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relatively small—probably 1,500 to 2,000 at most. Although this may represent the major portion of guerrillas recently indoctrinated and trained for operations in Laos, the Communists probably have considerable additional potential strength. Although we have no conclusive evidence of participation by North Vietnamese, we believe it is almost certain some are involved in the guerrilla activity, particularly in coordination, communication, and advisory roles. Lao rebel capabilities are directly proportional to the amount of assistance provided them by North Vietnam.

17. We believe that if, under existing conditions, the Communists made a vigorous effort through guerrilla warfare to seize Sam Neua and Phong Saly provinces, they could succeed in doing so with an augmentation of present guerrilla forces by additional guerrilla forces and logistic support from outside Laos, and without involving the use of regular North Vietnamese units. Sam Neua town itself, which has special political and psychological importance for the Laotian Government, might be able to hold out for a considerable length of time, particularly if loyal troops elsewhere in the province conducted effective guerrilla action against the Communist guerrillas. However, problems of logistic support and morale, if not corrected, could lead to the fall or surrender of Sam Neua town. Although the loss of the two provinces and particularly of Sam Neua town would be a serious blow to the Laotian Government, we do not believe that it would lead to the collapse of the government's will to continue the struggle, particularly if it appeared that effective help would be forthcoming.

18. The considerations discussed in the paragraphs above probably caused the Communists to believe: (a) that guerrilla warfare offered some prospects—at low risk—of promoting Communist objectives in Laos even if the Lao Government received substantial moral and material support from the outside, and (b) that military forces which the West would be likely to commit inside Laos would be indecisive against the flexible Communist guerrilla tactics.

### III. REACTIONS TO CERTAIN CONTINGENT DEVELOPMENTS

19. We do not believe that the Communists will resort in the near future to large-scale guerrilla activity, such as an attempt to take Sam Neua, at least so long as the UN fact-finding mission is present in Laos. The Communists will make special efforts to conceal evidences of outside participation and will probably reaffirm offers to negotiate political differences with the Laotian Government. Moreover, the US has already set in motion certain military preparedness measures in the Far East. It is possible that these or similar moves might cause the Communists to keep guerrilla activity in Laos at a low level for a considerable period.

20. If, however, Communist armed action increased in scale and effectiveness, either in the near future or at some later time, and if Laotian appeals for outside assistance did not result in quick and favorable response, it is probable that Laotian morale would rapidly decline and the will to resist would wither away. Such developments would have widespread adverse repercussions throughout neutral and non-Communist elements in Southeast Asia.

21. Hanoi and Peiping have warned that any foreign military intervention in Laos would be considered as a direct threat to their national security. However, depending partly on the scale and nature of the military move, the Communist military reaction to the Western intervention, whether under UN, SEATO, or US auspices, initially would probably take the form of further covert North Vietnamese intervention rather than overt invasion. There probably would be less effort than at present to camouflage this intervention. This Communist action might, in the first instance, be limited to seizing substantial territory in Laos—such as Sam Neua and Phong Saly provinces—which we believe they could do under existing conditions with an augmentation of present guerrilla forces, and then using this situation for political bargaining purposes. The Communists would probably be prepared to accept a prolonged and unresolved

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