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That's Fit to Print"

The New York Times

D76506
LATE CITY EDITION

Weather: Sunny, milder today; cool tonight. Chance of rain tomorrow. Temperature range: today 43-64; Wednesday 42-60. Details, Page 78.

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PHNOM PENH SURRENDERS TO REBEL FORCES AFTER OFFER OF A CEASE-FIRE IS REJECTED

Saigon Peril Grows as Troops Near Xuan Loc Fall Back

S.E.C. Says Northrop Kept \$30-Million Secret Fund

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, April 16 — The Securities and Exchange Commission filed suit today accusing the Northrop Corporation of maintaining a secret fund of \$30-million for political and other purposes, at least some of them illegal.

The company immediately announced that it had agreed to settlement of the suit.

The alleged fund was the largest that any company has so far been accused of maintaining for such purposes and far exceeded the \$1.2-million that Northrop had previously admitted maintaining as an illegal fund from which political contributions were made.

Northrop, a relatively small company in the aerospace industry, has specialized in making jet fighters. Its F-5 has been used in as many as 17 air forces. In 1972 its total assets were some \$409.9-million. The industry's leader, Boeing

Company, has assets of more than \$2-billion.

The suit, similar to ones filed recently by the S.E.C. against such companies as the Gulf Oil Corporation, the United Brands Company and the Phillips Petroleum Company, formally accused Northrop only of statutory violations over which the S.E.C. has jurisdiction. These are confined to charges that the companies failed to make proper disclosure in their reports to stockholders and to the Government of what they were doing with significant sums of money.

Northrop, Thomas V. Jones, its board chairman, and James Allen, former vice president and board member who retired in December, were all named as defendants in the suit filed in United States District Court here.

The S.E.C.'s complaint also

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BIEN HOA POUNDED

South Vietnam Force
Abandons Port City
of Phan Rang

By MALCOLM W. BROWNE
Special to The New York Times

SAIGON, South Vietnam, Thursday, April 17 — Government units holding the approaches to the devastated city of Xuan Loc, 38 miles northeast of here, were falling back yesterday as the military situation for Saigon appeared to worsen.

A thousand shells again fell on Xuan Loc, where resistance continued, but many Government troops were also pulling back with crowds of refugees from the fighting.

Communist gunners firing at Bien Hoa air base, 15 miles northeast of Saigon, seriously disrupted fighter-bomber traffic.

In a further blow to Saigon, the enclave held by Government forces at the port city of Phan Rang, 170 miles northeast of the capital, was abandoned.

Enemy Reinforcements Sent

Thus the military situation for the Government appeared markedly worse tonight than at any time since the central part of the country had yielded to



Insurgents manning a 105-mm. howitzer in an attack on Cambodian Government forces in positions around Phnom Penh, according to the caption with this photograph. It was radioed from Peking and relayed from Warsaw.

Associated Press

REPORT IS ON RADIO

Government Soldiers
Are Directed to
Cease Combat

By United Press International

The Cambodian Government surrendered to insurgent forces today, the Cambodian radio announced. The Phnom Penh Government ordered all its troops to stop firing and lay down their arms.

Brig. Gen. Mey Sichan, chief of operations for the Cambodian Government Army, went on the radio and said

Text of cease-fire proposal
is printed on Page 18.

soldiers and functionaries should cease all combat and invite the rebels to take power. This announcement was monitored in Saigon.

After his speech a "representative of the liberation forces" told all Government officers to report to the Information Ministry, site of the radio station, under a white flag of surrender.

"We enter Phnom Penh as conquerors," the insurgents' representative said. "We order the surrender of all officials and officials of the puppet regime."

EXTRA TAX SOUGHT
TO AID DOWNTOWN

Business Leaders
Assert Recession
Nears a Low Point

FORD ASSERTS U.S.
HAS FAILED SAIGON

Reporter's Notebook: Cambodia

The following dispatch by Sydney H. Schanberg accompanied his account of the battle for Phnom Penh.

day that the marshal, Cambodia's former President, went into exile under American prodding.

one of the many peculiar things that have happened here in the last few days as the insurgents closed in.

By JUL GOLDBERGER
The Downtown-Lower Manhattan Association, an influential organization of businessmen and civic leaders, has approved a city plan for a special real estate tax in lower Manhattan to pay for such urban amenities as pedestrian malls and park areas and to raise planning funds for new projects, such as the now-stalled Manhattan Landing.

The special assessment, which would raise the tax by approximately \$1.25 per \$1,000 of assessed valuation, would be limited to a five-year period and would apply in a district from river to river bordered on the north by either Chambers Street or Canal Street. It is expected to yield \$3-million to \$4-million annually.

The plan, developed by the city's Office of Lower Manhattan Planning, was called a "persuasive vote of confidence in lower Manhattan" yesterday by Mayor Beame, who said he "strongly supports this imaginative and sound approach."

Mr. Beame said that the

Continued on Page 30, Column 3

industrialists and businessmen across the country say they are convinced that the current recession is reaching its low point.

"The worst that can happen already has," said Malcolm Baldrige, chairman of the Scovill Manufacturing Company in Waterbury, Conn. "Most businessmen are still very concerned with the present recession, but we've seen the beginning of the end."

