

APPROVED FOR RELEASE
DATE: JAN 2005

70

4 OCT 1961

SNIE 58-3-61

28 September 1961

~~SECRET~~

(b) (3)

SPECIAL
NATIONAL INTELLIGENCE ESTIMATE
NUMBER 58-3-61

THE SITUATION AND SHORT-RUN
OUTLOOK IN LAOS

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 28 September 1961. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

~~SECRET~~

Nº 375

**CENTRAL INTELLIGENCE AGENCY
DISSEMINATION NOTICE**

1. This estimate was disseminated by the Central Intelligence Agency. This copy is for the information and use of the recipient and of persons under his jurisdiction on a need to know basis. Additional essential dissemination may be authorized by the following officials within their respective departments.

- a. Director of Intelligence and Research, for the Department of State
- b. Assistant Chief of Staff for Intelligence, Department of the Army
- c. Assistant Chief of Naval Operations (Intelligence), for the Department of the Navy
- d. Director of Intelligence, USAF, for the Department of the Air Force
- e. Director for Intelligence, Joint Staff, for The Joint Staff
- f. Director of Intelligence, AEC, for the Atomic Energy Commission
- g. Assistant Director, FBI, for the Federal Bureau of Investigation
- h. Assistant to the Secretary of Defense, Special Operations, for the Department of Defense
- i. Director of NSA for the National Security Agency
- j. Assistant Director for Central Reference, CIA, for any other Department or Agency

2. This copy may be retained, or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Central Reference, CIA.

3. When an estimate is disseminated overseas, the overseas recipients may retain it for a period not in excess of one year. At the end of this period, the estimate should either be destroyed, returned to the forwarding agency, or permission should be requested of the forwarding agency to retain it in accordance with IAC D-69/2, 22 June 1953.

4. The title of this estimate when used separately from the text should be classified:
FOR OFFICIAL USE ONLY

WARNING

~~This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.~~

DISTRIBUTION:

White House
National Security Council
Department of State
Department of Defense
Atomic Energy Commission
Federal Bureau of Investigation

THE SITUATION AND SHORT-RUN OUTLOOK IN LAOS

THE PROBLEM

To analyze recent developments in Laos and to estimate the political and military prospects in Laos over the next two or three months.

CONCLUSIONS

1. Within the next few weeks the Laotian crisis will probably enter a new phase consisting either of a political arrangement of some sort, renewed efforts in Laos and elsewhere to find a political solution while the tenuous cease-fire remains, or a general breakdown of the cease-fire. (*Para. 11*)

2. Prospects for a political arrangement, either at Geneva or in Laos, are only fair because of the wide differences remaining between Western and Bloc positions and the suspicions and conflicting objectives among the Laotians. Such an arrangement would almost certainly have to be based upon a coalition government under Souvanna Phouma. As Prime Minister, Souvanna would acquire some sources of independent strength and probably would try to pursue a neutralist course, at least at the outset. The Communists, however, would be able to bring very strong pressures against him, and we believe that his control over the government would become increasingly ineffective. Over a period of time it would be increasingly unlikely that he could prevent the Communists from acquiring direct or indirect control. (*Paras. 11-14*)

3. In the absence of a political arrangement in the next few weeks, hostilities are likely to be resumed by either the Phoumi forces or the Pathet Lao side. Phoumi's relative political and military situation remains weak, and he probably believes that his only remaining hope is a renewal of hostilities with outside assistance. In any event, the Communist Pathet Lao will probably undertake limited operations designed to increase pressure for a political settlement and to further consolidate their control. (*Paras. 16-17*)

4. We do not believe that the Lao Army can achieve a military solution in Laos or even force a north-south partition of the country without sizable and long-term outside military support. If the Lao Army were to take the initiative and were able to concentrate sufficient forces for a major attack on any key Communist position, it probably could make some initial advance. It would not, however, be able to sustain a major effort, withstand a serious counterattack, or prevent Communist seizure of the principal Laotian towns along the Mekong River in a very short time. (*Para. 18*)

DISCUSSION

I. THE SITUATION

5. At the time of the tenuous "cease-fire" in Laos and the opening of the Geneva Conference in May, the combined Souphanouvong/Pathet Lao and Souvanna Phouma/Kong Le armed forces dominated the military situation in Laos. At that time, the Laotian Army under General Phoumi was disorganized and demoralized; if the Pathet Lao/Kong Le forces had continued their attacks, they probably could have seized the important towns along the Mekong River—Luang Prabang, Vientiane, Thakhet, Savannakhet, and Pakse—which still remained in the hands of Prince Boun Oum's Royal Laotian Government.

