

U.S. DENIES RUMOR OF PEACE ACCORD

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Report of Impending Truce Is Ascribed to Communist Informants in Paris

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WASHINGTON, May 3—Reports that the United States and North Vietnam were approaching agreement on a broad peace settlement circulated throughout world capitals today but drew strenuous denials from the Nixon Administration.

The rumors of an impending peace agreement were stimulated by an account in the French newspaper France-Soir that the United States had proposed a seven-day truce in secret negotiations that the newspaper said were under way in Paris.

Vietnamese Communist sources in Paris reportedly confirmed the account, which was believed to have originated with other sources on the Communist side. This account said that the two sides had agreed in principle on a mutual withdrawal of American and North Vietnamese forces, the exchange of prisoners and the resignation of President Nguyen Van Thieu.

Regime Reported Topic

Henry A. Kissinger, President Nixon's national security adviser, and Le Duc Tho, a member of the North Vietnamese Politburo, were said by the sources to be in Paris negotiating the make-up of the government that would take over in Saigon after the resignation of Mr. Thieu.

Despite the Administration denials of an imminent agreement, it was authoritatively reported today that Mr. Kissinger had made another secret

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trip to Paris, presumably to meet privately with the North Vietnamese.

He reportedly left Washington late Monday and returned yesterday. He was known to be in Washington today, but reliable Administration sources said they could not rule out the possibility that he might return to Paris this week.

The report of an impending agreement sent shares on the New York Stock Exchange soaring, but the denials promptly erased the market rally. The Dow Jones average of 30 industrial stocks closed down 1.73 after having climbed 8.5 points by noon.

The Administration's spokesmen, without confirming or denying that Hanoi and Washington were in secret contact, categorically rejected the reports that an agreement was near.

Charles W. Bray 3d, the State Department spokesman, dismissed the accounts as "sheer nonsense, absolutely without basis in fact." This was echoed by the White House and the spokesman of the United States delegation in Paris.

Privately, officials here said they believed that North Vietnam had circulated the rumors in a deliberate effort to create

an atmosphere of expectation around the Paris negotiations. They noted that the settlement described closely followed Hanoi's demands.

None of the officials would comment, however, on whether Mr. Kissinger had visited Paris or would in the near future.

Kissinger at White House

They noted only that he had been in Washington early Monday and again this morning, when he presided over meetings of the Washington Special Action Group, the Administration's top-level crisis panel. He was not seen in public yesterday.

Representative Gerald R. Ford, the House minority leader, told reporters that Mr. Kissinger attended a briefing given at the White House this morning by Adm. Thomas H. Moorer, the chairman of the Joint Chiefs of Staff.

Mr. Ford said that Admiral Moorer had given a "realistic appraisal" of the deteriorating military situation in Vietnam at the briefing, which was also attended by the President and members of the Republican Congressional leadership. The minority leader said Admiral Moorer had said that "only time will tell" whether South Vietnam would be able to turn back the North Vietnamese offensive.

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CONCERN

Speaking privately, a senior Administration source conceded that there was deep concern at the highest levels in Washington about the outcome of the current fighting. The source said that so far the North Vietnamese have demonstrated only a readiness to re-establish private contracts in Paris, not to begin serious negotiations.

Such a readiness, the source said, will probably depend in large measure on the battlefield developments in the next few weeks, and particularly on whether the South Vietnamese are able to establish a defense perimeter around the former imperial capital of Hue.

Another source, a ranking State Department official, hinted that Mr. Nixon is close to a major intensification of the bombing of North Vietnam.

N.Y. Times Service

Included in same report, as carried by SPChronicle, 4 May 72.

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