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12 November 1960

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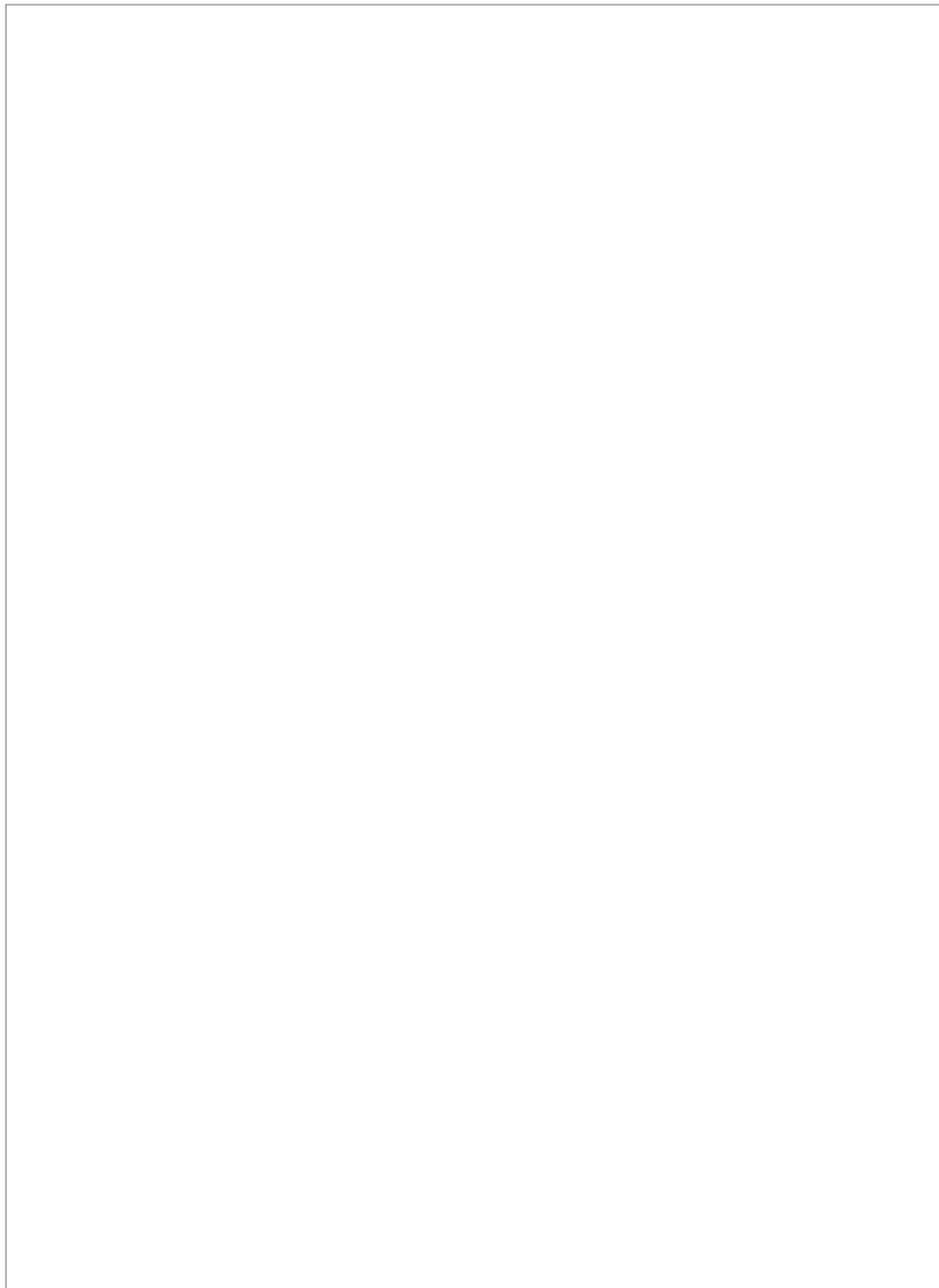
# CENTRAL INTELLIGENCE BULLETIN



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12 NOVEMBER 1960

## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

Situation in Laos.