6. Nevertheless, the Communist powers decided to accept a cease-fire and international negotiations. That decision probably reflected considerable concern for US preparations for military intervention in Laos, a contingency which Hanoi, Peiping, and Moscow probably all wish to avoid. Moreover, the Communists had achieved a strong position from which to make further gains: the Pathet Lao already held most of north and central Laos, and they held enough of southern Laos to facilitate Hanoi's Communist Viet Cong effort against President Diem and his government in South Vietnam. As for the rest of Laos, the Communists probably estimated that, in view of the military situation in Laos, they could negotiate an agreement which would interpose no serious obstacle to eventual Communist domination of the Laotian Government through political means.

7. Although there has been no dramatic change in the situation in Laos since the cease-fire, there has been a steady improvement in the overall position of the Communist element. The Pathet Lao armed forces have undergone extensive reorganization and have substantially augmented their equipment. Through local recruitment and reinforcement from North Vietnam, Pathet Lao troop strength has been greatly increased. They have made considerable progress toward consolidating their military positions in north and central

Laos and have increased their military strength in the south alone to at least 7,500 troops. They have made an extensive propaganda and political effort which has expanded the area of Communist grassroots control.

8. The position of the Souvanna/Kong Le group has been seriously undermined. Souvanna has no independent political apparatus of any significance at his disposal, and Kong Le's armed forces are weak in comparison with either the Phoumi or Pathet Lao forces. Moreover, the Souvanna/Kong Le forces are almost completely dependent upon the Pathet Lao and the Bloc for communications, transport, logistical, and financial support. Some of the group have become increasingly resentful of their Communist allies and have attempted to prevent the Communists from achieving a dominant military position and expanding their political influence in the countryside. However, they have not had the resources to match the Communist effort.

9. During the cease-fire, Prince Boun Oum and General Phoumi have concentrated on rebuilding the Lao Army and redeploying it in the Mekong Valley. As a result of US training efforts and the continued influx of equipment and supplies, the offensive and defensive capabilities of the Lao Army have been improved. The present number of troops in combat units of the regular Lao Army is 29,200, and there are 13,800 full-time Auto Defense (ADC) troops. These figures, however, indicate a greater military capability than is actually available. Although army units have demonstrated some effectiveness in limited clearing operations and the morale of the troops has apparently improved, the Laotian Government's logistical support of its troops in the field continues to be poor and the field commanders are for the most part indecisive, weak, and poorly motivated. The major operational successes since the cease-fire have been scored by Meo guerrilla units which have effectively harassed Communist lines of communication in the Plaine des Jarres area and forced the Communists to divert a consider-

able number of troops in an effort to eliminate the Meo bases.

10. On the basis of recent and incomplete evidence we believe that there has been a sharp increase in the strength of the forces opposing the government forces in Laos. Our best estimate at present is that they number about 31,000. In addition to about 16,000 Pathet Lao, this figure includes 1,600 North Vietnamese cadre and specialist personnel who operate the logistics and communications systems, man the field and antiaircraft artillery, and provide technical and tactical guidance at all levels of the Pathet Lao/Kong Le effort; four North Vietnamese infantry battalions (about 1,600 men) serving as special assault forces; 4,000 troops in Kong Le's command; and 8,000 in Phong Saly under Kham Ouane who, like Kong Le, is responsive to Souvanna Phouma.

II. THE PROSPECTS

11. Within the next few weeks the Laotian crisis will probably enter a new phase consisting either of a political arrangement of some sort, renewed efforts in Laos and elsewhere to find a political solution while the tenuous cease-fire remains, or a general breakdown of the cease-fire. At present, the prospects for a political arrangement are only fair. There are wide differences between the Western and Bloc positions on a number of major points at issue at Geneva. Although the Communists have recently displayed a conciliatory attitude and have shown some willingness to compromise on minor issues, the Bloc powers, particularly Peiping and Hanoi, appear confident in their strong bargaining position, and have shown no inclination to make major compromises for the sake of reaching agreement.