In Washington yesterday the Department of Commerce, reporting on new home-building and individual income levels in March, found that the pace of the business downturn was slowing but disclosed no indication of an upturn. [Page 57.]

Règinald H. Jones, chairman of the General Electric Company, agreed that the rate of decline in the economy had clearly slackened. "We should reach bottom by the end of the second quarter, or the early part of the third quarter," he added.

The businessmen's views were sought in a canvass of a dozen executives in major

Continued on Page 63, Column 3

some of these forces are now in combat.

Several days ago, long-barrelled 122-mm. artillery with a range of 15 miles, about equal to that of the Communists' 130-mm. gun, was brought to bear on Bien Hoa as well as on Xuan Loc and the surrounding area.

In barrages yesterday, about 60 shells fell on or near the Bien Hoa air base. A Government spokesman, reporting that two persons had been killed, conceded that air traffic had been hampered by damage from the shelling and from the explosion two nights ago of a large bomb storage dump. That blast apparently was set off by a commando attack.

The Bien Hoa air base is the main remaining center of Government air operations against the Communists.

The Communists' 122-mm. guns and other heavy artillery

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Radhakrishnan Dies
Sarvepalli Radhakrishnan, the philosopher and former President of India, died in Madras at 86. Page 42.

By PHILIP SHABECOFF
Special to The New York Times
WASHINGTON, April 16—President Ford said today that the failure of the United States to meet its commitments to Saigon had created "this present tragic situation" in South Vietnam.

Responding to questions at the annual convention of the American Society of Newspaper Editors, the President compared the United States behavior toward its South Vietnamese ally unfavorably with what he characterized as the fidelity of Moscow and Peking to Hanoi.

He said that this country had promised Saigon when the Paris peace accords were signed in January, 1973, that it would supply replacement war matériel to South Vietnam. He said he assumed that the Soviet Union and China had made similar commitments to North Vietnam.

"It appears that they have maintained that commitment," the President said. "Unfortunately the United States did not carry out its commitment in the supplying of military

Continued on Page 20, Column 4

Cambodia sent a cablegram to the Irving Trust Company in New York, asking the American bank, where it presumably has dollar credits, to confirm that it was carrying out an earlier order to pay \$1-million to Marshal Lon Nol. The earlier order was sent by letter on April 1, the

by the money? It was only rumored here that he was deeply corrupt and had used American aid to build large bank accounts abroad. But no one could ever pin it down. Maybe Irving Trust can shed some light now.

In any case, it was only

front line, things do get hairy, and even in Phnom Penh, as this is being written, the sounds of shelling are fierce just outside the southern gates of the city. But there have always been oases. Two nights ago, near the hotel's

Continued on Page 18, Column 5

U.S. Considers Corridor To Evacuate Vietnamese

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, April 16—Gen. Frederick C. Weyand, the Army Chief of Staff, told a Senate committee today that the Pentagon was considering establishing a corridor from Saigon to the sea to evacuate tens of thousands of Vietnamese.

Creation of such a corridor, one of several evacuation plans being considered, could involve a major commitment of American forces.

Pentagon officials said that, under hostile conditions, at least one Marine division—about 20,000 men—plus air power from Navy carriers would be required to protect the corridor.

At the same time, State Department officials said that the United States was expected to announce tomorrow that 980 Cambodian refugees would be

admitted as temporary residents. [Page 18.]

Meanwhile, the rift between President Ford and Congress over aid to South Vietnam and the evacuation of Americans widened.

The President rejected as inadequate a Congressional plan that would give him \$200-million for emergency assistance and restricted authority to use troops for evacuation purposes.

Members of the Senate Foreign Relations Committee said they had been misled about the rate at which Americans were being evacuated and put off, at least until tomorrow, further action on legislation.

An accommodation over the amount of money to be made available still appeared possible.

Continued on Page 20, Column 6

Soviet Politburo Drops Shelepin, Formerly a Contender for Power

By CHRISTOPHER S. WREN
Special to The New York Times

MOSCOW, April 16—Aleksandr N. Shelepin, who once figured as a prominent contender for the authority assumed by Leonid I. Brezhnev, was removed from the Communist party's ruling Politburo today.

The departure of the 56-year-old trade union chief was viewed here as strengthening Mr. Brezhnev's hand by eliminating a long-standing and younger rival in anticipation of the 25th congress of the Communist party.

The meeting of the Central Committee that eliminated Mr. Shelepin today scheduled the congress for Feb. 24, 1976. The congress, which lays down

long-term policies, is convened every five years.

Mr. Shelepin, who headed the secret police under Nikita S. Khrushchev, attracted Western attention two weeks ago when he was hounded by demonstrators during an official visit to Britain and returned home early. Some Soviet insiders have suggested that Mr. Shelepin was sent to Britain with the knowledge that he would be embarrassed and thus provide a pretext for removal.

While the official press agency Tass, in a one-sentence reference, reported only that

Continued on Page 2, Column 4

VIETCONG DEMAND FULL U.S. PULLOUT

Charge American Military Has 25,000 in Vietnam Disguised as Civilians

By FLORA LEWIS
Special to The New York Times

PARIS, April 16—The representative of the Vietcong's Provisional Revolutionary Government issued a call here today for "immediate and permanent" withdrawal of what he said were 25,000 American military personnel "disguised as civilians" in South Vietnam.

