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PAGE 1 OF 11 PAGES

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CITE

DIST 2 DECEMBER 1968

COUNTRY

LAOS/CHINA

DOI

JANUARY - NOVEMBER 1968 AND ^{17 35} AS STATED

Robertson

SUBJECT

SITUATION APPRAISAL OF POSSIBLE MOTIVES BEHIND THE CONSTRUCTION OF ROADS IN NORTHERN LAOS BY THE CHINESE COMMUNISTS

ACQ

SOURCE

THIS [REDACTED] APPRAISAL [REDACTED] IS AN INTERPRETATION BASED ON PREVIOUSLY REPORTED INFORMATION. PREPARED PRIMARILY FOR INTERNAL AGENCY USE, IT IS DISSEMINATED IN THE BELIEF THAT IT MAY BE USEFUL TO INTELLIGENCE ANALYSTS IN THEIR OWN ASSESSMENT OF THE SITUATION.

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SUMMARY: BY EARLY OCTOBER 1968 A MILITARY FORCE OF APPROXIMATELY 3,000 ARMED CHINESE WAS ENGAGED IN CONSTRUCTION OF A MAJOR NEW ROAD ARTERY FROM THE SINO-LAO BORDER TO A POINT CONNECTING WITH A ROADBED LEADING TO THE MEKONG RIVER THIRTY KILOMETERS FROM THAILAND. THE CHOICE OF A MILITARY OVER A CIVILIAN CONSTRUCTION FORCE, THE LOGISTICS OF THE EFFORT, ITS TIMING IN RELATION TO THE PARIS TALKS, AND THE CHINESE MOTIVE BEHIND IT POSE QUESTIONS REACHING BEYOND THOSE OF IMMEDIATE IMPORTANCE.

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IN 39528

1.3(a)(4)

PAGE 2 OF . . . PAGES

1.3(a)(4)

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ON ITS OUTCOME MAY REST THE SPONSORSHIP OF THE THAI SUBVERSIVE MOVEMENT AND THE CONTROL OVER THE PATHET LAO ELEMENTS CLOSEST TO THE CHINESE BORDER. END OF SUMMARY

1. PERHAPS THE MOST SURPRISING THING ABOUT THE CHINESE COMMUNIST ROAD PROJECT IN NORTHWEST LAOS IS THAT ANYONE SHOULD BE SURPRISED BY IT. THERE ARE REPORTS OF CHINESE ROAD BUILDING PROJECTS WHICH DATE FROM 1962. MORE RECENTLY THERE IS CLEAR EVIDENCE OF CHINESE INTENTIONS DATING BACK TO JANUARY 1968 AND EVEN INDICATIONS THAT, BUT FOR INTERNAL DISRUPTIONS PRESUMABLY CAUSED BY THE CULTURAL REVOLTUION, THEY WOULD BE MUCH FARTHER ALONG NOW.

2. CLASSICALLY, THE CHINESE FIRST PREPARED THEIR LOGISTICS BASE.

OFFICIALS FROM

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SHANG-YUNG /QD 8148/, CHINA, INSTRUCTED VILLAGERS IN NAM HOO /QD 8259/ CHINA IN JANUARY 1968 TO INCREASE THEIR RICE PRODUCTION GOALS IN ORDER TO SUPPORT CONSTRUCTION WORKERS WHO WOULD BUILD A MOTORABLE ROAD FROM THE SINO-LAO BORDER AT QD 7846 TO BAN BATENE /QD 7744/, LAOS, AND THEN SOUTHWEST TO NAM THA /QD 5018/. THIS ENTERPRISE WAS DESCRIBED AT THAT TIME AS A SUPPLY ROUTE TO SUPPORT THE PATHET LAO.

