by the Cambodians. Other data utilized included standard U.S. military tables, and Tables of Organization and Equipment for comparable units of Republic of Vietnam forces.

(UNCLASSIFIED)

We were advised that these Tables of Organization and Equipment were not completely valid, however, they were a useful tool for programming and requisitioning.

(UNCLASSIFIED)

MAP funding for the fiscal year 1971 program amounted to \$185 million, including \$20 million earmarked for the procurement of combat-related commercial imports.

(UNCLASSIFIED)

Recognizing the inherent weaknesses of MAP developed on an emergency basis, an important management control feature was incorporated into the requisitioning and delivery system. To ensure that only equipment for which Cambodia has a valid requirement and is capable of using is delivered, all items, including DOD excesses, must be called forward

(UNCLASSIFIED)

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by U.S. personnel in Cambodia. Utilizing a "pull" rather than a "push" delivery system, the chance of providing items for which there is no valid requirement is substantially diminished. In addition, as more information becomes available as to what assets are already in the Cambodian inventory, program adjustments and deletions are made.

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Execution of MAP for Cambodia

U.S. assistance commenced with the delivery of individual weapons, ammunition, and uniforms. These items were delivered on an irregular and unscheduled basis and were coordinated to the extent possible by the Military Assistance Command, Vietnam (MACV), and the U.S. Embassy in Phnom Penh.

In mid-June 1970 the Office of the Political/Military Counselor was established at the U.S. Embassy in Phnom Penh with in-country responsibility for the Cambodia MAP. During its early existence, the Political/Military office relied almost exclusively upon the defense attache staff for operation of MAP.

In June 1970 the first regularly scheduled air shipments of material to Cambodia began with air transportation provided by the South Vietnamese. Initial shipments consisted of selected weapons and munitions captured in the former Cambodian sanctuary areas of the enemy. Soon thereafter U.S. equipment, weapons, and munitions were integrated into the scheduled supply flights provided by the South Vietnamese Air Force. Plans were also developed for shipment of lesser priority and high tonnage items via the Mekong River to Phnom Penh.

At February 21, 1971, MAP material valued at about \$57.7 million had been delivered to Cambodia. Almost 80 percent of this or about \$46.5 million was ammunition. (See app. III.)

Items of equipment provided to Cambodia to date through the MAP program included: UH-1 helicopters; M 113 armored personnel carriers; patrol boats, river; C-47 aircraft; 105 mm howitzers. (See app. IV.)

Experience has shown that approximately 65 percent of MAP is utilized for air and ground munitions. About 10 percent is set aside for packing, crating, handling, and transportation charges. The remaining 25 percent is for vehicles, weapons, radios, aircraft, naval vessels, barrier materials, etc.

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Further details concerning the items programmed and delivered to Cambodia are shown in appendix IV.

ADMINISTRATION OF MAP

Initially the in-country administrative management of the U.S. assistance program was handled by the defense attaches under the supervision of the Embassy Charge d'Affaires. MACV, being the only immediate source of supplies for Cambodia, drew together a few personnel in the office of the MACV J-4 which had established electrical communication with the defense attaches in Phnom Penh and formed the nucleus of a logistical support organization to coordinate the assembly and movement of supplies to Cambodia from South Vietnam. The collection and inventory of enemy arms and munitions captured by U.S. Forces in the sanctuary areas in May and the movement of small quantities of medical material occupied the attention of this small group for the first weeks of its existence. The round-the-clock emergency requirements placed upon these few men soon made it apparent that the operation could not continue on an ad hoc basis. Therefore in late May 1970, they were formally organized into what became known as the Special Support Group. This group became totally responsive to the urgent military logistical needs of the fledgling Cambodian military forces as determined by Embassy Phnom Penh.

