

CLASSIFICATION — DISSEMINATION CONTROLS		IN 33775
C-O-N-F-I-D-E-N-T-I-A-L	NO FOREIGN DISSEM/NO DISSEM ABROAD/ BACKGROUND USE ONLY/CONTROLLED DISSEM	TDCS DB-3/657,133 PAGE FOUR

7. ONE INDICATION OF THE REGIME'S INCREASED CONFIDENCE THAT IT HAS THE SITUATION UNDER CONTROL IS THE FACT THAT COLONEL TUNG HAS RELEASED TWO COMPANIES OF SPECIAL FORCES TROOPS FOR OPERATIONS AGAINST THE VC.

8. ALTHOUGH MOMENTARILY QUIESCENT BECAUSE OF THE HEAVY GVN SECURITY CONTROLS, THE STUDENTS CONTINUE THEIR ORGANIZATIONAL ACTIVITIES AND ARE DEVELOPING PLANS FOR FURTHER ACTION AGAINST THE GOVERNMENT. THERE APPEARS TO BE CONSIDERABLE DIVISION OF OPINION AMONG THE VARIOUS STUDENT GROUPS, SOME OF WHICH EXISTED PRIOR TO THE BUDDHIST CRISIS AND SOME HAVE SINCE EMERGED. REPORTING RECEIVED TO DATE WOULD INDICATE THAT THE VC HAVE NOT YET MADE SIGNIFICANT INROADS INTO THE STUDENT MOVEMENT, ALTHOUGH THIS IS OF COURSE AN INCREASING POSSIBILITY IF RELATIONS BETWEEN THE STUDENTS AND THE GVN LONG REMAIN IN THEIR PRESENT UNSATISFACTORY STATE. IN PARTICULAR, WE HAVE LITTLE EVIDENCE TO SUPPORT THE THESIS THAT THE STUDENTS ARE TO FLEEING/THE COUNTRYSIDE TO JOIN THE VC ALTHOUGH SOME REPORTEDLY DID LEAVE SAIGON AND HUE TO AVOID ARREST DURING THE PERIOD OF THE GOVERNMENT CRACKDOWN.

9. A REPORT FROM A VIETNAMESE TRADE UNION OFFICIAL PROVIDES ADDITIONAL BACKGROUND INFORMATION ON THE NHU-MANELI MEETING IN EARLY SEPTEMBER AND ON THE GENERAL SUBJECT OF POSSIBLE GVN-DRV RAPPROCHEMENT. ACCORDING TO INFORMATION RECEIVED BY THE SOURCE FROM A FRENCH EMBASSY OFFICER, HO CHI MINH HAD AT ONE TIME INDICATED TO A FORMER FRENCH REPRESENTATIVE IN NORTH VIETNAM HIS DISCOURAGEMENT OVER CASUALTIES SUSTAINED IN THE WAR IN THE SOUTH, HIS DISTASTE FOR THE CHINESE PRESENCE IN THE DRV, AND HIS RESTIVENESS OVER SOVIET "INTERFERENCE" OF AN UNSPECIFIED NATURE. LALOUETIE WAS REPORTED TO HAVE PASSED THIS ON TO NHU WHO,

CLASSIFICATION — DISSEMINATION CONTROLS	
C-O-N-F-I-D-E-N-T-I-A-L	NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/ CONTROLLED DISSEM