In a series of statements and at a press conference, he said there would be "no difficulty, no obstacle" placed in the way of their departure.

"If the U.S. really wants to save their lives," a statement said, "it should withdraw them totally and immediately."

But Dinh Ba Thi, interim head of the government's mission here, would not respond to efforts by reporters to determine exactly what would happen to Americans and other foreigners if they remained in areas that fell under Vietcong control. He referred only to a previous statement saying their lives and property would be protected if they obeyed "the policy of the revolutionary power."

The statements accused the Ford Administration of advancing plans for evacuations from Vietnam only as a "pretext for renewed American military intervention."

The warning by Defense Secretary James R. Schlesinger that the lives of 200,000 South Vietnamese would be endangered if they remained in their country was denounced as "a pure fabrication" and a "cal-

Truce Sought
By SYDNEY H. SCHANBERG
Special to The New York Times
PHNOM PENH, Cambodia, Thursday, April 17 — The Cambodian military Government asked yesterday for an immediate cease-fire from the Cambodian insurgents, who were attacking Phnom Penh from all sides. The Government said it would turn over power to them.

Several hours later, reports from Peking said that Prince Norodom Sihanouk, the nominal leader of the insurgents who is in exile there, had rejected the cease-fire proposal as unacceptable.

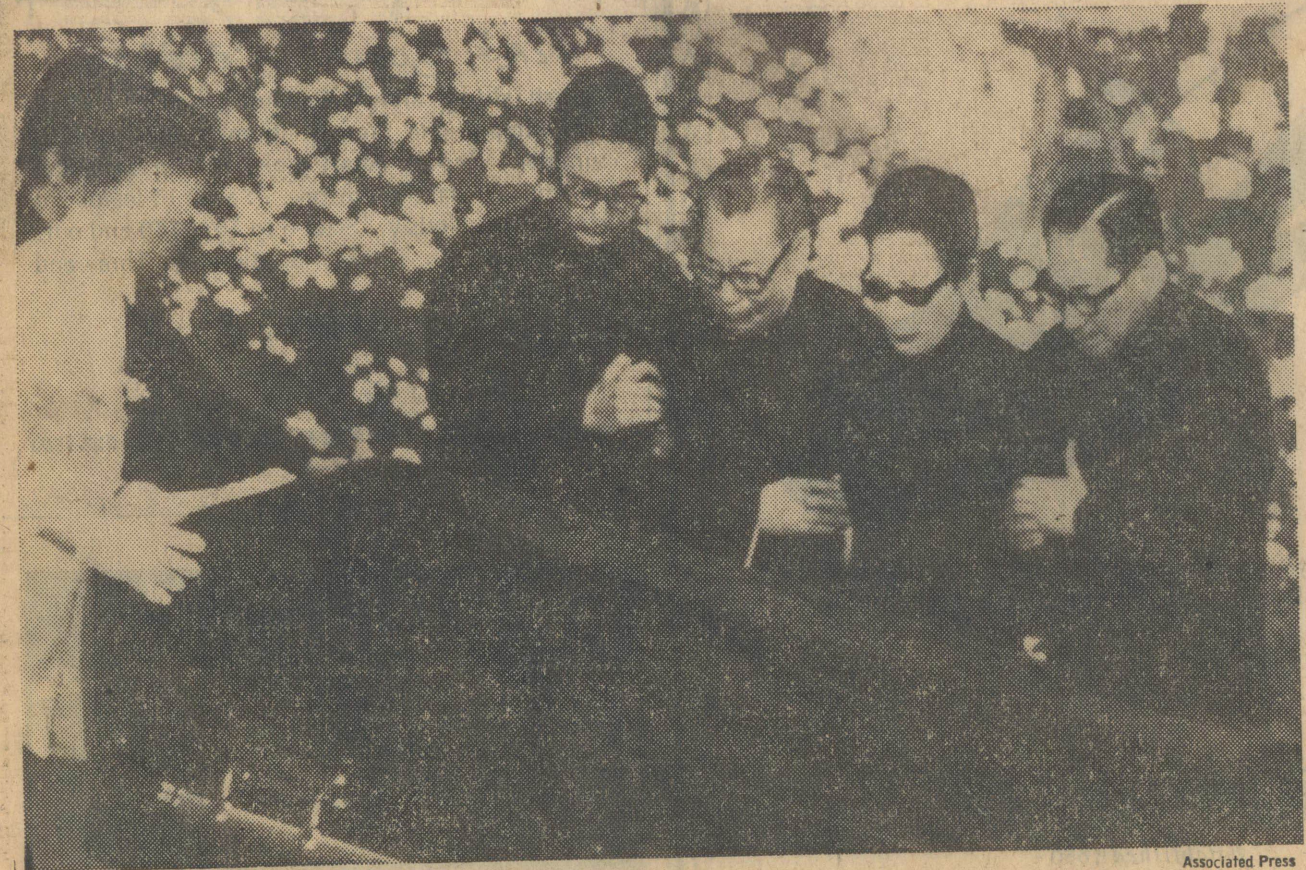
The Phnom Penh Government's proposal, which might be described as conditional surrender, had called for a complete transfer of power to the insurgent side under the supervision of the United Nations and representatives of the International Committee of the Red Cross who are now in Phnom Penh.

A second major point among the five in the proposal was a demand for assurances that there would be no reprisals against persons or organizations for their activities during the five-year war.

