

# all about **MONEY**



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The control and proper use of money are of great importance in Vietnam. Illegal currency transactions (black marketing in money) harm our own war effort and the economy of Vietnam. Sound money is a basic requirement for war just as it is for a stable economy. This is why the Military Assistance Command, Vietnam, in cooperation with the government of the Republic of Vietnam, has issued strict regulations on the handling and circulation of money in the command. Failure to comply with these regulations can result in severe consequences for the individual and for the nation. The questions and answers in this fact sheet are intended to explain what the regulations are and how to follow them.

**Q. Why do we use MPC?**

A. MPC, Military Payment Certificates, or "scrip" are issued in some oversea areas as a substitute for "green" U. S. dollars. MPC are issued in areas, such as Vietnam, where the free circulation of dollars would result in their being siphoned off for purposes which would harm the United States or the host country. The U. S. dollar is one of three international currencies. It will buy goods in any market in the world. Many nations attempt to get U. S. dollars by legal or illegal means in order to buy on the world market. This is particularly true of communist nations which do not have normal trade relations with the free world. It is undoubtedly true of North Vietnam and Red China.

There is another side to this problem. Vietnam, like many nations, needs to keep its money at home to provide capital for growth. People in Vietnam who convert piasters to dollars then have a currency which they can get out of the country and invest or bank elsewhere, leaving the Vietnamese economy poorer.

The use of MPC protects "green" dollars.

**Q. Who is authorized to have MPC?**

A. MPC is for use only in U. S. facilities (exchanges, clubs, messes, etc.) and only authorized patrons of those facilities may possess MPC. All MACV personnel will, upon entry into Vietnam, convert all U. S. dollars or dollar instruments into MPC or piasters or both.

**Q. Why do people who aren't authorized MPC try to get it?**

A. Two reasons. One, they want to gain illegal possession of the goods and services

which can be purchased with MPC. For example, they may try to bribe or "con" military personnel into buying items for them at the PX. Two, they want to convert the scrip into green dollars, money they can take out of Vietnam. Again, these people often try to do this through military personnel.

**Q. Why is the legal rate of exchange lower than that of the black market?**

A. People who don't have faith in their government's currency prefer to have a "hard" currency which holds its value. Also, other people (see above paragraph) want U. S. dollars and dollar instruments for even less legal uses.

**Q. Where can I convert MPC to piasters?**

A. Only at authorized conversion points operated by the U. S. agencies, in many billets, compounds, etc.

**Q. Why should we exchange only at authorized conversion points?**

A. The word, "authorized" answers that question. You do it to assist the host government as well as to avoid committing an illegal act and leaving yourself liable for severe punishment.

**Q. Can I convert piasters to MPC? To dollars?**

A. MPC, no; dollars, yes—in some cases. If you leave Vietnam on emergency leave or for medical evacuation you can convert piasters at port of exit up to the amount of your most recent monthly net pay—that is, actual pay you draw here. Leaving on a PCS, you can convert up to \$40 worth. Other special cases allow conversion of larger sums—sale of motor vehicles, for example, or other items, and salary from authorized outside employment—on PCS from Vietnam. The Embassy will convert the money in these cases, if documented and if transaction has been properly approved.

**Q. How about going on R&R or TDY?**

A. No. Leaving the command on R&R or TDY you can convert MPC to dollars but not piasters to dollars. This is usually done after you check in for your flight, at the port of exit.

**Q. If I wanted to take piasters out of Vietnam would it be OK?**

A. Yes, but only up to 500. Written permission of the RVN government is required for you to take out or bring in more than 500 piasters.

**Q. If a Vietnamese or other non-American asks me to change his MPC into piasters, can I do it?**

**A. You better not! You'd be dealing in the black market. To quote from MACV Directive 37-6: "U. S. authorized personnel will not deal in any manner with persons not authorized to possess MPC. All transactions in RVN between U. S. authorized personnel and unauthorized personnel will be consummated in piasters." Possession of any foreign currency, including U. S. currency, MPC, dollar instruments, or personal checks drawn in U. S. dollars, by local Vietnamese Nationals or other residents of the Republic of Vietnam is strictly forbidden by Vietnamese law.**

**Q. If I accidentally get into a position of having no piasters with me, can I pay, say, a taxi driver in MPC?**

**A. Definitely not. Same answers as for preceding question, except, that your giving MPC to him makes it even worse than taking it from him. It might not be your fault that he had MPC before, but it sure is if you give it to him.**

**Q. What about when a command changes its MPC, like changing the size or design, calling in the old and issuing new? What's that for and how do they do it?**

**A. It's done to spoil as many crooked operations as possible, to "catch" illegal operators who have the old scrip in possession now because it will be completely useless when the new scrip goes into use. The old is officially called in, quickly and with short notice, and the new goes to the troops in its place dollar for dollar. After the initial conversion, no one can redeem the old MPC without express command approval. If, for example, anyone not authorized MPC was hoarding it—tough!**

**Q. Is there any limit to the amount of MPC which can be converted to U. S. currency (green) or dollar instruments?**

**A. Yes. There is a \$200 per month limit on the amount of MPC that can be converted to U. S. currency (green) or dollar instruments (postal money orders, treasury checks, travelers checks, etc.). This limit also applies to MPC deposited to bank accounts or Uniformed Services Savings Deposit Program (USSDP). Deposits made to the USSDP simultaneously with receipt of pay, allowances and bonuses will not be subject to the \$200 per month limitation. It is em-**

