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The Short-Term Prospects for Cambodia Through the Current Dry Season—May 1974

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The Short-Term Prospect for Cambodia Through the Current Dry Season—May 1974
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THE SHORT-TERM PROSPECT FOR CAMBODIA
THROUGH THE CURRENT DRY
SEASON—MAY 1974
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THE SHORT-TERM PROSPECT FOR CAMBODIA THROUGH THE CURRENT DRY SEASON—MAY 1974

PRÉCIS

During this dry season, the Khmer Communists (KC) are likely to follow a strategy which calls for the interdiction of Phnom Penh’s key lines of communication, attacks against the city’s outlying defenses, and attacks elsewhere. The goal of this strangulation strategy is to create pressures, physical and psychological, that will lead to the collapse or capitulation of the Government of the Khmer Republic (GKR). A direct all-out assault on Phnom Penh this dry season also has some appeal to the KC and might occur later in the dry season.

Our judgment—although it is a very close call—is that the GKR will be able to survive the coming round of military action, and will be able to bring enough supplies up the Mekong to meet its minimum essential military and economic needs. The key factors determining the GKR’s success or failure, however, will be the relative staying power of the KC and GKR, the ability of Phnom Penh to prevent the KC from closing the Mekong for prolonged periods, and the availability of external support to both the GKR and the KC from their respective allies. The movement of events in each of these areas is far from certain.
The prospects for a negotiated settlement do not appear good until the KC have made an effort to win it all militarily this dry season. But only the KC are adamantly opposed to negotiations. Sihanouk, Peking, Hanoi, and Moscow apparently all view a negotiated settlement as the preferable way to resolve the Cambodian imbroglio, and some elements of the GKR also hold this view. Thus, if the KC fail to topple the GKR this dry season, they might be more willing to consider the possibility of negotiations, even though they are likely to come out in a somewhat improved position in the countryside vis-à-vis the GKR.
I. THE MILITARY FACTOR

1. Phnom Penh is and will remain on the defensive militarily. There is no prospect of the GKR doing much more than holding its own; it lacks the capability to push the KC back and regain lost territory. Through at least this dry season, the KC are in the position to carry the fight to the FANK—and all evidence indicates that they will do so.

2. The KC have three basic dry season military options:  

Option A—a direct all-out assault on Phnom Penh designed to defeat the GKR in one decisive stroke.

Option B—a more deliberate, but still major, campaign coordinating interdiction operations against the capital’s supply lines, conventional attacks against the city’s outlying defenses, and attacks against government strongholds elsewhere in an effort to force the collapse or capitulation of the GKR.

Option C—a modest increase in military activity designed to keep FANK on the defensive, but with no serious attempt to seek a final resolution of the situation this dry season.

3. At this point, Option C, a status quo military strategy, is a nonstarter, and has already been rejected by the KC. They are clearly bent on making a major effort to win a solution on the battlefield during this dry season. They believe their prospects of doing so are good. Since Option C forecloses a total victory during this dry season, the KC would not go this route unless they decided that (a) they did not have the wherewithal to make Options A or B work or (b) the pressures from their allies to negotiate or at least to forego a final military solution during this dry season were irresistible.

4. Although Option A, a direct assault on Phnom Penh, probably has some appeal to the KC, we believe the arguments against it make it unlikely that they would choose this option, except possibly as a follow-on action to Option B. If they did choose to mount a major effort to take Phnom Penh, however, the odds are less than even that they could pull it off. While there is a chance that the GKR’s will to persist might collapse in the face of a KC push, it is more likely that FANK would offer effective resistance. Moreover, it is unlikely that the KC could sustain a major military effort against the capital; their manpower and materiel losses would be high, and it is ques-
tional whether sufficient supplies would be available either from their own stocks or from North Vietnam if inconclusive heavy fighting dragged on for a prolonged period.

5. Our judgment, therefore, is that the KC will pursue Option B, a strangulation strategy, this dry season. The evidence, including public and private statements by KC leaders, and preparations undertaken thus far are consistent with such a strategy. But while it is reasonably clear how the KC plan to proceed, it is not at all clear whether they will succeed. In reaching a conclusion on this matter, the major factors determining their success or failure will be the relative staying power of the KC and the GKR, and the availability of support from their prime allies, Hanoi and Washington respectively.

6. The KC. At the height of the fighting last July, the KC had an estimated 17,000 troops within a 25-mile radius of Phnom Penh. In the coming dry season, KC military commanders probably plan to commit at least as many troops to the effort around Phnom Penh. But the quality of many of these troops is suspect. The KC suffered heavy losses in the fighting last summer, not only in absolute terms, but more importantly in terms of combat-hardened personnel. In many instances, the replacements, both troops and cadres, are ill-trained and inexperienced. KC commanders can have no great confidence in how well these forces will perform under conditions of sustained offensive action.

7. As mentioned above, the objective of the KC effort under Option B would be to establish and maintain an effective interdiction of Cambodia’s major LOCs. If the KC could simultaneously close the key LOCs and Pochentong Airport, and keep them closed for a two- to three-month period, they would not only greatly exacerbate Phnom Penh’s economic problems, but the government would probably collapse. Some parts of an effort to accomplish this would be easier than others. Road interdiction would present the KC with the fewest problems, although even here the KC could have trouble keeping the key land arteries to the capital simultaneously cut for prolonged periods.

8. Pochentong Airport is an important, but not critical, supply funnel for the GKR. The airfield is vulnerable to sapper attacks and attacks by fire. Greatly increased use of Pochentong would undoubtedly lead the KC to mount a major effort to close the field, and this would run the risk of heavy losses of supply aircraft, perhaps making resupply impossible on a sustained basis. Although this would be psychologically demoralizing to the GKR, the inability to use Pochentong would not create major supply strains as long as the Mekong corridor were open. If the Mekong were closed, however, Pochentong alone could not handle the quantities necessary to keep the GKR and its forces supplied.