South Korea--Unification with neutralization advocated by vocal minority in South Korea.

Japanese patrol boats protecting fishing vessels from South Korean seizure authorized to fire in self-defense.

Iraq--Qasim regime arrests ten prominent Communists.

Algeria--Army units called in against rioters; De Gaulle canvassing cabinet on Algerian policy.

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- ②
- ③
- ④
- ⑤
- ⑥
- ⑦



## III. THE WEST

Bolivian President, facing continued economic difficulties and pressure from left to seek Soviet help, planning fake coup as excuse for declaring "state of siege."

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LATE ITEM

⑦ Situation in South Vietnam.

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## CENTRAL INTELLIGENCE BULLETIN

12 November 1960

## DAILY BRIEF

## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

\*Laos: A group of officers under Major Bountheng, an infantry battalion commander, seized control of Luang Prabang on 10 November with the apparent objective of swinging the First Military Region over to General Phoumi's Savannakhet Revolutionary Committee. Phoumi quickly exploited his advantage by flying paratroop elements to Luang Prabang to help Bountheng sustain his coup. The coup was staged while First Military Region Commander Col. Houmpanh and Armed Forces Commander General Ouane were touring northern Laos with Souvanna Phouma. [The move was probably stimulated by the belief that Souvanna was taking inadequate measures to counter the Communist-dominated Pathet Lao and that Ouane and Houmpanh had temporized too long in carrying out their pledge to lead the First Military Region into opposition against Souvanna if he did not bring the Pathet Lao under control.] No  
(Page 1)

South Korea: The newly won freedom in South Korea is permitting a strong and vocal minority among intellectuals and students to suggest that unification of the country can be achieved by its neutralization. Their efforts will be aided by the powerful attraction which unification has for all Koreans. [this minority will be encouraged by India's present sponsorship of a UN formula for neutralizing and unifying Korea. The government and the majority of informed Koreans, however, publicly oppose neutralization, and a majority of students seems inclined at this time to distrust such a proposal.] No  
(Page 3)

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\*Japan-South Korea: Japanese patrol boats in the vicinity of the "Rhee Line" in the Korean Strait have been authorized to shoot in "emergency self-defense" if necessary during operations to protect Japanese fishing vessels from South Korean seizure. This reversal of a standing prohibition against use of arms undoubtedly stems from a 2 November machine-gun attack on a Japanese patrol vessel. The Ikeda government, however, remains intent on improving relations with South Korea through negotiations for an over-all settlement of differences.

No

\*Iraq: The Qasim regime has dealt the Iraqi Communist party another blow by arresting ten prominent Communists, including at least one central committee member. This move, following the harsh suppression of Communist-inspired riots from 5 to 7 November, is likely to induce other key members to go underground. If Qasim endorses this action, this may placate dissatisfied anti-Communist elements who have felt that his recent policies have been too favorable to the Communists.

OK

\*Algeria: Police and army units should be able to contain anti-De Gaulle rioting by European youths in Algeria which has resulted in severe damage to the American Cultural Center. President de Gaulle is reported to be canvassing cabinet ministers to learn whether they are prepared to support his Algerian policy as defined in his 4 November address, which he apparently intends to implement as rapidly as possible.

OK

*in 1st sentence  
change "have  
been" to "were"  
in 2nd sentence  
change verb  
to "apparently  
have restored."*

(Page 4)

### III. THE WEST

Bolivia: President Paz Estenssoro may be planning to engineer a fake leftist coup attempt against his own government to provide an excuse within the next two weeks for declaration of a state of siege. Paz has been unsuccessful in his efforts to improve Bolivia's critical economic

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condition in his first three months in office. Although he apparently prefers Western assistance, he faces strong political pressures to seek Soviet economic help and raise wages despite a threat of renewed inflation.

