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14 May 1962

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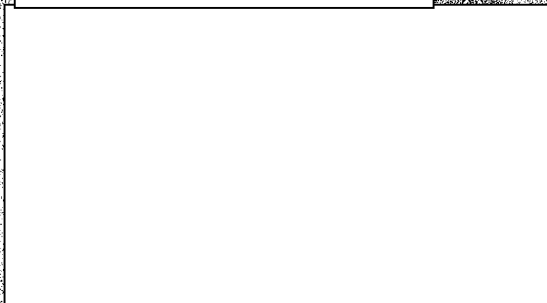


SPECIAL NATIONAL INTELLIGENCE ESTIMATE

THE CURRENT MILITARY SITUATION
AND OUTLOOK IN LAOS

NOTE: This is the final version of the estimate and additional text will not be circulated.

 Central Intelligence Agency



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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, Defense, the Army, the Navy, the Air Force, The Joint Staff, and the Director of the National Security Agency.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 14 May 1962. Concurring were the Director of Intelligence and Research, Department of State; The Director, Defense Intelligence Agency; 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; 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.

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CENTRAL INTELLIGENCE AGENCY

14 May 1962

SUBJECT: SNIE 58-4-62: THE CURRENT MILITARY SITUATION AND OUTLOOK IN
LAOS

THE PROBLEM

To assess the military situation and outlook and to estimate
Communist short-run intentions in Laos.

THE ESTIMATE

I. THE SITUATION

1. Following the rout of Nam Tha, Laotian Government influence has been virtually eliminated from all of north and northwestern Laos. Although Luang Prabang is still in government hands, its last main avenue of supply, which ran from Thailand through Ban Houei Sai and down the Mekong, has been interdicted eastward from Pak Beng. Communist units have been for some time in key positions about the city and could take it at

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will. Many of the Laotian troops defeated at Nam Tha have crossed the Mekong at Ban Houei Sai and are assembling in northern Thailand for airlift back to Laos. Among the eight Royal Laotian Government (RLG) battalions at Nam Tha were Phoumi's three best paratrooper units. The surviving troops will have to be regrouped, retrained, and largely re-equipped. Their morale has been shattered and their combat effectiveness is, at present, nil.

2. The defeat at Nam Tha and the subsequent forced withdrawal into Thailand following the military reverses during January further undermine the morale of the Laotian Government forces as a whole. Extensive North Vietnamese troop participation and unfounded government claims of direct Chinese Communist military involvement have almost certainly contributed to the demoralization of the Lao Army. Events of the past week demonstrate the ineffectiveness of the Laotian Army and emphasize its lack of motivation and will to resist. They underscore the continuing weakness of army leadership on all levels of command. The most effective element in fighting the Communists is the Meo guerrilla whose harassing efforts are pinning down several Communist battalions in northeastern Laos. We believe that the Laotian Army is not capable of resisting a determined enemy attack anywhere in the country.^{1/}

^{1/} (See next page for footnote)

1/ DEPLOYMENT OF GOVERNMENT AND ANTIGOVERNMENT GROUND FORCES
(before Nam Tha attack)

DRV - North Vietnamese regulars
KL - Kong Le (Souvanna Phouma)
KO - Kham Ouane (Souvanna Phouma)
PL - Pathet Lao

	<u>Government</u>	<u>Antigovernment</u>
Northwestern Laos	18 bns	19 bns (3 DRV, 9 PL, 7 KO)
Northeastern Laos	7 bns	19 bns (3 DRV, 9 PL, 7 KL)
Vientiane Area	9 bns	8 bns (4 PL, 4 KL)
South Central Laos	16 bns	15 bns (4 DRV, 10 PL, 1 KL)
Southern Laos	9 bns	7 bns (PL) (2 DRV bns shown in south central Laos may have shifted to southern Laos.)

In addition to the units mentioned, the antigovernment forces have numerous artillery or mortar support units and smaller infantry units which operate generally as guerrillas. The government also has several artillery batteries -- comprising 3 battalions -- and a reconnaissance battalion, as well as the Meo irregulars operating behind the enemy lines in northeastern Laos.

