

See Themselves as Patriots

South Vietnam's Millionaires Flourish in a War Economy

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SAIGON, (NYT).—They make barbed wire and wash GI fatigues. They raise fighting cocks and sit on tigerskin rugs. They own banks and hold high government office. They are South Vietnam's most powerful and persuasive minority—its two dozen or so millionaires.

Much of their wealth has been acquired since the buildup of American economic aid and military forces in the mid-1960s. Through an intricate web of alliances with friends and relatives in government and the army, they have had special access to scarce dollars and valuable contacts with American officials.

If the economic reforms announced recently by President Nguyen Van Thieu have the effect their advocates claim, the number of people with access to foreign exchange will be greatly increased and, at the same time, the tax burden on the rich will be much heavier.

Although no precise figures are available because of a confused and incomplete tax-collection system, Saigon officials estimate that there were no more than four or five millionaires in the early 1960s. Despite their association with Americans, the new millionaires view themselves as patriots who have helped build their country rather than as war profiteers.

Bunker's Neighbor

The fastest-rising young millionaire in Saigon is Nguyen Ngoc Linh, a handsome, graying man who is a neighbor of U. S. Ambassador Ellsworth Bunker.

In 1954, shortly after the Geneva conference ended the war against the French, Mr. Linh returned to Saigon from Maine, where he had just graduated from Bowdoin College. Confident about South Vietnam's future when others were not, he opened a small English-language school and, in his words, "borrowed, scraped and stole" enough money to invest in what was then cheap real estate in Saigon.

Today, the school has grown to 5,000 students and his property in downtown Saigon has increased in value more than a hundred times. He owns a bank and an insurance company. He has a lucrative contract to import Ford trucks and John Deere tractors. And he has just signed an agreement to assemble Toyota cars in South Vietnam.

He has also found time to

serve in the army, where he rose to be an aide to Gen. Nguyen Khanh, when the general was chief of state. And he went on to become official government spokesman and minister of information when Nguyen Cao Ky headed the government.

A self-confident man, Mr. Linh strongly denies that he is a war profiteer. "I have worked hard and taken a lot of risks for my money, reinvesting everything back in Vietnam," he said in an interview in his modern, wood-paneled office. "The war profiteers and speculators are the men who have taken their money out of the country."

Another of the newer millionaires is Hoang Kim Quy, who has made much of his fortune from barbed wire. After several years of importing it, he began his own factory in 1962 with \$5 million in American aid. Today he manufactures 3,000 tons a year, half of the total used in this country, which seems at times to be strung with barbed wire from one end to the other.

Mr. Quy operates his businesses—which also include a large textile and appliance import company and major shares in several banks—from an old-fashioned open storefront office piled high with dusty filing cabinets.

A stiff, ascetic-looking man with a high forehead and a soft voice, Mr. Quy is widely reputed to be an opium addict. He is a member of the Senate and of its 22-member bloc that supports Mr. Thieu. Mr. Quy, whose political views are distinctly hawkish, says that he is not close to the president but frequently sees him on political questions.

Invasion Urged

"The United States should have fought the war properly and razed North Vietnam to the ground," he said in a recent interview. "It could have been done in 15 days, and then we should have been allowed to invade the North. The war would long ago have been over."

Unlike Mr. Quy, La Thanh Nghe was born into one of the wealthiest and most prominent old families. His grandfather owned large tracts in the Mekong Delta and served as a provincial governor under the French.

Mr. Nghe, trained as a pharmacist, began his own fortune by buying out a French drugstore owner who left Vietnam in 1954 after the Geneva conference. As

the large store on fashionable downtown Tu Do Street has since become a Saigon landmark, Mr. Nghe has expanded into processing his own pharmaceuticals from American materials.

U. S. Senate Probe

Mr. Nghe has frequently been accused of being a war profiteer. In 1966, the U. S. Senate Committee on Government Operations charged that he was receiving illegal kickbacks from the Pfizer Corp. for selling its drugs in Vietnam and that he had purchased drugs with dollars provided by the Agency for International Development. Following the scandal, AID stopped financing the import of pharmaceuticals.

Two years ago, a large quantity of Mr. Nghe's drugs turned up in captured Viet Cong supplies. The other day he termed charges that he had been selling drugs to the enemy ridiculous. "I don't need to sell drugs to the VC to make money," he explained, "and the only thing that I have sent abroad are my children."