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#### LATE ITEM

\*South Vietnam: The arrival in Saigon of considerable numbers of troops loyal to President Ngo Dinh Diem appears to have reversed the initial advantage held by para-troop units attempting to overthrow him. Diem's promise early on 12 November to dissolve the government seems to have been designed to gain time for the arrival of loyalist forces to whom he had appealed. Although the situation in Saigon is still fluid, information available as of 0400 hours EST on 12 November indicates that the rebels have been forced to abandon their siege of the presidential palace and to retreat from certain government buildings they had seized earlier. Communist guerrillas may take advantage of the movement of army forces into Saigon to step up their guerrilla activities in the countryside.

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(Page 6)

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~~SECRET~~The Situation in Laos

A group of officers under the leadership of Major Bountheng, commander of the Third Infantry Battalion, seized control of the royal capital of Luang Prabang on the night of 10 November, with the apparent objective of swinging the First Military Region over to General Phoumi's Savannakhet Revolutionary Committee. Phoumi promptly flew paratroop elements to Luang Prabang to help Bountheng sustain his coup. The coup was staged while First Military Region Commander Col. Houmpanh and Armed Forces Commander General Ouane were touring northern Laos with Souvanna Phouma. When he heard of the coup, Souvanna flew directly back to Vientiane while Houmpanh returned to Luang Prabang, apparently in an effort to dissuade the Bountheng group from going ahead with its plans to declare for Phoumi.

Bountheng's action was probably stimulated by the belief that Souvanna was not taking adequate measures to counter the Communist-dominated Pathet Lao, who have made substantial gains during the crisis touched off by Captain Kong Le's August coup. [The Luang Prabang take-over probably also stemmed from the conviction that Ouane and Houmpanh had temporized too long in carrying out their pledge to lead the First Military Region into opposition against Souvanna if he failed to bring the Pathet Lao under control.]

If Bountheng can maintain control of Luang Prabang and carry other units in the First Military Region along with him, Souvanna's position will suffer a major blow. His several fence-mending trips to northern Laos in recent weeks reflect the importance he attached to holding the First Military Region, without whose support he would be reduced to dependence on the support of the Vientiane garrison. This latter force is believed still semiparalyzed by fear of the Pathet Lao, who share control of Vientiane Province with regular army elements.

The American Embassy in Vientiane, commenting on the Luang Prabang take-over, expresses concern that this development, coupled with frequent reports of an imminent Phoumi

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attack on Vientiane from the south, may cause the Pathet Lao to evaluate the situation as a serious threat and attempt to take control of Vientiane or attack Phoumi's forces south of Paksane. Pathet Lao units are intermingled with Vientiane troops facing Phoumi's units and tension between the opposing forces had already been increased by a skirmish on 8 November, apparently caused by probing action by a Phoumi company.

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### Korean Neutralization and Unification

The Indian UN delegation is taking the initiative in organizing Afro-Asian support for UN-supervised Korean-wide elections preparatory to the unification and neutralization of Korea, [redacted]

[redacted] India's sponsorship of such a formula as a strong encouragement to the strong and vocal minority among South Korean intellectuals and students which believes unification can be achieved by neutralization and, since the ouster of the Rhee regime, is free to discuss such issues. On 5 November some 2,000 Pusan university students intended to hold a mass rally calling for early attainment of unification, but were persuaded by their professors to abandon their plans.

In view of the likelihood that the Korean question will not be taken up by the General Assembly until after Christmas, the Indians will have more than six weeks to promote this idea among the various UN delegations, especially those from the newly accredited African states.

[redacted] the Indians were encouraged by the South Korean Government's recent announcement of support for the UN's long-standing position that UN-supervised elections be held in both North and South Korea for the purpose of unification. The Chang Myon government has consistently asserted, however, that any such elections must be completely free and in accordance with the South Korean constitution. The government and the majority of informed South Koreans publicly oppose neutralization, and most students appear similarly disposed. [redacted]

[redacted]

[redacted]

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~~CONFIDENTIAL~~Algeria

Military reinforcements have been called in to help the police control anti - De Gaulle rioting by European youths in Algiers. The combined forces will probably be able to restore order, but the reported lack of enthusiasm on the part of military reinforcements may encourage some of the youths to prolong their demonstration of contempt for De Gaulle. The disorders broke out on 10 November as preparations began for the observance of Armistice Day and resumed during the ceremonies on 11 November. The attack on the American Cultural Center, which has been damaged much more severely than in May 1958 when it was last a target for European demonstrators, is a manifestation of the European rightist belief that the United States is displacing France in North Africa.

