

SECRET

-2- 538, SEPTEMBER 5, 2 PM (SECTION 2 OF 2) FROM SAIGON

WHILE THERE DOES NOT SEEM TO BE MUCH LIKELIHOOD AT THIS TIME OF COUPLED BY ARMY, PICTURE IS NOT SO CLEAR RE REACTION OF ARMY TO DEMONSTRATION ON COUP STARTED BY OTHERS. IT COULD BE CLEARLY SHOWN THAT SUCH ACTION WAS COMMUNIST-INSPIRED NO PROBLEM RE ARMY REACTION WOULD EXIST, BUT AS ALREADY INDICATED COMMUNISTS ARE LIKELY TO ACT DISCREETLY BEHIND SCENES. IF ACTION DIRECTED AGAINST DIEM, PROBABLY ADEQUATE NUMBER OF POLICE AND ARMED FORCES TO PUT IT DOWN WOULD INITIALLY RESPOND TO CALL; IF ACTION DIRECTED AGAINST ENTOURAGE OR REPRESENTED APPEAL FOR ACTION BY GOVERNMENT, PROBLEM OF PUTTING IT DOWN MIGHT BE MORE DIFFICULT. IN EITHER CASE COURSE OF DEVELOPMENTS SUCH AS REPULSION AT ANY EXTENSIVE SHEDDING OF BLOOD OF NON-COMMUNISTS MIGHT QUICKLY CHANGE ATTITUDE ARMY UNITS INTO ONE UNFAVORABLE TO CONTINUATION REPRESSIVE MEASURES.

9. GENERAL. AN IMPORTANT ASPECT OF PROBLEM IS UNEASY POLITICAL ATMOSPHERE ITSELF, CREATED BY COMBINATION OF CONTINUING VC POLITICAL AND MILITARY GAINS, INSUFFICIENT EVIDENCE OF GVN COUNTERACTION AND SELF CORRECTION AND PANICKY TENDENCIES BY SOME ELEMENTS TO CONSIDER DRASTIC MEASURES, EVEN A COUP. TO FORESTALL COMMUNIST TAKEOVER. THIS LATENT EXPLOSIVE FORCE COULD BE TOUCHED OFF BY AN ILL-ADVISED MOVE BY SINCERE OR OPPORTUNISTIC OPPOSITIONISTS OR BY UNDULY HARSH REPRESSIVE ACTION BY THE GVN.

CONCLUSION: REAL POSSIBILITY DEMONSTRATIONS IN SAIGON EXISTS. COULD BE INSTIGATED BY DONG-BUU FACTION, ESPECIALLY IF IT DECIDES RISK OVERLOOKING FEAR OF COMMUNIST EXPLOITATION. COULD ALSO BE INSTIGATED BY OPPOSITION ELEMENTS OUTSIDE GOVERNMENT, BUT SEEMS UNLIKELY WOULD BE OF ANY SIZEABLE PROPORTIONS UNLESS HOOKED UP WITH COMMUNIST-INFILTRATED GROUP ESPECIALLY IN LABOR FIELD, ANY DEMONSTRATION MORE LIKELY TO BE INITIALLY LOYAL PROTEST CALLING FOR CHANGES IN POLICIES AND PERSONAL AROUND DIEM BUT COULD DEVELOP INTO ANTI-DIEM RIOT. WHILE INITIAL DEMONSTRATION CAN PROBABLY BE PUT DOWN, LONGER TERM OUTCOME WOULD LIKELY DEPEND UPON ARMY ATTITUDE AND DIEM'S METHOD ON HANDLING CRISIS. IN ANY EVENT VC EXPLOITATION IS LIKELY.

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