

CIAOER

IM 74-007

Approved For Release 2000/04/18 : CIA-RDP85T00875R001700070007-6

Secret/NFD

1 of

The Situation in Cambodia, April 1974

May 74

**Secret**  
*No Foreign Dissem*



# Intelligence Memorandum

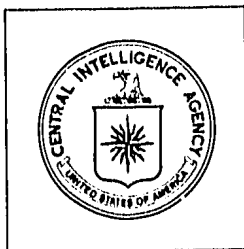
*The Situation in Cambodia, April 1974*

**Secret**  
ER iM 74-7  
May 1974

**NATIONAL SECURITY INFORMATION**  
**Unauthorized Disclosure Subject to Criminal Sanctions**

Classified by 015319  
Exempt from general declassification schedule  
of E.O. 11652, exemption category:  
5 5B(1), (2), and (3)  
Automatically declassified on:  
Date Impossible to Determine

~~Secret~~  
*No Foreign Dissem*



**The Situation in Cambodia**  
**April 1974**

**SUMMARY**

During the last quarter, the Khmer Communists (KC) launched their expected major offensive against Phnom Penh, but it failed, despite heavy pressure on FANK. Amid the fighting, the government's policymaking apparatus was reorganized, but only limited progress was made in solving a wide range of military, economic, and political problems. At the same time, the Communists began a diplomatic effort designed to increase foreign support, but they, too, were beset by military and political problems.

The drive on Phnom Penh stalled because the Communists failed to coordinate their attacks effectively and were plagued by supply shortages. On the government side, FANK was hampered by critically low unit strengths and command indecisiveness, but their relatively more mobile ground units and air force performed well. Both sides suffered extensive casualties during the thrust and have found it difficult to replace those losses. Overall, however, the heavy fighting during the first quarter did not significantly alter the military balance in Cambodia.

Late in the quarter, Lon Nol again realigned the power structure at the government's highest echelons, abolishing the High Political Council and creating a new Executive Council. To date, however, the change has had little impact on the government's effectiveness. Some limited success was achieved in ameliorating teacher unrest, and, by increasing stockpiles of critical commodities, the government made important progress in one of its key problem areas. Little progress was made, however, in coping with rampant inflation or mounting income distribution problems.

On the Communist side, Sihanouk maintained his hard line on negotiations with the government, but he was eclipsed by Khieu Samphan, who embarked on extensive diplomatic travels apparently designed to improve the KC's political standing and to garner additional military aid from Communist countries. Domestically, the KC suffered a setback in the countryside as popular disaffection with harsh controls mounted. FANK relocated 45,000 to 60,000 villagers from Communist-held areas.

Note: Comments and queries regarding this memorandum are welcomed. They may be directed to [REDACTED] of the Office of Economic Research, Code 143, Extension 4121.

## DISCUSSION

### Introduction

1. This memorandum is the eighth in a series of quarterly reports designed to review military, political, and economic developments in Cambodia and covers the first quarter of 1974.

2. Care has been taken in the selection and processing of the data used in this memorandum, but even the most authoritative information from Cambodia frequently is unreliable. For example, military statistics covering FANK strength, casualties, and other factors are based on largely unconfirmed field reports. Likewise, the significance of economic data is clouded by uncertainty over the methods used by the Cambodians to calculate their statistics.

3. Because of the method of disseminating field reports, some of the military data for March were not received in time to be included in this memorandum.

### The Military Situation

#### *Developments*

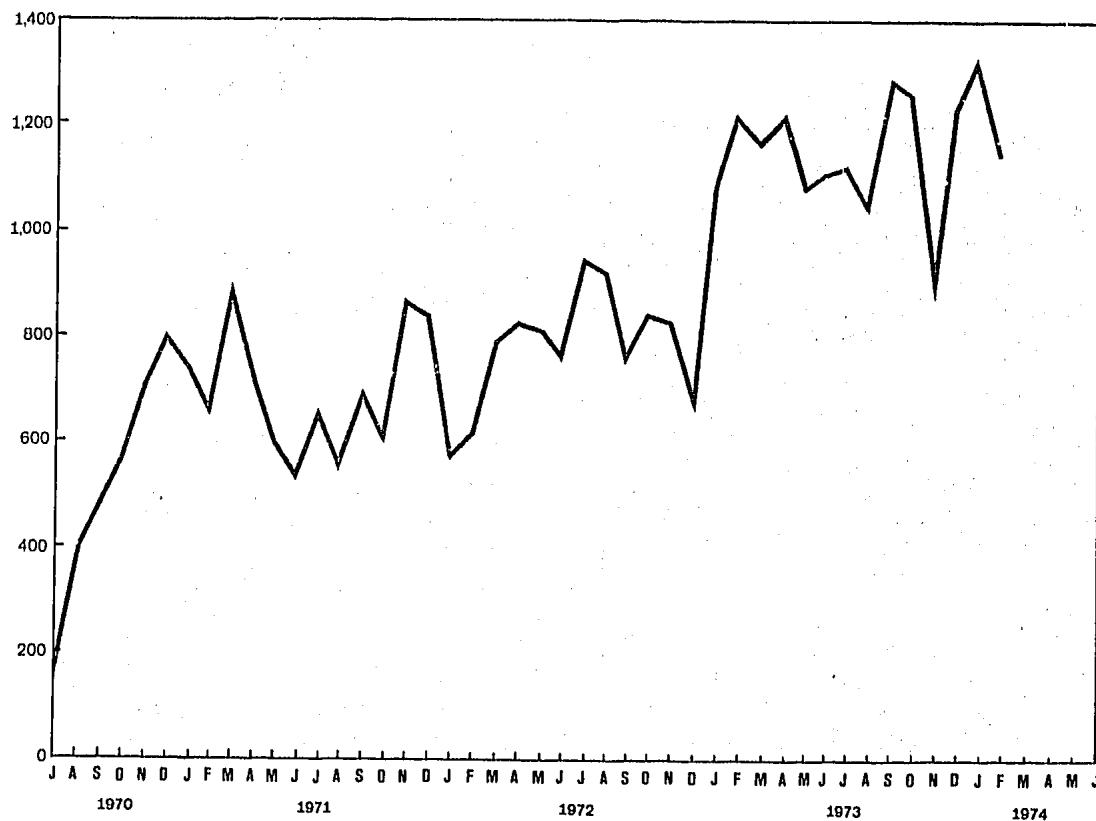
4. Combat activity intensified in December 1973 and remained heavy through the first quarter of 1974. The KC's principal objective in the early fighting was Phnom Penh, but following major setbacks there, they shifted their attention in late February to outlying provincial capitals. Countrywide, the number of combat incidents reached the highest level of the war in January (see Figure 1), while activity in the Phnom Penh area peaked in February (see Table A-1 in the Appendix). Consistent with past experience, about 70% of all combat occurred within 5 kilometers (km) of major lines of communication.

5. Although the KC launched several major attacks against the capital's defensive perimeter, their failure to coordinate those efforts allowed FANK to deploy major units from sector to sector to thwart each initiative. The most serious thrust began in December and gained the KC a short-lived foothold near Pochentong Airport. A subsequent KC drive in early January was blunted when a reinforced FANK division was dispatched to the area, and by mid-February the KC were withdrawing from their positions under intense FANK pressure after suffering heavy casualties.

6. South of Phnom Penh, following a FANK retreat north of the Prek Thnot River, the KC established artillery positions within 10 km of Phnom Penh in late January. They then shelled the city with captured 105-mm howitzers for several weeks. (One particularly heavy attack on 11 February killed 200 civilians and left 10,000 homeless.) After numerous delays, the three FANK divisions committed to the battle moved south across the river in mid-February, and the firing tapered

Secret

Figure 1

**CAMBODIA: Combat Incidents**

503225 5-74

Data from OSD/DDPAE Khmer computer file.

off as the KC withdrew. FANK forces defending the east bank of the Mekong achieved similar success in quieting KC rocket attacks on the capital.

