

# GAO Says Saigon Squandered Aid

New York

Classified reports prepared by the General Accounting Office, the fiscal watchdog for Congress, assert that much of the U.S. military aid to South Viet-

nam during the past two years has been lost or squandered by the Thieu government.

The GAO reports gave no estimate of the losses but one Pentagon source said they amount to more than \$200 million.

The source said that a large amount of military equipment had been stolen by officials of the Saigon government and added that he has concluded that it has been sold to the North Vietnamese and the Viet Cong.

The GAO findings are expected to play a key role in deliberations by the Appropriations Committees of Congress on President

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Ford's request for \$300 million in supplemental military aid for South Vietnam. The South Vietnamese are receiving \$700 million in military aid this fiscal year, but administration officials say this amount is insufficient to meet the country's military requirements.

Mr. Ford will address a joint session of Congress Thursday, during which he is expected to renew his request for further military aid

to the Thieu government. Prospects for congressional approval of that request are not considered bright. )ET

The investigators found that quantities of every item here either "lost, mislaid, missing or . . . mislabeled."

Among the losses listed:

A total of 143 small war ships, such as patrol boats and landing craft, valued at nearly \$37 million, had disappeared from the South Vietnamese navy.

A stockpile on ammunition valued at nearly \$2 million has stored out of doors, without cover allowing the explosives to deteriorate in the wind and rain.

A depot where nearly \$20 million worth of small arms has stored had no physical security, and more than \$10 million worth of the arms were later found to be missing from "accountable records."

The Pentagon source said of the GAO findings, "Any-

body who's had any contact with the South Vietnamese officials knows they'll steal anything that isn't nailed down. That's what they've been doing with the arms for years, and everybody knows there's only one thing they can do with it — sell it to the Communists.

"If you add up the various items in the reports, you come up with about \$200 million worth of stuff down the drain. I'm saying it's a hell of a lot more than that."

The official Defense Department position is that the GAO findings are correct but, as Deputy Assistant Secretary of Defense Eric von marbod says, procedures at the U.S. Defense Attache's Office in Saigon, which administers the aid program, have been improved.

However, some Pentagon sources doubt it, and say flatly there is no effective way of preventing losses of military aid.

*Newsday*