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COMMUNISTS RENEW FIGHTING IN LAOS

Communist forces have launched a series of ground attacks against government positions near the Plaine des Jarres in north Laos.

The action was highlighted by a sharp attack on 24 June against the neutralist headquarters at Muong Soui. At least two battalions of North Vietnamese troops supported by tanks overran a number of the base's outlying defense positions and inflicted light casualties on government defenders. The airstrip, however, remained in government hands.

One North Vietnamese prisoner claims that his unit moved into Laos from North Vietnam in early June with the specific purpose of attacking Muong Soui. The ability of the North Vietnamese to move their forces rapidly into position around Muong Soui demonstrates the vulnerability of the neutralist headquarters to enemy forces situated directly east on the Plaine. It also is fresh evidence that the North Vietnamese can deploy troops into Xieng Khouang Province with little warning or chance of detection.

In apparently related moves, the Communists drove government troops from Phou Soung, a recently won position north of the Plaine, and hit government guerrilla outposts on the southern rim. These actions are almost certainly in response to General Vang Pao's recent effort to re-establish a government presence on the Plaine.

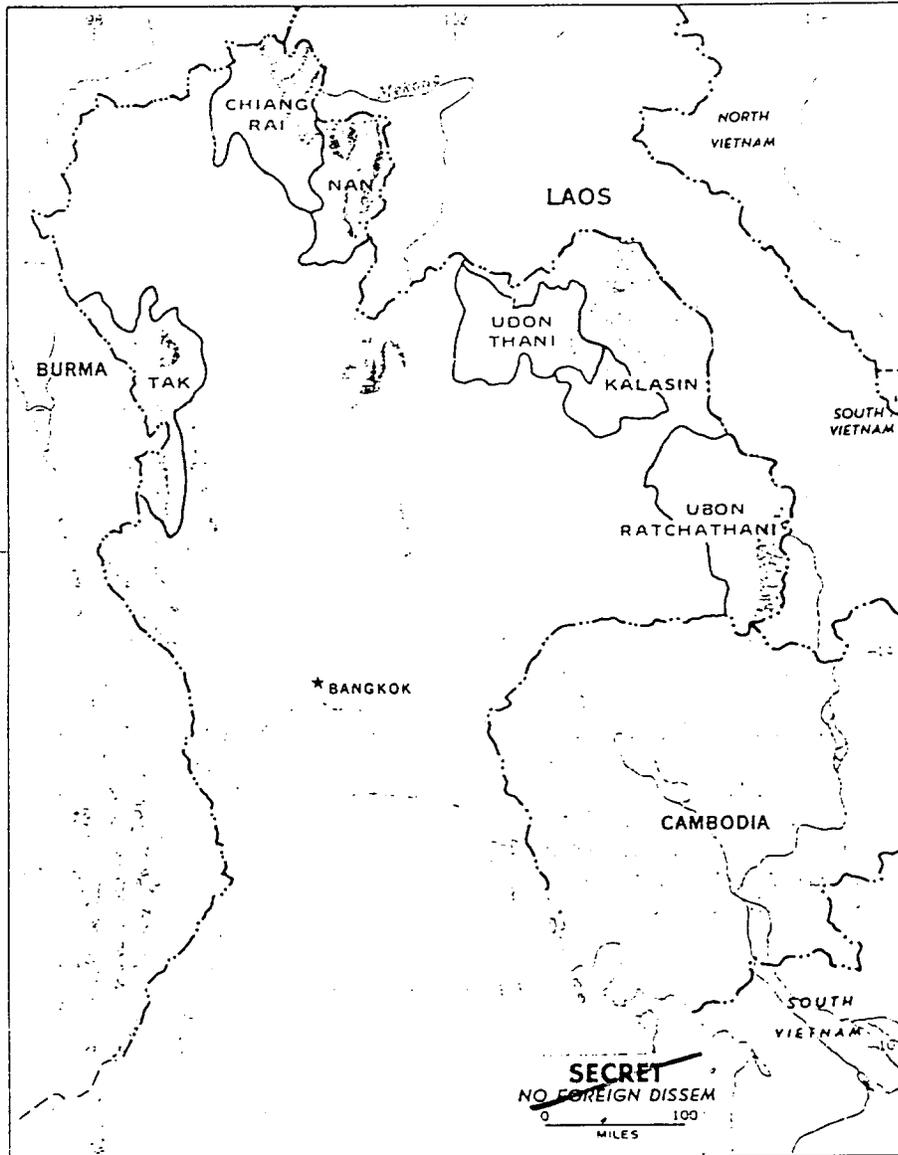
The attack against Muong Soui is the first major action against that position in five years. It may have been intended as a commensurate response to the government's occupation for six weeks this spring of the once inviolate Communist base of Xieng Khouangville. The attack may also have been launched for political reasons. In recent weeks the Communists have made a concerted effort to portray Communist "patriotic neutralist" elements as the "true representatives" of the neutralist faction. Such pretensions presumably would be furthered by the capture of the neutralist headquarters at Muong Soui. (~~SECRET NO FOREIGN DISSEM~~)