7. Following the KC failure to breach Phnom Penh's defenses, they changed their attention to outlying towns in late February. The KC launched a major attack against the seacoast provincial capital of Kampot, and by early March the perimeter had been substantially reduced and the city was in danger of falling. FANK's reaction to this threat was slow but effective, and the decline was reversed by extensive reinforcement, heavy air strikes, and effective fire and logistic support from the Navy in March and early April.

8. On 16 March the KC launched a major, unexpected attack on the provincial capital of Oudong, 35 km northwest of Phnom Penh. FANK pledged to hold the 17th century royal capital at all costs, but despite an extensive relief effort, it was abandoned on 28 March, after a fortuitous KC shelling destroyed most of the garrison's ammunition. Subsequent to the fall of Oudong, the KC overran FANK's beachhead east of the town and increased the pressure on the garrison at Lovek just to the north.

9. As was the case during the previous quarter, the KC failed to mount major, sustained attacks against Phnom Penh's most crucial line of communication -- the Mekong River. The first seven convoys of the quarter received light attacks without suffering major damage. Subsequently, five consecutive convoys were attacked in mid-February, but only one ammunition barge was lost -- the first since September. During the rest of the period, attacks were less frequent, and only three of the nine convoys in March were harassed. (Mekong convoys and the status of Cambodia's three principal highways during the last 12 months are shown in Figure 2.)

10. Throughout the quarter, the KC maintained their relatively low-cost interdictions on Cambodia's major land lines of communication. FANK made no effort to reopen Route 1 to South Vietnam or Route 5 and, after heavy fighting in January, seemed content to allow Route 4 to remain closed. Although one convoy made it through from Kompong Som to Phnom Penh, the road was never opened for continuous travel between the two cities.

#### *Disposition of Forces*

11. FANK, with an estimated combat strength of 110,000 to 130,000 men, continues to hold a two-to-one manpower advantage over the KC, who are now estimated to have a combat force of 46,000 to 56,000. (Comparative combat strengths, by military region, are shown in Figure 3.)

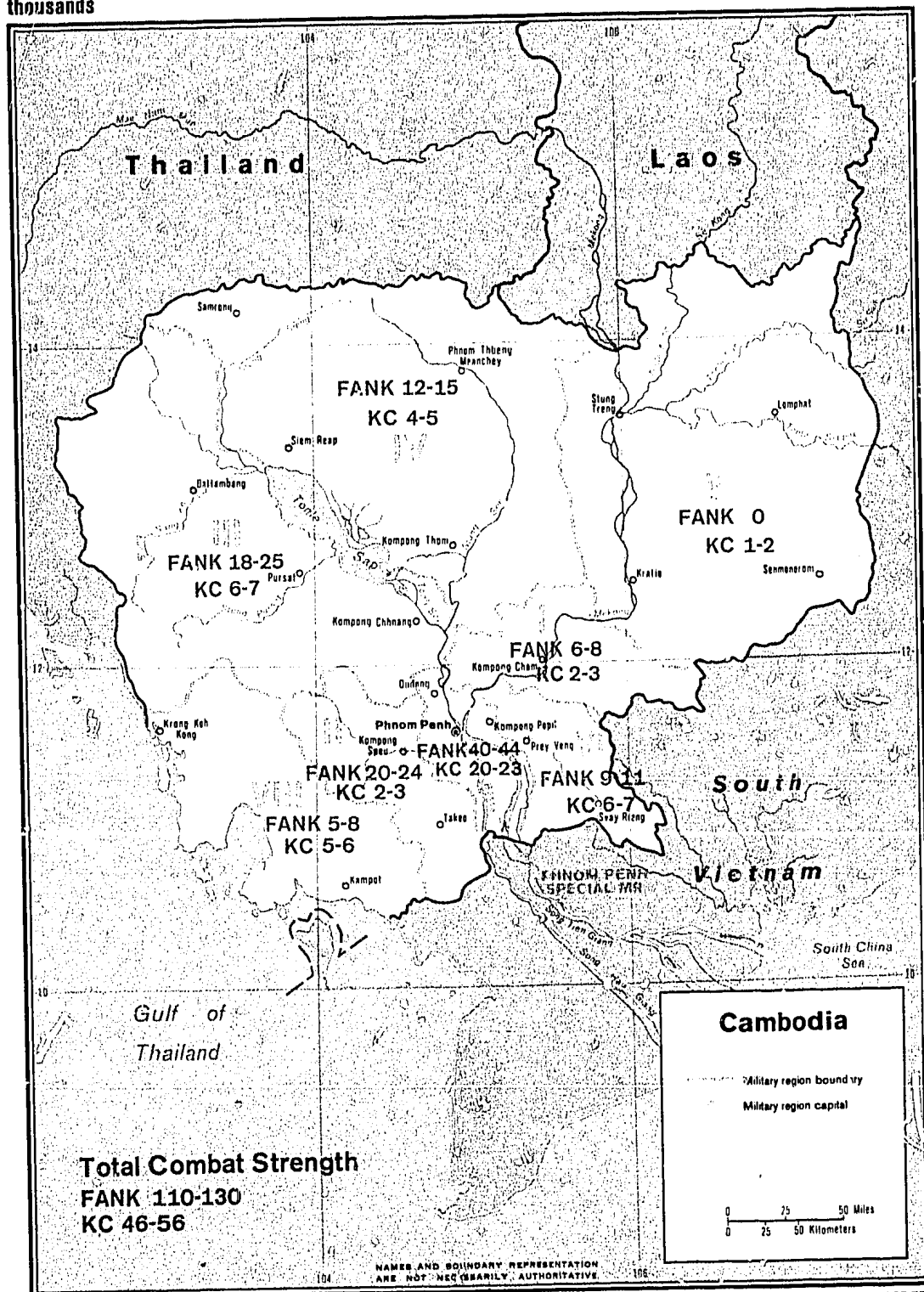
12. The largest concentration of combat forces remains in the Phnom Penh area, despite the upsurge in fighting elsewhere in the country. By pulling in additional units and replacements from outlying areas, the KC have managed to maintain about 10,000 troops around the capital -- somewhat lower than the earlier peak of 12,000 to 15,000. FANK also has brought in reinforcements to the capital area and now has a larger combat force there than at the first of the year (35,000 to 40,000 troops, compared with 27,000 to 29,000 in January). On both sides, however, some of the best units engaged near Phnom Penh in previous months have been shifted to other battlefields.

13. Reinforcement in this and other areas has been at the expense of Military Regions (MRs) II, III, and IV in the north, west, and southwest. Both sides have drawn on their forces there, and the KC in particular have drastically reduced their strength in MR II to reinforce in the Phnom Penh area and at Kampot. More recent movements have focused on the Lovek area, Prey Veng, and Kompong Thom. Elsewhere, the KC can achieve localized superiority if they choose to, but they are unlikely to mount a major threat without extensive redeployments. FANK has the opportunity to exploit its manpower superiority in many outlying areas but is unlikely to attempt to surpass the limited operations already undertaken to expand defense perimeters or resettle population.

