

13-133085-6
9/30

~~SECRET~~

UNCLASSIFIED

B-133085

**REPORT ON REVIEW
OF
THE MILITARY ASSISTANCE PROGRAM
FOR
CAMBODIA**

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, as respectively amended, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.



*Declassified
by: DOS
DOD*

46

BY

THE COMPTROLLER GENERAL OF THE UNITED STATES

SEPTEMBER 1958

UNCLASSIFIED
~~SECRET~~

~~744793~~ / 087974

~~SECRET~~
UNCLASSIFIED

**REPORT ON REVIEW
OF
THE MILITARY ASSISTANCE PROGRAM
FOR
CAMBODIA**

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, as respectively amended, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.



**BY
THE COMPTROLLER GENERAL OF THE UNITED STATES**

SEPTEMBER 1958

UNCLASSIFIED
~~SECRET~~



~~SECRET~~

UNCLASSIFIED

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

SEP 30 1958

B-133085

Dear Mr. Secretary:

Enclosed is our report on the review of the Military Assistance Program for Cambodia as administered by the United States Military Assistance Advisory Group (MAAG) to Cambodia. This report is one of a group on the military assistance program.

The report contains our findings that program requirements for Cambodia have been developed without valid tables of organization and equipment on which to base determinations of initial needs and without adequate knowledge of equipment assets already possessed by Cambodian forces. Materiel has been delivered to Cambodia in quantities which cannot be effectively utilized or properly maintained by country forces. The inability of Cambodia to support the United States program objectives from its own resources requires an informed determination, based on the development of long-range program costs for Cambodia and the military assistance program world-wide, as to whether these costs are within the resources of the United States to be made available for such purposes.

Copies of this report are being transmitted to the Director, Bureau of the Budget, and to the Chairmen of the Senate Committees on Foreign Relations, Armed Services, Appropriations, and Government Operations and of the House Committees on Foreign Affairs, Armed Services, Appropriations, and Government Operations.

Sincerely yours,

Comptroller General
of the United States

The Honorable
The Secretary of Defense

Enclosure

Upon removal of attachments
this document
becomes unclassified

~~SECRET~~

UNCLASSIFIED

SECRET

C o n t e n t s

	<u>Page</u>
INTRODUCTION	1
SCOPE OF REVIEW	2
SUMMARY OF FINDINGS	3
BACKGROUND	6
FINDINGS AND RECOMMENDATIONS	9
Inadequate basis for developing program requirements	9
Lack of utilization and maintenance of MAP equipment	12
Need for better coordination between military and economic aid programs	16
Need for long-range program planning	17

SECRET

~~SECRET~~ UNCLASSIFIED

REPORT ON REVIEW

OF

THE MILITARY ASSISTANCE PROGRAM

FOR

CAMBODIA

The General Accounting Office has made a review of the Military Assistance Program (MAP) for Cambodia as administered by the United States Military Assistance Advisory Group (MAAG) to Cambodia. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). This review is one of a group on the military assistance program. The purpose of this program, its organization and management, and method of financing were described in our report on the military assistance program transmitted to the Congress on August 29, 1957. (UNCLASSIFIED)

INTRODUCTION UNCLASSIFIED

The objective of the Military Assistance Program for Cambodia is to insure the internal security of the country through assistance in organizing, training, and equipping its armed forces. The cumulative dollar value of military assistance programed for Cambodia, as reported in the 1959 budget estimates, was \$49.5 million through June 30, 1957. An additional \$4 million has been programed in fiscal year 1958 and \$5.9 million was estimated to be programed in fiscal year 1959. (~~SECRET~~) UNCLASSIFIED

~~SECRET~~ UNCLASSIFIED

UNCLASSIFIED

SCOPE OF REVIEW

Our review of the Military Assistance Program for Cambodia was directed toward examining the effectiveness of management controls within the Department of Defense, including procedures, records, reports, and internal reviews, for developing and carrying out the MAP in accordance with established United States policies and objectives. (UNCLASSIFIED)

We reviewed at MAAG/Cambodia and at higher levels (1) the development of requirements for the build-up, modernization, and maintenance of approved Cambodian forces, particularly for the development of fiscal year 1959 programs, (2) the delivery of military end items, and (3) the standards of utilization achieved by the country forces equipped under the military assistance program. We made a limited number of field inspections to determine the techniques established by the MAAG to satisfy itself that the materiel furnished was being utilized for the purpose programmed. No attempt was made to evaluate technical or strategic matters.