Less destructive rioting occurred in Oran, Algeria's second largest city and another important center of resistance to De Gaulle's Algerian policy.

In France, De Gaulle is said to be summoning cabinet ministers individually to learn whether they are prepared to follow him in implementing his 4 November address on Algerian policy, now defined as aiming at establishment of an Algerian Republic. He apparently has decided to press ahead with his policy for Algeria as soon as possible. French press reports state that he is planning soon to announce the formation of a three-member Algerian executive, and envisages a federal system within Algeria based on zones corresponding to the distribution of racial groups. He plans another trip to Algeria next month and will seek a national vote of confidence in a mid-December referendum.

Although most of these moves were foreshadowed on 4 November, De Gaulle is unlikely to implement them prior to the UN debate on Algeria in order to avoid giving the impression that he is acting under international pressure.

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**Bolivian President Apparently Planning Fake Leftist  
Coup Attempt**

President Paz Estenssoro of Bolivia may be planning to engineer a fake leftist coup attempt within the next two weeks to provide an excuse to declare a state of siege. Paz first came to office through the sweeping revolution of 1952 and governed by decree, with no congress in session, until 1956. In the first three months of his present term he has not improved the country's critical financial condition, and he may feel that renewal of government by decree would enhance his efforts to stem rising pressures for wage increases. These pressures are threatening the US-backed economic stabilization program, which has curbed inflation in the past four years but has not successfully promoted economic growth.

Paz is under strong pressure to seek Soviet economic help, but he apparently prefers Western assistance, in part because negotiations with Soviet representatives on a tin sales question in which he took part in 1958 were long drawn out and ultimately unsatisfactory. Communist-abetted popular pressures now are focused on a recent Soviet offer to construct a tin smelter in Bolivia, an offer which plays on the emotional belief of many Bolivians that the the 1952 nationalization of the mines failed to make them rich and economically independent only because of their dependence on foreign smelters. [redacted]

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~~SECRET~~The Situation in South Vietnam

(Based on information available as of 0400 hours, EST,  
12 November)

The coup effort against President Ngo Dinh Diem appears to be losing its strength rapidly. Although the situation in Saigon is still fluid, the arrival in the city of considerable numbers of troops loyal to Diem apparently has reversed the early advantage held by rebellious paratroop units that besieged the presidential palace on the morning of 11 November.

Troops of the 7th Division began arriving in Saigon in the early hours of 12 November, local time, in response to Diem's call for support, and elements of the 21st Division may now also be in the city. Loyalist troops are reported to have advanced on the palace area and to have forced the withdrawal of paratroop units there. The rebels are now said to have retreated to an army barracks about one-half mile from the palace. Heavy firing has been heard from that area.

Approximately at the time when loyalist forces were preparing to enter Saigon, a statement by President Diem broadcast by Saigon radio promised to dissolve the present government and to allow the military to set up a provisional government. This statement, following negotiations between the president and the rebels, apparently was designed to gain time for the arrival of reinforcements. At 1015 hours on 12 November, Saigon time, the Saigon radio announced that Diem's forces were again in control of the station with the assertion that "counterrevolutionary forces offer this victory to President Ngo Dinh Diem and the people." At 1100 hours local time officials of the Directorate General of Police and Security announced that loyal army forces had reoccupied police headquarters following surrender of the rebels there.

There are no reports thus far of significant Communist guerrilla exploitation of the present situation. However, the movement of army forces from heavily infested areas outside the capital, and the confused situation in the city, provide additional opportunities for increased activities.

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