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3. Over the past few months, the termination of US financial aid has had a considerable psychological impact on the Laotian Government leadership. It has also had an adverse effect on the urban economy. The Boun Oum government probably could limp along financially for a few months longer. Nevertheless, this US action and the US attitude since Nam Tha probably have convinced some key Laotian elements of the US determination to withdraw support from Phoumi and to bring about a coalition government. Moreover, we believe that the course of recent events must lead to some diminishing of Phoumi's prestige. Whereas his intransigent attitude had gained considerable support among the more vocal elements of the Laotian Government during the earlier part of the year, his failure to rally support abroad, particularly in Thailand, and his recent military defeats, particularly the one at Nam Tha, must result in considerable loss of confidence in his leadership. There is little chance that the present Laotian Government is capable of mustering sufficient enthusiasm or strength to overcome its recent military and political reverses. No opposition element has yet emerged, and Phoumi's control still appears to be intact. He will seek to salvage his position by pointing out that he was absent from Laos during the Nam Tha affair, that the rout was due to Chinese Communist and North Vietnamese military participation, and that the US has progressively withdrawn support from him and applied sanctions which have diminished his capability to act. Many Laotians will be disposed to accept

- 4 -

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these explanations. On the other hand, dissatisfaction may reach such a point that there may be an attempt within the government and/or army to decrease the influence of Phoumi and his followers by a move to form a government more willing to come to an agreement with the neutralist and Communist elements.

II. COMMUNIST INTENTIONS

4. The Communist attack in the north was a calculated, well-planned move. It almost certainly was concurred in by the three Communist powers concerned -- Hanoi, Peiping, and Moscow. In reaching their decision to mount the attack the Communist powers almost certainly considered that the risk of US intervention in Laos had lessened significantly and that they could increase the level of military operations in pursuing their objectives. They probably were fully confident that the military capabilities of the Pathet Lao and North Vietnamese forces in Laos were superior to those of the Laotian Government forces. They had probably become impatient with the lack of progress toward the establishment of a coalition government. Furthermore, they are probably concerned over the implications of the sharply increased role of the US in South Vietnam.

5. We believe that the attack probably was designed to take advantage of a local tactical opportunity in northwest Laos. The Communists

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probably calculated that the defeat of the Nam Tha garrison and the loss of the town would contribute to the demoralization of the Laotian Army and RLG. Moreover, Nam Tha is strategically critical for the control of north and western Laos. In addition, the Communists, particularly the Chinese, probably considered Nam Tha in Laotian Government hands as an impediment to the expansion of their influence in Phong Saly and among the hill peoples of northwestern Laos and northern Thailand.

6. It is possible that the Nam Tha attack may indicate that the Communist side has lost interest in a negotiated settlement and written off the idea of a coalition government under Souvanna Phouma in favor of a de facto partition, a campaign of gradual military conquest, or an all-out offensive. Peiping and Hanoi have been somewhat less willing than Moscow to settle for a coalition government. Moreover, in the light of the increased US commitment in South Vietnam, Moscow may have become convinced that more aggressive Communist military action in Laos was necessary. However, we continue to believe that the Nam Tha attack and the pursuit of the fleeing Laotian Army troops did not mark the beginning of an immediate military drive to seize all of Laos. Nor do we believe that the Communist side would, in terms of the present line-up of forces, be willing to settle for a de facto partition.

- 6 -

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7. In the Communist view, the attack on Nam Tha probably did not foreclose further negotiations for a political settlement or compromise Souvanna as a potential leader of a coalition government. They could argue that Souvanna was not in Laos; he publicly "disapproved" of the attack; and his troops did not participate. Indeed, the Communists may have estimated that a victory at Nam Tha would enhance the possibilities of renewed negotiations and, in addition, improve their bargaining position.

8. Although the rout of the government forces at Nam Tha and thereafter may have been more sweeping than the Communists expected, their victory will very soon be reflected in their military and political policies. With respect to the resumption of negotiations and the terms for agreement, the Communists will probably leave the initiative to the other side and assume a stiffer attitude. In the absence of effective military response to the Nam Tha action, which we believe is beyond the capabilities of the Laotian Government forces, or of significant progress toward a coalition government, there will be an increasing likelihood that the Communists will undertake offensive operations on the scale of Nam Tha elsewhere in Laos.

