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From: SAIGON  
To: Secretary of State

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Sent Department 538, Repeated Information CINCPAC POLAD 83,  
BANGKOK, VEINTIANE, PHNOM PENH, LONDON, PARIS UNNUMBERED

IN VIEW DEVELOPMENTS KOREA, TURKEY, RECENT COUP D'ETATS, AND ATTEMPTED ANTI-GVN DEMONSTRATION ABOUT WEEK AGO (OUR 432) WE BELIEVE IT DESIRABLE ASSESS POSSIBILITIES FOR DEMONSTRATION AND COUP HERE AND LIKELY OUTCOME. POTENTIALITIES OF VARIOUS GROUPS FOR POLITICAL ACTIVITIES OF THESE TYPES GIVEN BELOW:

1. PEASANTS. VARIOUS FACTORS DISCONTENT EXIST SUCH AS LACK OF ADEQUATE PROTECTION AGAINST COMMUNIST ATTACKS AND PRESSURES, LOW PRICES PADDY, COMPULSORY LABOR ON AGROVILLES AND OTHER PROJECTS, AND ARBITRARY METHODS OF AUTHORITIES. DIEM HAS TAKEN SOME STEPS TO TRY ALLEVIATE SOURCES OF DISCONTENT (OUR G-79) BUT IT IS IMPORTANT HE TAKES OTHERS BECAUSE PEASANTRY REPRESENT KEY TO SUCCESS OR FAILURE COMMUNIST GUERRILLA WARFARE IN COUNTRYSIDE AND THUS TO GRADUAL UNDERMINING OF REGIME, HOWEVER, ANY SUDDEN DEMONSTRATION OR COUP AGAINST GVN LIKELY TO CENTER IN SAIGON AND SEEMS IMPROBABLE THAT PEASANTRY IN VIEW LACK ORGANIZATION, TRANSPORT PROBLEMS, ETC. WOULD PLAY SIGNIFICANT ROLE THEREIN.
2. COMMUNISTS. WHILE THERE ARE INDICATIONS THAT COMMIES HAVE SOME STRENGTH IN SAIGON. THEY HAVE NOT YET OPENLY SHOWN THEIR HAND IN CITY AND ARE MUCH MORE LIKELY OPERATE THROUGH INFILTRATED, OSTENSIBLY NON-COMMUNIST ORGANIZATIONS WHICH THEY WILL HELP INSTIGATE TO ACTION. EVEN WITHOUT DEMONSTRATION ATTEMPT BY OTHER GROUPS, THEY MAY ENGAGE IN HIT AND RUN TACTICS OF VIOLENCE IN SAIGON AND IN CASE OF ANY DEMONSTRATION WOULD STEP UP SUCH TACTICS DURING CONFUSION AND WOULD ATTEMPT BEHIND SCENES TO MANIPULATE ANY DEMONSTRATION WHICH BEGAN, PARTICULARLY BY TRYING PROVOKE GVN TO TAKE HARSH MEASURE IN REPRESSION.
3. LABOR. TRADE UNIONS ARE PROBABLY BEST ORGANIZED NON-MILITARY GROUP IN VIET-NAM AND POSSESS MOTIVES FOR POLITICAL ACTION. TRAN QUOC SUU, HEAD CVTC, IS ALLIED WITH MINISTER AGRICULTURE LE VAN DONG AGAINST NHU-TUYEN FACTION IN CAN LAO PARTY; EACH GROUP IS ALSO SUPPORTING COMPETING LEADERSHIP IN OTHER MAIN LABOR FEDERATION CSTV. DONG HAS TALKED PRIVATELY ABOUT DEMONSTRATION. SHOULD HIS FACTION DECIDE UPON ONE, LABOR WOULD UNDOUBTEDLY BE ITS CORE. PROBABLE FACTORS RESTRAINING DONG ARE FEAR THAT HE WOULD NOT SUCCEED AND THAT COMMUNISTS WOULD EXPLOIT DEMONSTRATION TO THEIR ADVANTAGE.

LABOR ALSO HAS ECONOMIC AND SOCIAL GRIEVANCES WHICH PROVIDE FERTILE GROUND FOR OPPOSITION GROUPS OUTSIDE GOVERNMENT TO CULTIVATE. TAXI AND MOTOR Pousse DRIVERS FOR EXAMPLE WHO LIVE HAND TO MOUTH EXISTENCE WERE ADVERSELY AFFECTED BY INCREASE IN PRICE GASOLINE UNTIL GVN QUICKLY PERMITTED FARE RISE. WHILE NON-GOVERNMENT OPPOSITION GROUPS MIGHT NOT BE ABLE ORGANIZE AS EXTEN-