12. Moreover, general agreement among the major Western and Bloc powers at Geneva would not necessarily assure a political "solution" in Laos because of the mutual suspicions and conflicting objectives among the Laotian elements represented by the three princes, Souphanouvong, Souvanna Phouma, and Boun Oum. Souphanouvong represents the Communist position. Souvanna Phouma lays

claim to a neutralist position but he is dependent upon the Communist for support and could not agree to terms which were not acceptable to the Communists. He works with Souphanouvong on a basis of equality but is unwilling to accept equal status for Phoumi. Phoumi is still hoping for a military solution in Laos and probably would not accept a political settlement which would be acceptable to Souvanna Phouma unless the US forced him to do so. For these reasons, Boun Oum and General Phoumi almost certainly do not intend genuinely to seek a negotiated political settlement.

13. If the present crisis moves into a political phase as the result of arrangements made at Geneva and among the three Laotian Princes, it would almost certainly have to be on the basis of a coalition government under Souvanna Phouma. Souvanna probably has aspirations for performing a role as a neutralist leader in Laos and in Southeast Asia. However, Souvanna is not a free agent and it is unlikely that he would be able to steer a truly neutral course. As Prime Minister, he would probably try at least at the outset to maintain a neutralist position and to reduce his near total dependence upon the Communists. He indicated in his talks with Ambassador Harriman an awareness of Communist strength and intentions in Laos and a desire to avoid Communist domination. However, the Communists would still be able to bring very strong pressures against him. Although control of the government would give Souvanna some sources of independent strength he does not now have, the Communists would retain a large part of their armed forces and their political apparatus, either overtly or covertly, to insure their continued dominance of major parts of the country, to influence any future elections, and to maintain Communist pressure against South Vietnam.

14. Souvanna's ability to resist Communist pressures on him and to offset Communist influence in the countryside would depend both upon the achievement of effective international controls to insure Laotian neutrality and upon the full support and cooperation of

the Boun Oum/Phoumi element with Souvanna to provide firm resistance to Pathet Lao demands and pressure. We do not believe that the Communist powers, particularly Peiping and Hanoi, would agree to effective international controls. Although US pressure on Boun Oum and Phoumi might force them to accept a coalition government under Souvanna Phouma, they would not willingly support Souvanna and probably would seek by every means they could to undermine him. Consequently, although a coalition government under Souvanna might at first appear to be holding a neutralist course, we believe that Souvanna's control over the Laotian Government would become increasingly ineffective. Over a period of time it would be increasingly unlikely that he could prevent the Communists from acquiring direct or indirect control.

15. A continuation of the present tenuous cease-fire line, or any attempt to formalize or consolidate it, would probably not be tolerated by Peiping and Hanoi unless it were backed up by substantially increased non-Communist military force. A durable partition of the country would almost certainly require a long-term commitment of outside forces, including US troops, to the defense of the Mekong Valley. Any effort by US or SEATO forces to expand the area under non-Communist control would run serious risk of intervention by North Vietnamese troops or volunteers.¹

16. If a political arrangement is not reached in the next few weeks, we believe it likely that the cease-fire will break down. Hostilities

¹ See SNIE 10-2-61, "Likelihood of Major Communist Military Intervention in Mainland Southeast Asia," dated 27 June 1961 (~~TOP SECRET~~)

might be renewed by either the Phoumi forces or by the Pathet Lao/Kong Le side. Both have certain motivations. General Phoumi's political and military situation remains weak and he probably believes that his only remaining hope is a renewal of hostilities in which he would have outside assistance. If he thought he could resume hostilities in such a manner as to bring the US into the conflict, he almost certainly would do so. Moreover, General Phoumi is sometimes disposed to misinterpret the extent of US commitment to him.

17. We do not believe it likely that within the next two or three months the Communists will undertake conventional operations to seize and hold key cities in the Mekong River Valley. Instead, they probably will increase their limited operations to maintain pressure for a political settlement and to consolidate further their control. They probably will increase their efforts to eliminate Meo resistance in the Plaine des Jarres area and increase the scale of their own guerrilla activities in areas under nominal Lao Army control. The Communists thus will be able to further consolidate their control in northern Laos and, at the same time, prevent the Lao Army from preparing for attacks on key Communist-held areas.

18. We do not believe that the Lao Army can achieve a military solution in Laos or even force a north-south partition of the country without sizable and long-term outside military support. If the Lao Army were to take the initiative and were able to concentrate sufficient forces for a major attack on any key Communist position, it probably could make some initial advance. It would not, however, be able to sustain a major effort, withstand a serious counterattack, or prevent Communist seizure of the principal Laotian towns along the Mekong River in a very short time.

~~SECRET~~

~~SECRET~~