

Obituary of Pham Kim Ngoc, former Minister of Economy, the Republic of Vietnam 1969-1973

Pham Kim Ngoc, the longest serving Minister of Economy of the Republic of Vietnam during the most difficult period of the so-called Vietnamization of the War 1969-1973, died on December 14 in Saigon, Vietnam, at the age of 91 after a brief illness. He was a devoted husband who nurtured his wife for many years before her death from cancer.

To many of his friends, he was a fascinating story teller, full of life. To his enemies, which were also many, he was a lizard, which always sticks and never falls. To his supporters, which were not that many but in position of power and authority that counted, he was a highly qualified economist, down to earth, willing to take unpopular measures, try new approaches, get into areas that he knew nothing about. They admired his energy, flexibility, professional competence and willingness to take risk.

To me, his long time friend and associate, his epitaph should read “ Here Lies the Luckiest Guy on Earth”.

Pham Kim Ngoc was born in Hanoi from a family of means. The family sent him to pursue his secondary education in Hong Kong then to England where he attended the University of Southampton and the London School of Economics, where he specialized in commercial banking. He was a trainee at the Standard Chartered Bank when he heard the news about South Vietnam gaining independence from France, and about Professor Vu Quoc Thuc, Governor of the New Central Bank of Vietnam, who was setting up a new Commercial Credit Bank in Saigon. He left his cushy life in London, took off without even telling his friends in London and returned to Saigon, went to the office of Professor Thuc, whom he never met before, but who was happy to meet him and hired him on the spot because of his fluency in English and knowledge of modern commercial banking. He arrived just in time to develop the unit to handle the inflows of US foreign aid which was increasing in leaps and bounds. In Vietnamese jargon, we say the rat had just fallen into the rice jar.

Pham Kim Ngoc briefly joined the Government of General Nguyen Cao Ky in early 1967, returned to investment banking for 2 years, then returned to government service in September 1969 under Prime Minister Tran Thien Khiem, a 4-star general who would be the longest serving Prime Minister in the Republic of Vietnam. Actually Nguyen Huu Hanh a former Governor of the Central Bank, was offered the job of Minister of Economy. However, he rather enjoy life in Washington as an IMF Executive and recommended instead Pham Kim Ngoc for the job.

Pham Kim Ngoc's tenure as Minister was marked by controversies after controversies, being associated with higher import taxes, galloping inflation, runaway budget deficits due to military buildup, stagflation due to reduction of US presence, high unemployment in the cities due to influx of refugees fleeing military activities in the countryside, shortage of US dollar due to reduced US foreign aid. He was accused of allowing the interested businessmen to reap large windfall profits by withholding goods from sale until prices have risen. He could be tried in a military court for economic crimes. He was besieged by visits from high US government officials such as George Schultz, John Connally, and even Spiro Agnew, who all wanted to look

at him straight in the eyes and be assured that what he was going to do would not jeopardize the smooth withdrawal of US presence, “filer a l’anglaise” as they say in French. At one meeting, in the presence of US Ambassador Bunker, Kissinger asked him not to report the content of this particular meeting to President Thieu.

To find new sources of foreign exchange, he stumbled upon an old file which was gathering dust at the Ministry and titled “The Search for Oil Offshore in Vietnam”. Within two years, he was able to rush through the National Assembly the Petroleum Law, design an attractive concession agreement with the help of Iranian Experts, launch a first round of successful bidding for oil concession offshore. Within one year of signing the concession, Shell found traces of oil offshore on the second well. Anybody in the oil drilling business could tell you that it could take many many dry wells before you hit oil, and many more before it was found commercial.

The use of Iranian experts was another stroke of luck. He ran into one of his former classmates at the London School of Economics in one of his oversea trips, who by then was the Finance Minister in the government of Prime Minister Hoveida under the Shah of Iran. He was introduced to the highest government official in charge of oil exploration in Iran,. The Oil Minister agreed to send three experts at their cost to help Vietnam get started in the oil exploration venture, design a well-balanced concession agreement to attract large international oil companies. The significance of the use of Iranian experts was not obvious until at one of the hearings in US Congress, one US Congresswoman from New York was asking the State Department to confirm that there was no assistance from the US in the search for oil in Vietnam. The implication from the US anti-war voice was that young American soldiers were sent to die in order to defend potential oil deposits in Vietnam. If such was the case, our oil exploration program would have been delayed until non-US expertise could be found.

One did not get to be Minister of Economy, a most powerful position in a country at war, during a time when the US was changing course, a position held by a man with no political connection, no military background, for four years, if for nothing but pure and simple luck.

His life time achievements are being published by Cornell University Press in a book titled “ The Republic of Vietnam 1955-1975: Vietnamese Perspectives on Nation Building (Chapter 3) in January 2020. Several days before his death, he was fully aware that the Kindle version was already available on Amazon. Lucky to the last breath.

Nguyen Duc Cuong, former Minister of Trade and Industry, the Republic of Vietnam
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