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Thailand: Insurgents Improve Positions in Widely Separated Areas



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COMMUNIST GUERRILLAS ACTIVE IN THAILAND

Communist insurgents continue to make headway in the north while they try to improve their assets in the northeast.

In the north and north-central provinces, the Communists are consolidating their control over tribal areas. Village propaganda meetings and sightings of larger insurgent bands attest to the insurgents' growing strength in Nan and Chiang Rai provinces. Village reports also indicate the guerrillas are strengthening their organization in Tak.

The guerrillas continue to harass government security forces, but incidents have become less frequent because several army units have been pulled out of the area for security duty in adjacent lowlands. Bangkok has assigned a new military commander to the north who has a reputation for being aggressive. Nevertheless, the leadership still appears to be divided on the best course to follow in combatting the tribal insurgency.

In the northeast, the guerrillas are apparently carrying out plans drawn up last December to pare down and improve their organization. An increased number of sightings of insurgents

in Udon Thani and Kalasin provinces indicate the guerrillas may be establishing footholds in neighboring areas that are relatively free of government security forces. They are reported to have established new political and military training facilities in Kalasin. Bangkok has been particularly concerned over the spread of insurgent activity in southern Ubon Province, an area that is especially vulnerable because of the proximity of Laos-based Communist forces.

The guerrillas also continue to avoid armed encounters with superior security forces, although periodic Thai Army operations have resulted in some small unit clashes.

There are some indications that the Communists intend to increase their military assets in the northeast. A senior Communist defector has stated that several hundred insurgents were scheduled to return earlier this year from extended training in North Vietnam and Laos. There have also been reports that the insurgents have acquired a few mortars and rocket launchers, but there has been no indication of their use. ~~(SECRET NO FOREIGN DISSEM)~~

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LITTLE PROGRESS MADE AT DEFENSE TALKS IN CANBERRA

The five-power Commonwealth defense talks held in Canberra on 19 and 20 June were strongly influenced by uncertainties in the key Malaysia-Singapore relationship, which were generated by communal violence in Malaysia last month.

The attitude of Australia and New Zealand during the talks reflected concern that their military presence might entangle them in Malaysia's internal problems and in frictions between Malaysia and Singapore in the event of a serious deterioration in Malaysia's internal security situation. They did, however, reaffirm their commitment to keep forces in the Malaysia-Singapore area after the British withdraw in 1971.

Australian Prime Minister Gorton bluntly reiterated that his country's presence would be directed solely against external aggression. He also said he anticipated that assistance from outside powers would be required should a major external threat develop. Canberra's interest in carefully limiting its commitment was also reflected in the rejection

by External Affairs Minister Freeth of a formal agreement to replace the Anglo-Malaysian Defense Agreement that expires in 1971. Australia prefers a general understanding rather than specific treaty obligations.

The five-power meeting also revealed differences over the command structure of Commonwealth forces committed to the Malaysia-Singapore area. While Kuala Lumpur and Singapore favor an integrated command structure, Canberra and Wellington emphasized that they intend to retain direct control of their military units. They did agree, however, to establish a joint services advisory working group, in addition to existing air, ground, and naval advisory groups, to implement plans and policies.

Although planning will go forward at the working-group level, the differences that surfaced at Canberra strongly suggest that progress toward governmental-level understandings and agreements will be slow and limited.
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