SEP 1 2 1972 **SFExaminer** Saigon Calls Viet Cong's Peace Offer Ridiculous

SAIGON - (CDN) -South Vietnam today rejected the latest Communist peace proposal, calling the Viet Cong plan for a three-Viet Cong plan for a three-part coalition government the present South Vietnam-ese administration but within the South "a ridiculous declaration."

At the same time, the Foreign Ministry restated South Vietnam's long standing opposition to a composite government saying "it will not accept a coalition with the Communists in any form."

The reaction came only a day after the Communist Provisional Revolutionary Government of South Viet-man Avadcast a slightly modified peace proposal which American analysts

said reflected subtle but new flexibility.

That proposal called for a three-part government made up of members of the PRG, out President Nguyen Van Thieu, and a third element subject to negotiations but which the Communists said

would include "those who for political reasons have been compelled to live in exile."

The statement also was unusual because it proclaimed that neither a Com-munist nor "U.S. lackey ad-ministration" could be "imposed" on South Vietnam.