In late June 1970 the Commander in Chief, Pacific (CINCPAC) called a conference in Saigon to formalize MAP for Cambodia. Representatives from CINCPAC, MACV, the Military Assistance Command, Thailand, and Embassy Phnom Penh attended the conference and worked out the first coordinated program. Subsequently a similar conference was held in Bangkok to establish the 1971 program, based initially on the \$40 million Presidential Determination. Subsequently the Presidential Determination for fiscal year 1971 was increased by \$50 million for a total of \$90 million. The 1971 program was essentially a continuation of the pattern of the 1970 program designed to equip and support a light infantry force of 65,000 personnel with modest air and naval support.

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On June 14, 1970, the Office of the Political/Military Counselor was established in the Embassy at Phnom Penh and the in-country administration and management of MAP was transferred from the defense attache to the Political/Military Counselor. Until August 1, 1970, it was necessary for the Political/Military Counselor to rely completely upon the services of attache personnel for assistance, as his office consisted of only one individual.

By late July of 1970 it became apparent that this office would require some augmentation as the management of the in-country program was monopolizing the attention and efforts of about one half of the defense attache staff. Consequently, two officers of the U.S. Army were attached to the office in late July and all attache personnel except the Air and Navy attaches were relieved of their political/military duties. As the program continued to increase in magnitude and deliveries began to arrive in Phnom Penh by both air and water, it was again apparent that another personnel augmentation was required for efficient operations. A request for four enlisted men (one clerk and one each Army, Navy, and Air Force having MAP experience) was made to Washington in late August and was approved. Shortly after the arrival of the Ambassador in September of 1970, the Political/Military Counselor of the Embassy was given the additional title and duties of special CINCPAC Representative for Military Assistance Matters. This official relationship with Embassy Phnom Penh was established to provide CINCPAC with direct liaison with the in-country management of the U.S. MAP in Cambodia. In October 1970 a final request was made for four additional officers (one Air Force, one Navy, one logistician, and one communications). By December 1, 1970, the authorized staff for the Political/Military office was six officers and four enlisted men to handle the in-country aspects of a \$90 million program. On December 31 two officers and four enlisted men were actually present for duty with the Political/Military Counselor in Phnom Penh.

UNCLASSIFIED

THE MILITARY EQUIPMENT DELIVERY TEAM

A Military Equipment Delivery Team (MEDT) for Cambodia was approved in January 1971, shortly after the Supplemental Aid bill was passed. MEDT is authorized to station not more than 16 personnel in Cambodia and 44 (the former Special Support Group) in South Vietnam. The 16 MEDT personnel in Cambodia operate as a section of the U.S. Embassy, Phnom Penh, and are, in effect, a formalization and six-man augmentation of the 10 military personnel previously authorized for the Office of the Political/Military Counselor.

MEDT is a CINCPAC military organization responsible for the administrative and logistical management of the U.S. MAP for Cambodia. Its Chief is an Army brigadier general whose headquarters is in Saigon. MEDT receives support from MACV, the U.S. Army in Vietnam, and the 7th Air Force. It maintains close liaison with the Cambodian Military Liaison Office in Saigon and the Joint Chiefs of Staff of the Vietnamese Armed Forces. In coordination with Embassy Phnom Penh and CINCPAC, MEDT also develops the program data for MAP Cambodia submissions. In Phnom Penh the 16-man forward element of MEDT is organized functionally to conform to the general organization of the Cambodian Army. A four-man administrative section includes the Deputy Chief of MEDT, an administrative noncommissioned officer, and two clerk-typists. Three enlisted men are utilized full time to meet inbound transportation (ground, air, and water), receive and inventory supplies, and to coordinate the movement of incoming supplies to depots, warehouses, etc. The remaining personnel perform direct MAP logistical liaison functions with the Khmer General Staff, the Ministry of National Defense, the Air Force, the Navy, the Directorate of Military Engineering, the Directorate of Training, the Petroleum Directorate, etc.