**phasized that only cash deposits (other than the aforementioned) come under the \$200 limit. Deposits by check or allotment are not subject to this restraint. Exception to the \$200 limit will be authorized only when an individual is departing RVN (R&R, Leave, PCS, etc.), or a bona fide personal emergency requires purchase of dollar instruments in excess of \$200. (Such emergencies should not be commonplace or repetitive). Any time an exception to the \$200 limit is authorized, an individual must obtain a certificate from his commander/supervisor that the MPC in excess of \$200 were legally acquired.**

**The \$200 per month limit on the conversion or deposit of MPC is not to be construed as a limit on how much pay an individual may draw in-country. If an individual's pay is sent to a bank by the servicing finance/disbursing office, or if he is paid by check and he deposits the check to a bank account, subsequent check transactions by him are not subject to the \$200 limit.**

**Q. Why are money orders controlled?**

**A. Money orders are controlled to prevent their being used for the illegal export of funds from Vietnam. Like dollar bills or checks, money orders are negotiable dollar instruments. Before the present restrictions were imposed on money orders, large amounts of money were going from Vietnam through U. S. mail facilities. Troops were sending the funds for persons not authorized to use the facilities or to export money. As in the case of other illegal currency transactions, this money was being used for personal profit, to finance smuggling and black market operations or being diverted to communist hands.**

**Q. How about green dollars I might get in the mail?**

**A. You must convert them immediately, because possession of U. S. dollars is forbidden for U. S. troops here. Don't worry about where someone might think you got it—just convert it right away, at an authorized conversion point.**

**Q. What happens to dollars that get on the black market?**

**A. Black market dollars can end up as payments for communist weapons and supplies. U. S. dollars are gathered here and elsewhere, smuggled to places like Hong Kong and funneled into Red China or other communist countries. The communists have**

major accounts with many international banks, contracts with many munitions suppliers throughout the world. In effect the dollars you place into the black market pool in Vietnam could pay for the gun and bullets that kill you. And it makes no difference whether you put green dollars or MPC in illegal hands; the effect is the same. Other uses of black market money already have been mentioned. Some is smuggled out of Vietnam for personal gain; some is used to finance other smuggling and black market operations.

**Q. Are banking facilities available in the Republic of Vietnam?**

A. Yes. Military Banking Facilities are, or will be, available throughout RVN. These facilities provide checking account and other banking services. An interesting fact: currently, interest at the rate of 5% per annum has been prescribed and will be paid quarterly (calendar quarter) on the basis of the minimum balance in each account where such balance did not fall below \$100 during the quarter. A second interesting fact: the U. S. Treasury is underwriting this interest. Also, no monthly service charges will be levied on the checking accounts as is usually done by commercial banks.

**Q. Can I write checks here, on my State-side bank?**

A. Yes. Personal checks are accepted by PX's, military clothing sales stores, the commissary, and the military clubs and messes. Also personal checks may be cashed by PX's, for MPC, for up to \$50.

**Q. Can I use travelers checks in RVN?**

A. No. Upon arrival in RVN all U. S. authorized personnel must declare the total amount of U. S. currencies and dollar instruments in their possession. All U. S. currency and dollar instruments will then be converted to MPC and/or piasters at the point of entry into RVN. U. S. authorized personnel who have travelers checks and are performing TDY are not required to convert them to MPC if RVN is an intermediate point in their travel itinerary. The travelers checks will be declared, but may be retained. In the event all or part of the travelers checks are converted, such conversion will be accomplished at U. S. authorized conversion facilities.

**Q. Is there another way to safeguard personal funds while traveling from oversea**

**command to oversea command or from the U. S. to an oversea command?**

A. Yes. The military disbursing officers payment order (MPO) can be used for carrying and safeguarding personal funds between overseas commands or from the U. S. to overseas commands in lieu of U. S. currency or other dollar instruments. The MPO is designed to minimize the use of negotiable dollar instruments in foreign areas. It also aids in preventing unauthorized foreign currency transactions and reduces the possibility of U. S. currency and other negotiable instruments from getting into the "black market."

MPOs will be delivered only to the payee named thereon and will remain available for cashing without limitation as to time in the absence of a statute requiring otherwise. MPOs will be cashed by finance and accounting officers of the Army, Navy, and Air Force worldwide. These orders are non-negotiable, may be held in RVN, may be purchased in varying quantities and denominations, and can be cashed only by the payee. Chapter 13, AR 37-103 explains the use of MPOs.

**Q. If I'm caught in some improper money deal, what happens?**

A. First, when you say "improper" you should say "illegal." And under the Uniform Code of Military Justice, a great deal can happen to you. This command has already court-martialed several persons for illegal money transactions. Two examples of sentencing after conviction: two men received 18 months confinement at hard labor, total forfeiture of pay, and a dishonorable discharge. A third man was sentenced to dismissal from the Service, two years confinement at hard labor and payment of a \$3,000 fine. MACV and all subordinate commands have been cracking down on black market and illegal currency conversion operations. Such dealings not only put the military in a very bad light, but also do considerable damage to the economy of the host nation and to the security of U. S. and other Free World Forces.

Answer to an unasked question: When a serviceman conducts a black market or other illegal transaction he is committing a criminal act.

"Crime doesn't pay" is more than just an old saying. It simply is not worth the profit a man seeks.