

Peace Proposal Reported--
 Would Have Thieu Resign
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Peace Plan Report Sequel To Parley

SAIGON — (UPI) — President Nguyen Van Thieu will offer to resign under terms of a new Allied peace proposal which calls for total U.S. withdrawal and an end to North Vietnamese infiltration of the South, informed sources said today.

The new plan will be proposed by Allied negotiators prior to the Nov. 7 U.S. presidential election, American and South Vietnamese sources said.

(The New York stock market surged after the peace plan report, closing with a 4.06 gain in the Dow Jones industrial averages after a seven point drop earlier.)

The sources said the plan was discussed in detail by White House envoy Maj. Gen. Alexander Haig during his conferences with Thieu Tuesday and yesterday.

They said it would provide:

- Total U.S. withdrawal from South Vietnam.
- Thieu's resignation in favor of Sen. Nguyen Van Huyen,
- An end to the U.S. bombing of North Vietnam and the naval blockade of North Vietnamese ports.

In exchange, the North Vietnamese would:

- Free all U.S. prisoners of war.
- Halt all infiltration of South Vietnam, leaving the war in the south to the Viet Cong.

• Agree to negotiate "seriously" in Paris or elsewhere toward a cease-fire.

The sources described the plan as the Allies' "offer to end all offers" and its rejection would mean a continuation of the conflict.

Thieu has predicted that

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New Peace Plan With Thieu to Quit

—From Page 1 in South Vietnam and a Communist demand for imposition of a coalition government, including Communist representatives prior to any election. Presumably, such questions would be decided in the "serious" negotiations.

The plan appears to be a rephrasing of an Allied offer made last January.

However, it would leave open such questions as the Allied demand for internationally supervised elections

in South Vietnam and a Communist demand for imposition of a coalition government, including Communist representatives prior to any election. Presumably, such questions would be decided in the "serious" negotiations.

Huyen was elected today to his sixth consecutive term as senate speaker.

He has supported the government in its prosecution of the war, but opposed it on such matters as the bill which allows Thieu to rule by decree for six months.