9. The Mekong corridor is the major supply route for the GKR. From a strictly supply standpoint, the critical period is likely to be from now until the middle of January; if river traffic is not significantly reduced before then, the supply buildup in the capital will give the GKR some breathing room. The late rains in November will complicate KC action along the river, making it more difficult for them to move in close to the banks and establish firing positions. But, in fact, the KC have al-

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1 See Annex B for a discussion of the military forces and capabilities of the GKR and KC.

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2 Plagued by war-related problems, the Cambodian economy is already shaky. Inflation is exceedingly high, now approaching an annual rate of 275 percent. The GKR’s major economic problem, however, is to meet the food and other commodity requirements of the population. See Annex C for a fuller discussion of the GKR’s economic situation.
ready stepped-up attacks on the convoys, and as the water recedes, KC operations will be easier. KC action will also no longer be impeded by US air power over the river, although the GKR plans to commit its own air power and increased naval asset to keeping the corridor open. Moreover, even if supplies are available in Phnom Penh, if a month or so passed without any convoys making it to the city, the psychological impact on the populace would be unsettling.

10. In any event, the Mekong will be the key factor in the GKR's supply situation. The KC will probably be able to interdict the Mekong from time to time, but they are unlikely to be able to do so for a sufficient period to cause the GKR's collapse. This judgment rests on the success of the current effort to build up supplies in Phnom Penh, the ability of the GKR to use its naval, marine, and air units along the river, and the willingness of civilian merchant captains and seamen to continue to run the convoys in the face of KC attacks.

11. A key element in the situation is the adequacy of KC supplies. We lack good evidence of the amount of supplies currently held by the KC. There is considerable evidence, however, that the KC rely on supplies captured and purchased from the FANK. Although they continue to talk of being able to pull off major and sustained action, there are numerous indications of shortages of supplies, particularly arms and ammunition, from all levels of the KC military structure. Moreover, Sihanouk has stated—and Hanoi has hinted—that the KC lack the wherewithal to mount a military effort sufficient to bring down the GKR this dry season. Though not conclusive, the evidence suggesting that China and North Vietnam have cut back support to the KC is fairly firm. We do not, however, know to what extent. In any event, a prolonged offensive would place heavy requirements on the KC supply system, and the insurgents could ultimately run out of steam. It is very doubtful that the KC have or expect to get advance assurances of increased aid from Peking and Hanoi; if anything, the evidence points to the opposite conclusion.

12. The North Vietnamese. Although Hanoi founded and nurtured the KC movement, the relationship has never been an easy one. It has not overcome the deep historical animosity between the Cambodians and the Vietnamese. The recent fighting around Kampot and Takeo between KC and Vietnamese Communist forces is only the most obvious manifestation of difficulties between the KC and the North Vietnamese. Initially dependent on the North Vietnamese for practically everything, the KC at the outset were not able to exercise much control over their strategy or operations. Since the spring of 1972, however, the KC have been making most of their own tactical decisions, and have become increasingly independent on strategic questions. Just how much military—and political—influence the Vietnamese still exercise over the KC is unclear, but it is clear that the KC are not as responsive to Hanoi as they once were.4

13. From Hanoi's perspective, moreover, Cambodia is not a major target. Its role is seen primarily in terms of the North Vietnamese effort against South Vietnam. And in this regard, the Vietnamese Communists already have what they need in Cambodia to support whatever strategy they opt for in South Vietnam. Given this, a stalemate in Cambodia does not appreciably affect North Vietnamese objectives, and Hanoi might, in fact, see some problems with a nationalistic KC leadership in Phnom Penh. In short, Hanoi does not have a vested interest in a quick KC victory in Cambodia, and while North Viet-

4 See Annex D for a fuller elaboration of the North Vietnamese-KC relationship.
nam is not likely to cut off its support to the KC totally, neither is it likely to increase such support.

14. GKR Viability. The principal question, of course, is not the absolute strength or weakness of the KC, but their strengths relative to those of the GKR. Under Option B, the thrust of the KC's approach is not toward a decisive conventional military victory, but toward creating pressures, physical and psychological, which bring the GKR to a point where it either collapses or capitulates. Despite an estimated two to one advantage in ground combat troops over the KC, FANK for the past two years has followed a defensive strategy. It has suffered many sharp battlefield reverses but has also shown considerable resilience. The defense of Kompong Cham demonstrates that FANK cannot be counted out as a fighting force, and that unless its morale collapses, FANK may put up a strong defense of Phnom Penh and other key population centers.

15. Psychological factors will be very important. If Phnom Penh were faced with a drawn out siege and mounting supply problems, one major battlefield reverse—even if not decisive militarily—could cause FANK and ultimately the GKR to begin unraveling. The first reverberation might be within the top leadership in Phnom Penh, and a move to push aside Lon Nol and perhaps others would become likely. The logical instigators of such a move might allege (and in some cases actually believe) that they were motivated by a desire to prosecute the war more effectively. In all likelihood, however, this phase would be only an interim step to a desire to negotiate the war's end with Sihanouk or the KC.

16. As with the KC, an important element in the GKR's situation is the availability of external support, both material and political. Without continuing US assistance at least at present levels, effective FANK resistance would evaporate, and it would only be a matter of time before the KC developed an irreversible momentum. (Because of the worldwide energy crisis, the supply of POL to Cambodia may prove particularly difficult in the coming months, and it might become necessary to dip into US reserves to meet Cambodia's needs.) Even assuming that US assistance at present levels continues to be available, the problem of getting it to Phnom Penh remains crucial. And this comes down to the question of the GKR's ability to prevent a prolonged KC interdiction of the key Cambodian LOCs.

17. Cambodia cannot count on receiving significant aid or military support from South Vietnam. The GVN has indicated that it would only assist the GKR militarily if strongly pressured to do so by the US, and then only if it could be assured that helping Cambodia would not damage the GVN's own prospects for receiving US aid.