(UNCLASSIFIED)

We examined selected transactions and made such other tests as we deemed appropriate to enable us to consider the adequacy and effectiveness of the management controls. (UNCLASSIFIED)

UNCLASSIFIED

SUMMARY OF FINDINGS

Our findings were forwarded for comment to the MAAG, to the Commander in Chief, Pacific (CINCPAC), and to the Assistant Secretary of Defense for International Security Affairs (ISA), and their comments are included in this report where appropriate.

(UNCLASSIFIED)

INADEQUATE BASIS FOR DEVELOPING PROGRAM REQUIREMENTS

Program requirements have been developed without valid tables of organization and equipment (TO&E) on which to base initial needs and without adequate knowledge of materiel possessed by the Cambodian Army, the Forces Armees Royale Khameres. The MAAG has reported that considerable excess equipment exists in Cambodia. In the absence of a sound basis for programing, additional materiel may be delivered in excess of country requirements. At the time of our review, no firm plan had been developed to determine actual stocks in the possession of the Cambodian Army nor to determine and recover excesses. We are recommending that action be taken as rapidly as possible to develop mutually agreed-upon tables of organization and equipment, to obtain and utilize reliable asset data for major materiel and spare parts requirements, and to recover equipment determined to be excess to valid requirements.

(UNCLASSIFIED) (See p. 9.)

LACK OF UTILIZATION AND MAINTENANCE OF MAP EQUIPMENT

MAP materiel has been delivered to Cambodia in quantities which cannot be effectively utilized or properly maintained by

UNCLASSIFIED

country forces. At the time of our review, significant quantities of equipment were either inoperative or otherwise not being utilized, mainly because of a shortage of trained personnel and an inadequate supply distribution system. The MAAG has not performed adequate inspections of the depots and maintenance facilities to determine whether proper care is being taken of delivered MAP materiel. We are recommending that future program submissions be limited to those items within the capability of Cambodia to maintain and utilize and that increased emphasis be placed on inspections of the utilization and maintenance of delivered MAP equipment. (UNCLASSIFIED) (See p. 12.)

NEED FOR BETTER COORDINATION BETWEEN MILITARY AND ECONOMIC AID PROGRAMS

Prospective assistance under the economic assistance program has not been sufficiently coordinated with the military assistance program to insure that maximum use is made by the economic assistance program of materiel and equipment available for such use already possessed by military forces in Cambodia. We are recommending that consideration be given to excess equipment in the hands of Cambodian military forces in developing equipment requirements for the civil police forces supported under the economic assistance program administered by the International Cooperation Administration (ICA). (UNCLASSIFIED) (See p. 16.)

NEED FOR LONG-RANGE PROGRAM PLANNING

The military assistance program is being administered without long-range program planning for the continued support of the military forces now being equipped at United States expense.

UNCLASSIFIED

Responsible United States officials have reported that Cambodia cannot, unaided, finance the military establishment at the desired level to meet program objectives recommended by the United States Joint Chiefs of Staff. We are recommending that the Department of Defense develop estimates of the long-range program costs necessary to equip, maintain, and modernize forces being supported in Cambodia and in other countries world-wide for consideration as to whether these costs are within the resources of the United States to be made available for such purposes.

(UNCLASSIFIED) (See p. 17.)

