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So far Cambodia has received approximately one-quarter of a programmed \$22.4 million grant from Communist China and seems satisfied with the program, which has received favorable publicity. New buildings for the Cambodian National Parliament will be included in this program. The Chinese Communists have also offered one million riels (\$28,571 at official rate of 35 to 1) to construct a modern building for a 20 kilowatt radio transmitter donated by the Chinese.

Thailand has not yet accepted a Soviet offer of a "cobalt bomb" for hospital use.

10. Economic Aid Program Delays. Much political and psychological credit as well as operational economy and efficiency continue to be lost because of premature commitments and assurances of aid on the one hand and the inordinate time required for formulation and implementation of our economic and technical assistance programs on the other. Recipient countries continue to complain of delays. This raises serious problems with respect not only to the assistance programs, but to U.S. relations in the area. In addition, particularly in uncommitted countries, it also materially reduced the attractiveness of U.S. aid as compared with communist bloc aid.

Commitments for physical construction are frequently made before reconnaissance, engineering and cost estimates are available.

In view of the impact of premature commitments and assurances of aid, and aid program delays on U.S. relations in the area and on the ability of the U.S. to meet the economic challenge of the communist bloc, increased emphasis will be given to a concentrated, coordinated attack to eliminate these difficulties. State and ICA are giving urgent consideration to these problems with a view to reconciling the limitations imposed on our aid programs by statute, by Congressional relations factors and by normal administrative requirements on the one hand, with the need for obtaining an optimum mixture of economic, political and psychological benefits on the other.

11. Efforts to Lessen Demands Upon U.S. Resources and Upon Local Economies (NSC Action No. 1599-e). Under this requirement the Department of State in consultation with the Department of Defense was to explore the possibility of arranging conferences with the nations in the SEATO area to achieve agreements as to future U.S. aid programs which will be more moderate in their demands upon U.S. resources and the local economies. Under present circumstances, this objective has not been accomplished.

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