MEDT, Phnom Penh

MEDT, Phnom Penh, is essentially a monitoring and auditing agency for MAP in Cambodia. It is responsible for priority, delivery, and turnover of MAP equipment and supplies for Cambodia. In addition, it is charged with observing and reporting on the use of MAP materials and on personnel trained

SECRET

by MAP funds. No materials or equipment are shipped to Cambodia unless called forward by MEDT, Phnom Penh. (UNCLASSIFIED)

The forward element receives assistance when required from temporary duty personnel, both from MEDT in Saigon and from other organizations. In the period January 22 to March 23, 1971, MEDT, Phnom Penh, received 38 temporary duty personnel for periods ranging from 2 to 34 days. (UNCLASSIFIED)

MEDT, Saigon

MEDT, Saigon, plans, programs, and requisitions MAP materials required for Cambodia. Material requisitioned from U.S. sources is held in Vietnam until called for by the forward element. The Saigon element also maintains records on MAP equipment requisitioned and delivered and forwards delivery reports to the Army International Logistics Center for reimbursement to the appropriate U.S. agency. (UNCLASSIFIED)

COORDINATION RESPONSIBILITIES

To program aid to Cambodia effectively, MEDT must be aware of the extent and nature of military assistance being received by Cambodia from other nations. Without such data, MEDT cannot know if programmed MAP equipment can be effectively absorbed and utilized by Cambodia. We found one instance wherein lack of such data could have resulted in the delivery of material which could not be effectively utilized. (UNCLASSIFIED)

We learned that, of the 17 C-47 aircraft programmed by MEDT to meet Cambodian requirements, 10 had been delivered. In response to our queries concerning Australian assistance, the Embassy Counselor for Political/Military Affairs requested current data from the Australian Embassy. This data, which was unknown to MEDT, showed that Australia was planning to provide six C-47 aircraft. He advised us that the final six C-47 aircraft programmed under MAP would be deleted from the program. (SECRET)

Action has been taken to correct this type of problem. The Cambodian Armed Forces have recently established a Military Assistance Office in the Ministry of National Defense to provide a centralized system for accounting for the receipt, (UNCLASSIFIED)

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storage, and distribution of all foreign military assistance provided to Cambodia. The records of this office are made available to MEDT on request.

End-item utilization checks and inspections are conducted by MEDT personnel when they have the opportunity to visit the various military region headquarters and units in the field. Occasionally the defense attaches are requested to make these checks when its officers visit areas not accessible to MEDT members.

RECEIVING AND ACCOUNTING PROCEDURES FOR ITEMS DELIVERED TO CAMBODIA

In Cambodia we reviewed the procedures for receiving, handling, and accounting for material and equipment arriving in the country. We also inquired into distribution procedures and procedures for ensuring proper utilization of material and equipment provided.

We found that, when materials and equipment arrive in Cambodia, no distinction is made between items obtained at no cost from DOD excesses and items paid for with MAP funds. The same accounting and control procedures apply to all deliveries regardless of the source from which the items were obtained.

We noted several deficiencies in the procedures for receiving materials in Cambodia and for transferring the items to the Cambodian Armed Forces. For example, the MEDT element in Cambodia was not aware of the specific items of equipment arriving on a particular aircraft until the aircraft had landed, resulting in scheduling and distribution problems. In addition, an inadequate cargo manifest was being used for performing a semidetailed inventory of arriving cargo and was being used also as the accountable document for transferring assets to the Cambodian Armed Forces. Procedures had not been established to reconcile the quantities actually received by Cambodia with MEDT records of issue and shipment. Adequate receiving and transferring procedures are vital since title passes at the off-loading point in Cambodia.

During our review we discussed these problems with responsible officials. We found that the lack of knowledge by

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U.S. personnel in Cambodia as to what material was scheduled to arrive on a particular day resulted from a breakdown in communications between the forward and rear elements of MEDT. We were advised that this problem had been corrected.

We were advised that a new system was put into effect on March 9, 1971, to improve inadequate transfer procedures. The new system provides for performing a detailed inventory in Cambodia prior to actual transfer and for reconciling quantities actually received by Cambodia with quantities issued and shipped according to MEDT, Saigon records. At the completion of our fieldwork, these new procedures had not been in effect for a sufficient time to permit our evaluation as to their adequacy.