The cease-fire proposal, which was transmitted through the Red Cross delegation here, came as this suffering city of more than two million, relatively calm until now, began to show signs of collapse.

Throughout the day, the Com-

Continued on Page 18, Column 1



FUNERAL OF CHIANG KAI-SHEK IS HELD: Members of the family of President Chiang Kai-shek, who died on April 5, beside his coffin as it was closed during the

service yesterday on Taiwan. From left: Chiang Hsiao-wu, grandson; Premier Chiang Ching-kuo, son; Mrs. Chiang and Gen. Chiang Wei-kou, younger son. Page 42.

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GOLD! Fabulous Scythian Gold from the USSR: Apr. 19, Metropolitan Museum—Advt.

Phnom Penh Surrenders to Insurgent Forces After Cease-Fire Offer Is Rejected

ALL TROOPS TOLD TO STOP SHOOTING

Capitulation of Government
Is Announced in Capital
by Cambodia Radio

Continued From Page 1, Col. 8

munist-led insurgents had pressed closer and closer on all sides, inflicting enormous casualties and sending scores of thousands of refugees pouring frightened into the city from the near outskirts. Exhausted soldiers who had had enough joined the refugees. Many of the refugees came into the very center of this cosmopolitan city with bullock carts and squealing pigs looking for a place to rest and a bit to eat.

Shells Land Regularly

In the hospitals there were wounded two and three to a bed, floors slippery with blood and children's shrieks of pain that tore any visitor's heart out.

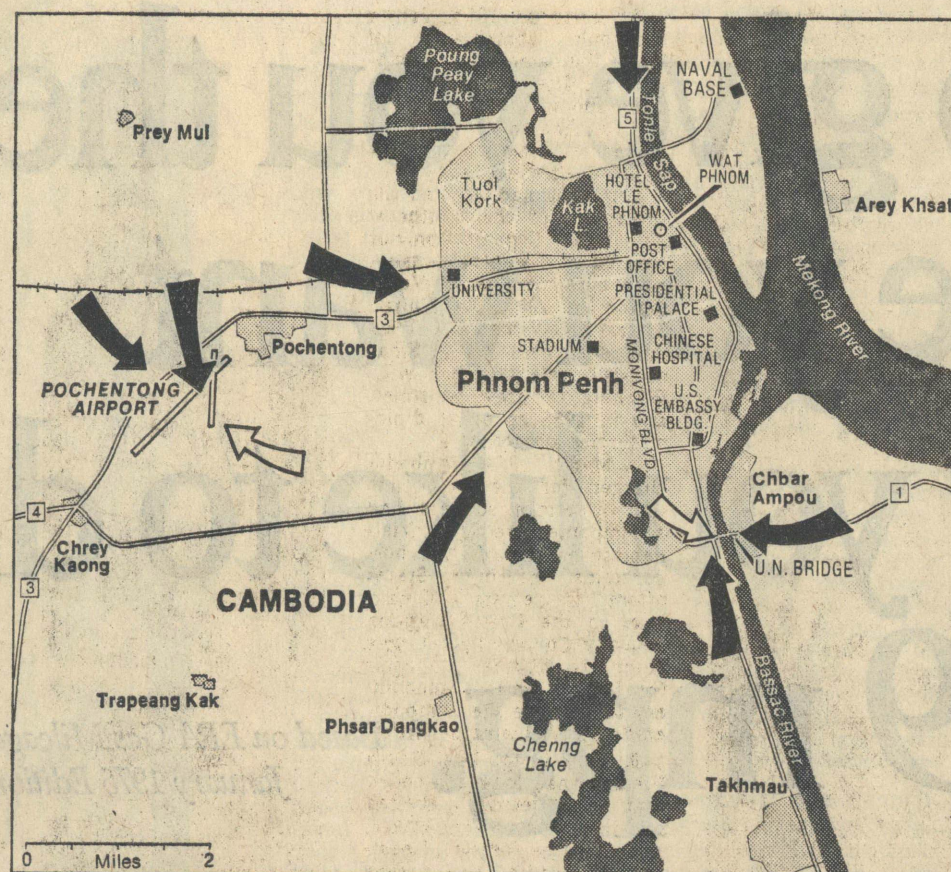
Insurgent shells began landing last night at regular intervals in the northern part of the city. The airport, west of the city, was said to be falling.

Fear was spreading. French residents of Phnom Penh started putting up French flags on their gates and walls to identify their nationality, since France has recognized the insurgent government.

Premier Long Boret, speaking in a telephone interview before the Sihanouk rejection had been reported, cited the United States decision to evacuate its embassy last Saturday and end its material support as the key factor in his Government's decision to ask for a cease-fire.

"We feel completely abandoned," he said in a voice whose weariness was discernible even over the telephone.

The 42-year-old Premier said the decision was made at about 11 A.M. yesterday at a meeting of the seven-member military-dominated Supreme Committee,



Insurgents reportedly entered Phnom Penh, and the Government tried to set up defense line to the south. Rebels struck toward capital from all sides.

