

LAOS: PREPARING FOR A SETTLEMENT IN VIETNAM

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February 1969

P-4024



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In early 1968, the official news agency of the Pathet Lao insurgents reported on meetings being held in the areas under their control to celebrate the victory of the "liberation forces" in Laos and in neighboring Vietnam. Whether the Tet offensive, which was so costly to the Vietcong, can be termed a "victory" is debatable, but there is no doubt that the Pathet Lao in 1968 had every reason to be pleased with their military position.

In 1963, Prince Souphanouvong, titular head of the "leftist" faction in the tripartite government of national union, left the capital of Vientiane to resume the military struggle to "liberate" Laos. The country has been devastated in that renewed civil war, which has had international overtones because of the strategic location of Laos in Southeast Asia, particularly its logistic importance to North Vietnam. Ever since World War II, the North Vietnamese Communists have sponsored and nurtured

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Laotian insurgency, furnishing guidance, training, materiel and weapons, and military manpower.\*

The massive military presence of the North Vietnamese in Laos of recent years has had a dual function: to protect the Ho Chi Minh Trail access to South Vietnam and to provide the punch behind the Lao insurgents' challenge to the Royal Lao Government (RLG). In 1968, total North Vietnamese military strength in Laos was placed at about 40,000 men, augmenting the 30,000 indigenous Pathet Lao forces.\*\* To fight them, the RLG has put 70,000 men in the field, who benefit from substantial U.S. economic and military assistance.

Although theoretically\*\*\* Laos is ruled by a tripartite coalition government of "rightists," "neutralists," and

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\* For a case study of the North Vietnamese role in the Pathet Lao insurgency, see Paul F. Langer and Joseph J. Zasloff, The North Vietnamese Military Adviser in Laos: A First Hand Account, The RAND Corporation, RM-5688-ARPA, July 1968. In a speech (February 16, 1968) extolling the results of the Tet offensive, Phoumi Vongvichit, Secretary General of the Neo Lao Hak Sat (NLHS), the insurgents' political front, characterized the relationship between the Laotian and Vietnamese peoples as "like brothers, like the sun and the moon." He declared that they would share hardships no matter how severe and would assist each other to defeat "our common enemy, the U.S. imperialist aggressors."

\*\* See, for example, the White Book on the Violations of the Geneva Accords of 1962 by the Government of North Vietnam (Vientiane), 1968. The same figure was given by Souvanna Phouma in an interview with a Japanese correspondent on January 29, 1968. A more recent report states 45,000 (New York Times, November 13, 1968).

\*\*\* The signatories of the Geneva Accords of 1962 recognize the Souvanna Phouma government as legitimate; the United States, the Soviet Union, Communist China, and North Vietnam maintain their embassies in Vientiane. However, both

"leftists" (the Pathet Lao), in practice the country is divided into two zones of roughly equal size: the Pathet Lao control the largely mountainous region along the Vietnamese border and the RLG holds the more developed and more populous Mekong plain. Each side nibbles at the other's territory, following a rather predictable annual pattern. During the dry season (October to May for most of the country), the insurgents tend to have the initiative. They launch limited offensives to seize tactically important positions and replenish their food stocks. The RLG forces have the advantage in the wet season, because of the greater mobility allowed by their superior military equipment (including airplanes). Within the framework of relative territorial stability resulting from the alternating cycle of conquest and retreat, the RLG made some limited gains in 1966 and 1967. This trend has been reversed in 1968, however. Starting with a powerful Pathet Lao/North Vietnamese offensive against the fertile valley of Nam Bac -- north of the royal capital of Luang Prabang and near the North Vietnamese border area of Dien Bien Phu -- insurgent pressure was felt throughout the country. By the end of the dry season, the RLG had been forced to abandon its previous gains and there was concern in Vientiane that the Vietnamese might be preparing to overrun Laos. Thailand also was alarmed by reports of North Vietnamese units approaching southern Laotian towns on the Mekong across from insurgent-plagued Northeast Thailand.

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Communist China and North Vietnam also operate cultural and economic missions in Khangkhai, in Pathet Lao territory.

As it turned out, the insurgents and their Vietnamese allies were pursuing strictly limited objectives. Even though the RLG emerged from the fighting in 1968 in a somewhat diminished position, not a single provincial capital or major town under the government's control was lost. In fact, the RLG was able to retaliate to an extent during the wet season. Its Meo tribal counter-guerrillas operating in northeast Laos close to the North Vietnamese frontier and behind enemy lines have regained some of the strongholds lost earlier in the year. As the year draws to a close, fighting seems to be on the wane, although Pathet Lao attempts to mortar airfields, cut roads, and blow up bridges continue to be reported.