Secret

Figure 3

### FANK and Khmer Communist Combat Strength, by FANK Military Region



863227 8-74

SECRET

Secret



SECRET

## Status of Government Supply Routes (Second Quarter, 1973)

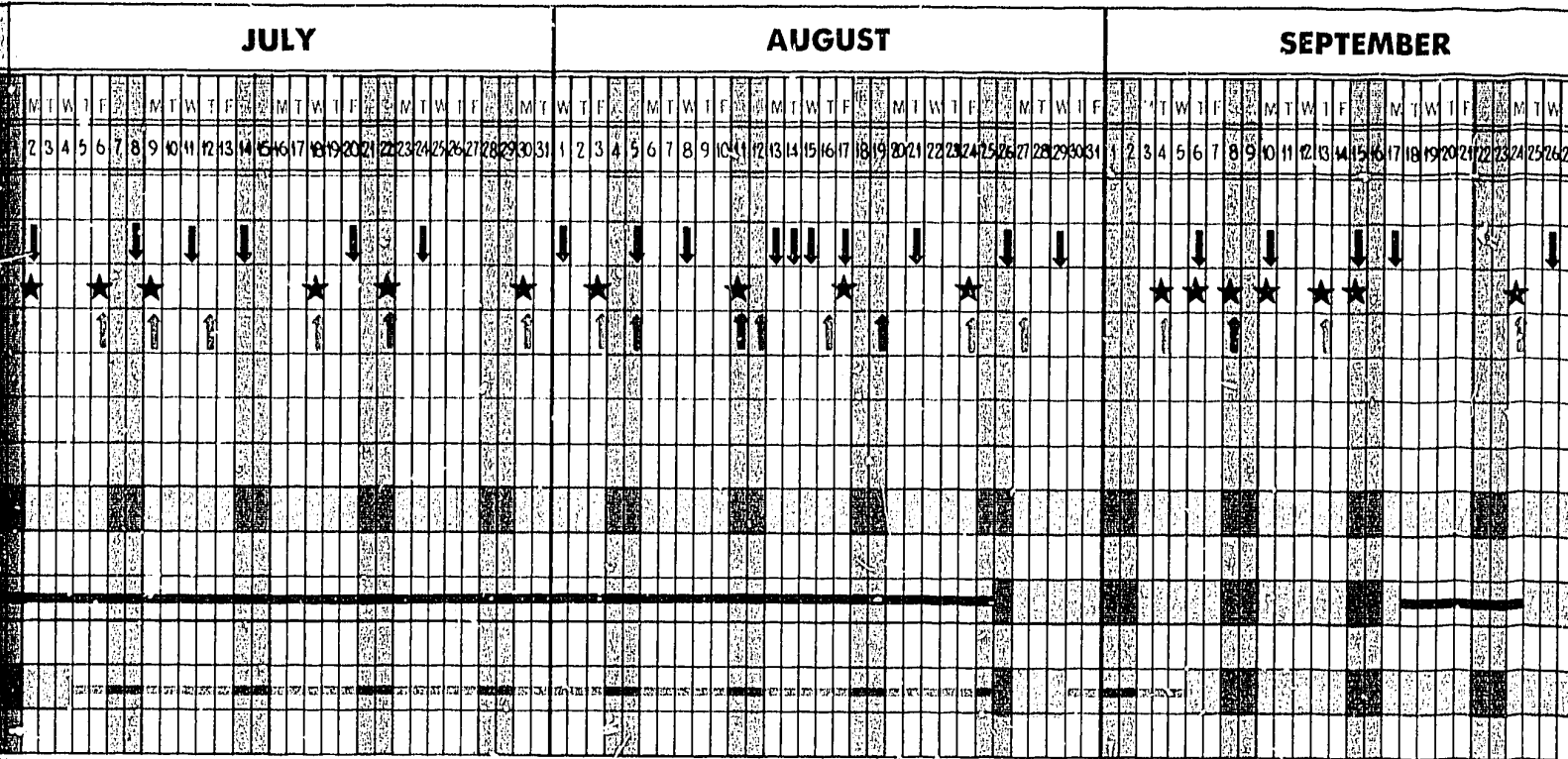
	APRIL																														MAY																													
	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S																		
<b>MEKONG CONVOYS</b>																																																												
From Phnom Penh ↓																																																												
Attacked by fire ★																																																												
To Phnom Penh ↑																																																												
<b>OVERLAND ROUTES</b>																																																												
(Closed)																																																												
Rte 1 (Phnom Penh to SVN Border)																																																												
Rte 4 (Phnom Penh to Kompong Som)																																																												
Rte 5 (Phnom Penh to Battambang)																																																												

### (Fourth Quarter, 1973)

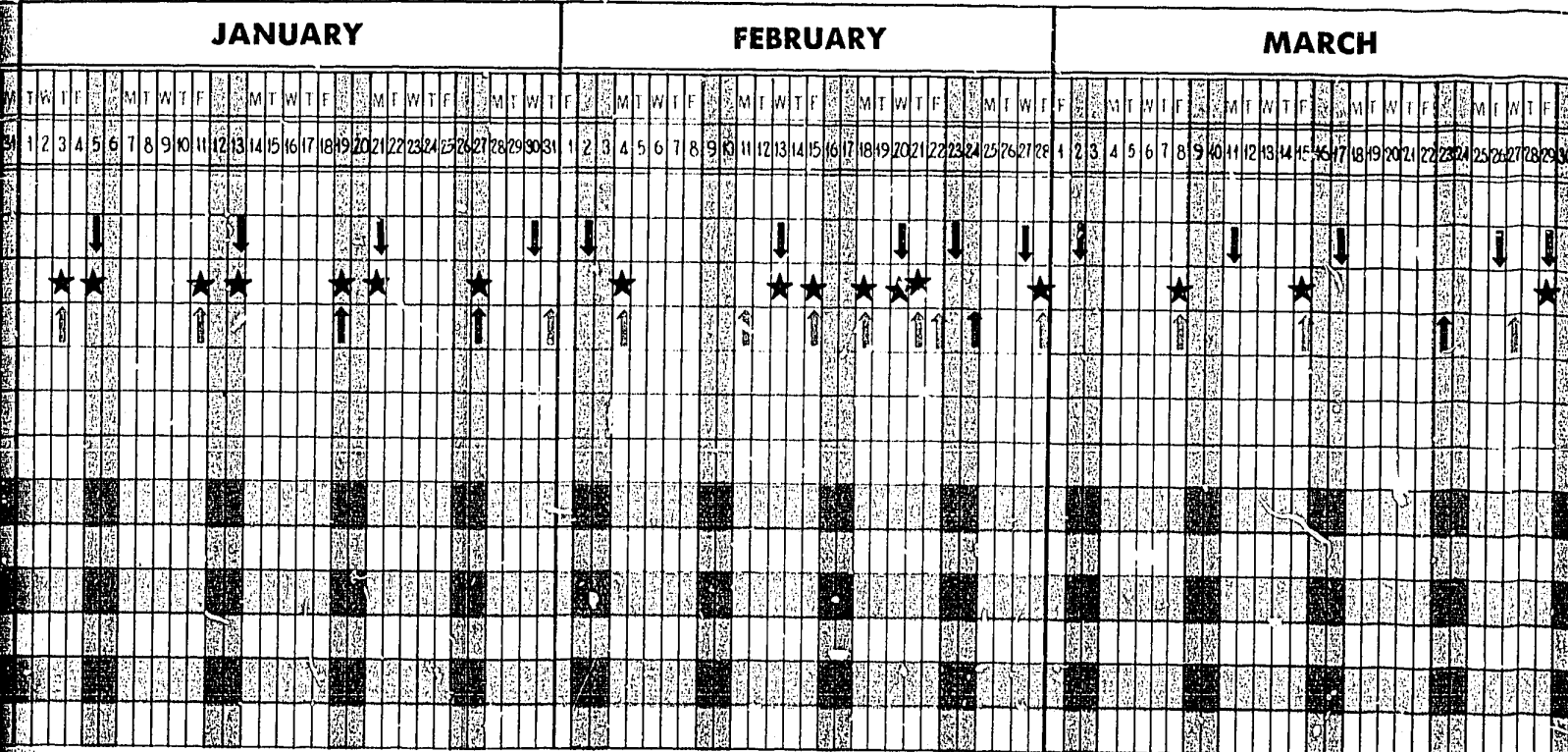
	OCTOBER																															NOVEMBER																														
	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S																				
<b>MEKONG CONVOYS</b>																																																														
From Phnom Penh ↓																																																														
Attacked by fire ★																																																														
To Phnom Penh ↑																																																														
<b>OVERLAND ROUTES</b>																																																														
(Closed)																																																														
Rte 1 (Phnom Penh to SVN Border)																																																														
Rte 4 (Phnom Penh to Kompong Som)																																																														
Rte 5 (Phnom Penh to Battambang)																																																														



(Third Quarter, 1973)



(First Quarter, 1974)



*Population Reclamation Operations*

14. One of the most significant developments of the quarter was FANK's effort to liberate villagers living in KC-controlled areas. The primarily local initiatives began in late January, when the FANK commander at Kompong Thom moved out from his perimeter and ranged some 45 km from the city virtually unopposed. In this and subsequent operations, more than 40,000 villagers were reported to have been returned to government control.