Text of Phnom Penh's Cease-Fire Offer

PEKING, April 16 (Agence France-Presse)—Following, in translation, is the text of the Phnom Penh Government's offer of a cease-fire and a transfer of power to Prince Norodom Sihanouk, as relayed by Roger E. Gallop, president of the Executive Committee of the International Committee of the Red Cross in Geneva, and released here today by the Prince's Cabinet. The offer, signed by Lieut. Gen. Saksut Sakhan, head of the military Government, was introduced and concluded by a message from the Red Cross official.

To Samdech Norodom Sihanouk, Cambodian head of state:

Dear Sir:

I bring to your attention the fact that the representative of the International Red Cross in Phnom Penh has been asked to pass on to you the following message, which I relay without comment:

"In accordance with the legitimate aspirations of the

Khmer people, who fervently wish the end of hostilities, the Cambodian Government, intent on avoiding the loss of many more Khmer lives in the present fratricidal struggle and recognizing that the continuation of this fratricidal struggle will inevitably bring about the annihilation of the Khmer people and nation:

"1. Has decided to accept any realistic solution that can end the bloodshed and bring about national reconciliation.

"2. Is ready to this end to conclude an immediate cease-fire with GRUNK [the Royal Government of Khmer National Union], FUNK [the Khmer National United Front] and FAPLNG [the People's National Liberation Armed Forces of Cambodia].

"3. Is prepared to accept conditions for reaching a common accord between the Khmer parties concerned for a complete end to hostilities.

"4. Commits itself to

avoiding all acts of reprisal or discrimination against people and organizations because of their activities during the hostilities and to guaranteeing their democratic liberties, but asks that GRUNK, FUNK and FAPLNG agree to a reciprocal commitment.

"5. Commits itself to an immediate transfer of power under the supervision of the International Red Cross and the Phnom Penh representative of the United Nations as soon as the response of GRUNK, FUNK and FAPLNG is known."

The International Red Cross, fulfilling its traditional role of intermediary, is at your disposal to transmit any message entrusted to it.

Regarding the proposal to transfer power under the supervision of the Red Cross and the United Nations, I wish to make it clear that this would imply only the presence of the Red Cross representative if it was required.

Phnom Penh Hotel Ruled Neutral Zone

A Reporter's Notebook From Phnom Penh

Continued From Page 1, Col. 7

pool, I dined on a lovely vegetable soup and petit pous-sin, accompanied by a jigger of a friend's specially saved 21-year-old Chivas Regal. And after that some brandy.

I started this piece at 1:30 A.M. on April 16. I had to stop working in order to go to the transmission center where I tried to get things revived. Our line had been down since late yesterday afternoon and I was getting desperate, knowing I would soon miss the first edition with my story. I spent all night watching bewildered mechanics turn dials on an ancient Chinese transmitter they could not fathom. It had been pressed into service because the insurgents had overrun the main transmission center at Kambol. Anyway it is 7 A.M. now.

As the capital's defense perimeter shrinks, so do the Government's daily military briefings. The briefing notice on Tuesday morning said nothing about the insurgents driving to the city's edge. It said only: "Our troops have counterattacked against the Khmer Rouge north of Pochentong [airport] and Boeong Prayap. The Khmer Rouge have set fire to houses at Tuol Sampou west of Prek Phnou."

A cable arrived this morning at the Ministry of Agriculture, apparently from a Cambodian on a trip to the United States sponsored by the American Government. The cable read: "I go back May 9 but if Cambodia becomes Communist would you want me to go back or not? U.S. Government feed me if stay. Reply back telegram if possible."

On Monday evening, at La Taverne restaurant across from the cable office, the barman was in an ebullient mood even though the place was empty because of the curfew—except for two newsmen who had come across for a drink. It was a few hours after a defecting Government pilot had bombed the headquarters of the high command in the center of the city, killing and wounding many people, but missing all the top brass.

"They bombed the military headquarters," the barman said, laughing giddily. "You find that amusing?" one of the newsmen asked, drawing him out. "Yes," he replied, chortling again. "It's very



Pressens Bild/Photoreporters

From behind a wall of sandbags, a Cambodian soldier looks out on a deserted street in Phnom Penh.

"We must rest," said one holding up the bottle and taking another swig.

A bit down the road stood a woman with a foot-treadle sewing machine, apparently her most prized possession. Though the road beyond her was absolutely deserted and eerie, and the sky was filled with helicopter gunships strafing insurgent positions, she seemed worried. "Where are you going?" she was asked. "I'm moving to a relative's house a mile closer to the capital," she said. Five minutes later, her husband arrived calmly with a handcart, they loaded the sewing machine aboard, and they strolled leisurely down the highway toward the city.

Ever since the American Embassy was evacuated by helicopter Saturday, taking out most Americans and a number of foreigners and

Hotel Le Phnom, trying to find out if it is safe to land at the airport. So far it has not been. In fact it is now impossible. So they are talking about taking a helicopter instead.

The Cambodian hotel employees are fascinated as a Westerner crouches by the pool shouting into the radio's hand microphone at a shiny silver bird wheeling above. The bird answers and the voice comes out of the radio. "It's just like the movies," a Cambodian says. "They all use that funny language."

"Sunday calling charter, over. Sunday calling charter," says the man on the ground. "That's a Roger," says the bird. "Can you read me?" says the ground man. "Affirmative," replies the bird. A German television man films it all for posterity.

The insurgent radio today was saying that its troops

Year ended today. Because of the crisis, it was not an official holiday this year and Government officials had to report to work.