~~SECRET~~

UNCLASSIFIED

BACKGROUND

The General Accounting Office has prepared a separate report, classified confidential, on the economic assistance program in Cambodia (B-133002). This report was transmitted to the Director of ICA and to appropriate congressional committees on June 2, 1958. In this report it was pointed out that the official exchange rate of 35 to 1, which has been accepted by the United States for converting dollar economic aid into local currency, overvalues the Cambodian riel compared with free-market rates ranging between 75 to 1 and 90 to 1. This results in a relatively larger expenditure of United States dollar funds to generate local currency, much of which is used to support the Cambodian military budget, and has an unfavorable effect on the import program by providing incentives for speculation and irregular practices. (~~CONFIDENTIAL~~)

In order that the findings and recommendations contained herein can be considered in conjunction with conditions that were not within the scope of our review, but which were considered pertinent by responsible United States officials charged with the administration and technical evaluation of the program, certain views expressed by those officials are summarized as follows:

Responsible Defense officials have stated that, under the military assistance program, approved Cambodian forces have been equipped to an adequate level, facilities to provide an adequate logistical base have been programed, and Cambodia has been kept from seeking military aid outside the western orbit. (UNCLASSIFIED)

MAAG officials have stated that the Cambodian Army can maintain internal security, assuming that insurgent forces are not supported from outside Cambodia, but that the army probably can only

~~SECRET~~ UNCLASSIFIED

harass, to a limited degree, a well-trained invasion force; that the Cambodian Navy is small but fairly efficient; and that the authorized Air Force Squadron is considered to be of fair effectiveness. (~~SECRET~~) UNCLASSIFIED

In addition to the units which are supported under the military assistance program, Cambodia has about 12,000 paramilitary forces, including a provincial guard numbering 9,200 and municipal police and national police which are assigned an internal security mission under the direction of the Minister of National Security. In the event of a national emergency, it is planned to incorporate the provincial guard into the Cambodian Army. (~~SECRET~~) UNCLASSIFIED

We have also been informed by Defense officials that the operation of the Military Assistance Program for Cambodia has been adversely affected by several internal country problems and situations, including those which follow: (~~SECRET~~) UNCLASSIFIED

1. Cambodia has been an independent nation for less than 3 years and upon achieving its independence had no military logistical base and distribution system. MAAG/Cambodia was established in June 1955. At that time the Cambodian forces were equipped largely from war materiel left in the wake of the Indochina War. A significant percentage of this materiel was no better than battlefield salvage and was turned over with few spare parts and tools, thus imposing a logistical problem on the newly organized forces which they were ill-equipped to handle. (~~SECRET~~) UNCLASSIFIED
2. Under its neutral policy, Cambodia has resisted foreign alliances while receiving aid from both Communist and non-Communist sources. At the request of the Cambodian Government, a French mission trains the Cambodian Army. The MAAG is precluded from taking an active part in training. The Cambodian Government has denied an official working relationship between the MAAG and the French training mission, and the wariness of the Cambodian Government toward any indication of foreign control stands as a deterrent to an informal relationship. (~~SECRET~~) UNCLASSIFIED

~~SECRET~~ UNCLASSIFIED

3. The Cambodian Army command structure does not provide for direct liaison at the operating level between the tactical forces commanded by the Cambodian Army Chief of Staff and the technical services under the Minister of Defense.

~~(SECRET)~~

UNCLASSIFIED

UNCLASSIFIED

~~SECRET~~

FINDINGS AND RECOMMENDATIONS

INADEQUATE BASIS FOR DEVELOPING
PROGRAM REQUIREMENTS

Program requirements have been developed without valid tables of organization and equipment (TO&E) on which to base initial needs and without adequate knowledge of materiel possessed by the Cambodian Army. The MAAG has reported that considerable excess equipment exists in Cambodia. In the absence of a sound basis for programing, additional materiel may be delivered in excess of country requirements. At the time of our review, no firm plan had been developed to determine actual stocks in the possession of the Cambodian Army nor to determine and recover excesses.

(UNCLASSIFIED)

The United States has determined the size and make-up of the Cambodian forces that would be supported as program objectives but had not developed, at the time of our review, tables of organization and equipment as the programing standards for equipping these forces. Therefore there were no valid criteria which could be used to determine requirements and deficiencies to be supplied through MAP. We were subsequently informed by CINCPAC that the MAAG had drafted tables of organization and equipment which have not yet been adopted by the Cambodian Army. We were informed also that in the absence of reliable TO&Es only essential force improvement requirements were being included in the 1959 program submission. (~~SECRET~~) UNCLASSIFIED

ISA has informed us that 85 percent of the refined TO&Es have been sent to CINCPAC for review but that the development by the

~~SECRET~~ UNCLASSIFIED

United States of TO&Es considered satisfactory for the Cambodians does not insure that the Cambodians will agree and that the presence of French advisors, the reluctance of the Cambodians to achieve too close a relationship between the French and the Americans, and the sensitivity of the Cambodians to their national independence preclude too rapid an adoption of the new tables.