15. Acting on requests for help from village representatives, the commander in Kompong Speu launched a similar operation in mid-March, which so far has resulted in the return of about 16,000 villagers. Some 5,000 were liberated in the Pursat area, and smaller numbers were resettled near Siem Reap and Prey Veng. The willingness of these traditionally land-bound people to leave their homes and move to government control is the result of growing dissatisfaction with communization, religious suppression, and tightening control in KC areas. FANK's ability to move into KC-controlled territory was facilitated by the concentration of KC combat units around Phnom Penh.

16. This migration has had some impact on the KC because those most able and willing to leave are the young people the KC rely on for replacements. Moreover, open rifts have developed in several areas between low-level KC Party officials and those at higher echelons who often have ordered the tightening of controls in response to open protests by the populace - and, in some cases, members of KC combat units. The continuing loss of villagers and the increasingly vocal opposition of those who remain have put added pressure on the KC to shift their emphasis from the use of force to propaganda and persuasion, but these new efforts are likely to be as ineffective as the earlier programs.

17. The large influx of refugees has also caused dislocations on the government side. The estimated 45,000 to 60,000 additional people have swelled refugee rolls to more than one million, with more than 200,000 unregistered. Food and shelter for these people have come almost entirely from international and private volunteer agencies because the ability of the traditional extended family system to provide assistance has been exceeded. Additional assistance was tendered in January, when the government created a Resettlement and Development Foundation with an initial funding of \$2.7 million and the announced goal of resettling some 15,000-20,000 families a year. Nonetheless, even this modest beginning appears ambitious given the present land availability and security situation.

Secret

## Status of the Government of the Khmer Republic

### *Military*

#### *Manpower*

18. Because it took the government three months longer than scheduled to reach its recruitment/conscription goal of 25,000 new troops, many intervention units - including FANK's four divisions - are operating at less than half strength. About 14,800 new recruits were received during the quarter, but these accessions were offset by casualties (killed, wounded, missing, and deserted) which totaled 13,200.

19. By early April, however, there was some movement toward solving the critical manpower problem. Draft convocations issued by local authorities increased markedly toward the end of the quarter, and higher echelon officials were reviewing the issuing of deferments, which were being granted to more than half of those called. Teams tasked with rounding up deserters and draft dodgers finally overcame logistic and administrative hurdles and began to show results. Finally, the recent assumption of overall control of the program by FANK's commander-in-chief, Sosthene Fernandez, may increase the vitality of the campaign, which fell some 30% short of the goal of 186 men per day during the first quarter.

20. In addition to the conscription campaign, FANK commanders have been ordered to transfer personnel from overstuffed headquarters elements to combat units. While some commanders have been reluctant to comply, others have taken steps on their own to fill out their units. For example, some 700 men were recruited during the quarter by the Third Division, whose commander also mounted an extensive effort to purge phantom troops from the rolls. In this and other units, commanders have sacked a significant number of subordinates who have claimed excessive numbers of phantoms.

21. The government is also investigating renewed recruitment among Khmer Krom (South Vietnamese citizens of Cambodian origin) and ethnic minorities within Cambodia, although such a move is politically sensitive. The Cambodian Embassy in Saigon estimates that ARVN has recently released up to 20,000 Khmer Krom, and the FANK recruiter dealing with the Vietnamese estimates that some 2,500 to 3,000 of these could be recruited for FANK. The government also believes that a sizable number of Cham - chafing under KC rule in eastern Cambodia - could be brought into FANK for behind-the-lines operations. Similar operations are already under way among liberated villagers in the northern part of the country.

22. More than 18,000 troops completed training during the quarter, raising FANK's reported trained strength to more than 176,000. While FANK claims a total strength of nearly 240,000, we estimate the number of personnel under arms to be on the order of 210,000 (see Table 1).

Table 1

Estimated FANK Strength  
as of 1 March 1974<sup>1</sup>

	<u>Number of Personnel</u>
<b>Total</b>	<b>210,400</b>
General Staff/Ministry of Defense	24,000
Army	163,100
MR I	9,000
MR II	29,000
MR III	22,000
MR IV	15,900
MR V	0
MR VI	12,800
MR VIII	7,400
Special Military Region	67,000
Navy (including Marines)	13,100
Air Force	9,500
Out-of-country training	700
Thailand	600
Other	100

1. Data are from the CIA FANK Computer File. The estimate is based on FANK General Staff data, which have been adjusted to account for phantoms and other manifestations of unreliable FANK bookkeeping. The estimate may still be inflated by as much as 10%.

