

Circular No 67-TTP/NSNV of May 24, 1958
about the Preparation of National budget of 1959.

The President of the Republic of VietNam to
The Vice-President and all Secretaries of State.

According to Article No.60 of the Constitution, the
National budget draft of the fiscal year 1959 must be sent to
the office of the National Assembly before September 30th 1958.

Thus I ask you to issue instruction to all your services
in order to prepare necessary documents for the establishment of *the*
budget draft.

In the establishment of the budget draft for 1959, there will
be have many changes in the manner and in the matter and these changes
are an important step toward the improvement of Vietnam in the
field of budget management. For this reason, I ask you to pay
special attention to the following instructions and to explain
them clearly to the responsible services.

I. Budget Policy

In the present economic situation, the preparation of the
budget for 1959 must aim at the two following objectives:

- 1 - Increase of the Production to consolidate the economic
independence: The more the production improves, the less
the national economy depends upon other countries for the
importation and, at the same time, the increase in produc-
tion will give the budget a solid balance.
- 2 - Reduce the monetary ^adeflection in order to facilitate all
branches of activities.

In order to reach these 2 above-mentioned objectives
we must:

- a) Give priority to the urgent and necessary programs which will bring rapid results in order to increase the production in a very short period.
- b) Pay special attention to operations of wide scope which would give employment to the population.
- c) Allocate funds to the provinces on the following bases:
 - To develop the Highlands of the Central Vietnam in view of attracting compatriots living in overpeopled or poor regions, and to improve quickly the living standard of highlanders.
 - To develop the economy of the provinces of the Coastal Area of Central Vietnam where the living standard is still low, to establish the necessary system of communication in order to facilitate the exchange of goods between the poor and rich areas.
 - To improve the production, in quality as well as quantity, in all provinces of the South, by increasing cultivated areas, and by speeding up the construction of roads, water ways and carrying out programs of hygiene.
- d) To coordinate the programs in order to avoid duplication between operations foreseen in the National Budget and other operations mentioned in other budgets.
- e) Work in close collaboration with the Directorate of budget in planning and estimating the operations in order to conform with the need of each place, and with

the existing work possibilities^d the departments:
The Departments should avoid requests for very important funds and for large programs which are long to be carried out for lack of technical means.

II Estimation

A) Estimated receipts

- 1) The Department of Finance must urge the preparation of estimated receipts.
The estimated receipts of taxes and other receipts must be practical they must not be too low because the budget balance must be established or too high so that the *whole* estimated amount of taxes may be collected.
- 2) For other incomes, such as the money collected by the PPT, Air Vietnam, various schools and hospitals, etc., it is also necessary to have precise estimates and complete explanation for each estimated receipt.
- 3) The Department of Finance must prepare an exact and full report of the receipts, which the Directorate of Budget will use in giving/^{general} explanations for the 1959 Budget;
- 4) The Department of Finance will send three copies of the Statement of Estimated Expenditures, and all other statements and reports to the Presidency. (Directorate of Budget) before May 30, 1958.

The Directorate of Budget will examine the statement of estimates of receipts with representatives of the concerned agencies and will propose the total estimates of receipts to be used in the estimates of expenditures.

The total estimates of receipts and the total expenditure allocated to each Department must be examined, reviewed and fixed within the month of June.

B. Estimates Expenditures

- 1) While waiting for the total expenditures mentioned above, the Departments must centralize all data and have a preliminary examination of the expenditures. During the fiscal year 1958, the Departments will try to reduce the operational costs, in order to concentrate the funds available in constructive, economic and social works at the provincial, district and village levels;
- 2) The Departments must submit their programs of operation before June 15, 1959, and after these programs are approved, the Departments, basing on the funds allocated, will prepare the details of the programs and record them in the budget draft.
- 3) In estimating ^{the} of expenditures, the Departments will refer to article 2 of Circular No. 45-TTP/NS of April 8, 1957, especially to the following items.

a - Expenditures for personnel.

The Departments must revise the organization of their Directorates and Services and, wherever possible, liveⁿ functions must be grouped in order to reduce the cost.

The Directorates and Services must not recruit new personnel, except a number of necessary specialists. Therefore, the Departments must revise their work assignment system in all Directorates and Services and fully use their employees' capacities. The units which are not necessary must be abolished.

b - Expenditures for materiel

The Departments must try to estimate the cost of each article very closely.

They must explain: a) the estimation,

b) the increase or decrease. The estimates for important or special expenditures must be explained in detail (with numbers) in order to facilitate the examination work.

c - Program

The estimates for this article will be based on the main items listed above in chapter 1 concerning "Budget Policy". In order to help the Directorate of Budget in establishing the document on General Explanations for the Expenditures, the Departments must prepare a report on their activities during the previous fiscal year and the next one.

In addition, the American Aid programs should be coordinated with the National Budget programs.

When the programs have been fixed and contracts with the American Aid Agencies signed, the contribution to be supported by Vietnam should be recorded in the Budget.

Each Department must prepare a statement indicating the amount supported by the National Budget, for each item, and classified according to categories of expenditures, as in the Budget.

The execution of the programs will depend on the capacities of existing specialists. Therefore the Departments must encourage the training of specialists.

Saigon May 24, 1958

Ngô-Dinh-Diệm,