~~(SECRET)~~

UNCLASSIFIED

Without attempting to evaluate the significance of these factors, it is clear that, until mutually satisfactory TO&Es are developed, a sound basis for developing a program to meet mutual security requirements does not exist. ~~(SECRET)~~ UNCLASSIFIED

The actual quantity and condition of military materiel in the possession of Cambodian Army depots were unknown to the MAAG at the time of our review. Cambodian forces had received stockpiles of materiel from France, including both United States and French equipment, at the conclusion of the Indochina War, and a considerable amount of foreign equipment was currently in the hands of the Cambodian Army. The MAAG has estimated that, of the major materiel, including spare parts, delivered to Cambodia, more than 90 percent was believed to have been received as a result of the redistribution at the end of the Indochina War. The MAAG has little knowledge relating to the quantity or condition of spare parts received from France and has programmed and requisitioned medical supplies with little knowledge of the medical supplies being furnished to the Cambodian Army by France. Unknown amounts of engineer, ordnance, signal, and medical equipment and supplies were on hand. ~~(SECRET)~~ UNCLASSIFIED

~~SECRET~~

UNCLASSIFIED

SECRET

ISA has informed us that since the date of our review the MAAG has received asset data on Cambodian Army inventories which it considers acceptable. (SECRET)

Although there was no accurate knowledge of Cambodian equipment assets, there were indications that considerable excesses were on hand. Of the major items redistributed by France, MAAG records indicate that excesses exist in the amount of approximately \$1 million. The Cambodian Army has excess stocks of small arms ammunition. An inventory by the Cambodian Army showed that 46,000 rifles of various makes and models were on hand. All these rifles were excess to the existing foreign tentative programing standards since deliveries of United States small arms sufficient to completely equip the Cambodian Army based on these standards have already been made. (SECRET)

During our field inspection trips, Cambodian depot officials stated that certain lots of materiel, including spare parts, heaters, and medical supplies, were excess to their needs. However, insufficient action had been taken by the MAAG to determine the identity of the items or the validity of the excesses and to effect their disposition. (SECRET)

Recommendation

We recommend that action be taken as rapidly as possible to develop mutually agreed-upon tables of organization and equipment and to obtain and utilize reliable asset data for major materiel and spare parts in order to develop sound programs and to determine and initiate action to recover equipment excess to valid requirements. (UNCLASSIFIED)

LACK OF UTILIZATION AND MAINTENANCE
OF MAP EQUIPMENT

MAP materiel has been delivered to Cambodia in quantities which cannot be effectively utilized or properly maintained by country forces. At the time of our review, significant quantities of equipment were either inoperative or otherwise not being used, mainly because of a shortage of trained personnel and an inadequate supply distribution system. The MAAG has not performed adequate inspections of the depots and maintenance facilities to determine whether proper care is being taken of delivered MAP materiel. (UNCLASSIFIED)

We have been informed by CINCPAC that since our review the MAAG has eliminated or postponed the programming of signal, ordnance, and engineering items valued at about \$1.5 million because of the inability of the Cambodian Army to receive, distribute, maintain, and properly utilize additional equipment. (UNCLASSIFIED)

At the Cambodian Army Hospital and the Medical Supply Depot, we observed many boxes of supplies that were stored in the open and showed signs of corrosion and weather damage. Quantities of surgical and medical supplies, such as forceps, rubber goods, and hospital garments, had been rendered unusable because of deterioration. We noted quantities of drugs which had passed the expiration date of their useful life and consequently were no longer safe for use. Recent MAP shipments of refrigerators for the storage of medical supplies were not being utilized because of a lack of transformers to adapt them to local electric voltage. (UNCLASSIFIED)