18. The Military Balance. Both combatants face problems in sustaining themselves over the course of a prolonged offensive. The GKR has to cope with the factor of morale and must be able to persist in the face of an adversary who has the military initiative. Given past performance and present capabilities, it seems certain that the KC will register some gains. At a minimum, pressure on Phnom Penh's LOCs will be intense, and this will further complicate an already shaky supply situation in the capital. In addition, FANK is likely to give up additional territory, and there is a strong possibility that some outlying GKR strongpoints (including provincial capitals) will fall, or at least have to be given up temporarily.

19. Our judgment—although it is a very close call—is that the GKR will be able to survive the coming round of action. All elements of the Intelligence Community agree, however, that the uncertainties are such that at this point the odds are very close.
20. Even if the GKR survives through the dry season, its position is likely to have deteriorated further. The KC will have suffered a setback in failing to topple the Phnom Penh Government, and they might be battered from the effort, but their overall position in the countryside vis-à-vis the GKR will be somewhat improved. The KC will probably control more territory and more people at the end of the dry season than they did at the beginning.

III. NEGOTIATIONS: THE PARTIES INVOLVED

21. The KC. The major impediment to negotiations at this time is the KC who have shown no interest in negotiating with the GKR. While there are elements in the insurgency which back Sihanouk and probably favor opening a dialogue, they are not the controlling force in the movement. The KC leaders believe that they can win militarily, and they have made it clear that they do not intend at present to go along with any advice from Sihanouk or Peking and Hanoi that a negotiated settlement might be desirable. The KC suspect the motives of their allies, and they are particularly leery of Sihanouk. Despite lip service to Sihanouk's leadership, the KC have privately told their adherents that the Prince is not the real leader of the movement, that his value is only tactical as a rallying point, and that he would not be permitted to play a significant or lasting role in any KC-dominated government. In sum, the KC are most unlikely to move toward a dialogue with the GKR until they have made at least one more attempt to win it all militarily. If they fail, the KC might be more willing to consider the possibility of negotiations, and their allies might be more willing and able to exert pressure toward such an end.

22. Sihanouk. Sihanouk's power in the present situation rests on the fact that he is the best known figure in Cambodia, that he has supporters within the KC, that his return is acceptable to important groups and individuals in Phnom Penh, and last, but not least, that he has the support of Peking, Hanoi, and Moscow. Sihanouk realizes that his only chance of again playing a major political role rests on negotiations. His problem is that while he is nominally the head of the KC movement, he does not in fact control or greatly influence the military or political strategy of the insurgents in the field. As long as the KC are determined to press ahead with a military effort there is little that Sihanouk can do to dissuade them. We would reiterate however, that even if the prospects for a negotiated settlement before the KC military effort appear slim, Sihanouk will still be an important factor assuming the KC do not win a military victory.

23. If Sihanouk should eventually become head of a new government in Phnom Penh, he would initially be beholden to the KC—and they would restrict his freedom of action. A negotiated settlement in which he played a leading role, however, would increase his leverage. Furthermore, if a coalition government including non-Communist elements were the outcome of negotiations, his ability to maneuver would be enhanced. He would no doubt attempt to whittle away whatever fetters the KC sought to place on him, playing on the theme of Cambodian nationalism, and capitalizing on factionalism in the coalition as well as on external support from the US. Sihanouk would also probably attempt to develop a relationship with the non-Communist elements in a coalition government. And, like Souvanna Phouma in Laos, it is quite possible that he would succeed in undercutting the Communist elements in the government, par-
24. **North Vietnam.** The limited evidence at hand suggests that Hanoi has come around to the view that a negotiated settlement in Cambodia involving Sihanouk's return would serve North Vietnam's immediate interests, although a military stalemate is probably also acceptable for the time being. But Hanoi is caught in something of a dilemma. While North Vietnamese logistic support is still important to the KC, Hanoi is unlikely to use its leverage in an uncertain effort to force the KC into negotiations before the dry season ended. Hanoi may also fear that the KC might even win a military victory without North Vietnam's backing, in which case it would have less leverage on the ensuing government. Faced with such uncertainties, Hanoi is more likely to hedge its bets than it is to take a major initiative on its own to arrange a Cambodian settlement.

25. **The Major Powers.** The major powers now appear to be favorably disposed toward a negotiated settlement in Cambodia. Peking has been championing Sihanouk as the only possible solution to the Cambodian imbroglio. From the Chinese perspective, the return to power of Sihanouk would serve to maximize Peking's leverage in the situation. Moscow is scarcely a factor. After first continuing to maintain relations with the GKR, Moscow has now thrown its support to Sihanouk, perhaps in the belief that a negotiated settlement was possible and offered the best chance to salvage something for Soviet interests out of the situation. But the Soviets are more or less frozen out of the action; they might serve as an intermediary, but they lack the entree to play a power broker's role.

26. **Washington's role in a negotiating context is a major factor.** The GKR is unlikely to go much further than it has already in offering concessions to the KC and Sihanouk until and unless the US makes it clear that this is necessary. In any event, the KC will remain unreceptive to the notion of negotiations while they spin out their military option.

27. **The GKR.** Although the GKR has gone through the motions concerning negotiations, it has not yet faced the likely realities of the situation. Major concessions would be required. Lon Nol, Sirik Matak, and probably several other key figures would not be acceptable to the other side. Not only might Sihanouk come back as head of the government, but the KC would have a major, perhaps dominant, voice in a coalition government. Though the evidence is sparse, we believe that most Cambodians would accept these conditions if they brought the war to an end.
ANNEX A

ARGUMENTS PRO AND CON REGARDING KC DRY SEASON
MILITARY OPTIONS

SECRET
ARGUMENTS PRO AND CON REGARDING KC DRY SEASON
MILITARY OPTIONS

A. Option A: A Direct All-Out Assault on Phnom Penh

1. The major arguments for Option A are:
   — By maximizing pressure on Phnom Penh, the KC might anticipate a sudden collapse of the GKR’s will to persist, thereby gaining their objective almost before the battle really began.
   — Since they are already close to the capital, the KC might believe they could achieve a tactical surprise and win a quick victory before the GKR could rally its forces or bring in reinforcements.
   — Despite the likelihood of heavy losses of men and materiel, the KC might calculate that a major effort against Phnom Penh would in the long run require fewer resources than would a strategy of protracted fighting.
   — Confronted with increasing indications that all the other parties involved with Cambodia prefer a negotiated settlement and particularly worried about the reliability of North Vietnam as a source of supply, going for the jugular would allow the KC to present their friends and foes with a fait accompli.
   — In the KC view, the massive US air effort of the past year is not likely to be repeated.