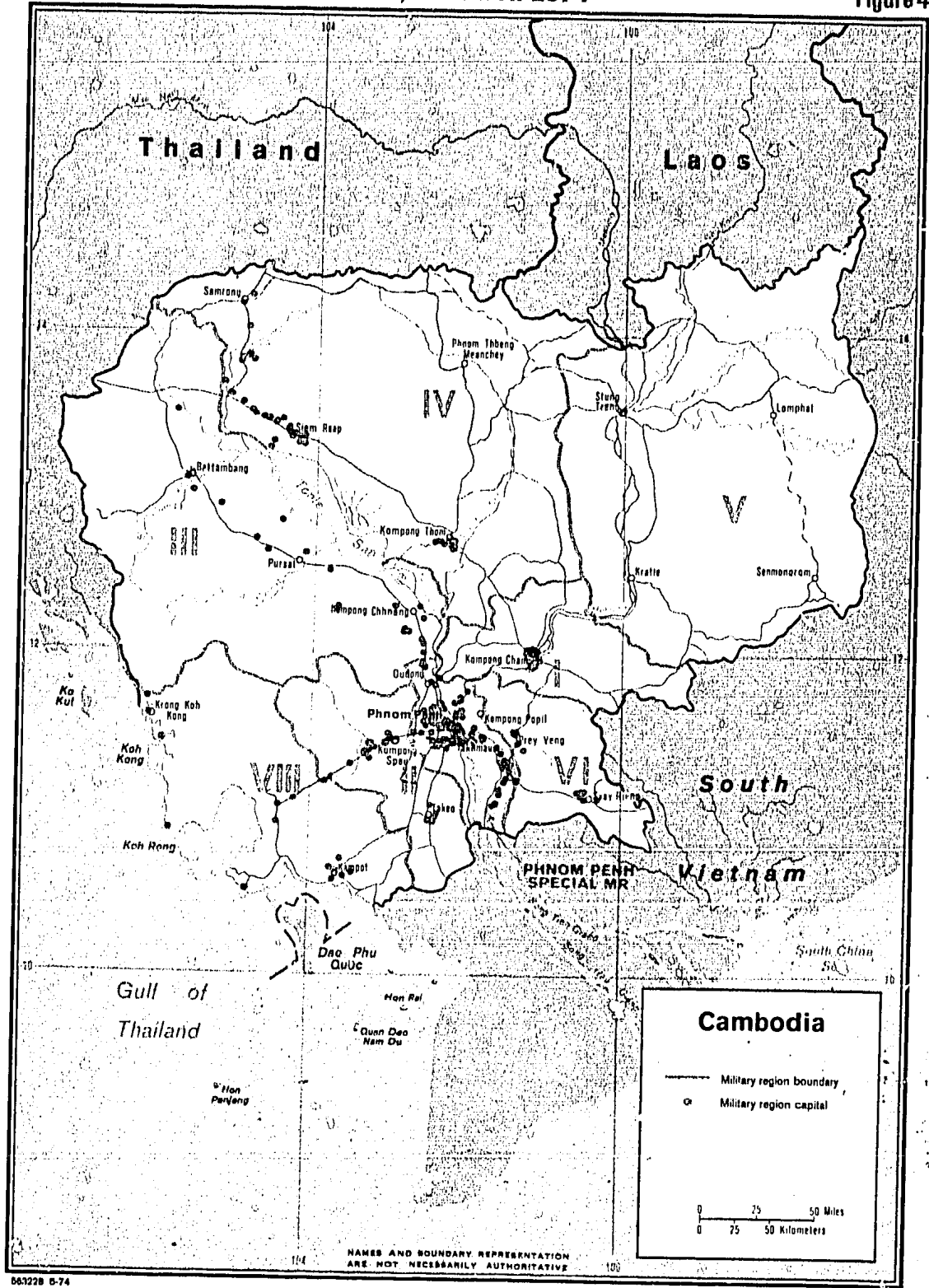
*Army*

23. During the quarter the Cambodian Army remained on the defensive, but continued to expand its ability to shift large units to counter KC initiatives. Heavy combat required extensive redeployments and the frequent movement of units from outlying areas to and through the capital. These moves were generally accomplished effectively despite slow reaction times caused by command indecisiveness. This growing proficiency notwithstanding, FANK still does not have the reserve strength necessary to initiate large-scale offensive operations, because many of the best units have been worn down by months of constant fighting while others are fully committed and dispersed throughout the country.

24. With the continuing movement of territorial units into battles around major cities, FANK's presence in the countryside remained at the lowest levels of the war during the first two months of 1974 (see Table A-2 in the Appendix). FANK continued to rely heavily on fixed defensive positions, and as a result the mobility of FANK units (expressed as the percent of FANK battalions moving more than 20 km per month - see Table A-3 in the Appendix) remained at the relatively low levels of the previous year. (The disposition of FANK battalions as of 1 March 1974 is shown in Figure 4.)

# Disposition of FANK Battalions, 1 March 1974

Figure 4



### Cambodia

- Military region boundary
- Military region capital

0 25 50 Miles  
0 25 50 Kilometers

NAMES AND BOUNDARY REPRESENTATION ARE NOT NECESSARILY AUTHORITY

061228 0-74

**SECRET**  
NO FOREIGN DISSEM

*Air Force*

25. The Cambodian Air Force realized a 75% increase in the number of strike sorties in the first quarter as the demand for support of ground troops grew and logistics problems were overcome. The sortie rate dropped in February, when a large number of T-28 fighters were flown out-of-country for major maintenance, but their return in March boosted the sortie rate (for the Cambodian Air Force alone) to the highest level of the war (see Table A-4 in the Appendix. The locations of air strikes are shown on Figure 5.)

26. On 24 March the Air Force launched its first major interdiction raid of the war - against a Communist storage area in southeastern Cambodia. Heavy smoke and fire and sustained secondary explosions following the 15-plane strike suggested that major damage was inflicted on the unidentified supplies located in the cache. A FANK agent reports that 21,000 gallons of fuel were burned and 140 KC were killed, but aerial photography does not reflect the destruction of another large fuel dump near the strike site. A second raid on a KC cache in the Prey Veng area in mid-April reportedly produced secondary explosions and fire for three hours after the strike.

*Navy*

27. The Cambodian Navy continued to perform well during the first quarter and like its sister services was heavily engaged. Extensive logistic and fire support was provided for major FANK operations in outlying areas in addition to continuing support for ground operations around the capital and along the Mekong. The Navy also continued to provide effective protection for Mekong convoys to Phnom Penh and resupply convoys to Kompong Cham and Kompong Chhnang - the latter in the face of increasingly stiff Communist harassment along the Tonle Sap.

*Political*

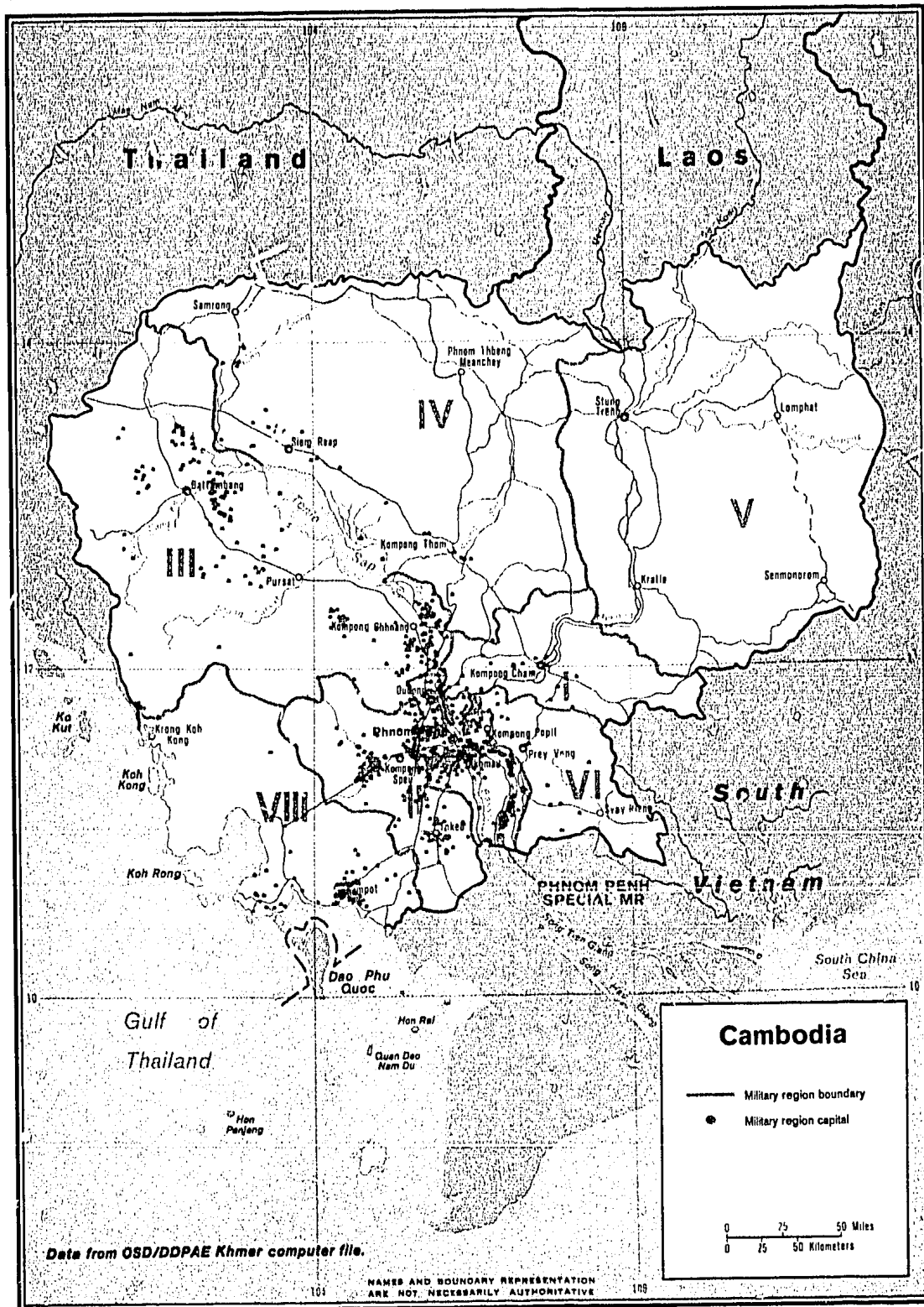
28. The most significant political development in Phnom Penh occurred in late March when President Lon Nol scrapped the High Political Council - formerly the country's senior policymaking body. Most government leaders approved the move because the council had been in a constant state of decline since former Prime Minister In Tam resigned his seat on the council last December. In announcing the dissolution, Lon Nol stated that the legislature's resumption of its normal duties and the expiration of the special powers granted to him when the council was formed in April 1973 had eliminated the need for such a body.

