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IN WASHINGTON, U.S. BUOYS UP KHANH

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By Laurence Barrett of the Herald Tribune Staff

WASHINGTON.

The State Department yesterday spoke out in defense of Gen. Nguyen Khanh's regime, whose already uncertain hold on South Viet Nam is being further threatmend by Buddhist and student demonstrations.

"The United States government fully recognizes the need for national unity in South Vict Nam and is, therefore, supporting the Khanh government as the best means of building such unity at the same time that the war effort is being prosecuted," a State Department spokesman said. "Obviously anything of a divisive nature is neither in the interest of the Victnamese government nor its people."

As a rule, the State Department avoids making official pronouncements about the internal affairs of other countries. That it chose to go on the record yesterday was a mark both of Washington's deep involvement in Saigon's fate and of the concern felt here about the current civil disorders in South Viet Nam.

High officials keeping in close touch with events in South Viet Nam said privately that so far the demonstrations did not appear to be at the crisis stage.

There was some fear, however, that the troubles would follow the snowballing pattern of those just a year ago which resulted in the overthrow of President Ngo Dinh Diem in November.

So far, it was understood, the American mission in Saigon has reported to Washington no evidence of Communist involvement in the riots.

Officials here ascribed the troubles to three factors: Continuing frustration over the seemingly endless war and its impairment of civil liberties; the fact that examinations have just concluded and it is

the normal time for students to let off steam; the anniversary this month of the Buddhist-government fight of a year ago.

One of the hopeful factors is that thus far, at least, the Khanh government has dealt rather gently with the demonstrators. The Diem regime attempted repression. This resulted only in new disorders.

Meanwhile, the State Department and others continued to deny that a report. written by a Central Intelligence Agency officer and made public over the week end had any official status.

The report covered the entire Cold War front and touched only briefly on Viet Nam. However, it said that there was "serious doubt" victory could be won, That "Diem's successors have not yet demonstrated the leadership and inspiration necessary" and that possibly the war might end with "some kind of negotiated settlement based upon neutralization."

Although the report was dated June 9, 1964, the Vict-namese section was written in February, Just two or three weeks after President Khanh assumed power. Its apparent pertinence to the situation today, therefore, does not seem great.

However, some high American officials, both here and in Saigon, agree in varying degrees with the conclusion that complete victory over the Viet Cong seems unattainable. It would be most damaging for the Administration to admit this. Such an admission would be of psychological benefit to the Viet Cong.

Khanh government. And it would play into the hands of, Son. Barry Goldwater, who is making a major campair is with the charge that the Administration is being too timid with the Communists in Southeast Asia.

The Administration made public the report, entitled "Trends in the World Situation," Friday night after learning that one newspaper had access to it. But officials stressed that the document was simply one man' opinion.

That man is Willard Matthias, a member of CIA's Board of National Estimates, which distills information from all American intelligence units and attempts to draw conclusions from this material for the benefit of the National Security Council, the State Department and the Defense Department.

Although the Administration was obviously unhappy about the timing and manner of the report's disclosure, CIA had cleared the paper for publication — presumably in full—in a scholarly journal.

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