2. The major arguments against Option A are:
   — It would require the massing of KC units in the relatively open terrain around Phnom Penh, making them easier targets for GKR artillery and aircraft and posing the risk of high losses.
   — Unless they gained a quick victory, it is doubtful that the KC could sustain major action against Phnom Penh without increased aid from Hanoi, and the KC appear to doubt that they can count on such assistance for a “high visibility” all-out attack on Phnom Penh.
   — As demonstrated in the battle for Kompong Cham, FANK is capable of effective resistance in a set-piece battle when its back is up against the wall.
   — Even though they probably consider the risk low, the KC would not dismiss the possibility of the US (or South Vietnam) responding with air power.
   — Failure of Option A would not only buoy GKR morale, but would seriously damage the KC—politically, psychologically, and militarily—and would make the KC more susceptible to political pressure from their allies.
B. Option B: The Strangulation Strategy

3. The major arguments for Option B are:
   — The cumulative impact of Option B, particularly if the capital’s LOCs were cut for any length of time and/or FANK suffered significant reverses, could destroy FANK’s will to resist and lead to the GKR’s internal collapse without a costly attack on Phnom Penh.
   — It is the most flexible strategy available to the KC; by initially following Option B the KC could later in the dry season shift over to Option A or revert to Option C.
   — KC forces have had considerable experience and success in undertaking the types of action in Option B.
   — The absence of US air power is likely to give the KC increased confidence in the efficacy of Option B; the KC would consider this option less likely than Option A to provoke the resumption of US air strikes.
   — Although Option B would entail the commitment of substantial manpower and supplies, the KC could better adjust the level of combat to the assets available at any particular moment.
   — Option B might be more acceptable to the North Vietnamese than Option A; at a minimum, Option B would allow the KC more time to gauge the level and adequacy of North Vietnamese support.
   — Option B increases the chance that Phnom Penh’s key physical facilities and administrative machinery would remain in functioning condition if the GKR should collapse.
   — The failure of Option B to topple the GKR would be less damaging to the KC than would the failure of Option A.
   — By concentrating on cutting LOCs to Phnom Penh, the KC could greatly exacerbate the GKR’s already shaky economic situation.

4. The major arguments against Option B are:
   — Option B is in effect a continuation of the strategy that faltered during the KC’s 1973 offensive.
   — A key factor in the success of Option B is the availability of supplies and manpower; this strategy requires sustained offensive action on several fronts and a substantial investment of men and materiel. Yet, KC units are suffering from some supply shortages, particularly arms and ammunition, and there are increasing indications that the North Vietnamese have cut back their materiel support to the KC.
   — The GKR anticipates that the KC will follow an Option B strategy and has based its defensive plan on this assumption; the KC probably know this.
   — Strangulation of Phnom Penh requires that the GKR’s economic lifelines be cut for a prolonged period; thus far, the KC have had considerable success in interdicting the LOCs, but they have not demonstrated an ability to keep a sufficient number of them cut long enough to strangle Phnom Penh.
   — At the upper end of the actions called for in Option B, the KC could find themselves inexorably drawn into a
series of costly battles (such as that at Kompong Cham last summer) where the scale of commitment and the losses suffered forced them to limit future actions in order to recoup.

C. Option C: A Status Quo Military Strategy

5. The major arguments for Option C are:

— It places the fewest strains on the KC, sparing them the heavy losses of men and materiel that the other options entail.

— The KC could use the time bought to consolidate their control in the countryside and to build up their military strength.

— Option C would permit the KC to wait and see if the passage of time led to a weakening of the GKR's political viability or a diminution of US support to Cambodia.

6. The major arguments against Option C are:

— Option C offers little hope for resolving the situation.

— It flies directly in the face of what the KC have been striving for over the past 18 months or so and runs counter to what they have already stated they intend to do this dry season.

— The KC would risk losing their military momentum, and the revolutionary zeal of KC adherents would flag.

— Option C would be viewed in Cambodia and elsewhere as a sign of weakness.

— The GKR could use the respite to build up its forces.

— Pressure on the KC to negotiate could mount, and they could find themselves faced with even more reluctance on the part of Hanoi to back a resumption of major hostilities.
SECRET

ANNEX B

THE MILITARY BALANCE IN CAMBODIA

SECRET
I. THE MANPOWER BALANCE

1. FANK ground combat strength is currently estimated to be about 110,000-130,000* (out of a total military strength of almost 210,000) organized in company- to division-sized maneuver units. Combat units have a dual role—mobile operations against the KC and static defense—and are primarily deployed around major towns and cities and along lines of communication. Limited support is also drawn from a nascent Auto-Defense (militia) program which bolsters local defense in conjunction with FANK. Although Auto-Defense strength is currently about 60,000, the generally poor state of readiness of these units restricts their combat capabilities.

2. In contrast, the KC have an estimated combat strength of about 50,000 to 60,000, organized in platoon- to regimental-sized maneuver units. Unlike FANK, however, the KC need commit relatively few of their troops to defensive missions, since FANK normally poses almost no offensive threat to KC-controlled areas. Because there is little information with which to gauge the strength of supporting administrative services units, and little is known about the structure and strength of the KC guerrilla/militia, total KC military strength is unknown. In any event, the military potential of the guerrilla/militia is limited since they—like the government’s Auto-Defense units—are tasked with garrisoning more or less firmly controlled areas. Their primary importance is as a manpower pool for KC units.

3. Some 2,000 VC/NVA combat troops and about 18,000 administrative services personnel remain in Cambodia, but they are operating primarily in support of Communist activities in South Vietnam, and do not pose a direct threat to FANK at this time. In addition, there may be as many as 2,000 more VC/NVA troops still operating with KC units as advisors, support and liaison personnel.