SECRET

As a result of a limited inspection we made of the medical installations, the MAAG medical officer canceled requisitioning action on 20,000 cans of foot powder which the depot already had in ample supply. We were informed that other medical items currently being requisitioned will also be reviewed. (UNCLASSIFIED)

In the engineer and ordnance areas, we observed substantial quantities of unopened and unidentified crates of materiel, some of which had been received as a result of the Indochina redistribution of assets. MAAG officials have stated that they have been unable to influence the Cambodian Army to take action to unpack, sort, inventory, and place in bins the unopened and unidentified ordnance materiel on hand. (SECRET)

Considerable quantities of such major items as trucks and signal equipment currently in Cambodian depots or assigned to operating units are not in operating condition. For example, out of 1,682 trucks supplied under MAP, only 627 were in serviceable condition. Of the balance, 597 required field maintenance and the remainder were in need of more extensive repairs at maintenance depots. (CONFIDENTIAL)

A considerable portion of the United States-furnished equipment that was out of service had been redistributed originally in an unsatisfactory condition from the Indochina assets. Field maintenance has been hampered because the Cambodian Army supply distribution system is inadequate and batteries and other repair parts are being held in the depot when there is a requirement in the using units. Cambodian personnel have language difficulty in using United States catalogues and manuals which are written in English. (SECRET)

SECRET

A shortage of trained technical personnel has resulted in sub-standard maintenance. Personnel in using units have not received adequate instructions on supply procedures and proper maintenance of materiel. In some instances the lack of training aids resulted in the lack of maintenance of equipment because of the inability of the Cambodian Army to train personnel in their use. At the time of our review, training aids and graphic charts relating to the use and maintenance of equipment furnished under United States military aid had not been systematically programed for distribution to Cambodian Army schools, training centers, and organizational units. We noted during a visit to a small arms ordnance shop that numerous graphic charts pertaining to French weapons were displayed while no charts were on hand for United States equipment. ~~(SECRET)~~ UNCLASSIFIED

We were advised by MAAG officials that inspections of logistical installations to observe and appraise the utilization and maintenance of MAP-furnished equipment (end-use inspections) have not been performed as often as desired because of personnel shortages. ~~(SECRET)~~ UNCLASSIFIED

MAAG officials anticipated that the vehicle rebuild program under which World War II type of vehicles from Cambodia and other Far East countries are being rebuilt in Japan will gradually reduce the number of unserviceable trucks. (UNCLASSIFIED)

We have been informed by MAAG officials that a special requisition for graphic training aids for all small arms has been issued and that required training aids will be included in future programs. ~~(SECRET)~~ UNCLASSIFIED

~~SECRET~~ UNCLASSIFIED

The Department of Defense has informed us that end-use inspections, particularly of technical installations, have been greatly facilitated by the use of mobile teams made available by higher headquarters and that it is felt that the MAAG, in view of its small size, is putting the maximum effort into end-use inspections. It was reported that the MAAG was conducting end-use inspections of all units and installations at least twice annually.

~~(SECRET)~~ UNCLASSIFIED

We have observed during our review that in some instances the MAAG has scheduled visits of United States mobile technical service teams and has translated some sections of United States catalogues and manuals into French in efforts to correct operating deficiencies disclosed during field inspections. It should be noted, however, that these actions have been undertaken on a limited scale. We observed also that, while the MAAG was making numerous inspections of technical units, the required end-use inspections were not being made at all logistical installations. Moreover, reports were not always being written on the results of the inspections that were made. ~~(SECRET)~~ UNCLASSIFIED

We believe that the MAAG should program applicable training aids for simultaneous delivery with the related MAP equipment, although the training mission is primarily the responsibility of the French. MAAG should also assume responsibility for supplying the training centers and operating and maintenance units with United States training aids pertaining to equipment delivered under previous programs. We believe that this will result in greater efficiency and utilization of MAP equipment by providing the means for more effective training. (UNCLASSIFIED)

~~SECRET~~ UNCLASSIFIED

Recommendation

We recommend that:

1. Future program submissions be limited to those items within the capability of Cambodia to maintain and utilize.
2. Requirements be developed for training aids needed by Cambodian forces.
3. Increased emphasis be placed on end-use inspections of delivered MAP equipment. (UNCLASSIFIED)