We believe the informal procedures existing for end-item utilization are generally adequate at the present time considering (1) the type of material and equipment currently being provided and (2) the "low profile" concept under which the United States is operating in Cambodia. However, there are potential weaknesses of limited end-use surveillance. For example, during a visit to the Signal Depot, we found that a 2-year supply of a certain type of battery was on hand. This overstockage resulted from an initial requirement determination which was valid when made but was not revised on a timely basis. Although this may be an isolated instance, it does indicate the type of problems inherent in such informal procedures.

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CHAPTER 3

ASSISTANCE PROVIDED BY THE UNITED STATES AT LESS THAN FULL COST UNDER MAP AND FROM OTHER SOURCES

In addition to the support provided by the United States to Cambodia which is charged at full cost to the grant-aid MAP, the United States has been supporting Cambodian military forces by a variety of lower cost means under MAP and from other sources. We have identified such support amounting to about \$90 million as well as other support upon which we have not placed a dollar figure. This additional support has been in the form of Cambodia's participation in the DOD excess program, the provision of equipment and services not funded under MAP, and economic assistance for support of Cambodia's military budget. Details regarding economic assistance are covered in chapter 4.

PARTICIPATION IN DOD EXCESS PROGRAM

In MAP planning for the fiscal years 1970 and 1971 for Cambodia, emphasis was given to program content and priorities and to exploring means of optimizing the acquisition of material and equipment through DOD long-supply and excess programs at no cost to MAP. Providing DOD excesses to MAP-recipient countries is a means of augmenting authorized MAP funds. Cambodia participated in the DOD excess and long-supply program. As of March 14, 1971, Cambodia was authorized to receive \$7.4 million worth of assets under the program, of which \$3.2 million worth had been delivered.

MEDT officials advised us that all of these excesses had been requested to fill fiscal year 1971 program requirements. A considerably smaller amount had been programmed under the 1970 program.

The approved MAP of \$185 million for fiscal year 1971 had no identified shortfall requirements against which to apply excess acquisitions; therefore all excess materials and equipment were applied against an identified program

SECRET

requirement. Items requested by MEDT are generally purported to be in serviceable condition or in need of only minor repair. Occasionally an urgently needed item is offered which is unserviceable and in need of repair. If the need is judged to be sufficiently urgent, the item is requested; however, it is put into serviceable condition prior to delivery to Cambodia. We were advised that the cost of repairing and delivering such items was paid for from MAP-Cambodia funds. (UNCLASSIFIED)

DELIVERY OF CAPTURED WAR MATERIALS (UNCLASSIFIED)

In addition to using excess materials to fill Cambodian requirements, the United States has turned over large quantities of captured war materials to that country. Captured enemy equipment given Cambodia by the United States includes 27,411 AK-47 rifles and a variety of other weapons, including machine guns, mortars, and recoilless rifles. These weapons were provided to Cambodia as DOD excess. Documents at MEDT show that the United States has also given Cambodia millions of rounds of captured ammunition in support of the donated weapons. Costs of repairing and delivering these items are paid by MAP. (See app. V.) (SECRET)

INSTALLATION OF A TROPOSCATTER STATION (SECRET)

The United States is also expending about \$1.7 million on construction, operation, and maintenance of a troposcatter communication station near Phnom Penh. Construction and operating costs through February 29, 1972, are estimated to be about \$700,000 and the cost of Government-furnished equipment to be used in the station will be about \$985,000. Construction of the station was justified on the grounds that out-of-country communications had to be improved to support tactical air operations, the American Embassy, and air traffic control. (SECRET)

TRAINING OF CAMBODIAN FORCES (UNCLASSIFIED)

A total of 16,081 Cambodian personnel were given military training in Vietnam in the period June 1970 to February 1971. (See app. VI.) An additional 1,845 Cambodian troops were trained in Thailand. (SECRET)