The curfew was also tightened and violators were arrested by the military police. But things are always flexible in Cambodia, even in the middle of a siege, so the people arrested did not seem too upset as they milled on the sidewalk, waiting for a truck to come and take them to central police headquarters. They knew that a little bribe would have them out in no time.

The curfew keeps changing, almost by the hour. This morning, in the space of three hours, the Phnom Penh radio announced two changes. As this is being written, which is 10 minutes past noon, the curfew is noon. "Until further notice."

The curfew has fouled up lots of things. People never know when they can come out and shop for food. The Hotel Le Phnom's shopping activities have also been curtailed. Yesterday morning at breakfast, the hotel had no eggs or bread. Sometimes it runs out of ice. It has not had orange juice for nearly two months. Langoustine stopped appearing with the fall of the Mekong River town of Neak Luong about two weeks ago, because that is where the large river shrimp came from.

Food has become a preoccupation among the denizens of the hotel, perhaps to distract themselves from the lethal events going on around the city. The other night, a Belgian United Nations official came to the hotel restaurant with a can of mussels, savoring the idea of having them with French-fried potatoes. When the waiter told him there were no potatoes, he was crestfallen and left without eating.

More on food. One night a guest was complaining about how many things were no longer available at the hotel restaurant—especially ice for his Pepsi-Cola. A French woman sitting at a table behind him listened to his hour and a half of protest with sympathy. Finally, she said with a heartfelt sigh, "C'est la guerre."

Bank Declines Comment

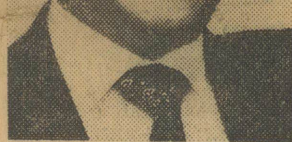
A spokesman for the Irving Trust Company in New York cited the confidentiality of

ernment ammunition dumps, where everything including bombs is stored, are now cut off from the city. One of them may have fallen to the insur-

yesterday and the ambulances were still coming in every five minutes.

Inside the emergency reception center, a converted basket-





Associated Press
Premier Long Boret

which has been running the country since the Americans left last Saturday.

He said the decision was unanimous. Asked if there were any dissenting voices anywhere in the Government, such as some of the generals, he said, "No, we are realistic."

Mr. Long Boret, who with other Cambodian leaders has been marked for execution by the insurgents, said the military situation had become impossible, and added, "We have no more material means." As he spoke, rockets were exploding only about 200 yards from the telegraph office from which this correspondent was telephoning.

The Premier said that after the morning meeting, held at the headquarters of the military high command, the proposal was taken to the head of the Red Cross delegation here, Andre Pasquier, who was asked as a neutral intermediary to pass it to Prince Sihanouk. The Prince, the former Cambodian chief of state, was ousted by the Phnom Penh Government in 1970.

Mr. Long Boret, who declared "our first objective is to end the suffering of the people," said Mr. Pasquier informed him later that he had transmitted the message to Red Cross headquarters in Geneva at 3 P.M. Cambodian time (4 A.M., New York time) and that Geneva had quickly passed it to Prince Sihanouk in Peking.

Hotel a Neutral Zone

Mr. Pasquier sent the message over his shortwave radio from the Hotel Le Phnom, which was today turned into a Red-Cross-protected neutral zone for the treatment of the sick and the wounded. Huge Red Cross flags were hung around the building and atop it.

As dusk came, refugees and soldiers who had fled the fighting fronts wandered forlornly through the darkening streets looking for shelter and food. The setting sun was clouded by billows of black smoke from fires all around the city.

Last night, reports from refugees indicated that the airport, five miles to the west, was falling and might have already gone. It had been the Government's last supply link with the outside world.

Insurgents were said to be inside the airfield. Government T-28 fighter-bombers were reported dropping napalm on them to try to halt their advance, apparently to little effect. The control tower was said to be in insurgent hands. Retreating Government troops were reported trying to pull together a defense line south of the airport.

Beyond the airport, the Gov-

where everything was still coming in every few minutes. bombs is stored, are now cut off from the city. One of them may have fallen to the insurgents yesterday.

On the south, northwest and west, the insurgents were at the capital's edges. In the north, refugees who reached Phnom Penh said the rebels were only a little more than a mile from the city limits and advancing steadily down Route 5.

It was on this front that perhaps the greatest Government casualties were suffered today. Many were civilians caught in crossfire or hit by blindly fired insurgent rockets as they ran from the fighting.

Another battle raged along the city's southern border, centering on the United Nations Bridge, which spans the Bassac River. Though newsmen could not get very close, the fighting seemed to be intense only a few hundred yards to the east of the bridge, in a neighborhood called Chbar Ampou.