At this point it is not entirely clear what the military developments of 1968 portend. It seems probable, however, that they are related to the growing likelihood of serious attempts at a negotiated settlement of the Vietnam conflict. Even though the North Vietnamese deny having any role in Laos and the Pathet Lao insist that the two situations must be handled separately, they undoubtedly realize that any serious talks concerning Vietnam will also have to consider settlement of the Laotian question. Obviously, it is in the interest of the parties to the Laotian conflict to strengthen their bargaining position before the cease-fire. Presumably, intensified Pathet Lao military activity during 1968 (and North Vietnamese support for it) is such an effort. This interpretation would seem to be confirmed by the tougher political line assumed by the Pathet Lao during 1968. The intention apparently is to bring maximum military and political

pressure to bear on the RLG so as to shake its economic and political foundations.

The Pathet Lao offensive has imposed considerable psychological and economic strain on the Souvanna Phouma government. But Souvanna has sought during 1968 to buttress his position through economic development and domestic reform and by a diplomatic campaign to strengthen his government's position internationally. Losses during the Pathet Lao's dry-season attacks were very costly to the government, both in money and in manpower (2,000 men out of the RLG force of 70,000 were reportedly lost in the retreat from Nam Bac alone). To replenish the manpower pool and to demonstrate the government's determination to continue the struggle, Souvanna took steps to mobilize civil servants in preparation for a nationwide military draft. He also undertook reorganization of the government's military apparatus to give him tighter control over the armed forces and to reduce opportunities for competition among the military leaders for position and resources.

One of the most serious effects of the war in Laos has been the increasing stream of refugees from Pathet Lao areas and from the combat zone. Resettlement of such large numbers of people has been a continuous problem for the Laotian Government. The situation was particularly grave in 1968, when, according to Souvanna Phouma, 600,000 refugees (20% to 25% of the country's total population) had to be cared for.\* The resulting strain on the government's meager resources was further increased by a sudden

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\* See his preface to the previously cited White Book ...

drop in revenue from the gold trade, which normally constitutes the major source of income for the Lao Government.\* With the deficit in the national budget amounting to about 50%, the Lao currency, the kip, would have collapsed, were it not for the continued support of the Foreign Exchange Operations Fund financed by the United States and several other sympathetic nations.

Laos' long-range economic prospects are brighter, if it can achieve a measure of political stability. Experimentation with "miracle rice" and double-cropping during 1968 held out hope that in a few years Laos might regain self-sufficiency in its staple food and perhaps even become an exporter of rice. The ample timber resources of the country have begun to be exploited, although lack of internal security and the absence of good access roads continue to hamper rapid development of these assets.

A memorable aspect of 1968 was the progress made toward realizing the dream of the \$25 million Nam Ngum Dam, to be constructed on a tributary of the Mekong River. The necessary funds were raised by seven nations -- prominent among them the United States and Japan -- and the World Bank agreed to supervise the undertaking. Construction work on this largest enterprise in Laos' history is proceeding on schedule. When completed, the dam, 66 meters high and 360 meters long, will furnish ample electric power for nearby Vientiane (as well as for northeast Thailand)

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\* This drop was due to uncertainties of the situation in South Vietnam because of the Tet offensive and the establishment of a dual price structure for monetary and nonmonetary uses of gold on the international market.



and sufficient water to irrigate a substantial portion of the Vientiane plain.

Even more than in previous years, Laos in 1968 was a laboratory for economic development and modernization. Most Western nations, either singly or under UN, Colombo Plan, or other international auspices, were engaged in operations of economic or technological aid in the country. An Israeli mission contributed to the development of Lao agriculture. Most conspicuous was the range of Japanese activity. Japanese peace corpsmen could be found in Vientiane as well as in the more secure outlying districts; Japanese contractors were prominently involved in the survey and construction work for the Nam Ngum Dam; Japanese experts prepared to transform Vientiane's Wattay Airport into Laos's first jet airfield and other Japanese planned construction of the first vehicular bridge to span the Mekong River, linking Laos more efficiently to Thailand and the outside world. Participation of RLG representatives as observers in a number of regional Asian organizations bolstered the government's international position and prestige.

The picture of economic conditions in the Pathet Lao zone is more sketchy, since access from the outside, especially from non-Communist countries, is difficult. These areas present inauspicious conditions for economic development because of their mountainous topography, the sparseness of the population, and the generally less advanced nature of the inhabitants, many of whom are tribal people. Continued exposure to air attack and bombing has further inhibited the economic development of this zone.

