

details of austerity policies in all the G-7 nations and the EC, the broader "Economic Declaration" of the summit reached further, to make harsh demands upon three other groups of nations: 1) the so-called "newly industrialized countries (NICs)" of Asia, 2) middle-income debtor countries, and 3) the "poorest of the poor" sub-Saharan African countries. The summit leaders stressed that all three groups must play by the rigid rules outlined in their communiqué to keep the fragile world economy together.

- For the NICs, they stressed that "with increased economic importance comes greater international responsibilities." This means that these nations, like Taiwan, South Korea, and the Philippines, must "enter the dialogue and cooperative efforts" to "achieve the international adjustment necessary for sustained, balanced growth of the world economy." That means opening up their economies to austerity measures under international surveillance, the same as all the G-7 nations have.

- For the so-called "middle-income debtor" nations, typified by Brazil, Argentina, and Mexico, the summit leaders insisted on a "market-oriented case-by-case approach," supporting "the recent initiatives taken by the International Monetary Fund to strengthen its capacity to support medium-term programs of macroeconomic adjustment and structural reform." They endorsed the World Bank's role in "promoting adjustment in middle-income countries." This means backing the IMF-World Bank policy of devoting almost all resources to their infamous "conditionalities," carefully-monitored domestic austerity policies that take the name of "structural reforms." The reference to the "case-by-case" approach was in response to U.S. demands that no state funds go to provide debt relief for these nations, since most of their debt is owed to private banks. The so-called "poorest of the poor" nations in sub-Saharan Africa, where most of the media attention was focused during the conference, there was no consensus on how to provide debt relief, because, among other things, the United States refused to write off any debt. Therefore, there was a general endorsement of "easing the burden" of these nations, without being specific, while the IMF was again praised for its role as the controlling and monitoring agency for necessary "structural adjustments."

Closing sections on the environment and bioethics only confirmed the vicious intent behind the summit communiqué. On the environment, "over-intensive use of resources" was attacked—a nasty slap at African farmers who try to optimize yields from dry land.

The summit leaders also issued a joint political statement, which praised President Reagan and Soviet leader Gorbachov for the Intermediate Nuclear Force (INF) reduction treaty, and added, "We now look for deep cuts in U.S. and Soviet strategic offensive arms."

But with the world economy unraveling rapidly out of control, all the best laid plans of the summit leaders had more a ring of desperation than confident mandate.

Settlement for Kampuchea? Not yet

by Linda de Hoyos

"The Kampuchean problem is a lot more complicated, complex, and hard to solve than most great foreign 'experts' and 'specialists' believe," stated Cambodia's Prince Sihanouk in an open letter May 20 from Pyongyang, North Korea. Sihanouk's assessment is a word to the wise to those who believe that the apparent willingness of the Soviet Union, Vietnam, Thailand, and the United States to solve the nine-year old Cambodian conflict will lead to quick results.

Nevertheless, diplomatic events since May 20 have brought the Cambodian conflict to the forefront of Washington and Moscow's agenda for "regional settlements." The stage for recent initiatives around Cambodia was set by talks between U.S. Assistant Secretary of State for Far Eastern Affairs Gaston Sigur and Soviet Deputy Foreign Minister Igor Rogachev in April in Paris, with Cambodia the main issue under discussion. The tempo of events began to quicken when Thai Prime Minister Prem Tinsulanonda visited Moscow May 26 and assured Soviet General Secretary Mikhail Gorbachov that if Moscow used its influence to settle the Cambodian conflict, it would be rewarded by the ASEAN (non-communist) countries of Southeast Asia. Within a few days of Prem's visit, Vietnam announced it wants to pull 50,000 of its troops out of Cambodia this year.

Since then, events have followed apace:

On June 8, Vietnamese Foreign Minister Nguyen Co Thach met in New York at the United Nations with U.S. presidential envoy to Vietnam Gen. John Vessey and U.S. Assistant Secretary of State for Far Eastern Affairs Gaston Sigur. As indicated in columns by Jacques Beckaert in the *Bangkok Post*, Vessey (that is, the Pentagon) has been urging Thach to talk directly to Prince Sihanouk. Vietnam had turned down an offer for dialogue with Sihanouk in April, in the likely belief that China is Vietnam's proper negotiating partner and the Khmer factions—the Vietnamese-backed Phnom Penh government and the resistance coalition of Sihanouk, Son Sann, and the Chinese-backed Khmer Rouge—should talk among themselves. But the Pentagon views direct talks between Vietnam and Sihanouk as "very important." Be-

ckaert June 4 quoted a Pentagon source saying, "If we are convinced that Vietnam is withdrawing its troops and talks to Sihanouk, then we could help ensure that the Khmer Rouge does not return to power."