29. Despite his disenchantment with the defunct council, Lon Nol still saw a need for a high-level political body to oversee governmental and military affairs and quickly established a new Executive Council to aid him in examining important questions. In addition to Lon Nol and Sirik Matak - whom the President appointed as his "high assistant" in an apparent effort to improve their relations - the council includes Prime Minister Long Boret and Sosthene Fernandez. The inclusion of the



### Cambodian Air Force Strikes, First Quarter 1974

Figure 5



563220 5-74

SECRET  
NO FOREIGN DISSEM

Secret

latter two should enable the principal executors of government policy to participate more effectively in policy formation.

30. Political factors played a large part in the council's dissolution. Lon Nol and Republican Party chief Sirik Matak continued to be unable to work well together, and both had grown increasingly suspicious of the third council member, former Chief of State Cheng Heng. They apparently believed that he was associated with some provocative peace proposals that were surfaced in Phnom Penh in January by one of his political associates.

31. Aside from a few caustic comments from Cheng Heng, who was put out to political pasture in the shuffle, there were few significant reactions to the change in council. Several cabinet members who nominally supported Cheng Heng briefly threatened to quit, but later recanted when Lon Nol asked them to stay on.

32. The government's most nagging political problem was Phnom Penh's teachers, who staged several strikes to support their longstanding demands for higher wages. After rejecting several government proposals which met some of their demands, the teachers decided during a congress in early April to reach a temporary truce with the government. They agreed to stay on the job for the remainder of the school year and teach the overtime needed to fill out the normal school week - provided the government arranged for overtime pay. In addition, teachers voted to prepare a special program of studies that would enable students to gain full-year credits.

33. Although the teachers' congress reflected anti-government sentiments, there apparently was less hostility than in past conclaves. Most speakers indicated they were aware of the resentment their strike had caused - particularly among parents - and radical leaders admitted that the strike tactics had been ineffective. They conceded they would have to look to other devices to achieve their economic goals.

#### *Economic*

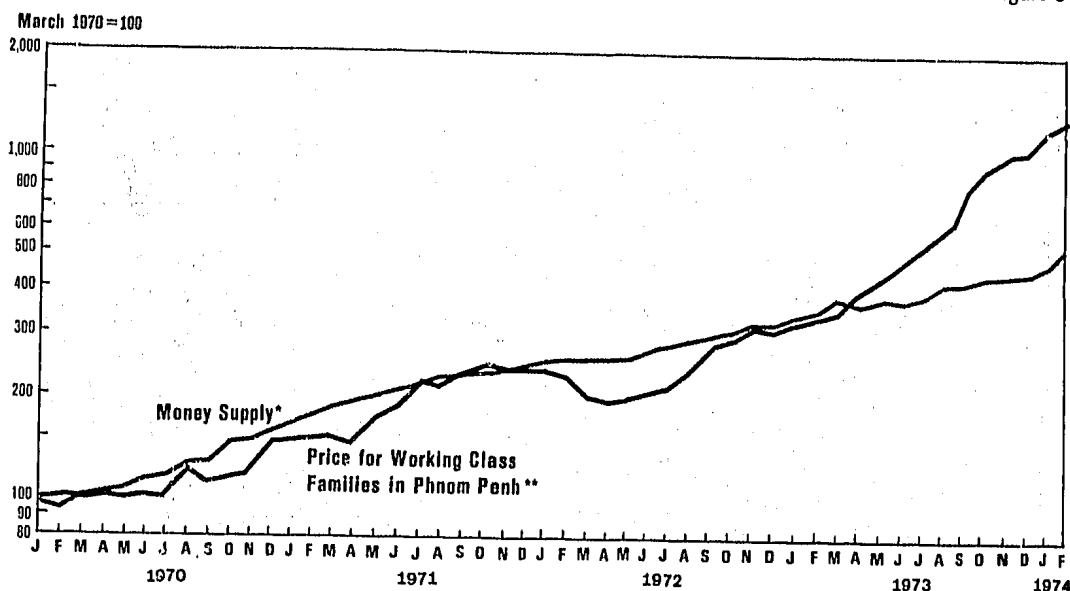
34. The ambitious economic reform program announced at the end of 1973 by Prime Minister Long Boret has thus far had little chance to take hold in halting the country's economic decline. The cost of living in Phnom Penh increased by about 260% in 1973 - the second fastest rate of inflation in the world. A slight slowdown during the first two months of 1974 (see Figure 6) proved temporary as severe commodity shortages were forcing prices up at an annual rate far in excess of 1973 by the end of the quarter. There is little the government can do about its most pressing economic problems - an enormous refugee population and declining availability of goods.

35. Despite the continuing high rate of inflation, government fiscal policy was remarkably restrained during the quarter, and no further increase in the

Secret

## CAMBODIA: Indexes of Money Supply and Prices

Figure 6



\*Excluding cash in the bank and small sums on the current account of the general treasury.

\*\*As reported by the Cambodian National Institute of Statistics.

863230 5-74

projected 1973 budget occurred for the second consecutive three-month period.<sup>1</sup> On the other hand, officials have been unable to reduce public spending to slow inflation because of heavy military expenditures, which account for more than half of total government outlays. Moreover, pressures to increase welfare expenditures and salaries continued to grow as prices rose.

36. During the first quarter of 1974, authorities were able to keep import demand in line with Cambodia's limited foreign exchange holdings, primarily through the mechanisms of extremely high advance deposits for Exchange Support Fund (ESF) imports - 300% of the exchange requested - and a 20% devaluation of the riel in early January (see Figure 7).<sup>2</sup> It will be much more difficult to manage exchange reserves during the remainder of the year, however, when imports are projected to rise to \$250 million or more.

37. A key element in the outlook for 1974 is exchange availability under the ESF. Unless Phnom Penh can round up additional foreign exchange, fund holdings will be exhausted within the next few months. Probably influenced in part by military uncertainties, current members of the fund have so far contributed only about \$7 million, less than one-fifth the estimated \$40 million needed for 1974. The principal holdout is Japan, which is being counted on for