We know from first-hand accounts and from documentary evidence that the Pathet Lao zone today has a mixed economy with the private sector emphasizing development of agriculture organized on the basis of mutual aid. No attempt has been made to nationalize the land. This is in line with the moderate objectives and pace of social transformation advocated by the Pathet Lao leaders. The heavy reliance on North Vietnamese economic and technological assistance is gradually to be overcome by the implementation of a three-year development plan which got underway in 1968 and is to bring the Pathet Lao zone closer to self-sufficiency in the essentials of daily life. How successful these attempts have been is difficult to say. The claims of substantial advances do not appear to be borne out by the testimony of refugees or sympathetic observers.\*

The Pathet Lao appear to have achieved greater success in such fields as education and vocational training, where resource limitations are less severe. Pathet Lao figures indicate substantial advances in 1968 in stamping out illiteracy (once 90% or more in the tribal areas) and in providing a minimal education for all children. Pathet Lao policy statements acknowledge this as the requisite of a foundation for economic and social transformation. In the long run, the most significant effect on the future of the country may be exerted by the hundreds of young Lao who will soon return from institutions of higher learning

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\* See, for example, the series of articles by Jacques Decornoy, who visited Sam Neua (a Pathet Lao zone) in Le Monde, July 3, 4, 5, 6, and 8, 1968.

in North Vietnam, China, and the Soviet Union. These returnees will be the cadres to develop a modern society. Their political and ideological impact on the political situation in Communist areas must only be awaited, for in 1968 political power is still securely in the hands of a very small group of men associated with the semi-secret Communist Party organization, Phak Pasason Lao, or People's Party of Laos.

For the Pathet Lao, 1968 was a year of preparation for a new phase in the contest over the future of Laos. There were clear signs that the Communist insurgents, encouraged by developments in Vietnam, were getting ready for the possibility of a cease-fire in Laos and an all-out political struggle for leadership. In 1961, they had been merely one of the three factions contending for power. In 1968, they dared to challenge Souvanna Phouma's claim to speak for a government of national union and to establish instead their own claim as spokesman for a new "progressive" Laos. Souvanna was described as a "traitor" and a "puppet" of the United States, by implication unworthy of national leadership.

In Pathet Lao policy statements during 1968 one encountered frequent references to a "new situation" and to the need for "realistic thinking" in terms of "current developments." What this meant was clarified at the Third National Congress of the NLHS -- the first congress held since 1964 -- which assembled in the "liberated zone" from October 25 to November 1 to adopt a new program. This program pointed to the "imminent, total collapse" of the U.S. position in Vietnam and spelled out the policies which

would be appropriate in the "new development of the situation." The new program of the insurgents bears two major themes: (1) the need for reconciliation among Laotians to wage a common struggle against the "U.S. imperialists," and (2) the moderate tone of the proposed social and economic policies. From this and other evidence it may be assumed that the Pathet Lao are laying the groundwork for a broad political front having as common denominator a commitment to eliminating U.S. influence from Laos and Southeast Asia. At the same time, it is suggested that any Lao cooperating with the United States, such as Souvanna Phouma, is by Pathet Lao definition a "traitor" and hence would be disqualified from participation in a coalition government. The Pathet Lao have thus raised their price for rejoining the coalition government. They now demand a veto over the selection of ministerial candidates from other factions. This seems confirmed by Jacques Decornoy's talks with the Pathet Lao, in which the latter indicated that [U.S.] "puppets" could not be part of any future coalition government, but refused to specify precisely who would fall in this category.\*

Another development deserves mention in this context. The Pathet Lao over the years have labeled a very small group of former neutralists (who threw in their lot with the Pathet Lao and are utterly dependent on them) the only "genuine neutralists." In 1968, Pathet Lao pronouncements suggested more strongly than before that legitimate neutralists were to be found only in the "liberated zone" and

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\* See his articles in Le Monde cited previously.

that Souvanna Phouma and his associates, having become a "tool" of the United States, and therefore "rightists," could no longer lay claim to the neutralist label.

The implications of these statements are as clear as they are serious for any future political settlement of the Laotian problem on the basis of a workable coalition government of the three factions. If the Pathet Lao should succeed in determining who is to be considered "neutralist" and be allowed to select their chosen instruments for this role, the complexion of a future coalition cabinet would be radically changed, giving the Pathet Lao the predominant voice in the administration of the country.

Reference in the new NLHS program to the need for elections for a national assembly "truly representative of the interests of the people," added to the above evidence, could be interpreted as a sign that the Pathet Lao in late 1968 are ready to shift their emphasis from the military to the political struggle, or at least that they are seriously preparing for such an eventuality. In light of their earlier policy statements and their interpretation of the meaning of the Vietnam conflict, even a born optimist must expect that the Pathet Lao will be tough bargainers at the conference table.

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