NEED FOR BETTER COORDINATION BETWEEN
MILITARY AND ECONOMIC AID PROGRAMS

Prospective assistance under the economic assistance program has not been sufficiently coordinated with the military assistance program to insure that maximum use is made by the economic assistance program of materiel and equipment available for such use already possessed by military forces in Cambodia. (UNCLASSIFIED)

The ICA mission had obligated \$775,000 under the economic assistance program to train and equip Cambodian paramilitary forces and, for fiscal years 1959-63, has submitted a tentative requirement of \$3.5 million, which includes revolvers, automatic rifles, carbines, bayonets, 60 mm. mortars, ammunition, and other types of military equipment and materiel. This 5-year estimate was not coordinated with MAAG prior to submission to the International Cooperation Administration in Washington. We noted that the Cambodian Army had excess stocks of small arms ammunition at the same time the ICA mission submitted a requirement for similar ammunition for the paramilitary forces. (~~SECRET~~) UNCLASSIFIED

We have been informed by ICA mission officials that closer coordination between the ICA mission and the MAAG will be achieved

before making any commitment to Cambodia with respect to support of the paramilitary forces for fiscal years 1959-63.

(UNCLASSIFIED)

Recommendation

We have previously recommended that a determination be made as to the equipment excess to valid Cambodian military requirements. We recommend also that consideration be given to these excesses in developing future equipment requirements for the paramilitary forces. (UNCLASSIFIED)

NEED FOR LONG-RANGE PROGRAM PLANNING

The military assistance program is being administered without long-range program planning for the continued support of the military forces now being equipped at United States expense. Responsible United States officials have reported that Cambodia cannot, unaided, finance the military establishment at the desired level to meet program objectives recommended by the United States Joint Chiefs of Staff. The Department of Defense has not developed long-range estimates of the program costs necessary to equip, maintain, and modernize forces being supported in Cambodia and world-wide for consideration as to whether costs are within the resources of the United States to be made available for such purposes.

(UNCLASSIFIED)

Although information on revenues and expenditures of the Cambodian Government is sketchy, ICA officials have indicated that the Government has operated with a sizable deficit and that they believed that the Treasury was in a poor condition since there have been urgent public appeals for the payment of taxes.

Cambodian military budget costs for 1958 were estimated at \$32.8 million, of which Cambodia and the United States would each contribute about 50 percent. (~~SECRET~~)

UNCLASSIFIED

The Cambodian society is mostly village oriented and self-sufficient, requiring little work to satisfy the simple needs of the populace. There is a severe shortage of skilled technicians and administrators. The country economy is predominantly agrarian devoted principally to self-support. Except for its forests, most of its known resources are being utilized. The little industry which exists is mostly for processing agricultural products. Exports consist entirely of agricultural produce. (UNCLASSIFIED)

So far as we have been able to determine, the Department of Defense has not developed estimates of the aggregate long-range costs of equipping, maintaining, and modernizing allied forces or otherwise achieving United States objectives in the countries being supported. As we pointed out in our report on the military assistance program transmitted to the Congress on August 29, 1957, we believe that such estimates should be developed and that a determination should be made as to whether these costs are within the resources of the United States to be made available for such purposes. Otherwise forces equipped at United States expense may deteriorate because they cannot be supported either by the country concerned or by the United States. (UNCLASSIFIED)

The Department of Defense has informed us, in reply to the foregoing, that data necessary for the production of long-range estimates are now being accumulated and that the estimate for Cambodia is expected to be prepared by early 1959. However, we were

UNCLASSIFIED

not advised as to when world-wide estimates would be available or as to whether appropriation requests would be based on these estimates. (UNCLASSIFIED)

Recommendation

We therefore recommend that the Assistant Secretary of Defense for International Security Affairs develop estimates, on a long-range basis, of the costs required to achieve approved program objectives on a world-wide basis as well as for Cambodia and that these estimates provide support for appropriation requests which should show long-range costs, the portion already funded, the portion requiring funds in the budget year, and the time-phased costs for carrying out the remainder of the program.

(UNCLASSIFIED)