

III. CAMBODIA

A. SUMMARY EVALUATION

14. Recent developments relate particularly to a U. S. course of action to reverse the drift toward pro-communist neutrality and to assist where possible in a solution of the Cambodia-Thailand border problem and in fostering good relations between Cambodia and Viet-Nam. Cambodia's neutral position swung to the left with the recognition of Communist China. Sihanouk's subsequent visit to the United States may have restored, somewhat, better balance to Cambodia's neutrality but there has been a net loss to the free world's position in Cambodia. The deterioration of Cambodia's relations with Viet-Nam and Thailand (the most important international problems in Cambodian eyes) exacerbated the problem of inducing Cambodia to take adequate counter measures against the communist danger.

B. MAJOR OPERATING PROBLEMS FACING THE UNITED STATES

15. Cambodian Neutrality. In view of the Cambodian definition of neutrality as requiring oscillation to the right and the left in order to balance international pressures and influences, we expect some Cambodian actions to be contrary to our interests, and some to be favorable to us. Thus Sihanouk's reaction to his visit in the U. S. may presage at least a brief period more favorable to the U. S.

Status of U. S. Actions. The U. S. is continuing its assistance programs as long as Cambodia demonstrates a will to maintain its independence. U. S. influence continues to be discreetly applied in the hope that the Cambodian Government will be more receptive of U. S. views.

16. Relations with Viet-Nam and Thailand. Cambodia's disputes with its neighbors are a major obstacle to regional cooperation, deter the focussing of Cambodian attention on communist dangers, and inhibit the favorable exercise of U. S. influence in Cambodia because of the identification of Viet-Nam and Thailand as U. S. allies.

Status of U. S. Actions: We continue to urge settlement of these disputes through peaceful negotiations, but have avoided involvement as mediator because of the risk of alienating one side or the other and our doubt that any of the parties genuinely desire a settlement other than on its own terms.

17. Subversion. The Cambodian Government is handicapped in dealing with the problem of subversion by its over-confident belief that