II. FANK CAPABILITIES

Manpower

4. FANK's inability to exploit its roughly 2 to 1 numerical superiority stems from a number of factors. The most critical of these is the continuing lack of effective leadership. FANK entered the war with few capable leaders, and only a handful have emerged since that time, especially at the middle and upper levels. Commanders in the field continue to adhere to a garrison mentality stressing fixed defensive positions, frequently abandon positions in the face of little or no pressure, and often drag their feet when ordered to initiate operations against the KC. Through a combination of a lack of aggressiveness and frequent absenteeism from their units in the field, most commanders fail to instill the motivation and discipline in their troops necessary to accomplish even a successful defense. A major factor affecting FANK morale is the overall impact of low pay and inflation on the individual soldier's ability to provide for his family. In spite of some recent efforts to ameliorate the situation, basic sustenance and

*See map for the disposition of FANK and KC combat strength.
FANK and Khmer Communist Combat Strength
by FANK Military Region
(in thousands)
shelter remain beyond the means of most, and only substantial reform in this area by the Phnom Penh Government can halt the present downward trend.

5. Accentuating the problem of ineffectual leadership in the field is the quality of support provided by FANK's staff. Operations have been hampered by constantly changing and conflicting mission orders, and very little initiative has been shown in anticipating KC pressures—the staff preferring instead to commit units piecemeal only after the situation has deteriorated. The retrieval of the situation at Kompong Cham in September was the first time that the General Staff acted decisively to define objectives and deploy the necessary forces.

6. The effectiveness of FANK leadership is further restricted by a degree of corruption which, at times, has been excessive even by the accepted standards of the area. One manifestation of this—payroll padding—has had a critical impact on FANK operations because units committed to combat frequently have been found to be substantially below reported strength, and thus only marginally effective.

7. Closely akin to the problem of unit rosters padded by "phantom" troops has been the absence, until recently, of a rational system of personnel replacement. It was not until mid-summer that conscription was attempted, and the initial attempts proved ineffective. With recruitment largely in the hands of local commanders, many FANK units—particularly among the reaction forces of the General Reserve—have been badly worn down by months of fighting, to the point that FANK's four divisions (the backbone of the General Reserve) could field only about half of their authorized strength at the height of the KC offensive this past summer. Moreover, approximately one-third of FANK's troops remain untrained. The internal training burden has been substantially increased since the termination of the extensive US/South Vietnamese training program in South Vietnam.

Logistics

8. The state of FANK's material readiness has been somewhat better than the manpower situation, especially following the acceleration of Military Aid Program (MAP) deliveries prior to the 15 August cessation of US air operations, but there is cause for concern.

9. Continued resupply through the US MAP is vital to the maintenance of adequate supplies for FANK. Present levels of MAP support are in accord with FANK's ability to absorb new equipment, and most of FANK's hardware deficiencies have been alleviated. On the other hand, present levels of support may not be adequate to maintain ammunition stocks during another period of sustained combat since a substantial portion of the FY 1974 appropriation was consumed during this year's offensive. Any reduction in MAP funding would similarly deplete ammunition stocks, although it probably would not have a significant impact on the availability of hardware.

10. Two additional factors make FANK's supply status tenuous. The first is the government's reliance on three key entry routes—the Mekong, Pochentong Airport, and Highway 4 from the Port of Kompong Som—for MAP deliveries. Given the vulnerability of these lines of communication, it will be difficult for FANK to maintain stocks on hand.

11. Second, FANK's internal distribution system, although greatly improved in the last three years, and facilitated by equipment standardization, remains undependable. Moreover, because of FANK's reliance on overland routes and only a limited aerial resupply capability, the system remains subject to interdiction. A significant result of this is the reluctance of FANK artillery commanders to fire harassment and interdiction missions.
against the KC for fear that their ammunition stocks will not be replenished if a more immediate need arises.

Firepower

12. Uncertainty of resupply aside, artillery supply for FANK units still remains limited. Although FANK is reasonably well equipped with artillery (the ratio of tubes to ground forces strength comparing favorably with ARVN), most of the tubes are deployed in static defensive positions, thus restricting their use for offensive operations. Moreover, despite an extensive training program—both internal and external—the level of expertise varies greatly, and generally remains low. Operations are generally hampered by the limited number of fire direction, ammunition handling and forward observation personnel.

13. By the same token, air support for FANK units remains limited. Although the Cambodian Air Force nearly doubled its strike sortie rate between July and September, total air support—with the cessation of US operations—has been cut by about 80 percent. Moreover, mechanisms for coordinating air and ground operations have only recently been established, and are not yet fully operational. Target validation remains cumbersome, and the effective use of forward air controllers in the air as well as forward air guides on the ground remains limited.

Recent Developments

14. In the midst of these manpower, logistical and firepower problems which have plagued FANK, some signs of improvement have been observed recently. Since the bombing halt, FANK commanders have on occasion displayed an encouraging degree of aggressiveness, and at least some ability to integrate armor and artillery with infantry operations. The subsequent defense of Kompong Cham was relatively well conceived and coordinated, and executed with a rare degree of determination. During that battle, Cambodian naval and air support proved effective.

15. Moreover, FANK has initiated positive steps to ameliorate some of its problems. A fairly well organized recruitment/conscription campaign finally got off the ground in early October with an ultimate goal of 25,000-30,000 new troops. As of 20 November, about 9,000 new troops had actually been inducted. Tighter manpower controls have been instituted, and unlike past practices, new troops are being assigned to understrength units rather than being used to form new ones.

III. KC CAPABILITIES

16. The gains made by the KC during their 1973 offensive demonstrated the progress they have made toward molding an effective military structure. Before and during the offensive, the KC accelerated the formation of regiments, and significantly expanded their capability to control multiregimental operations. At the same time, however, the offensive also pointed up a number of KC shortcomings.