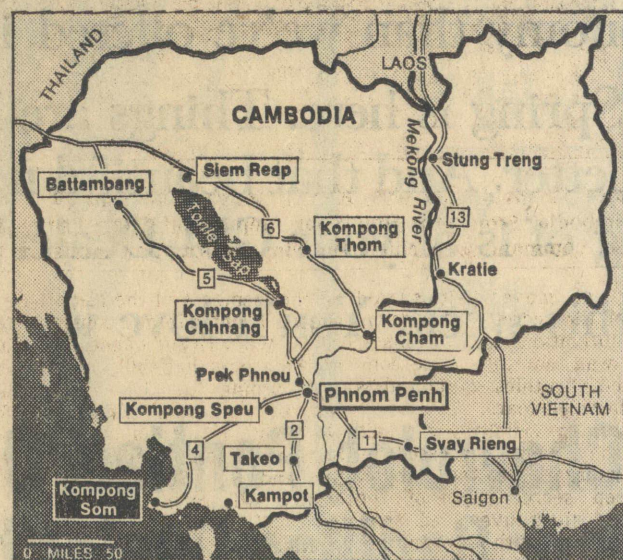
On Tuesday night, much of that neighborhood burned down as fierce fighting swirled in and around it. Hundreds of houses were reported destroyed in the blaze, which lit the sky. Government reinforcements were being rushed to the bridge area yesterday. These soldiers looked somber as their trucks raced through the streets of the capital in the morning.

All Hope Gone

Insurgent shells, some of them deadly accurate 105-mm. rounds, were exploding sporadically in the southern districts of Phnom Penh.

A curfew was in effect from noon yesterday "until further notice."

Nowhere was there the slightest sign of hope for the Phnom Penh Government. The main military hospital, which normally gets an average of about 200 wounded a day, had received more than 500 by 6 P.M.



The New York Times/April 17, 1975
With insurgents advancing, Phnom Penh Government had only a number of enclaves left (indicated by panels).

Inside the emergency reception center, a converted basketball court, people were bleeding, moaning, whimpering and dying.

A 12-year-old boy died of head wounds on a bed. Someone covered most of his body with a blue scarf. Then a soldier came in carrying his wife, bleeding from the head. There were no empty beds, so he pushed the dead boy to one side and placed his wife there as well.

Rivulets of blood flowed across the floor. A 13-year-old girl named Chan Ny, whose body was torn by shrapnel, lay on the floor yelling: "Help me! Help me! The pain is awful!"

Many in this hospital were wounded children whose parents had been killed alongside them. The chief doctor tried, by questioning the children, to find out where the bodies had fallen so he could have the parents cremated.

Behind the receiving center are the operating rooms, where surgery must be quick. An 80-year-old woman whose right leg had just been amputated lay groaning on a wheeled bed outside the operating room.

The Phnom Penh Government has made a number of suggestions in the past as its military fortunes have deteriorated that a cease-fire be declared and negotiations be started, but these have all been spurned by the insurgents.

Last July, for example, Marshal Lon Nol, then the President, proposed in a broadcast that talks be held without "prerequisite or condition."

Last Sunday, Premier Long Boret said at a news conference that while continuing the struggle the Government would make every effort to persuade the other side to "accept our offer of a cease-fire followed by negotiations and national reconciliation."

The Government's formal five-point proposal followed yesterday.

Ruled Neutral Zone To Treat Wounded

PHNOM PENH, Cambodia, April 16—The Hotel Le Phnom today was declared an "International Red Cross security zone," a neutral area for the treatment of the sick and the wounded.

An announcement by the all-Swiss International Committee of the Red Cross said that the wounded, the sick and those treating them would find temporary shelter in the zone. It called on both the Cambodian Government and the insurgents to respect the neutrality of the area.

Hugh Red Cross flags were hung around and atop the hotel, a palace-like building where the Government has long held many of its social functions.

Military Men Asked to Leave

In recent days the hotel had been filling up with Cambodian military and civilian officials. All military men were asked to leave today to avoid compromising the proclaimed neutrality of the area.

Civilians at the hotel were barred from carrying pistols and were asked to discard any military-style clothing they might have. This applied as well to journalists who often wear green uniform shirts or fatigue trousers.

The new regulations, issued by the Red Cross in the form of a mimeographed notice, banned use of the outdoor pool. Its water would be purified and used for drinking should the regular water supply breakdown.

The committee, which has 15 foreign staff members here including medical teams, tried to get the hotel declared a neutral protected zone yesterday, but the Cambodian military Government reportedly refused to agree. The Red Cross representatives moved in two nights ago, then moved out last night when negotiations with the Government appeared to have broken down. They moved back again today.

Under the terms of the neutral zone, the Red Cross and the hotel management will jointly decide who may stay at the hotel.

The hotel is named for the Phnom, a huge Buddhist monument a few hundred yards down a broad verdant boulevard. Before the overthrow of Prince Norodom Sihanouk in 1970, the hotel was known as the Royal.

Though old French colonial and only partly modernized, it has been the Cambodian capital's premier hotel. It has a modern pool, terrace, cabanas and a restaurant noted for fine French cuisine, aperitifs and vintage wines.

Along the road leading to the airport yesterday, less than a mile from the fighting, several soldiers were collapsed on the grass. "We fought all night," one of them said. "We are tired now." They were taking slugs of palm toddy from a bottle and several were already drunk.

U.S. Is Seeking to Admit 980 Cambodians

By DAVID BINDER

Special to The New York Times

WASHINGTON, April 16—The Ford Administration is expected to announce tomorrow that 980 Cambodian political refugees will be admitted to the United States as temporary residents under a dispensation by the Justice Department, high State Department officials said.

The Cambodians, almost all staying at U Taphao air base in Thailand, will be the first large group of political refugees from the Indochina war to receive this dispensation, the officials said.

Authority for waving immigration regulations in an emergency lies with the Attorney General.