1. The annual budget covers part of the total expenditures and revenues through May of the following year.

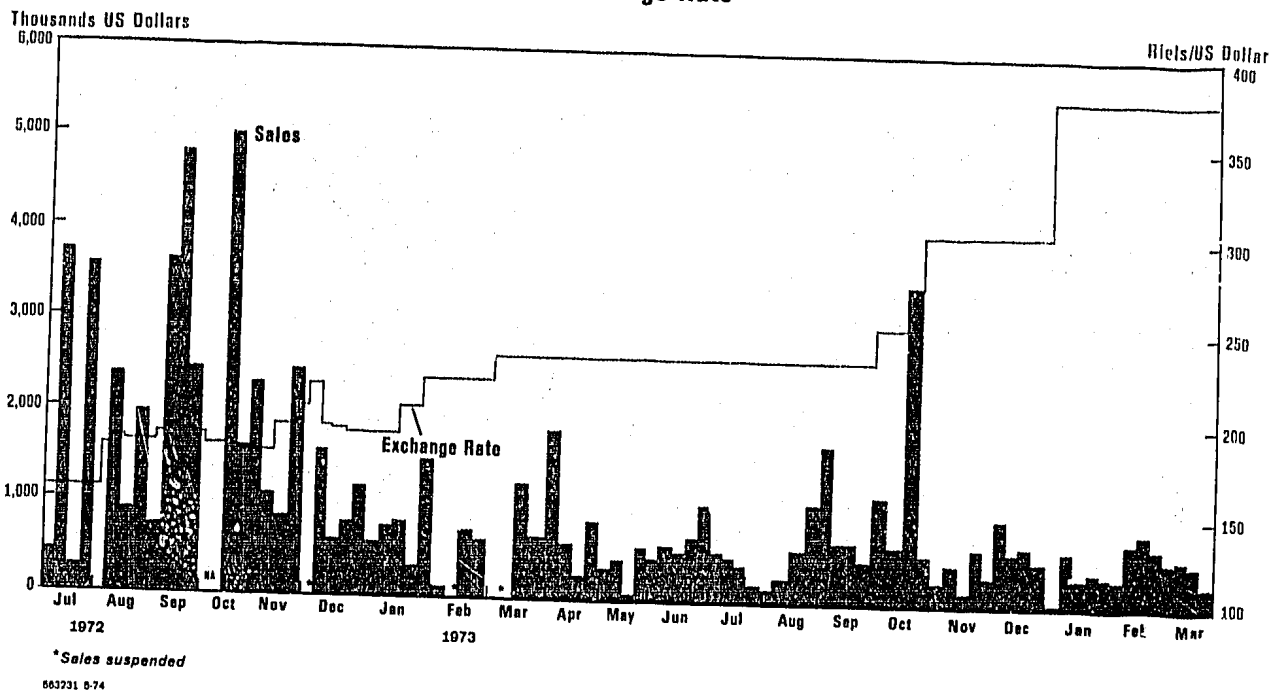
2. By the end of the quarter, the black market rate was reportedly close to 800 riels per US dollar, prompting renewed US pressure on the government to make another sizable devaluation.

Secret

Secret

### CAMBODIA: Weekly Foreign Exchange Sales by the Banque Nationale Du Cambodge and Effective Exchange Rate

Figure 7



\$7 million-\$10 million. Tokyo had indicated that it will be able to provide at least \$7 million, but this amount will depend on approval by the Japanese Diet and the ability of Phnom Penh to hold its own militarily.

38. The growing refugee population has exacerbated the problem of devising a satisfactory income distribution program. Despite an almost doubling of the minimum wage during 1973, real incomes for working class families were cut by almost one-half because of the high rate of inflation. A substantial boost in government wages was announced in early January to help improve incomes for teachers, civil servants, and the military, but the accelerated rise in prices toward the end of the quarter has already taken away more than half of this increase, leaving real wages well below those of 1972. The average worker in Phnom Penh continues to spend nearly all his income on dietary staples and housing; rice purchases alone probably account for more than one-half of family incomes.

#### *Critical Stocks*

#### *Military Equipment*

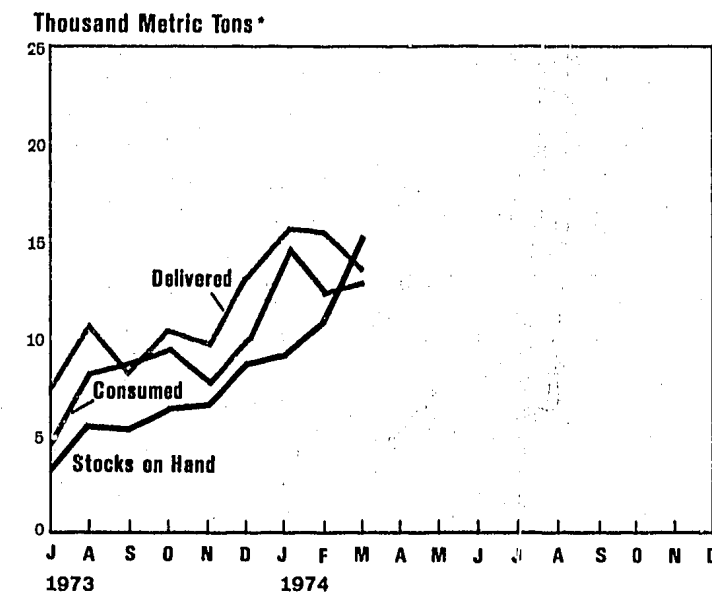
39. A substantial quantity of MAP-funded military hardware was delivered during the first quarter as the buildup, which started last fall, continued. A sizable number of crew-served weapons and artillery tubes, 6,000 M-16 rifles, 7 helicopters, 10 T-28 fighters, and 24 naval craft arrived during the period. (For data on the delivery of selected items, see Table A-5 in the Appendix.)

Secret

40. As the fighting tapered off during the quarter, FANK ammunition consumption dropped from an average of 477 metric tons per day in January to 415 tons per day in March. Coupled with unusually heavy deliveries during the period, stocks of ammunition on hand rose by two-thirds and were near the targeted 30-day supply at the end of the quarter. (For a comparison of deliveries, consumption, and stocks, see Figure 8.) To improve internal supply distribution, FANK has contracted with the Vinnell Corporation to provide 16 technicians.<sup>3</sup>

Figure 8

## CAMBODIA: FANK Air and Ground Ammunition Status



\*The data do not balance because of losses and FANK accounting errors.

663232 5-74

*Petroleum*

41. Deliveries via the Mekong River maintained supplies of both civilian and military petroleum products at adequate levels throughout the quarter. By the end of March, stocks of most civilian products were sufficient for at least four weeks, with kerosene the only commodity in short supply. Most military stocks were adequate for two to three months' consumption, although stocks of aviation gasoline were low (see Table 2). Shell and Caltex, two of Cambodia's major suppliers, continued to deliver under existing contracts, but about 30% of the country's needs had to come from supplies purchased on the open market with

3. Because these personnel are Cambodian Government contract employees, they will not come under the 200-man Cooper-Church personnel ceiling for Cambodia.

Secret

Table 2

## Stocks of Petroleum Products in Phnom Penh

	Days of Supply			
	1973	1974		
		31 Dec	31 Jan	28 Feb
Gasoline	19 (69) <sup>1</sup>	36 (68)	39 (81)	64 (62)
Kerosene	12	11	8	0
Automotive diesel	36 (60)	60 (70)	54 (82)	40 (76)
Industrial diesel	31	40	39	52
Fuel oil	12	20	21	7
Jet fuel	16 (56)	5 (51)	31 (65)	29 (93)
Aviation gasoline	30 (54)	47 (43)	27 (24)	46 (12)

1. Data in parentheses are military stocks.

USAID funds. These arrangements should satisfy Cambodia's requirements through May 1974, when contracts with Shell and Caltex expire. In an effort to obtain oil supplies beyond May, Phnom Penh has asked for bids from a number of regional petroleum suppliers for the year beginning 1 June 1974.

*Rice*

42. The delivery of almost 80,000 tons of US PL-480 rice during the quarter kept government stocks in Phnom Penh well above the low levels that prevailed through most of late 1973. By the end of March, Phnom Penh's supplies were sufficient for about two months' consumption, despite numerous shipping delays that prevented the achievement of a targeted three months' supply. An additional three weeks' supply has been stored at Kompong Som since January, but the interdiction of Route 4 has precluded its delivery to the capital.

43. Phnom Penh's rice needs will continue to be met largely through imports from the United States, but authorities are looking for an increased availability of domestic rice from the recently completed harvest in Battambang Province. Latest estimates indicate that the current crop will yield some 250,000 tons of milled rice, a 25% increase over the 1972/73 crop. The government expects to buy 40,000 tons for delivery to the capital over the next five months but probably will have to increase its purchase price sharply to obtain the full amount. Transporting this quantity of rice also will be a problem, because Route 5 remains closed between Battambang and Phnom Penh. A small amount of rice could be shipped down Route 5 as far as Kompong Chhnang and then down the Tonle Sap to Phnom Penh, but the recent interdiction of the river by the KC makes this unlikely in the near term. Larger quantities could be shipped to Saigon via Thailand and up the Mekong to the capital, but the Thais have not responded favorably to such a proposal.