17. Despite their organizational gains and their ability to shift units between areas of operation and coordinate the operations of multiregimental formations, the KC failed to provide adequate organic support for their units. They also did not maintain the degree of discipline necessary to keep pace with the increasing magnitude of forces committed. Indicative of this is that on several occasions around Phnom Penh individual elements were withdrawn from combat piecemeal—sometimes to the surprise of adjacent units—and similar displays of local autonomy by KC commanders have frustrated operations in other areas as well.

18. Similarly, the KC supply system seems to have been caught off guard by the scope of the offensive. Beginning in May, ammunition
shortages began to mount, and by July, operations near Phnom Penh were being adversely affected by those shortages. By the same token, shortages limited KC effectiveness at Kompong Cham in August and September and in the Vihear Suor area east of Phnom Penh in October. As was the case with command and control, the KC supply system seems to have been outstripped by rapid territorial gains.

19. Of potentially greater importance, however, is the question of aid from North Vietnam. Prince Sihanouk has consistently maintained since early in the year that the NVA have curtailed supply shipments to the KC, and the magnitude of the supply problems suffered by them lends some credence to this claim. It is possible, however, that even in the absence of a cutback, the NVA may have been unwilling to underwrite the greatly increased shipments necessary to sustain high levels of combat. In any event, it is impossible to determine to what extent the supply problems experienced by the KC were caused by countrywide shortages or difficulties with internal distribution.

20. In spite of these problems, the most crucial factor in stemming this year's KC offensive was the impact of US airstrikes which increased the difficulty of resupply and further disrupted the command and control system. In addition, US strikes were extremely effective in inflicting casualties—disproportionately among the best KC units. Relatively well-trained and highly motivated troops are being replaced by “green” replacements who in many cases have been inducted under duress. Even more difficult to replace are the unit cadre which were lost to airstrikes.

21. The impact on KC of the difficulties outlined above will carry over into the coming dry season, thereby continuing to limit their capabilities. The KC, however, apparently have made some progress in ameliorating their shortcomings. Casualties suffered during the last offensive probably will be, in large part, replaced by December, although frequent references to the induction of children, old men, women and monks suggests that the KC are experiencing some difficulties in fleshing out their units. Moreover, many of the new troops have been impressed, and lack training and motivation. Steps are also being taken to expand and improve the command and control structure and replace ineffective commanders, and plans for renewed action are being carefully drafted. In addition, increasingly frequent supply shipments—albeit of small size—indicate that some adjustments have been made in the supply system.

22. In addition, the KC will benefit from the absence of US airstrikes. This alone will substantially reduce the cost of heightened combat, and will facilitate the movement of men and materiel, although significant casualties still can be inflicted on massed KC units by the Cambodian Air Force. In addition, offensive operations in the coming dry season will be initiated from positions close to Phnom Penh and other major cities such as Kompong Cham. Thus, the KC can quickly bring heavy pressure to bear on FANK in contrast to the costly and time consuming preliminaries which characterized the first few months of the 1973 offensive.

23. The most significant potential constraint on KC capabilities in the coming dry season is the availability of supplies. If their NVA patrons underwrite heavy munitions expenditures, the KC probably can sustain a prolonged offensive. To the extent that the North Vietnamese are unwilling to provide a high level of support, the scope of a KC offensive would be curtailed.
IV. THE BALANCE OF FORCES FOR THE DRY SEASON

24. On balance, FANK capabilities are and will remain limited. At a minimum, FANK probably can successfully defend Phnom Penh, although at great cost. To defend the capital against a determined attack, FANK would have to commit most, if not all, of its reaction force and might be forced to pull additional territorials into the perimeter. Such a commitment would allow the KC to attack other cities with relative ease and to interdict lines of communication with small forces. In turn, interdiction of those lines of communication could make life in the capital untenable. Similarly, FANK cannot totally prevent the shelling of the capital or the infiltration of a substantial number of KC troops into the city for a spectacular, if temporary, display of power.

25. Even in the absence of a maximum threat to the capital, FANK can achieve only moderate success in maintaining the security of its highways. Adequate manpower is not available to garrison all key roads against KG attacks, and FANK's reaction force has had very limited success in quickly clearing interdictions. Moreover, the KC have been increasingly willing to commit sizable forces to such an interdiction effort. The Mekong River should be easier to keep open than the roads, though during the dry season Phnom Penh will have substantial difficulties even here. A crucial factor will be the continued willingness of ship owners and captains to run the gauntlet—a willingness that may decline if losses mount.

26. It is thus a very close judgment whether FANK can weather another offensive of the intensity and duration of this year's—particularly in the absence of US air support. As the estimate indicates (paragraph 19), we believe that all things considered it probably can. Nevertheless, the KC will maintain the initiative most of the time, and while FANK can contain the threat in some areas it cannot prevent the periodic—and in some cases extended—interdiction of lines of communication or the loss of further territory in outlying areas. Furthermore, there is little likelihood that FANK will be able to recapture any substantial territory now in Communist hands. Thus, even in the absence of a decisive outcome on the battlefield in coming months, the KC are likely to improve their position during the dry season.
ANNEX C

THE CAMBODIAN ECONOMIC SITUATION
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1. Plagued by continuing war-related problems, the Cambodian economy is under very serious pressures at this point simply to meet the food and other commodity requirements of refugee-swollen cities and a disrupted countryside. Although arrangements have been made to secure adequate amounts of rice, there is a serious risk that shipping problems or other distributional delays could result in such severe local or temporary shortages as to bring on riots in Phnom Penh and other urban areas. This period of uncertainty will persist until at least mid-December and possibly beyond.

Background

2. The Cambodian economy is weak. The war has sharply curtailed economic activity in most sectors, as many peasants have been driven off their farms and a large share of transport and industry has been destroyed or damaged. The result is a generalized supply shortage of basic goods—particularly rice—and a significant rise in the cost of living. Government spending remains far ahead of domestic revenues, and the resulting large deficit will continue to be financed by additional loans or by printing new money. On international accounts, Cambodia suffers from an extremely unfavorable balance of trade and would even require large amounts of foreign assistance for some time after any peaceful settlement. The war has kept exports at a fraction of prewar levels, while imports, also below 1969 totals, have been shifted toward consumer goods, especially foodstuffs.