3. NEVERTHELESS, IT WAS FIVE MONTHS LATER BEFORE CHINESE SOLDIERS APPEARED IN LAOS PERMANENTLY /EXCURSIONS OF ONE OR TWO DAYS HAVE BEEN COMMON FOR SOME TIME/ WITH SURVEYING INSTRUMENTS, CONSTRUCTION TOOLS,

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AND ANTI-AIRCRAFT /AA/ WEAPONS. THE SIZE AND MAKEUP OF THE FORCE, ONE ENGINEERING COMPANY AND FIVE INFANTRY COMPANIES, DID NOT AT THIS TIME FLAG IT AS A PRECURSOR OF THE LARGER ELEMENTS TO FOLLOW, ALTHOUGH THE PRESENCE OF A 105MM HOWITZER AND TWO 57MM AA GUNS HINTED THAT THEY DID NOT EXPECT THEIR EFFORTS TO GO UNCHALLENGED. INDEED BY OCTOBER THEY HAD SWOLLEN TO A FORCE OF APPROXIMATELY 3,000 MEN, ONE-THIRD OF THEM COMBAT TROOPS, WITH A MOTORIZED SURFACE ROLLER, PNEUMATIC DRILLS AND COMPRESSORS, NINE OR TEN BULLDOZERS, AND HAND TOOLS. THEIR ANNOUNCED INTENTION WAS TO CUT A ROAD SIX METERS WIDE FROM THE YUNNAN SALIENT TO MUONG SAI /RC 1200. THE EFFECT OF THIS WOULD BE CONNECT WITH OLD ROUTE 46 LEADING TO THE MERR AT PAK BENG /QC 2301/. ROUTE 46 IS NOT A MOTORABLE ROUTE BUT IT COULD AND MAY WELL BE USED AS A TRAIL BY COMMUNISTS INFILTRATING AND EXFILTRATING THAILAND VIA LAOS.

4. THIS INCURSION FORCE COULD NOT, OF COURSE, GO UNNOTICED, NOR WAS THERE ANY INDICATION THAT THE CHINESE INTENDED IT TO. BY OPTING FOR DIRECT PARTICIPATION AT EVEN THE COOLIE LEVEL, THEY APPEARED TO TURN THEIR BACK ON ALL CHANCE FOR PLAUSIBLE DENIAL. WORKING THROUGH LOCAL LAO ADMINISTRATIVE OFFICERS USING CONSCRIPTED LAO LABOR WOULD HAVE PRESERVED A FIG LEAF OF RESPECTABILITY, BUT WOULD ALSO HAVE TIED THE CHINESE TO A MUCH SLOWER PACE. THAT THEY NEVERTHELESS ARE LOOKING TOWARDS A PROLONGED PERIOD OF GOOD RELATIONS WITH THE LOCAL IN

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OR AT LEAST AN ABSENCE OF ANIMOSITY, IS EVIDENCED BY THE CHINESE DECISION TO SUPPLY THEIR FORCE ENTIRELY FROM YUNNAN, FOREGOING ANY EFFORT TO LIVE OFF THE LAND. ON 16 JUNE, FOR EXAMPLE, CONSTRUCTION STOPPED FOR TWO MONTHS BECAUSE THE TURMOIL IN CHINA HAD DISRUPTED TRANSPORTATION, AND SUPPLIES WERE NOT REACHING BAN BATENE. VILLAGERS WERE TOLD THAT CONSTRUCTION WOULD BE POSTPONED AND SOLDIERS WOULD AGAIN TAKE UP THEIR TOILS WHEN THE SITUATION RETURNED TO NORMAL. IT DID SO, AND THEY DID. IN MID-AUGUST A CONVOY OF 208 TRUCKS APPEARED AT THE BORDER BEARING MAO SLOGANS, AND THE PACE HAS NOT CLACKENED SINCE.

5. THE CHINESE PAY TWO WAYS FOR THE LUXURY OF USING THEIR OWN LABOR FORCE. ON ONE COUNT THEY RISK BEING CRITICIZED FOR INVADING A TERRITORY OF AN OSTENSIBLY FRIENDLY AND NEUTRAL LAOS. HOWEVER, SINCE THEIR ROAD-BUILDING ACTIVITY IS CURRENTLY RESTRICTED TO AN OUT-OF-THE-WAY AREA CONTROLLED BY PATHET LAO AND NORTH VIETNAMESE FORCES AND THUS IS NOT OPEN TO INSPECTION BY OFFICIALS OF THE ROYAL LAO GOVERNMENT /RLG/ AND / OR THE WORLD PRESS, IT IS NOT LIKELY THAT THIS VIOLATION OF LAO SOVEREIGNTY WILL CAUSE MORE THAN A SLIGHT TREMOR ON THE WORLD'S PUBLIC OPINION SEISMOGRAPH. ANOTHER PROBLEM THE CHINESE MUST HAVE CONSIDERED AND IDENTIFIED AS AN ACCEPTABLE RISK IS THE