## Status of the Khmer/Vietnamese Communists

### *Military*

44. Recent developments suggest that KC capabilities have not expanded appreciably during the quarter. Despite apparently increased North Vietnamese aid – as evidenced by the extensive use of 120-mm mortars and 107-mm rockets – the KC are still suffering from supply shortages caused by distribution problems. Moreover, recent combat performance suggests only isolated improvement in the planning, coordination, and execution of combat operations despite the formation of two divisions in the past six months.

45. Losses suffered this dry season – including an estimated 6,000 to 8,000 casualties around Phnom Penh as well as more than 900 prisoners of war and ralliers claimed by FANK – have caused a net reduction of about 4,000 in KC strength, as the KC are finding it increasingly difficult to replace their losses. In southern Kandal Province, for example, local KC officials have been reduced to moving from hamlet to hamlet accompanied by groups of armed troops to forcibly induct young men. In Pursat the pool of male recruits has been exhausted, and the KC have resorted to inducting female combatants – by force when necessary – and in Kompong Speu they have begun to conscript monks.

46. On the basis of analysis of recently available evidence, we estimate current Vietnamese Communist strength in Cambodia to be about 11,000 – predominantly in administrative services units – compared with the earlier estimate of 20,000. This decrease has resulted mainly from the movement of a number of organic Vietnamese Communist units – both combat and administrative services – from Cambodia to South Vietnam. An additional decline in strength has occurred because of the restructuring and streamlining of the administrative services structure. All known combat units have been withdrawn, although a number continue to operate near the border with South Vietnam's MRs 3 and 4, and an estimated 2,000 advisory and liaison personnel not organized in units are still working with the KC.

### *Political*

47. Sihanouk, who had spent several months on the sidelines in Canton, made a four-day visit to Hanoi in late January for the announced purpose of spending the Tet holidays with North Vietnamese leaders. While in Hanoi, he reiterated his position that diplomatic relations could be established between his "government" and the United States as soon as Washington stopped "interfering" in Cambodian affairs and terminated all forms of aid to Phnom Penh.

48. Sihanouk visited Hanoi again in March while going to and returning from the Lao Communists' headquarters at Sam Neua – his first visit to the Pathet Lao zone. He used the occasion to revive his line that any negotiations would have to be between representatives of his "government" and the United States.

He also lashed out at "bigger and stronger" countries - almost certainly the Soviet Union and China - which he said preferred to "compromise with American imperialism ... if not literally throwing themselves into its arms."

49. Most of the recent attention on the Communist side was not focused on Sihanouk, however, but on his "defense minister," Klieu Samphan. In late March, Samphan emerged from years of obscurity to head a small KC delegation on "official" visits to Hanoi, Peking, and Pyongyang - where he was accorded lavish receptions usually reserved for chiefs of state. This was the first known travel outside Cambodia for the 42-year-old Samphan - who has emerged as one of the top leaders of the insurgency - since the war began.

50. Samphan's initial stop in Peking probably was the high point of his trip. With Sihanouk and his "prime minister," Penn Nouth, in attendance, Samphan met with Chairman Mao on 2 April. He also spent considerable time with Premier Chou En-lai and other senior Chinese officials and was feted at a mass rally.

51. Samphan's remarks in Peking about the Cambodian situation generally echoed the theme he had stressed in Hanoi: that the Cambodian problem can be solved only by an end to US "aggression" and the termination of all US support to Phnom Penh. Once these steps have been taken, Samphan said, the Khmers would be able to settle their own affairs. He also again denounced Washington and its "jackeys" for alleged espousal of a "sham cease-fire, sham talks, and sham peace."

52. Commenting on the military situation, Samphan tried to strike an optimistic note but was not always successful. Some of his remarks touched indirectly on the KC's loss of military momentum since February - particularly in the Phnom Penh area. Although he acknowledged that the interdiction of the Mekong River was essential to ensure a military victory, he admitted that this would be a very difficult task. Samphan also indicated that the KC were determined to fight on "a long-term basis," in contrast to his claims at the beginning of the dry season that a quick victory over the Lon Nol government was likely.

53. On the subject of Chinese-KC relations, Samphan was effusive in his thanks to Peking for its support. His praise of the North Vietnamese was more reserved, a distinction probably related to past KC contentions that Hanoi has been too tight-fisted with its aid. In responding to Samphan, however, Chinese leaders gave no sign in their public statements that Peking had altered its cautious, conservative policy toward Cambodia.

54. Following his visit to Pyongyang, Samphan returned to Peking on 8 April and began touring Chinese provinces. There was no indication as to when he planned to return to Cambodia. The KC leader apparently believed that the propaganda mileage he was deriving from his travels abroad outweighed his extended absence from Cambodia in the midst of the dry season fighting. In any case, Samphan's travels emphasized to the world that the KC must be reckoned with politically before the fighting can end in Cambodia and served to strengthen the KC's relations with their Asian Communist allies.



Secret

APPENDIX

STATISTICAL TABLES

Table A-1

Combat Incidents Within 20 Kilometers  
of Phnom Penh<sup>1</sup>

1971 <sup>2</sup>	53
1972 <sup>2</sup>	
1st qtr	34
2d qtr	48
3rd qtr	24
4th qtr	31
1973	
1st qtr <sup>2</sup>	58
Apr	125
May	139
Jun	186
Jul	182
Aug	98
Sen	113
Oct	154
Nov	82
Dec	123
1974	
Jan	214
Feb	257

1. Data are from the OSD/DDPAE Khmer Computer File.
2. Monthly average.

Table A-2

FANK: Battalion-Days in the Countryside<sup>1</sup>

	Index (December 1970 = 100)	Percent of Total Battalion-Days
1971 <sup>2</sup>	139	49
1972 <sup>2</sup>		
1st qtr	127	49
2d qtr	115	44
3rd qtr	115	42
4th qtr	123	41
1973		
1st qtr <sup>2</sup>	123	41
Apr	122	45
May	129	46
Jun	117	43
Jul	121	43
Aug	111	41
Sep	103	38
Oct	94	38
Nov	81	33
Dec	72	34
1974		
Jan	81	42
Feb	75	40

1. Data are from the CIA FANK Computer File.
2. Monthly average.

Secret

Table A-3

Percent of FANK Battalions  
Moving More than 20 Kilometers per Month<sup>1</sup>

1971 <sup>2</sup>	21
1972 <sup>2</sup>	
1st qtr	12
2d qtr	15
3rd qtr	16
4th qtr	15
1973	
1st qtr <sup>2</sup>	10
Apr	22
May	14
Jun	17
Jul	13
Aug	16
Sep	17
Oct	15
Nov	10
Dec	14
1974	
Jan	16
Feb	13

1. Data are from the CIA FANK Computer File.
2. Monthly average.

Table A-4

Tactical Strike Sorties in Cambodia<sup>1</sup>

1971 <sup>2</sup>	2,741
1972 <sup>2</sup>	
1st qtr	1,902
2d qtr	1,150
3rd qtr	1,336
4th qtr	948
1973	
1st qtr <sup>2</sup>	2,058
Apr	5,010
May	5,719
Jun	6,002
Jul	6,744
Aug	4,124
Sep	1,326
Oct	1,327
Nov	1,187
Dec	1,806
1974	
Jan	2,650
Feb	2,066
Mar	2,839

1. Including Vietnamese Air Force sorties through January 1973 and US sorties through 15 August 1973.

Table A-5

MAP-Funded Deliveries of Selected Items  
to FANK, First Quarter 1974

	Units
M-16 rifles	6,000
Machineguns	240
Mortars	238
105-mm howitzers	30
Trucks	244
Helicopters	7
T-28 fighters	10
Naval craft	24