Chronic Inflation

3. Inflation has accelerated dramatically during 1973, with the cost of living in Phnom Penh now more than double what it was at the beginning of the year and this rate of increase is continuing. The principal cause of the increase is the shortage of rice. Other commodities are also in short supply, as domestic output has been hurt by rising material costs, a shortage of credit, and—in some instances—war damage to productive facilities. Wage increases have not kept up with price hikes, however, resulting in a decline in real income. Substantial salary hikes are anticipated in early 1974, but these will not prevent further deterioration in consumer purchasing power.

4. With a serious prevailing shortage of goods in general, government spending increases will contribute to further inflationary pressures. A supplemental appropriation approved in August—brought on by increased salaries for civilian and military employees and greater subsidies on rice imports—put the budget 40 percent higher than that originally proposed and 63 percent greater than the 1972 budget. Despite the implementation this year of numerous tax measures, government revenues, lagging behind earlier projections, will probably leave an uncovered deficit equal to about one-third of the total 1973 budget.

Commodity Shortages

5. The Lon Nol government's most pressing short-term problem is procuring adequate stocks of commodities, particularly rice. Fre-
quent interdictions of principal highways have disrupted deliveries of domestic and imported rice. Route 5 from the Battambang rice bowl has been closed since 6 September; the chances are good that route 4 from Kompong Som will also continue to be closed periodically. The Mekong River is open, but its waters are receding, making government river convoys more vulnerable to Communist interdiction. Negotiations since late summer have elicited additional rice from abroad. Much of this rice has reached Phnom Penh or is enroute, and should prevent rice shortages until US PL-480 shipments begin to arrive in mid-December. Enough PL-480 rice is committed to Cambodia to cover Phnom Penh’s needs, both civilian and military, through the dry season. Stocks of POL are currently adequate, largely the result of a concerted logistics effort to increase stockpiles of critical commodities by 15 August, the termination date for US air support; supplying Phnom Penh with these commodities should pose minimal difficulty as long as the Mekong is kept open.

Prospects

6. Any significant reduction of US economic assistance could be fatal for the Lon Nol government. US aid currently supplies some 80 percent of all foreign capital inflows and is the key source of commodity imports. Even a partial replacement of US aid by other sources is most unlikely over the short run. Particularly critical is US financing of imports to see the government through. Without these imports, the government—strapped by limited exchange reserves—would have to reduce rice consumption drastically and face the probability of at least small scale rice riots similar to those that took place in September 1972. Even beyond this fall’s rice emergency, US aid in the form of PL-480 shipments will be a vital element in reconstituting depleted commodity stocks so as to avoid similar problems in the future.

7. US support is also essential to the Exchange Support Fund (ESF), which was established in March 1972 as a mechanism by which some of Cambodia’s imports could be purchased. Contributions for the period 1972-1973 total some $70 million, with almost 40 percent coming from the US.7 The GKR is already having difficulty lining up donors for 1974 and any significant reductions in US support would almost certainly convince remaining contributors not to renew their pledges.

7 Other contributors are Cambodia, Japan, United Kingdom, Thailand, New Zealand, and until their recent withdrawal from the ESF, Australia and Malaysia. The US may contribute an amount equal to a combined total of the other members of the ESF.
ANNEX D

THE NORTH VIETNAMESE-KHMER COMMUNIST RELATIONSHIP
1. Vietnamese Communist involvement in Cambodia dates back at least to 1947, when the Viet Minh made contact with rebel Khmer elements fighting against the French and persuaded them to accept Communist backing and sponsorship. Over the next six years the Viet Minh steadily increased their political and military support to the expanding rebellion. In 1953, however, Vietnamese fortunes in Cambodia began to decline as Sihanouk’s “crusade” for independence gathered momentum. Following the signing of the Geneva Accords in 1954, the Vietnamese—mindful of Sihanouk’s strong domestic position—adopted a low profile in Cambodia that was to last for over a decade. In 1967 the Vietnamese became more active when they began exploiting local dissidence in northeastern Cambodia and—to a lesser extent—in the western part of the country as well.

2. When the war came to Cambodia directly in March 1970, the Vietnamese Communists reacted quickly by launching a crash program to build a viable Khmer Communist movement. They have developed a regular Cambodian combat force that has grown from a few thousand to between 50,000 and 60,000 men now. They concurrently laid the foundation for a Khmer Communist-dominated political structure in all sections of the country. Meanwhile, the Vietnamese were also doing all of the major fighting in Cambodia. The military teacher-pupil relationship between the Vietnamese and Khmer Communists reached a significant turning point in the spring of 1972, however, when the bulk of the North Vietnamese/Viet Cong main force combat units in Cambodia became involved in the Communist offensive in South Vietnam. Although the insurgents remained heavily dependent on the Vietnamese for arms and ammunition and for some limited advisory support, they shouldered the tactical load and soon proved that they were a match for the demoralized Cambodian Army.

3. The exact nature of the present military alliance between the Khmer and Vietnamese Communists is murky, but most of the evidence suggests that the insurgents have assumed responsibility for their own strategy and tactics. One of the most important factors bearing on the Khmer-Vietnamese relationship is the tension that exists between their respective forces, particularly in Cambodia’s southern border areas. This past summer, local frictions—fueled by traditional racial animosity—lead to some sporadic and relatively large-scale fighting between insurgent and North Vietnamese/Viet Cong troops, primarily in Kampong and Takeo Provinces. The seeds of conflict in this region were sown early in 1972, when the insurgents began moving to undercut Vietnamese military, political, and economic jurisdiction over areas near the southern border.

4. By mid-August, senior officials on both sides who had become alarmed over the fighting reportedly agreed to a truce and to several agreements covering such controversial issues as territorial and population control. Neither side has complied fully with the truce or the agreements, but they have had some calming effect on the situation. If heavy fighting in this area should flare up again, Khmer and Vietnamese Communist leaders undoubtedly
would keep striving to keep it within manageable bounds. But the volatility of the situation along the border underscores the difficulty in preserving the basic delicacy of the Khmer-Vietnamese military alliance.

