

JUN 16 1975

Once a Parallel Government

U.S. AID's Legacy in Laos

By Lewis M. Simons
Washington Post Staff Writer

VIENTIANE—Until a band of pro-Communist students recently forced the U.S. Agency for International Development to pack up and leave Laos, AID ran what amounted to a parallel government in this tiny Indochinese kingdom.

The real mission of this quasi-governmental structure was not to improve the life of ordinary Laotians, but to help support the country's anti-Communist forces in their battle against the Pathet Lao.

AID has left behind an impressive legacy, including improved highways and air strips, schools, hospitals, irrigation and agricultural projects and a relatively stable economy. But all of this was coincidental.

"We did create a lot of development," a senior AID staff member said the other day, "but it was just a side effect. There was never any doubt that we were spending millions here to support the royal Lao government in its fight against the Communists."

The Communist Pathet Lao knew this too. So, when the Communists took charge here following the defeat of U.S.-backed governments in Cambodia and South Vietnam, they swiftly singled out AID as a target for open hostility.

"We were big, we were rich and, as far as the Pathet Lao were concerned, we were the enemy," one agency staffer observed.

About being big and rich, there is no doubt. In 20 years, AID spent over \$1 billion in this country of just three million people. To house itself and its American personnel, it built fenced-in compounds of suburban-style ranch houses,

schools, clubs, office buildings and warehouses.

The AID expenditure was just a fraction of the billions of dollars the United States spent to pursue the war in Laos and the bombing of the so-called Ho Chi Minh Trail through the kingdom into South Vietnam. Military assistance ran to at least 10 times the AID

workers. AID officers deny that any of their personnel were CIA agents, but they do not deny that the CIA used the organization for cover.

Where AID really went wrong, and what ultimately led to its humiliation and ouster by radical students, was in its insensitivity to Laotian self-respect and the burgeoning nationalism among the Pathet Lao.

Always in a hurry to get the job done, "because we were under our own pressures," said an AID official, the agency brushed Laotian bureaucrats aside.

"The Lao have a very slow and polite way of doing things," the official said. "We were always too impatient to wait . . . (and) ended up by doing most things ourselves."

After the Pathet Lao and the U.S.-backed rightists reached a cease-fire agreement in February 1973 and formed the coalition Provisional Government of National Union in April 1974, AID continued to operate only in support of the right wing.

Although some newer AID staffers made efforts to work with the whole government, veteran officials, some of whom had served in Laos for a decade, were too closely identified with the rightists to make the switch.

The right-wing ministers and senior civil servants who cooperated with AID were content to let the relationship continue. They had gotten rich on rakeoffs of U.S. money and while they did not realize that the Communist victories in Cambodia and South Vietnam would give as much impetus as they did to the Laotian communists.

But the time the right wing crumbled last month, the Americans knew they

had extended themselves too far. AID had already made some effort to turn over its projects to the government. Most notably, the agency gave the government \$3 million worth of public works equipment and a maintenance and repair shop.

It was too little too late. Within a week of the leading rightist ministers' resignations, Communist-inspired students sacked the small AID compound in the southern city of Savannakhet and then captured the main compound in Vientiane.

The students agreed to leave only after the United States gave in to their demands, turning over all AID property to the government and withdrawing all U.S. personnel.

Even after acceding to these demands, U.S. officials find they are still harassed by the students, the Pathet Lao and local employees. Officials doubt that by the time the June 30 deadline set in the agreement arrives they will have completed the turnover in an orderly fashion.

After all these years, all the expenses and now to have it all end so ingloriously, was it worthwhile? "I think we've done a hell of a lot of good things for this country," said acting AID director Gordon Ramsey. "Maybe we did them wrong, but the results are here."

News Analysis

budget. The U.S. Central Intelligence Agency's outlay has not been made public.

Just what AID did in Laos is described in a 179-page book. The book, "Facts on Foreign Aid to Laos," reports such wide-ranging activities as economic stabilization efforts, refugee relief and resettlement, narcotics control, public health, development of national roads and the rural economy, agricultural and educational development, civil police administration and sericulture — the commercial production of silk.

"We were into everything," said one AID officer. "We went through the whole mill in this country. Everywhere you looked, there was some American driving a truck, inspecting new highway, feeding refugees, running the whole show."

As to being the enemy, there isn't much doubt about that, either. With its widespread network of Lao-speaking Americans, AID was a handy front for the CIA which was actively engaged in the fight against the Pathet Lao and its ally, the North Vietnamese army.

In the small provincial towns where AID had offices, CIA, military and other American personnel lived and worked with AID