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exchange from 80 piasters to the dollar to 118 to the dollar. Currently, the U.S. AID program is injecting substantial quantities of American consumer goods into the South Vietnamese market in an effort to satisfy demand and keep prices down. But still prices continue to spiral upward and, in the process, Vietnamese society is being turned topsy-turvy.

New Class: An entirely new economic aristocracy has been spawned by Vietnam's dollar-fed boom. The new fat cats are the owners of the fleabag hotels, greasy-spoon restaurants, garish bars and sleazy nightclubs that cater to the GI trade. Or, all too often, they are the girl friends of Americans—young ladies whose disposable income far outstrips that of a South Vietnamese Army major or even that of some Saigon Cabinet ministers.

The prime victims of inflation, of course, are those salaried members of the middle class whose incomes have remained relatively fixed—civil servants, academics and junior army officers. A typical casualty of *lam phat* is Dinh Thanh Chinh, a 45-year-old government accountant whose monthly salary of 17,000 piasters (\$144) once put him safely in the upper middle class. Now, to make ends meet, Chinh's wife must work as a seamstress at home. And every evening, after leaving his office, Chinh rides his motor scooter to the gate of the Tan Son Nhut air base and waits—with dozens of other scooter and motorbike owners—to ferry U.S. airmen into the center of Saigon.

Perhaps the most ominous consequence of inflation, in fact, has been its impact on Vietnamese officialdom. Says the head of one government bureau: "The efficiency of our public services has never been lower. My subordinates leave the office an hour early and rush to a factory where they work the night shift. Of course, they are tired the next morning." And much of the corruption which afflicts both the Saigon government and its army is directly traceable to inflation. Recently, when the treasurer of Binh Tuy Province was sentenced to death for embezzling \$22,000, his lawyer appealed the conviction on the ground that inflation had forced the defendant to dip into the provincial coffers to meet his debts.

Clear Choice: The final straw for the Saigon regime is that such capable and ambitious officials as it does have are steadily deserting government service for private enterprise—often U.S.-owned. Not long ago, after a U.S. bank hired away a promising young executive of the government-owned National Bank of Vietnam by offering him more than twice his government salary, one of the young man's superiors gloomily remarked: "We have a clear choice. Either we stop inflation and give our civil servants meaningful salaries or we will soon have no administration left."

The Fat Cats of Lam Phat

The professor, an urbane, Sorbonne-educated gentleman, was bitter. "There was a time when the scholar was the most respected member of Vietnamese society," he complained to an American friend last week. "But no longer. Why, when my wife goes to the market with her flat purse, the merchants look down on her. Their best pieces of pork or chicken are saved for the taxi girls who can pay the American prices."

The professor's plaint is heard frequently these days in South Vietnam. With the U.S. Government—and 438,000 free-spending GIs—pouring well over \$1 billion a year into the Vietnamese economy, the majority of South Vietnamese now enjoy a higher standard of living than ever before. But, inevitably, the influx of Yankee dollars has also given rise to what the Vietnamese call *lam phat*—the rampant inflation that has sent prices in South Vietnam soaring by more than 300 per cent in the past two years.

Both the U.S. and South Vietnamese governments have made earnest efforts to stem the inflationary tide. Last year, the Saigon regime drastically devalued the piaster, changing the official rate of