5. A more immediate and widespread factor at work in the Khmer-Vietnamese military (and political) equation is the level of Vietnamese logistic support to the KC. Since midsummer, Sihanouk and his in-country "defense minister" have been contending that the insurgents' allies—the North Vietnamese in particular—have not been giving the insurgents enough arms and ammunition. More recently, Sihanouk has been stating openly that if this situation does not improve, the insurgents will in effect have to settle for a military stalemate. Although the Khmer Communists reject this assessment, there is evidence that they are short on arms and ammunition in some areas of the country. But whether such shortages are due to Vietnamese tight-fistedness or to battlefield dislocations—or both—cannot now be ascertained.

6. The relatively high degree of military autonomy attained by the Khmer Communists suggests that they may now also have obtained some degree of political independence from the Vietnamese. Until the last year or so at least, Hanoi probably had been in a position to exercise considerable influence and control over the Khmer Communists. In 1949, for example, it established a Communist governing body in Cambodia, the "Central Office for Cambodia," which was put under the main Viet Minh controlling authority for southern Vietnam. Subsequently, the Vietnamese probably were also instrumental in setting up the shadowy Khmer Communist Party, whose founding date is given by the insurgents as 30 September 1951. Very little is known about the party's ties to and relationships with the Lao Dong Party from that date until Sihanouk's ouster. Shortly after the latter event, however, the Vietnamese assigned the then deputy chief of COSVN, Muoi Cuc, to be their top advisor to the Khmer Communist Party. With the help of specialized Viet Cong cadre from South Vietnam and of the "Hanoi Khmer," Cuc produced the short-term military and political results that Hanoi wanted in Cambodia.

7. In view of Hanoi's substantial investment over the years in the Cambodian insurgency, it would appear that the North Vietnamese would want to have the final, controlling vote over all important Khmer Communist policies. On the other hand, the Vietnamese may have intended to let the Khmer Communists ultimately handle most of their own affairs. This view was set forth as far back as April 1951, when Viet Minh headquarters informed Le Duc Tho (who was then serving as the deputy to the forerunner of COSVN) that while Vietnam had set up Cambodia's revolutionary leadership, the Khmer people had "to rely on their own strength for liberation—they cannot trust anyone else to do it for them, although outside help is necessary and important . . . they must shape their own destiny." While somewhat similar to what Hanoi has said about the Viet Cong, such a view could also be conditioned in large part by Hanoi's recognition that the Khmer, unlike the Lao, are an aggressive and independent-minded people who dislike the Vietnamese more than they fear them.

8. Whatever the nature of their past political relationship, some tentative evidence suggests that the Khmer Communists are now at odds with the Vietnamese on the question of a negotiated settlement. Recently, two Vietnamese Communist officials in Paris independently indicated that Hanoi was interested in negotiations between Sihanouk and US officials in China because, as one of them
put it, a purely military attempt to take over all of Cambodia would be "futile." The other official claimed that the insurgents resented such sentiments from a government (Hanoi) that is not "fully supporting" them and that they feared negotiations with the US would only result in important losses for them in Cambodia.
ANNEX E

FACTIONALISM WITHIN THE KHMER INSURGENCY
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1. The Khmer Insurgency is far from being a monolithic movement. Its makeup ranges from hard-core Communists trained in Hanoi who are determined to install a Communist regime in Phnom Penh to nationalists who prefer a more neutral, balanced government. The Communists, however, are the controlling factor. A central point in the differences within the insurgency is the question of Sihanouk’s role in any future realignment of political forces in Cambodia. The anti-Sihanouk forces in the insurgency are led by the powerful and shadowy leaders of the Khmer Communist Party, most of whom—as members of the old “Khmer Rouge” political faction in Phnom Penh—were opposed to the Prince well before his ouster in March 1970. Since that time, they have recognized him as their nominal “commander-in-chief” only because he is useful as a rallying point for people in the Cambodian countryside and as an international mouthpiece. This cynical exploitation has been only barely disguised, however, and Sihanouk himself is well aware of it. He recently has admitted openly that his relations with the indigenous Communists, “Stalinists,” are very poor, and claimed that it is thus unlikely that he would ever return to Cambodia.

2. Although the Communists are opposed to Sihanouk’s playing any significant future role in Cambodia, the Prince is not without support in the insurgency. The longstanding ideologically committed Khmer Communists who control the insurgency are but a fraction of the total number of military and political cadre within the insurgency’s military and political apparatus. The political structure and front organizations in insurgent-controlled areas of Cambodia have drawn heavily on displaced bureaucrats of the old Sihanouk regime, schoolteachers, merchants, and Buddhist clergy. Most of these are not outright Communists, and many were recruited with the explicit understanding that Sihanouk’s restoration was the objective of the movement.

3. The insurgents’ military structure also harbors real or potential Sihanouk supporters. The rank and file of the insurgent armed forces are peasants, and it is the peasantry which is the backbone of Sihanouk’s genuine support in Cambodia. But it is impossible to quantify how many of these peasant-soldiers are strong backers of Sihanouk. It is similarly difficult to tell how many insurgent military commanders and units owe their principal allegiance to Sihanouk. In any case, reporting from the countryside indicates clearly that there are many insurgents who back Sihanouk. They are often labeled the Khmer Rumdoh (Khmer Liberation), a term that appears to signify a political tendency or function rather than an organizational entity. On occasion, friction between Sihanouk’s supporters and Communist elements has resulted in bloodletting.

4. Although troublesome to the Communists, there is little evidence to suggest that the Sihanoukists in the insurgent apparatus will directly or seriously challenge the control that the Communist leaders exercise over the movement. On the contrary, as time passes the chances are the pro-Sihanouk elements will gradually be weeded out or assimilated by the Communists. Even as matters now stand, the factionalism in the insurgency does not seem to have had any significant impact on insurgent military capabilities. Thus far, the insurgents have been able to submerge their political differences and make common military cause against the Lon Nol government.
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