Evacuation of Cambodian and South Vietnamese political refugees and their admission to the United States have been the objectives of an interagency group since the beginning of the month. The 20 or so officials involved have been operating in considerable secrecy at the State Department under the direction of Philip C. Habib, Assistant Secretary of State for East Asian and Pacific Affairs.

The Danger of Talk

"When you are in the process of trying to save lives, talking about the process may endanger those very lives," said Elinor Green of the Office of Refugee and Migration Affairs in explaining the secrecy. "Those are the constraints," she added.

Another official, who said that announcement of United States acceptance of Indochinese political refugees represented "a political act," explained that "it signals others what our expectations about the war are." For that reason, he said, there will be no information on plans for the evacuation of many thousands of South Vietnamese until the Administration determines that Saigon is doomed.

The group headed by Mr. Habib has already developed elaborate contingency plans for the evacuation of as many as 170,000 South Vietnamese, according to an official source, who said the contingency planning began with the fall of Da Nang on March 30.

The State Department requested waiver authority yes-

terday from the Attorney General, Edward H. Levi, for the Cambodians and for Vietnamese related to American citizens. He has already lifted restrictions to admit 2,000 Vietnamese children and 3,000 Vietnamese wives of American citizens.

The waiver authority is vested under a 1965 law used to admit 675,000 Cubans. Since World War II the United States has admitted 1.7 million refugees, most seeking asylum for political reasons.

The law permits the refugees to reside temporarily, although most eventually become citizens.

Justice Department and State Department officials have been consulting Congressional committees since Monday in an effort to get approval for the admission of the refugees al-

though this is not required by the law. Administration officials concerned with refugee problems said they expected other Western countries to make provisions to take Cambodians and South Vietnamese. France appears to be a likely refuge because of her long association with Indochina.

An American official said no effort was being made now to coordinate refugee resettlement with other countries or with international organizations because that too would be "a political signal."

Most of the Cambodians affected were flown last week to U Taphao, where the United States Air Force maintains a base. Among them were officials and their families evacuated by United States Marine helicopters last Friday.

28 CAMBODIANS LACK PAPERS FOR ADOPTION

Special to The New York Times

WASHINGTON, April 16—The Immigration and Naturalization Service is investigating the airlift of 28 Cambodian children who arrived here Monday with documents showing that their adoptions had been authorized.

A spokesman for the service said tonight that although private adoption agencies had begun placing the children in foster homes, the immigration agency wanted to make certain that no adoptions were completed before it determined the children's background.

The spokesman said that the service was notifying Government and private adoption agencies of its action.

Another spokesman said that the children had been brought here without papers showing that parents, guardians or official agencies had authorized their adoption.

Only the 28 Cambodian children are involved, he said, and not the 2,000 South Vietnamese children who have been brought to the United States in recent

Times Man in Cambodia Lauded by State Senate

Special to The New York Times

ALBANY, April 16—Sydney H. Schanberg, the correspondent of The New York Times who voluntarily remained in Phnom Penh to cover the fighting there, was honored by the State Senate today.

A unanimous resolution commended Mr. Schanberg, who was once The Times's bureau chief here, for "his devotion to duty under hazardous conditions." It expressed the "prayerful hope that he will emerge from this assignment safely."

The resolution was submitted by Senator John Marchi, Staten Island Republican, who was joined by two other Senators who knew Mr. Schanberg when he worked here—Manfred Ohrenstein, Manhattan Democrat, and Jack Bronston, Queens Democrat.

He said added that the Attorney General had ordered that the adoption process for these children be expedited.

A spokesman for the Irving Trust Company in New York cited the confidentiality of banker-client relationships in declining comment on any aspect of the report of a message from a Cambodian bank. "We just don't comment on anything of that nature," he said. He added that he could not even say whether Lon Nol or the National Bank of Cambodia kept an account with the New York bank.

Thai Government Orders Evacuees Out Within 30 Days

By ANDREW H. MALCOLM

Special to The New York Times

BANGKOK, Thailand, April 16—Thailand's Foreign Minister, in a further indication of this country's shifting foreign policies, announced today that all Cambodian refugees flown here by the United States in recent days must leave Thailand in 30 days.

The Foreign Minister, Chatichai Choonhavan, also announced that the foreign ministers of the Association of Southeast Asian Nations would meet in Kuala Lumpur, Malaysia, on May 13 to discuss the Indochina situation.

This, he said, might be followed by a meeting of heads of state of the five member countries—Thailand, Malaysia, Indonesia, Singapore and the Philippines.

The announcements, made at a news conference here, were seen as part of a broad-scale policy reassessment by many nations in the area in light of recent developments in Indochina.

Countries such as Thailand, once firmly aligned with the United States, are taking more flexible diplomatic stands following the defeat of American policies in Cambodia, the setbacks in South Vietnam and statements from Washington that Southeast Asia is not crucial to American interests.

In recent weeks this country has ordered an end to United States ammunition airlifts to Cambodia from American bases in Thailand and has requested that all American troops here, estimated at 25,000, leave within a year.

Last weekend the United States flew several hundred people here from Phnom Penh, including Americans, other foreigners and Cambodians associated with American companies or programs who might face reprisals.

The Cambodians have been confined to the U Taphao air base, a sprawling facility 100 miles southeast of Bangkok. Today the Foreign Minister said these refugees totaled 878, of whom 438 were children under 12.