Laos Feels Washington Edginess

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VIENTIANE, June 8—A few days ago, the manager of the French-owned Banque de l'Indochine here received a cable from New York's First National City Bank asking him to destroy all their blank travelers checks that he had here.

The cable was brief and gave no reason, but the manager understood. First National City had given similar orders to bank officials in Saigon and Phnom Penh shortly before those two cities fell to the Communists.

"A bank as big and important as First National City doesn't take a decision like this on its own," said a French officer of the Banque de l'Indochine. "They've obviously received advice from the State Department."

That advice, as the French banker saw it, was that the United States is quickly winding down its once-massive involvement and physical presence in Laos. Once Congress decides against renewing economic assistance—as many observers here expect—Americans—are likely to be unwelcome and those few U.S. diplomats still remaining may have to leave in a hurry.

But the manager did not follow the instructions from New York. He cabled back that there was still no rea-

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son to destroy thousands of dollars worth of travelers checks, even though the Communist Pathet Lao have for all intents and purposes taken control of Laos' coalition government.

The cabled exchange is a good illustration of the confusion and broad differences in analyzing the extent and seriousness of the quiet revolution taking place in Laos.

To people on the scene, bankers, businessmen, diplomats and journalists, the revolution seems a semi-farcical affair led by shabbily uniformed tribal soldiers and played out by middle-class students who don't understand what effects a total revolution would have on their own lives.

So far, the Laotian revolution has had very little effect on most people. A handful of extreme rightist coalition members and some wealthy businessmen and landlords have slipped out of the country for fear that the Pathet Lao would punish them.

A number of bars, nightclubs, massage parlors and brothels that used to cater to hundreds of fastspending, hard-drinking American fliers and CIA operatives have been ordered to shut down by the end of this month.

But for the average Laotian, who was never much affected by the huge American presence anyway, life remains unchanged.

"I am earning no more and no less now than I was a year ago," said a shriveled old woman who sells vegetables and marijuana in the bustling outdoor market across a muddy street from the main post office. "I don't think about the Pathet Lao at all. Let the big shots worry about them."

But to analysts and policy planners far from Vientiane, particularly in Washington, the Laotion revolution evidently appears as serious as those in South Vietnam and Cambodia.

"Washington is far more nervous than the embassy is." said one U.S. official. "They haven't yet written off all our options, but they're prepared to move faster than those of us on the ground feel is necessary." But, another diplomat noted, "You can't blame the Administration for being edgy about Laos. They've been burned badly in Saigon and Phnom Penh and nobody wants to see a repeat preformance here."

Washington's nervousness is reflected clearly in the way the embassy and officials of the U.S. Agency for International Development are giving in to virtually all demands by anti-American students and former AID workers. "We want to settle the problems we're facing right now as quickly as possible," said a senior U.S. official.

The major problem is to complete handing over the millions of dollars worth of AID property and assets to the Laotion government and swiftly evacuate the American AID employees still here. A June 30 deadline has been set by the government and students.

"Once we resolve the present," added the official, "we can talk to the government about the future." The Pathet Lao insist that they want to continue receiving economic assistance from the United States, although without the presence of an AID mission in Vientiane.

While embassy officials do not say so publicly, they concede privately that there seems to be little reason to believe Congress will approve continuing aid to Laos that it is clear that the Communists are running the government.

"It may seem bitterly ironic that after all these years and all these millions of dollar, we've decided that Laos no longer matters to us," one U.S. diplomat said. "But foreign policy must serve our own interests and Laos offers damned little."

This has long been the plight of the tiny, land-blocked country which advertises itself as "the kingdom of a million elephants." When France controlled Indochina, Laos was the colonial backwater. The French never thought enough of it to build up a Laotion civil service or a system of industry and communications.

Instead, France brought in Vietnamese to run the

civil service and kept the economy dependent on impots.

The Americans continued to run the country with minimal Laotion involvement. The United States, like France, never really took Laos' desire for dignity and self-rule seriously.

But Laos is a hard place to take seriously. "It's never-never land," said one young U.S. diplomat. "What can you say about a country whose Communist movements headed by a prince, where the king visits Communist-held territory and the Red leaders bown down to him? How do you explain the world's first 'people's democratic kingdom'?"

The Laotions were pushed around for centuries by their neighbors, particularly the Vietnamese and the Thais. The Laotions developed lasting fear and resentment of these more powerful neighbors, but they've never been able to do anything about it.

With no access to the sea, Laos relies heavily on Thailand for imports of necessities. As for the Vietnamese, they have controlled the Pathet Lao movement from its inception in 1950.

A number of Western military experts contend that without the continuing presence of North Vietnamese troops in Laos, the Pathet Lao would never have become a viable fighting or ruling force. "Why, these fellows haven't fought their own battles for the last 15 years," said one Western officer who has been an observer throughout Indochina since World War II.

Yet this same shabby force has succeeded in the last month in humiliating the United States, toppling the once-powerful American-backed rightists and acquiring an unearned reputation for invincibility.

The basic explanation is that the United States has decided to let Laos go to the Pathet Lao. In retrospect, this became evident not just since South Vietnam and Cambodia fell, but nearly 2½ years ago when Henry Kissinger pressured the rightists and neutralist Prime Minister Prince Souvanna Phouma to accept a

cease-fire and peace accords essentially dictated by the Pathet Lao.

President Nixon wanted to have the Laotian problem out of the way before the United States entered the Paris conference on Vietnam following the cease-fire negotiated there a month earlier, in January 1973.

Kissinger and G. McMurtrie Godley, then ambassador to Laos, warned Souvanna that the United States would stop bombing North Vietnamese forces in Laos unless a cease-fire was signed.

Quickly, U.S. military aid to the right-wing army dropped from \$300 million to \$30 million. Rightist Defense Minister Sisouk Champassak and his generals could see the end even then. "This is an outright victory for the Communists," Sisouk told me hours after the agreement.

Souvanna, now 74, decided that the coalition, even if only in name, was more important than real balance, and he leaned more and more to the left.

But the fact that the Pathet Lao did not take a decisive step until the North Vietnamese and Khmer Rouge won their smashing victories indicates that they were simply too weak and needed the moral support of their Communist neighbors.

According to one highly informed Western military officer, the Pathet Lao set a two-month timetable for themselves after Saigon fell. One month has passed," he said, "and they're obviously well on their way."

But even this officer, a hard line anti-Communist, believes that the Pathet Lao will keep alive the "fiction" of a coalition government well after they take total charge.

A government spokesman announced the other day that the Cabinet had decided in principal to allow a Japanese firm to build and operate a sugar processing plant. Asked whether the government was seeking other private investment from the West, the spokesman replied, "Laos is an open door for investors from all countries."