

## CONNALLY HOLDS TALKS WITH THIEU

Military and Political Affairs  
and U.S. Aid Discussed

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SAIGON, South Vietnam Nov. 1—Secretary of the Treasury, John B. Connally met with President Nguyen Van Thieu today in talks covering the future of continued American economic aid to South Vietnam and the Senate vote last week to kill the foreign assistance program.

Official spokesmen said that in the 45-minute meeting Mr. Connally, who represented President Nixon at Mr. Thieu's inauguration yesterday, discussed not only the prospects for aid but also political and military affairs. Ambassador Ellsworth Bunker also attended.

Officials in South Vietnam, whose economy is kept afloat by American dollars, are apprehensive over the Senate decision on the bill, which included \$549-million in economic and technical assistance for this country. Of that total, \$150-million represented a special fund to offset diminished spending as a result of the departure of United States troops.

### 'Cloud Over the Future'

"The Senate has thrown a cloud over the whole future of Vietnam," said one American official. "The Vietnamese are worried and are in touch with us about the prospects. We tell them that there are efforts under way in Washington to try to revive the bill and to work out something else."

Officials said that Mr. Connally undoubtedly discussed the aid vote with Mr. Thieu and assured him that Mr. Nixon was doing all he could to restore the program. The Senate vote does not affect military aid for South Vietnam, which is roughly estimated at \$2-billion a year.

The news from Washington came as South Vietnam was preparing an extensive series of economic reforms, all based on the assumption that American economic aid, now totaling about \$700-million a year, would continue at the same rate for at least two years. The amount, which includes funds authorized outside the foreign aid bill, is regarded by officials here as vital to South Vietnam, whose imports total \$700-million a year as against exports of only \$12-million.

### Declining Level of Aid

"The reforms are aimed at reducing our dependence on American aid," said a ranking Vietnamese official. "But the package assumes a declining level of aid, not a sudden cut-off."

The reforms, expected to be announced next week, will involve a change in the exchange rates of the piaster, tariff changes, and other measures viewed as essential toward strengthening Vietnam's economy, long wracked by inflation, inefficiency and bureaucratic confusion. The reforms will also seek to encourage production and eliminate the black market in currency.

Though stressing the need for self sufficiency in his inaugural address, yesterday, President Thieu made a special plea for continued United States economic and military aid to enable South Vietnam to carry on the war. It was a point he reportedly stressed in his talks with Mr. Connally, who later left Saigon for Bangkok.

Earlier today, Mr. Thieu marked South Vietnam's National Day, the eighth anniversary of the overthrow of the Ngo Dinh Diem regime, by going to a Catholic mass and then to the National Cemetery, where he placed a wreath at the tomb of the unknown soldier. At the cemetery he also gave money to families of four soldiers killed in recent operations aimed at securing the area around Saigon for the inaugural ceremony.

### Day of Prayer for Peace

This year, Mr. Thieu, ordered that National Day also be declared a "People's Prayer Day or National Peace." Church services were organized throughout the country and at 7 A.M. a moment of silence honored Vietnam's fallen soldiers.

The man who led the coup against Mr. Diem, Gen. Duong Van Minh, marked the occasion with a statement calling for a political solution to the war. He charged that the "current situation of the country is still more dangerous than in 1963." The retired general, who briefly led Vietnam after the death of Mr. Diem, qualified to run in the presidential race this year but pulled out in mid-August because he felt Mr. Thieu was rigging the election.

In a statement issued from his villa as he met with 50 of his colleagues in the coup, General Minh said that the hopes of the people for a healthy democratic government had been virtually extinguished by President Thieu's uncontested election. He called the election a comedy "which no one still in his right mind would accept."

General Minh also suggested concern that President Nixon's trip to Peking and the admission of mainland China to the United Nations might lead to an agreement between the big powers to impose a "prefabricated peace in Indochina contrary to the interests of the Vietnamese people."