

# Watergate Effect on Aid Worries Thieu

By FOX BUTTERFIELD

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SAIGON, South Vietnam, May 29 — President Nguyen Van Thieu today indicated for the first time that he was concerned that the Watergate scandal might have affected American policy toward South Vietnam.

Referring to his visit to the United States early last month, during which he sought guarantees of continued American aid, Mr. Thieu said, "all that I achieved during my visit to the United States has been affected to a significant degree by the Watergate affair."

Mr. Thieu did not elaborate on how Watergate had influenced the outcome of his visit. But his comment was widely taken here to mean that Congress now might be less receptive to President Nixon's pleas for continued heavy economic aid to South Vietnam.

President Thieu made his remarks during an hour-long address to a special seminar of 3,500 senior Government officials and military officers held in Thu Duc on the outskirts of Saigon.

## Saw Visit as Success

Although President Nixon reportedly made no promises about the size of American economic aid, Mr. Thieu and his associates have been saying privately that they regarded his visit as a success, particularly since he felt he had made a good impression on the members of Congress he met.

American aid has become more critical than ever to South Vietnam, for with the withdrawal of the last United States troops, Saigon lost the enormous income it had been getting on everything from barbed wire to laundry. At its peak, American military spending amounted to \$400-million a year.

The country has been in a recession, with rapidly mounting prices, over the last year and any drop in economic aid would be considered fatal by Vietnamese economists. It could also have a severe psychological blow for South Vietnam's 17 million people, long used to easy foreign exchange to buy Japanese motorbikes and American cosmetics.

In his speech, delivered in the auditorium of the National Police Institute, Mr. Thieu stressed several of his favorite themes—that the Communists signed the Paris agreement only to get United States troops out of Indochina, and that South Vietnam must continue to "remain strong militarily, politically and economically" to combat the Communists.

He predicted that the one

chance for real peace would come only when Hanoi's elderly leaders died and were replaced by a new generation of North Vietnamese.

In addition, President Thieu repeated his appeal for "administrative revolution," in which he said that "civil servants must go to the countryside, must be imbued with the driving spirit of a cadre, and not

burdened with bureaucratic inertia."

Although he has said several times in recent weeks that he would order at least a third of all civil servants to the provinces, so far no action has been taken on this unpopular measure.

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