SECRET

Cambodian personnel are being trained in Vietnam by both the United States and Vietnam. The U.S. Army, Vietnam, has established an Individual Training Group which trains Cambodian troops at three Vietnamese training camps. We visited one of these camps at Long Hai, Vietnam. About 100 U.S. military instructors who were formerly members of the Special Forces were in charge of training. They were assisted by local interpreters and assistant instructors. The training is a 12-week basic infantry course. At March 26, 1971, ten 512-man battalions had completed training at the three camps and 10 more were in process. The South Vietnamese Army assists in the training and is scheduled to take over completely when their capability is developed. (CONFIDENTIAL)

In addition to the joint training described above, the South Vietnamese are training 100 123-man infantry companies from Cambodia in fiscal year 1971. At March 7, 1971, 60 of these companies were in training and 40 were scheduled to begin. (SECRET)

SECRET

SOURCE OF TRAINING FUNDS (UNCLASSIFIED)

We were advised by the U.S. Army, Vietnam, Training Command that personal equipment, unit equipment, and ammunition requirements were provided by MAP for the Cambodian troops trained in Vietnam. We learned, however, that no MAP requirement had been established to pay rent for using training facilities nor to pay salaries of the instructors, although training had been under way for 9 months. We have been informed that MAP is paying the additional overhead costs for training Cambodians at these facilities. It should be noted that, in accordance with MAP procedure, the cost of the instructors' salaries was not billed to MAP Cambodia. We had not determined if MAP equipment and ammunition had been provided for the 1,845 troops trained in Thailand. (SECRET)

We learned that Thailand was training 12 Cambodian pilots under a government-to-government agreement and requested MEDT to provide further information on the nature and extent of such training. The Deputy Chief, MEDT, advised us that third-country training of Cambodians arranged on a bilateral basis was not within the purview of MEDT. In our opinion MEDT cannot program military assistance properly without full knowledge of military assistance being received from all sources and should ensure that this information is obtained. (SECRET)

DIRECT AIR SUPPORT (UNCLASSIFIED)

U.S. ground forces were withdrawn from intervention areas in Cambodia on June 30, 1970. However, U.S. Air Force units, in accordance with President Nixon's determination to permit air interdiction, continue to strike at enemy troop and supply concentrations and lines of communication. The U.S. Air Force also provides convoy air cover for waterway and highway convoys throughout Cambodia, especially on the Mekong River between South Vietnam and Phnom Penh and the parallel highways. Further forward air control aircraft provide visual reconnaissance and control of strikes by United States and South Vietnamese aircraft and communication with Cambodian ground commanders. An EC-121 aircraft from Korat Royal Thai Air Force Base, Thailand, orbits over central Cambodia to provide a communication link with the Tactical Air Control Center in Saigon and the strike and forward air control aircraft (SECRET)

SECRET

operating over Cambodia. Further interdiction effort is provided by B-52 aircraft flying high-altitude saturation-bombing missions in Cambodia. These aircraft are launched from Thailand in support of ground operations in Cambodia conducted by South Vietnam. We have no information as to the cost of providing these direct air support services. (SECRET)

PSYCHOLOGICAL OPERATIONS (SECRET)

We note that significant inputs of non-MAP assistance have apparently been made for psychological operations in Cambodia. We have tentatively identified partial costs of \$520,000 attributable to these operations, but the total dollar value is still unknown to us. Detailed information on these inputs is not available in Cambodia or Vietnam because the inputs are managed by the Commander in Chief, Pacific Fleet; U.S. Army, Pacific; U.S. Embassy in Thailand; or 7th Psychological Group in Okinawa or Thailand. CINCPAC was instructed in March 1971 to program such items under either MAP or AID, as appropriate. The items of assistance which we have identified are as follows. (SECRET)

Material aid

In the period June 1970 to March 1971, the United States gave approximately \$70,000 in material aid to Radio Cambodia. This aid consisted of copper strapping and wire, radio tubes, monitoring equipment, test equipment, and spare parts. (SECRET)

Portable transmitter--10 kw

The United States loaned a 10 kw portable transmitter to Radio Cambodia. This was installed in Kompong Som to improve the medium wave Phnom Penh signal. (SECRET)

