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COALITION HINT UPSETS SAIGON

Regime Stifles Word Of Viet Cong Talks, Closes Paper

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Saigon, Jan. 7.—South Vietnam is still reverberating from the shock waves generated over the past several weeks by hints from both the United States and the National Liberation Front that a coalition Government might be in the offing.

For its part, the Saigon Government is continuing to steamroll all rumors that negotiations with the Liberation Front are forthcoming or that a coalition Government is even thinkable.

A recent casualty was the daily newspaper *Song*, which was shut down yesterday for 30 days "for indirectly espousing the idea of a coalition with the Communists."

It was the first time a newspaper had been subjected to such action since President Nguyen Van Thieu assumed office. *Song* is popular and influential among Saigon's student population and had been closed twice by previous Governments.

Despite the official assurances, rumors of a coalition and variations on the general theme of negotiations are reported to be causing considerable disquiet among those who are doing well under the present system.

If Saigon had a Wall Street, it would undoubtedly be in a state of pandemonium.

From the northern sections of South Vietnam there are reports—recorded in the local press and heard in the halls of the Legislature—that some of the well-to-do land-owners are selling their property and investing their piasters in enterprises further south and even abroad.

One American official surmised that this is the result of intelligence reports gathered a few months ago showing that North Vietnam has made the three northernmost provinces of South Vietnam part of a single military region which also includes part of the North Vietnamese panhandle.

The military region, the story

goes, is to become a neutral buffer state, dividing the country in three, much as it was divided into three jurisdictions under the French.

While many of these "peace" rumors are obviously false, the Government's reaction to them has been very real. Almost daily there is a statement from an official of the executive or the legislative branch denying reports of a possible coalition.

Put Saigon On Edge

The fact that the United States and the Viet Cong's political organization both have been talking coalition has put the Government on edge.

The Government is well aware that the National Liberation Front is the most potent single political force in South Vietnam. Many agreed with Thieu recently when he called coalition with that front "suicide."

Few, if any of the leaders in the present Government are believed to be capable of mustering enough popular support to retain their power in seeking a coalition.

The thought of the United States "selling out" the South Vietnamese causes nervous twitches and hasty reactions throughout the country.

The Government's edginess was demonstrated clearly yesterday when the Interior Ministry announced that a North Vietnamese diplomat was flying into Saigon Airport and that he would not be allowed to leave his plane.

Few were surprised when the plane, one operated by the International Control Commission, turned out to have no such diplomat aboard.