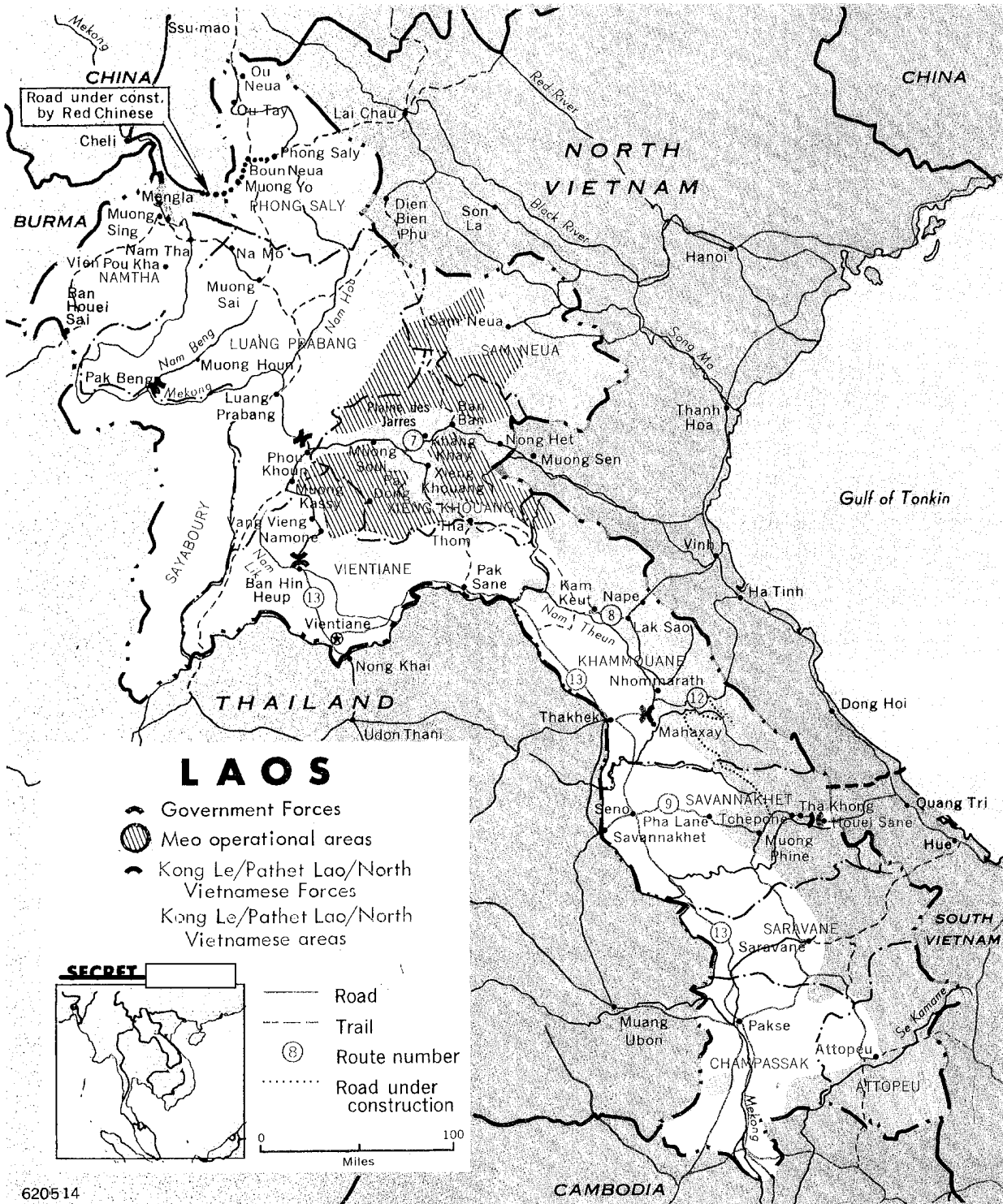
9. The Communist forces will probably follow up their capture of Nam Tha by clearing the entire area of north and northeast Laos of government forces and consolidating their control over the area. The Communist

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forces, perhaps with the Kong Le troops playing some role, may further tighten their circle around the lightly-held royal capital, Luang Prabang, increasing the pressure on the King who has, thus far, supported Phoumi. It is possible that Communist forces may cross the Mekong west of Luang Prabang and occupy Sayaboury province which lies between the Mekong and the Thai border. Such a move would sharply raise the level of Thai concern. Troop movements and attacks on outposts recently reported in south Laos suggest that Communist forces may soon seize Saravane and Attapeu to further secure the overland route between North and South Vietnam. These major outposts are already virtually surrounded and neither would be likely to hold out long under attack. We still do not believe, however, that the Communists will seize the major towns along the Mekong remaining in Laotian Government hands, at least until they have had time to assess the political and military effects in Laos of the recent moves and any US reaction.

- 8 -

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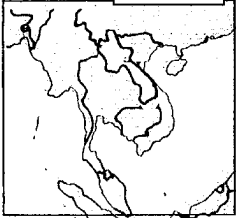
Road under const.
by Red Chinese

NAMTHA

LAOS

- Government Forces
- Meo operational areas
- Kong Le/Pathet Lao/North Vietnamese Forces
- Kong Le/Pathet Lao/North Vietnamese areas

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- Road
- Trail
- Route number
- Road under construction

0 100 Miles

CAMBODIA