Transmitter--50 kw

To improve reception in the Battambang area of Cambodia, CINCPAC authorized temporary installation of a portable 50 kw transmitter in Thailand near the Thai-Cambodian border. This station retransmits Radio Cambodia's shortwave signal on the medium wave frequency. The transmitter is operated by U.S. personnel. (SECRET)

SECRET

Pocket-size battery-operated radios--67,000

U.S. Army, Pacific, has provided at least 67,000 pocket-size battery-operated radios to the Cambodian Government for distribution in rural areas. The estimated cost of these radios was in excess of \$200,000, and the necessary funds reportedly came from the fiscal year 1970 Pacific Command Psychological Operations fund. (SECRET)

Printing support for psychological operations in Cambodia

The 7th Psychological Group, either in Okinawa or Thailand, is alleged to be provided printing support for psychological operations in Cambodia at an annual cost in excess of \$250,000. These funds are also said to be from the Pacific Command Psychological Operations fund. (SECRET)

REPAIRS OF CAMBODIAN T-28 AIRCRAFT (UNCLASSIFIED)

We noted evidence that major repairs of five T-28 aircraft, technical assistance, air munitions, and spare parts costing about \$2 million provided by U.S. forces in Thailand may have been provided without charge to the fiscal year 1970 Cambodian MAP. This support was coordinated by the U.S. Embassy, Bangkok, and Deputy Chief, Military Assistance Command, Thailand. We found no evidence in Cambodia or Vietnam that reimbursement for this assistance from fiscal year 1970 Cambodian MAP funds had been made. However, Washington representatives of the Defense Security Assistance Agency said that the costs for repair of Cambodian T-28s were charged to MAP. (UNCLASSIFIED)

MILITARY ASSISTANCE PROVIDED TO CAMBODIA BY OTHER NATIONS (UNCLASSIFIED)

Although the United States provides most of the arms, ammunition, aircraft, and support equipment for the Cambodian forces, other nations, including some receiving massive support from the United States, have provided arms, ammunition, uniforms, medicines, equipment, and training. Major contributors have been South Vietnam, Thailand, and Australia; and Korea, Taiwan, Belgium, and Laos have made minor contributions. (UNCLASSIFIED)

SECRET

South Vietnam

South Vietnam, in addition to conducting combat operations using 10,000 to 15,000 troops in Cambodia, provides air and water transportation by C-47 and C-119 aircraft and by LSM and LST ships to transport MAP goods provided by the United States from South Vietnam to Cambodia. The transportation services provided include protection for convoys on the Mekong River en route to Cambodia. South Vietnam also has trained Cambodian troops; has donated large quantities of captured arms, ammunition, and other war materials to Cambodia, and has distributed 600 tons of Public Law 480 commodities valued at \$108,000 to Cambodian recipients. (UNCLASSIFIED)

Thailand

We have learned that Thailand has been supporting Cambodian operations by providing tactical and logistical air support. We noted that Thai C-123 aircraft transport Cambodian T-28 aircraft to and from Thailand for repair and maintenance. Other Thai aircraft (T-28s, F-5s, RT-33s, UH-1s, and C-47s) flew 321 sorties and transported 251,860 pounds of cargo in the period July 4 to December 31, 1970. The majority of the strike sorties have been directed at troop concentrations, interdiction points, and storage areas near Siem Reap, Cambodia. Thailand also had provided nine small river boats with armament and outboard motors, personal equipment, medicines, and weapons and had loaned five T-28 aircraft to Cambodia in addition to training 1,845 Cambodian troops. (SECRET)

Australia

Australia granted about \$1.5 million in military assistance to Cambodia. Items provided or to be provided under this grant included 50 vehicles, 120 radio sets with batteries, 1,000 submachine guns with ammunition, and six C-47 aircraft. Australia also had provided about \$100,000 in radio equipment, spare parts, and air conditioners for Radio Cambodia. (SECRET)

Other nations

Contributions by other nations included clothing from Korea, clothing and medicines from Taiwan, medicines from Belgium, and weapons from Laos. (UNCLASSIFIED)

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CHAPTER 4

ASSISTANCE TO THE CAMBODIAN ECONOMY

The United States has programmed \$70 million to finance a commercial import program and \$8.5 million in agricultural commodities to be provided under Public Law 480, Title I. We were advised that the local currency generated under both of these programs would be used primarily to support the military budget. However, none of this assistance had been delivered at the time of our review. On March 2, 1971, an agreement for the first increment of grant assistance in the amount of \$10 million was signed by the Governments of the United States and Cambodia.