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1.3(a)(4)

IN 39528

1.3(a)(4)

PAGE 5 OF 11 PAGES

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1.3(a)(4)

FACT THAT THEY ARE EXPOSING THEIR TROOPS TO AIR ATTACK. THE PRESENCE OF ANTI-AIRCRAFT WEAPONS INDICATES THIS, AS DOES THE INDOCTRINATION OF VILLAGERS TO DIG SHELTERS AND TO EXPECT AIR ATTACKS. HOWEVER, THIS, TOO, MAY FACTOR OUT TO A BARGAIN-RATE PRICE. WHILE THE CHINESE ARE WELL AWARE THAT THE UNITED STATES AIR FORCE IS BOMBING PATHET LAO AND NORTH VIETNAMESE FORCES IN LAOS, THEY PROBABLY ASSUME THAT THE UNITED STATES WOULD CONSIDER BOMBING ATTACKS AGAINST THE CHINESE COMMUNIST PEOPLES LIBERATIONS ARMY /PLA/ IN THE CATEGORY OF A NEW BALL GAME. THUS, THE CHINESE MAY WELL BE GOING UNDER THE ASSUMPTION THAT THEY HAVE ONLY TO DEAL WITH THE FEW SCORE LAO AND THAI-PILOTED T-28'S.

6. OVERALL, THERE IS ONE OTHER SLIGHT RISK THE CHINESE RUN IN BUILDING THIS ARTERY. OBVIOUSLY, ANY ROAD THAT LEADS OUT CAN ALSO LEAD IN. IN JUDGING THIS THREAT, HOWEVER, A CURSORY LOOK AT THE POTENTIAL OF EVEN A MILITARILY-HOMOGENEOUS SOUTHEAST ASIA WOULD RENDER ANY DOUBTS THE CHINESE HAD ON THIS SCORE SHORT-LIVED.

7. WHILE THE TOTAL OF THESE FACTORS MAY BE SMALL BY CHINESE COST-INDEXING STANDARDS, THE ROAD-BUILDING PROGRAM

1.3(a)(4)

IN 33528

1.3(a)(4)

PAGE 6 OF 11 PAGES

1.3(a)(4)

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(dissem controls)

NEVERTHELESS REPRESENTS A CONSIDERABLE INVESTMENT OF MANPOWER AND CAPITAL AND MUST, THEREFORE, HAVE SOME MORE SPECIFIC GOAL THAN SIMPLY OPENING NEW TRADE ROUTES. ANALYSTS WILL FIND MOTIVES APLENTY, ONE NO DOUBT MORE FAR REACHING THAN THE NEXT, TO EXPLAIN HOW THE CONSTRUCTION OF THIS ROUTE IN NORTH LAOS FITS INTO THE CHINESE GRAND DESIGN. IT APPEARS LIKELY THAT THE CHINESE OBJECTIVE IS MULTI-PURPOSED. SOME OF THE MORE VALID PROBABILITIES WOULD SEEM TO BE AS FOLLOWS :

A. THE CHINESE MUST BE PRESUMED TO HAVE BEEN FOLLOWING POLITICAL DEVELOPMENTS IN VIETNAM AND THE UNITED STATES WITH A MORE-THAN-CASUAL EYE. THUS IT MUST ALSO BE ASSUMED THAT THEY FORESAW THE POSSIBILITY OF AMERICAN/VIETNAMESE PEACE NEGOTIATIONS WELL BEFORE THE BEGINNING OF THE PARIS TALKS. IF ONE ACCEPTS THESE POSSIBILITIES, IT IS LIKELY THAT THE CHINESE LOOKED UPON THE ROAD-BUILDING PROJECT AS A MEANS OF STRENGTHENING THEIR INFLUENCE OVER THE PATHET LAO INSURGENCY. A ROAD LEADING TO MUONG SAI, AND VERY POSSIBLY BEYOND, WOULD PROVIDE THEM WITH GOOD LINES OF COMMUNICATIONS AND A LOGISTICS ARTERY TO SUPPLY THE

1.3(a)(4)

IN 32528

1.3(a)(

PAGE 7 OF 11 PAGES

(classification)

(dissem controls)

1.3(a)(4)