On June 13, Indonesia, which has served as ASEAN's official envoy-nation to Vietnam, announced that it had secured initial agreement for an informal conference—sometimes called a "cocktail party"—among the anti-Vietnamese resistance coalition, the Phnom Penh government, and Hanoi. On June 23, Vietnam's Thach indicated that he had agreed to "talk" but would not "negotiate" with Sihanouk at the Indonesia conference, now scheduled for late July.

On June 18, Thach visited Bangkok, his first visit to Thailand in nine years. Thach met with Prime Minister Prem, Thai Foreign Minister Siddhi Savestila, and former Prime Minister Kriangsak Chomanan. As prime minister, Kriangsak, who is known to be close to the Americans, first reopened relations with Vietnam after the war.

Thach's visit and high-level meetings are the first major step in realizing the general view of some Thai leaders that there is no problem between Vietnam and Thailand per se, despite the skirmishes over the last years between their armed forces on the Thai-Cambodian border. As Foreign Minister Siddhi said, "This could be the beginning of a new chapter in our bilateral relations and in our cooperation for a political solution for the Kampuchean problem."

In a press conference after the discussions, Siddhi said that agreement between Vietnam and Thailand had been reached in several areas. As reported by the *Bangkok Post* June 18, the two sides agreed "that the Cambodian problem be solved through political means; that the Cambodians exercise self-determination; that the withdrawal of Vietnamese troops is an important factor in the resolution of the conflict; that Cambodia must be a neutral and non-aligned country posing no threat to Thailand, Vietnam, or any other country."

Mr. Thach added in the Bangkok press conference that the key problem was preventing the Khmer Rouge from taking power back in Cambodia once Vietnamese troops were to withdraw. "If you have determination to disarm them and to prevent them [from returning to power], then it is very easy."

The Thach-Thailand talks hinge on a conception of a settlement in which Thailand is the pivot, as elaborated by *Bangkok Nation* columnist Kawi Khongkitthawon: "How much can we trust the Khmer Rouge?" said a foreign ministry official. "We must design a mechanism that would prevent them from retaking power and disarm them gradually." Meanwhile, Vietnam will be encouraged to quicken its troop withdrawal as involved parties and the international community find ways to prevent the Khmer Rouge guerrillas from returning to power. . . . As a good will gesture, Vietnam would be asked to withdraw another 170 kilometers, beyond the 30-kilometer safety zone, from the Thai-Kampuchean border—making this area available for repatriation of Kam-

puchean refugees living along the Thai-Kampuchean border.

"It is envisioned that within six months under international supervision and the assistance of international relief agencies, half of the 300,000 Kampuchean refugees could be settled in the 200-kilometer safety zone without great difficulty. . . .

"In the next step, Thailand would ensure that no more Chinese arms would cross the border to the Khmer Rouge guerrillas, as the ceasefire continues and the process of establishing a provisional government is in the making.

"In return, Thailand would like to see the Vietnamese withdrawal done systematically with a more definite time-frame and on a fixed territorial basis. Thai officials cite the Soviet withdrawal from Afghanistan as an example. Moscow announced that it would withdraw its estimated 110,000 troops within nine months, beginning from western Afghanistan."

The scenario then suggests that Sihanouk work for a coalition government with the current Phnom Penh government under the protection of an international peacekeeping force. At that point, an international conference would be convened to include: Vietnam, Thailand, China, the United States, and the Soviet Union. "Countries like the United States and the Soviet Union would act as guarantors to any agreement worked out by the Kampuchean groups."

With all this accomplished, "Thailand would call another international conference on the Economic Reconstruction of Indochina attended by countries which pledged to provide aid and technical know-how to the Indochinese states, after the settlement of the Kampuchean conflict."

And in Beijing?

As Thach and Siddhi were meeting in Bangkok, a story was released by the *Washington Post* to the effect that China had told U.S. officials that it was prepared to offer asylum to Pol Pot, the genocidal leader of the Khmer Rouge who ruled the country from 1975 to 1979. The implication of the news was that Beijing was now willing to remove Pol Pot from the immediate Kampuchean scene—a key demand of the Vietnamese. The news boosted the atmosphere of the talks in Thailand.

Within a week, however, Beijing officially denied the news. In a press conference in Beijing, Chinese Foreign Ministry spokesman Li Zhaoxing denounced the *Washington Post* report as "highly irresponsible" and "utterly groundless."

Meanwhile, Indian and Thai press report that there was no progress on the Cambodian conflict during the twelfth round of talks between China and the U.S.S.R. held over the week of June 16 in Moscow. And despite declarations from Soviet Foreign Minister Eduard Shevardnadze June 22 that "good chances" for a settlement emerged from the talks, diplomats in Thailand and Beijing can "detect no change" in the Chinese position that the Khmer Rouge must be a major partner in any resolution to the Cambodian conflict.