U.S. officials in Cambodia advised us that grant assistance would be in the form of commodities delivered under a commercial import program. The grant agreements are being negotiated in increments to ensure that effective controls are established to avoid importation of unnecessary commodities and to preclude corruption in the program.

We identified, in addition to U.S. assistance, current grants and loans to Cambodia from other donors for economic assistance amounting to about \$74 million as of March 17, 1971. The grants and loans came from a number of donors and did not include contributions from private organizations. Grants and loans amounting to \$19.2 million also were made under a multilateral effort by 12 countries and the United Nations for construction of a major dam in Cambodia.

These matters are discussed in more detail below.

DETERMINATION OF COMMODITY NEEDS FOR CAMBODIA

The Embassy Counselor for Economic Affairs advised us that several analyses of Cambodia's needs for commodity imports were made before the request was submitted to the Congress. The International Monetary Fund; the AID Mission to Laos, and the Institute for Defense Analysis all studied the problem. For the first increment of \$10 million, the

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Cambodian Government was requested to submit a list of the country's most urgent requirements. This list was analyzed and refined over a period of several weeks. The largest single item to be financed with the \$10 million was petroleum products valued at \$4.5 million. This item was followed by chemicals at \$1.7 million, vehicle tires and tubes at \$1.2 million, and cement at \$1.1 million. Procurements are limited to the United States and lesser developed countries. The Embassy is considering increasing the initial increment to \$20 million to meet Cambodian commodity requirements.

PROCEDURES FOR MONITORING AND AUDITING ASSISTANCE PROGRAMS

At the time of our review, no procedures for monitoring and auditing the assistance programs had been established by the Embassy. Embassy officials, however, were in the process of designing systems for monitoring and surveillance of commodities procured under the program. Temporary assistance had been requested from AID/Saigon to advise the Embassy on appropriate systems for control of logistics, transportation, and commodity procurement and licensing. Commodity accounting was to be provided by AID/Bangkok. Procedures for managing the local currency proceeds derived from the sale of commodities were being developed by AID/Bangkok and MEDT, Cambodia.

Audits of the programs will be performed by the AID Auditor General, Saigon.

We noted that the United States had, at the time of our review, \$2,198,541 in claims outstanding against the Cambodian Government from prior assistance programs. These claims resulted from importation of ineligible commodities, overpricing, and similar irregularities in previous commercial import programs. In the 9 years in which the United States provided bilateral aid to Cambodia, not one claim was paid. U.S. officials are aware of this, but no action has been taken to recoup the amounts due.

ECONOMIC ASSISTANCE FROM OTHER DONORS

On March 17, 1971, we were furnished information by the U.S. Embassy, Phnom Penh, which showed current grants and

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loans to Cambodia from other donors. These grants or loans which were for economic assistance amounted to about \$74 million. The grants and loans came from a number of donors and did not include contributions from private organizations. The major bilateral grant donors were Japan (\$4 million), Australia (\$2 million), and the United Nations (\$1.8 million). (See app. VII.)

Outstanding bilateral loans amounted to \$45.5 million, with \$22.5 million representing a multipurpose loan from France. Other outstanding bilateral loans were made by East Germany (\$12 million), Belgium (\$7 million), and Denmark (\$4 million).

In addition to the economic assistance described above, \$19.2 million in grants and loans were made under a multilateral effort by 12 countries and the United Nations for construction of a major dam in Cambodia.