PATHET LAO FORCES AND THUS STRENGTHEN THEIR POLITICAL HAND IN DEALING WITH THE LAO SUBVERSIVE MOVEMENT, WHICH HAS COME TO RELY PRIMARILY ON THE NORTH VIETNAMESE. THIS MOTIVE HAS NO DOUBT BEEN GIVEN IMPETUS BY THE NORTH VIETNAMESE DECISION TO NEGOTIATE WITH THE UNITED STATES. FEARING THAT THE NEGOTIATIONS IN PARIS, OF WHICH THEY DISAPPROVE, WILL CAST THE FUTURE OF THE AREA BY GRANTING A HEGEMONY TO THE PATHET LAO/READ NORTH VIETNAMESE/, THE CHINESE MAY WELL HAVE DECIDED UPON THIS COURSE IN ORDER TO INCREASE THEIR OPTIONS IN AN AREA OF TRADITIONAL SIGNIFICANCE TO CHINA.

B. IF THE CHINESE ARE ABLE TO REORIENT THE PATHET LAO MOVEMENT LOGISTICALLY, AND THUS POLITICALLY, IT COULD GIVE THEM ANOTHER SMALL LEVER WITH WHICH TO PRESSURE THE NORTH VIETNAMESE. IF THEY ARE WILLING TO USE PLA TROOPS IN NORTH LAOS, IT COULD MEAN THAT CHINESE TROOPS AND INSTALLATIONS COULD BE PLACED ALONG THE NORTHERN SECTOR OF THE CURRENT LAO/NORTH VIETNAM BORDER. THIS, IN TURN, WOULD PROVIDE THE CHINESE WITH YET ANOTHER POLITICAL LEVER TO BE USED AGAINST NORTH VIETNAM, AS WELL AS BASES FROM WHICH TO

1.3(a)(4)

IN 39528

1.3(a)(4)

PAGES OF 11 PAGES

(classification)

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1.3(a)(4)

MOUNT CLANDESTINE OPERATIONS INTO THE BORDER AREA OF NORTH VIETNAM IF AND WHEN SUCH OPERATIONS APPEAR TO BE IN THE INTEREST OF THE CHINESE.

C. ANOTHER RELATED AND POSSIBLY MAJOR CHINESE OBJECTIVE COULD WELL BE TO ESTABLISH A BUFFER ZONE IN NORTHWEST LAOS TO INSURE THEIR HOME TERRITORY AGAINST UNWANTED INFLUENCE.

D. WITH THE VIETNAMESE PEACE TALKS, THE POSSIBILITY OF ANOTHER TRIAL MARRIAGE BETWEEN THE CONTENDING FORCES IN LAOS BECOMES MORE THAN A POSSIBILITY. A CHINESE MILITARY PRESENCE IN LAOS WILL NO DOUBT INFLUENCE THOSE INVOLVED IN DECIDING WHAT THE TERMS OF THAT MARRIAGE SHALL BE. THE ARGUMENT THAT A COMMUNIST-ORIENTED MOVEMENT IN VIENTIANE WILL BE IN A BETTER POSITION TO NEGOTIATE THE CHINESE REMOVAL WILL BE DIFFICULT TO REFUTE. THE PRICE CAN BE READILY IMAGINED-LEGITIMATION OF THE ROAD CONSTRUCTION AS AN AID PROJECT, TACIT ACCEPTANCE OF CHINESE BASES IN SAYABOURY PROVINCE ON THE THAI BORDER, AND INCREASED CHINESE INFLUENCE IN VIENTIANE.

E. YET ANOTHER OBJECTIVE OF THE CHINESE ROAD MAY

1.3(a)(4)

IN 39528

1.3(a)(4)

PAGE 9 OF 11 PAGES

1.3(a)(4)

(classification)

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BE TO TRADE ON THE FIRST FAINT CRACKS TO APPEAR IN THE LAST TEN YEARS IN THE MONOLITH OF THAI POLITICS. WITH A ROAD TO MUONG SAI, THE CHINESE WOULD HAVE ESTABLISHED A MOTORABLE LINK TO OLD ROUTE 46 WHICH LEADS TO THE MEKONG AT PAK BENG, A ROUTE WHICH HAS BEEN USED BY THAI COMMUNIST TERRORISTS INFILTRATING AND EXFILTRATING THAILAND. THIS OBVIOUSLY WOULD FACILITATE CHINESE SUPPORT FOR THE THAI COMMUNIST TERRORIST MOVEMENT. AT THE OPTIMUM, THE CHINESE MAY HOPE TO CONVERT THE CURRENT LIMITED THAI INSURGENCY MOVEMENT TO A FULL-BLOWN REVOLUTION BEARING THE STAMP OF QUOTE MADE IN CHINA UNQUOTE. AT THE VERY LEAST, THE CHINESE MIGHT HOPE TO PRESSURE THAILAND TO A RETURN TO ITS CENTURIES-OLD POLICY OF MAINTAINING A COVERT FOOT IN THE OPPOSITE CAMP TO SOFTEN ANY SUDDEN REVERSALS OF FORTUNES.

