



*the* **BLACK**  
**MARKET**  
*and*  
**YOU**

The multi-colored reflections of the neon lights glistened on the rain-slick street. It was one of those damp, cool Saigon evenings. The monsoon season was almost over and a late afternoon shower had left small puddles of water in the crowded streets.

Specialist 4 David B. was making his way through the bustling masses. It was a Friday night and David always met "Mr. Dong" on Friday nights.

As he neared the usual street corner meeting place, David was grinning and daydreaming. Short, he thought to himself. In 36 days he would be back in the world. Back to his girl, his family and the old buddies. He could already see himself in civvies again, telling all his "war stories" to the old gang.

Mr. Dong was waiting, as always, with a smile and a hearty handshake.

"You numbah one, David," he beamed.

"Yeah, sure. This is all I could get this time," David replied.

"No sweat, man," Dong smiled but some of the earlier enthusiasm had vanished.

David glanced about quickly and then handed Mr. Dong the two cases of soda and the sack containing three cartons of cigarettes. Dong, his quick mathematical mind clicking, figured up his estimated profit and handed the young specialist a wad of bills.

David never got a chance to arrange for the next meeting or even count his money. An agent for the Criminal Investigation Detachment

stepped seemingly out of nowhere and put a pair of handcuffs on him.

David was under arrest for dealing in the Black Market.

At the court martial, he pleaded guilty to selling PX items for his own personal gain and profit. For several months he had been selling cases of soda, cartons of cigarettes and many other PX items to Mr. Dong—a Vietnamese who owned a small sidewalk shop. David had picked up quite a bit of extra cash this way. He was saving the money to help pay for the new car he wanted to buy when he got home. Only, David would not be going home for a while.

He was found guilty of violating MACV Directive 60-7 and punished under Article 92 of the Uniform Code of Military Justice (failure to obey an order or regulation).

For his dealing in the Black Market, David received one year of confinement at hard labor and a bad conduct discharge. In addition, he now has a federal conviction that becomes a matter of public record. His bad conduct discharge resulted in the loss of his veteran's benefits and will probably make it difficult for him to obtain desirable employment, credit, and acceptance by society in general.

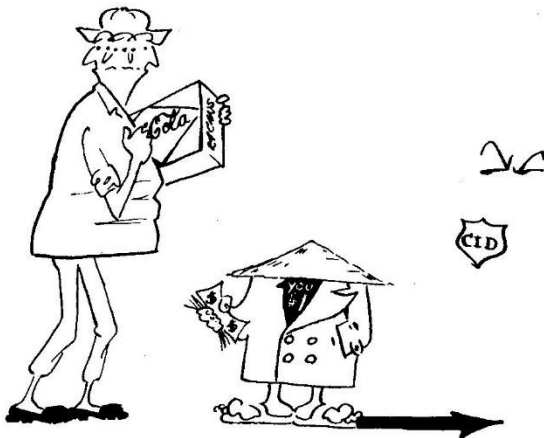
And, David will not be "short" for some time.

## WHAT IS THE BLACK MARKET?

The Black Market refers to illegal transactions including selling, bartering, or giving away commissary or post exchange items to unauthorized persons. Likewise, illegal currency transactions also fall under the category of Black Market activities.

## THE BLACK MARKET CUTS GOVERNMENT INCOME

Buying and selling in the Black Market deprives the Vietnamese Government of the much needed taxes which are an important source of income that helps to run the country. All nations impose taxes on certain goods sold within their borders. They are usually imposed on such goods as cigarettes, gasoline, liquor, and luxury items. Customs duties are another form of tax levied on certain goods imported from other countries. Customs duties not only provide the government with a valuable source of income but also serve to protect the products





American forces in Vietnam have more money than most of the Vietnamese and are willing to pay more for goods or services than is often necessary. This forces the prices up and those who suffer most are the honest working classes. Because the income of the average Vietnamese has not kept pace with the drastic rise in prices during the past few years, his purchasing power has decreased alarmingly. Examples of inflation since 1966: the price of rice has risen 385 per cent; chicken, 374 per cent; milk, 200 per cent; and nuoc mam, 432 per cent.

### THE BLACK MARKET AND YOU

of the national economy. American goods, however, when shipped into Vietnam are exempt from these taxes as they are intended only for use by the American forces. When these goods get out into the local economy and become items of retail, the government loses the otherwise imposed tax on these articles. Perhaps the worst consequence of American products on the Black Market is the fact that the Vietnamese products cannot compete with the American goods since the shop owner can cut the prices on the U.S. articles because he did not have to pay any tax on this merchandise.

As a member of the American armed forces, certain regulations and directives exist to guide and prohibit you from dealing in the Black Market. These directives cover both the post exchange aspects of black marketeering and illegal currency transactions.

### PROTECT YOUR EXCHANGE PRIVILEGES

Remember, it is illegal to:

- Transfer ration cards by sale, gift or loan to any other person.
- Transfer merchandise purchased in U.S. military resale activities to persons not having exchange privileges.

### THE BLACK MARKET LEADS TO INFLATION

Both major forms of Black Market activities, violations of the PX privileges and illegal currency transactions, serve only to breed a spiraling inflation here in Vietnam. The

Transfer of merchandise in this context means sale, gift, barter, exchange, loan or rental of merchandise by the purchaser.



- Possess more than one ration card.
- Alter or otherwise modify ration cards.
- Retain ration card upon permanent departure from RVN.
- Purchase more than one ration of controlled items during a single tour of duty in Vietnam.
- Purchase more than 6 cartons of cigarettes, 3 bottles of liquor, 3 bottles of wine or 3 cases of beer during any one month, except as specifically authorized by competent authority.

**IMPORTANT:** A conviction in a general court martial for participating in any of the above violations of MACV Directive 60-7 can result in a maximum punishment to include a dishonorable discharge, confinement at hard labor for two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade. Loss of veteran's benefits also follows this type of punishment.

### ILLEGAL CURRENCY TRANSACTIONS

It is unlawful to:

- Deal in MPC with persons not authorized to possess MPC (taxi drivers, bar owners, etc).
- Convert more than \$200 per month of MPC to U.S. currency, negotiable dollar instruments, or deposits to bank accounts or Uniformed Savings Deposit Program without permission of unit commander.
- Purchase piasters from other than authorized currency exchange facilities.
- Purchase or sell currency at a rate differing from the legally recognized rate of exchange.

- Import or export more than 500 piasters without the prior express approval of the National Office of Exchange.

**NOTE:** Illegal currency transactions are in violation of one or more of the provisions of MACV Directive 37-6 and in a court martial are charged under Article 92, UCMJ (failure to obey an order or regulation). The maximum permissible punishment resulting from conviction under Article 92, allows for a dishonorable discharge, confinement at hard labor not to exceed two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade.

The case of Specialist 4 David B. is a composite of many of the cases on file with the Provost Marshal. Each month in the Republic of Vietnam there are soldiers who decide they want to make a fast buck. Unfortunately the road they choose to that quick dollar is often that of the Black Market.

The Black Market is a one way street with a dead end.