A responsible Embassy official advised us that, except for the above assistance, the Embassy was not aware of the total amount of grants and loans which had been provided to Cambodia by other donors. He advised us further that the Embassy was taking steps to develop this information.

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CHAPTER 5

U.S. CITIZENS IN CAMBODIA

NUMBER AND TYPES OF U.S. CITIZENS IN CAMBODIA

(UNCLASSIFIED)

U.S. policy in Cambodia has been to maintain a "low profile"; i.e., limiting the number of Americans in-country. The magnitude of U.S. programs in Cambodia, however, appears to be forcing a steady increase in the number of U.S. personnel. When U.S. assistance resumed in April 1970, there were 11 people on the Embassy staff. At March 4, 1971, there were 74 persons assigned to the Embassy and 17 others on temporary duty. (See app. VIII.) (UNCLASSIFIED)

The increase in staff is due primarily to the increased military activity in Cambodia. The Political/Military Section, with a staff of six civilians and 16 servicemen, was created to order, receive, and monitor military equipment within Cambodia. The servicemen are a part of MEDT, Cambodia. Similarly the defense attache advised us that the increase in his staff from 3 men to 24 was attributable to the military operations in Cambodia. (CONFIDENTIAL)

Economic assistance programs account for the increase in the Economic Section which is staffed with five professional employees on loan from AID. The economic counselor believes, however, that five persons will not be sufficient to manage the economic programs and that further increases in the staff of the Economic Section may be required.

(UNCLASSIFIED)

Detailed information on the total number of governmental and nongovernmental U.S. citizens in Cambodia was not available. Embassy officials, however, provided the following data as of March 4, 1971, some of which is based upon estimates: (UNCLASSIFIED)

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Embassy personnel	91
Embassy dependents	19
American businessmen	20 (estimate)
Cambodian Americans (note a)	20 (estimate)
Journalists	<u>20 (estimate)</u>
 Total	 <u>170</u>

^aAmericans married to Cambodians or Cambodians with American citizenship. (UNCLASSIFIED)

ACTIVITIES OF CIA IN CAMBODIA (SECRET)

The Central Intelligence Agency (CIA) representative in Phnom Penh advised us that his staff numbered from four to six persons and that CIA activities in Cambodia were restricted to gathering intelligence data for transmission to CIA/Washington. He said that the CIA in Cambodia was not training, and had not in the past trained, any police or paramilitary personnel for Cambodia, and he did not expect to do so in the future nor did he expect the size of the CIA complement in Cambodia to increase. (SECRET)

We discussed the role of the CIA with the U.S. Ambassador to Cambodia who advised us that he was satisfied that the CIA operation in Cambodia was actually confined to intelligence gathering. (SECRET)

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APPENDIX I

J. W. FULBRIGHT, ARK., CHAIRMAN
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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, D.C. 20510

January 28, 1971

Mr. Elmer B. Staats
Comptroller General of the
United States
Washington, D. C.

Dear Elmer:

As you know, many members of the Committee on Foreign Relations are much concerned over the worsening situation in Cambodia and fear that the large military and economic aid program now being initiated may involve the United States more deeply. How those programs are administered will be an important factor in determining what happens in this respect.

The General Accounting Office has a well deserved reputation for its thoroughness and impartiality in insuring that taxpayers' funds are spent wisely and in accordance with the spirit and the letter of laws passed by Congress. In view of the unusual and critical situation in Cambodia it seems to me that the Congress and the public would be well served by having a representative of the General Accounting Office stationed in Phnom Penh to keep a close watch on the operation of the aid program in Cambodia and furnish this and other interested Committees with timely reports on significant matters. What I have in mind is someone who would be in a position to keep track of day-to-day operations and supplement the information on broad policy matters which will be gathered by the Committee staff during periodic trips to Southeast Asia.

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APPENDIX I

I would be interested in having your views on this, as well as any suggestions you have as to how the GAO could assist the Committee and the Congress in staying better informed on the operation of our aid program in Cambodia.

Sincerely yours,


J. W. Fulbright
Chairman