8. IT IS NOT PROBABLE THAT THE LAO GOVERNMENT WILL INITIATE GROUND OR AIR MILITARY OPERATIONS AGAINST THE CHINESE ROAD PROJECT. LAOS DOES NOT WISH TO PROVOKE THE COLOSSUS TO THE NORTH. ALSO, THE LAO GOVERNMENT APPEARS TO BE UNSURE OF ITS LEGAL POSITION. ON 13 JANUARY 1962 SISOUANG SISALEUMSAK SIGNED AN AGREEMENT FOR THE

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IN 39528

1.3(a)(4)

PAGE 10 OF 11 PAGES

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CONSTRUCTION OF A ROAD BETWEEN MENG LA, CHINA, AND PHONG SALLY, LAOS. ACCORDING TO A RADIO PEKING BROADCAST BASED ON A NEW CHINA NEWS AGENCY REPORT, THE THEN DEPUTY PRIME MINISTER, PHOUMI NOSAVAN, ASKED THAT THE ROAD LINKING THE FRONTIERS OF CHINA IN YUNNAN PROVINCE WITH PHONG SALLY BE EXTENDED AFTER ITS COMPLETION TO NAM THA IN HOUEI SAI. AT THE TIME, SOUVANNA PHOUMA TOLD THE AMERICAN AMBASSADOR THAT THE ONLY AGREEMENT IN FORCE WAS FOR THE CONSTRUCTION OF A ROAD FROM MENG LA TO PHONG SALLY, AND THAT THE NAM THA QUOTE EXTENSION UNQUOTE WAS MERELY PHOUMI'S PROPOSAL WHICH HAD NOT YET BEEN APPROVED BY THE LAO GOVERNMENT. ON 21 NOVEMBER 1968 SOUVANNA CONFIRMED HIS 1962 STATEMENT TO THE AMERICAN AMBASSADOR BUT AMPLIFIED IT BY EXPRESSING THE VIEW THAT PHOUMI HAD REQUESTED THE CHINESE TO BUILD A ROAD FROM NAM THA TO BAN HOUEI SAI. IF THIS PROVES CORRECT THE CHINESE MAY WELL PLAN TO USE OLD ROUTE 46 TO BAN HOUEI SAI AS WELL AS OLD ROUTE 46 TO PAK BENG. THE LAO FOREIGN OFFICE HAS BEEN UNABLE TO LOCATE THE APPROPRIATE FILES ON THIS CASE. THUS, THERE IS SOME POSSIBILITY THAT THE LAO GOVERNMENT ACTUALLY AGREED IN 1962 TO THE CONSTRUCTION OF THE ROAD CURRENTLY BEING UNDERTAKEN BY THE CHINESE COMMUNISTS, OR AT LEAST AGREED TO THE CONSTRUCTION OF A ROAD IN THE GENERAL AREA IN WHICH THE CHINESE ARE NOW WORKING.

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1.3(a)(4)

IN 39528

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PAGE 11 OF 11 PAGES

1.3(a)(4)

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9. WHATEVER THE CHINESE MOTIVE--AND THE ACCEPTANCE OF ONE DOES NOT RULE OUT THE OTHERS AS PLAYING A ROLE IN THE DECISION--THE POLITICAL AND MILITARY IMPACT OF THE ITSELF IS CERTAIN TO CLAIM THE ATTENTION OF POLICY MAKERS WELL AFTER, IF NOT BEFORE, A SETTLEMENT IN VIETNAM.

10. THE AMBASSADOR HAS READ THIS REPORT AND OFFERED NO OBJECTIONS.

11. [REDACTED] DISSEM. STATE ARMY AIR USAID USIS USMACV 7TH AIR FORCE CINCPAC PACFLT ARPAC PACAF [REDACTED]

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