

# Pathet Lao Tightens Hold

From News Dispatches

VIENTIANE, May 6 — Pathet Lao forces, backed by North Vietnamese, have forced Vientiane troops to retreat from the Sala Phou Khoune region and pose a dangerous military threat to

the Laotian capital, Military sources said today.

There has been sporadic fighting in the area over the past three weeks, with the pro-Communist Pathet Lao driving the Vientiane troops from a number of positions.

Some of the heaviest fighting since the 1973 cease-fire has been around the Sala Phou Khoune crossroads and nearby airfield, 92 miles north of Vientiane.

Military sources said the retreat gives the Pathet Lao extended control over the main road between Vientiane and the royal capital of Luang Prabang.

This road, Route 13, cuts across Route 7, which leads to the North Vietnamese border, at the Sala Phou Khoune crossroads.

The military sources said the Pathet Lao forces, supported by artillery and tanks, drove an estimated two battalions of Vientiane troops toward Muong Kasy, about 80 miles north of Vientiane.

Two outposts north of Muong Kasy fell to the Pa-

thet Lao last night, according to reports.

Fighting in the area broke out on April 14, and has continued despite an order from the coalition government, formed more than two years ago by the two sides under the terms of the 1973 peace agreement, to cease fire and return to their original positions.

Pathet Lao leader Prince Souphanouvong accused the Vientiane side of violating the 1973 cease-fire by sending troop reinforcements to the area, but Defense Minister Sisouk na Champassak said reinforcements were needed to push back pro-Communist forces who had overrun Vientiane side positions.

An officer of the Vientiane forces said today it was feared the pro-Communist forces would push toward Ban Hin Heup, 55 miles north of Vientiane.

Ban Hin Heup lies on the demarcation line drawn up after the 1962 Geneva agreement on Laos which temporarily halted hostilities.

It was rumored that Gen. Vang Pao, leader of Meo tribesmen, had offered his resignation, Agence France-Press reported.

Pathet Lao sources, calling Gen. Vang Pao's forces "gangs, armed by the CIA," said they should have been dissolved under the 1973 agreements. Their incorporation into Vientiane's royal armed forces was a violation of the agreements, the Pathet Lao said.

Meanwhile, events in Indochina have led to a sharp depreciation of the Laotian currency, financial sources said.

The U.S. dollar was worth 1,200 kips April 1. Today it was worth 2,100 kips on the unofficial market.

When the price of gold fell in Saigon during the final weeks of the fighting, a strong demand for dollars occurred in Laos. Many Laotian businessmen acquired dollars at a high rate in order to buy gold in Saigon which regained its normal market value when transferred to Vientiane.