SOUTH VIETNAM

I. South Vietnam continues restive over the unresolved Buddhist issue and a coup attempt is increasingly likely.

II. South Vietnam's army commander, Major General Tran Van Don, told a CIA officer on 8 July that there are plans by the military to overthrow President Diem.

A. Don did not specify the timing of such action, but hinted that it might be within ten days. He said all but one or two general officers were agreed on the plan.

B. The military is the key to any successful move to oust the government, and Don is a respected officer. That makes this report the most substantial of a recent series on reported coup plots.

C. Among such reports are a plot centered around Diem's former security chief, Tran Kim Tuyen, alleged to have set a target date of 10 July and to be cooperating with some military elements.
III. Some of these reports may represent government efforts to smoke out disaffected elements, but Diem's handling of the Buddhist issue has caused serious stresses within the administration in both civilian and military circles.

A. General Don claims that the military feels it must act to prevent the Viet Cong from capitalizing on the continuing Buddhist crisis.

IV. Buddhist leaders are skeptical that Diem will honor the concessions he made to them in the 16 June agreement.

A. They say they are laying plans for further demonstrations and sacrificial suicides if necessary. Extremist Buddhists appear determined to keep up agitation until the government is brought down.

V. Meanwhile, President Diem, presumably reinforced by the known opposition of his brother Nhu to any appeasement of the Buddhists, is taking the line that the religious issue has been resolved, and that the Buddhists now are merely acting as tools of his foreign and domestic enemies—including the Viet Cong.
A. Diem recently stated privately that however reasonable the Buddhist religious demands might be, concessions to them would only encourage further demands.

B. Government actions continue to suggest that Diem is using the 16 June agreement to stall until a propitious time to crack down on the chief Buddhist agitators.

VI. The sudden trial of prisoners accused of involvement in the 1960 coup attempt appears designed in part to warn disaffected elements—and the US—against thinking about coups.

A. While the US Embassy has found no evidence of deliberate government instigation of the police assault against US reporters, Diem is known to feel that US reporting on the Buddhists and on South Vietnam in general has encouraged anti-regime activity.

VII. There continues to be little sign that the Viet Cong have been able to exploit the Buddhist issue effectively. The crisis has yet had no appreciable effect on the conduct of the war.