

Village budget

Messrs. Lindholm, Murphy, Snyder  
David C. Cole *Dec*

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Village Budgets in the Province of Thua - Thien.

Attached is a translation of the instructions for setting up village budgets in the province of Thua Thien. These instructions were prepared by the Provincial Administration. Also attached is a summary of the revenues and expenditures of the villages arranged by district.

In the Central provinces the villages are called Xa, which are actually a collection of 5 to 15 hamlets, which used to be the basic village unit. These Xa have been organized within the last 2 years and their officials are appointed by the Provincial Government or the District Chief. There are 71 Xa<sup>+</sup> in the whole province.

These instructions from Thua-Thien are interesting in that it was one of the first Central provinces to establish village budgets since the war. Some of the procedures especially as outlined in par. 3 sound reminiscent of communist methods of organization, but this may not be too serious. The major source of Xa revenues is the rent of communal land which accounts for 52% of communal revenues. The second major source (25%) is the voters contribution described on page 3 of the instructions. The voters contribution runs as high as 120\$VN per person per year in some villages. Within the expenditures, costs of administration account for almost half of the total, police and public works are about 20% each, education runs around 5%. This is probably typical of village expenditures in the other parts of the country. The province of Thua-Thien first experimented with Xa budgets in the district of Phong Dien and then extended the tested procedures to the other districts.

I have recently sent a letter to the province chief of Thua Thien, providing him a summary of the budgeted Xa revenues and expenditures (which his office had not made) and requested that if he did compile data on actual receipts and expenditures, I hoped he would send us a copy of his findings. The budgeted Xa revenues for 1956 are about 80% of the total national taxes collected in the province of Thua Thien and the city of Hue during 1955, and it could be interesting to see if the actual Xa revenues do approximate the budgeted figures.

<sup>+</sup> Budget reports from 4 Xa in Phuloc district were not submitted and therefore are not included in the figures.

2 Incl.

Thua Thien Province

Republic of Viet Nam

Educational Papers

XA BUDGET

1. Importance of the Xa unit.

In Central Viet Nam most of the old villages are small in size, low in population and poor in financial resources; their human potential and their financial capacity could not meet the requirements of their reconstruction. Since the hostilities ended, the Government has been planning to gather small villages into large Xa. The adjustment and modification of these new Xa have been completed so far, and they are now waiting to be endorsed by an Ordinance of the Delegate.

2. Importance of Xa Budget

The strength of the Xa makes the power of the nation. To make the Xa strong, reconstruction is needed in every domain; administrative organization, personnel salary payment, formation of Xa guard corps, economic development, building schools, infirmary, information halls etc. . .

These works require a minimum finance to materialize. Setting up a Xa budget is therefore a necessary and important matter as far as the creation of the Xa is concerned. However, it should be carried out step by step according to the financial ~~xxx~~ support provided by the population.

3. Requirements in the setting up of a Xa budget.

a. The setting up of the Xa budget would be hampered if the component villages did not understand thoroughly the sense of mutual assistance in their gathering into Xa and if they still preserved the spirit of regionalism. Therefore, informations and explanations about the purpose of creating the Xa unit and the importance of its budget must be ~~xxx~~ disseminated largely among the population. Explanation should not be superficial and limited, but they start from the cadres to go deep into different social layers. The information service plays a key role in this work. If the population has a clear idea of what is going on, distortion coming from subversive elements will be checked by the population itself.

b. It is necessary to organize big meetings to discuss the problem of setting up the Xa budget. The authorities bring out the principles and procedures, but it is up to the population to decide especially when they have to make supplementary contributions. This will prevent them from worrying about their contribution and at the same time from the distorting arguments of the enemy. Experiences from Phong Dieu in the setting up of the Xa budget show that despite the fact that the population had to make supplementary contributions, they did not have any complaint, because in the process of every resolution was discussed thoroughly during the meeting of different villages instead of being imposed by the government on the population.

2. How to set up the Xa budget

The procedures are flexible according to the resources of each locality.

In the following lines, the Provincial Government puts forth only some criteria as experiences obtained in Phong Dieu.

Expected Expenditures:

A. Personnel Salary (Village Council, Administrative Committee, Xa guards, Information Service, Office Supplies etc. . . . .)	..... X )	) depending upon the ) financial resources ) of the different ) villages
B. Repairing roads, markets	..... X )	
C. Building Schools, etc.	..... X )	
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Total	500,000.00	

Expected Revenues

A. Deduction from Land tax (about 20%)	
- Village A	..... X
- Village B	..... X
- Village C	..... X
	<hr/>
	200,00.00
- Deduction from other revenues (e.g. field guards etc...)	
- Village A	..... X
- Village B	..... X
- Village C	..... X
	<hr/>
	100,000.00
Total	300,000.00 VNĐ

B. Contribution of the population:

- Village A	.....	X
- Village B	.....	X
- Village C	.....	X
	<u>.....</u>	X
		200,000.00 VN\$
<b>Total:</b>		500,000.00 VN\$

Item B of the expected revenues is not advisable to be over 1/2 of the total expected revenues, i.e. make appeal to the population for supplementary contributions only ~~when~~ when all the deductions from land tax and other revenues can not meet the expected expenditure.

Therefore, for those Xa which have a large size of public land and several sources of revenues, it is not very difficult to set up a Xa budget.

For those Xa having a poor population and few public lands, the population's contribution must be decided by the population itself. In this case, it is advisable to reduce the expected expenditures to the minimum (i.e. salary payment, office supplies, only) all construction works must be postponed until the Xa's financial resources will allow to carry them out.

5. Vote and endorsement, management and approval of expenditures.

The Xa budget must be voted by the village council and endorsed by the Provincial Chief. If over 500,000 VN\$ it must be endorsed by the Delegate (new project of organization).

The Xa budget is managed by the finance deputy, but the approval for expenditures comes from the Secretary general who signs in the payment order (Cf. Instruction No. 2414 - KT/3 of March 22, 1956 issued by the Provincial Office to the Administrative District.)

6. Miscellaneous.

a. It is advisable to tax a surcharge on private lands to set up the Xa budget?

- It is better to wait for a common regulation. (Question raised by Phong Dieu).

B. Civil servants and wealthy people who are not participating directly in

cultivating their land yield their shares.

There has been an instruction issued by the Regional Direction Committee of the Anti-Communist Campaign.

7. Some distorting reasonings which must be checked.

- head Tax
- Taking a census of voters to collect taxes.

8. Conclusion

The basis for solving the problem in setting up the Xa budget is a question of motivation. If the population understands the advantages, they will gladly contribute to the common work.

No.          HC

TO:

Messrs. Administrative District Chief

Administrative Deputy of Moc Anh, Dinh Mon, Bang Lang

Director of Thua Thien Information Service  
to organize educational meetings and to report the results to the provincial government.

Hue, 4 April 1956

In behalf of the provincial chief of ThuaThien

Assistant Provincial Chief

1956 COMBINED VILLAGE BUDGETS  
PROVINCE OF TAOH-THIEN

*District*

REVENUES	Phong Dien	Quang Dien	Huong Thuy	Huong Tra	Phu Vang	Moc Duc	Dinh Môn L. Bang	Phu Lóc	TOTAL
	:	:	:	:	:	:	:	:	:
1. Surcharges on rice land tax	498,24			48,373			1,789		50,660
2. Communal land	3,073,394	3,561,190	2,121,973	3,256,227	2,948,204	58,550	31,810	36,060	15,087,408
3. Diverse Revenues	78,114			11,766	28,220	1,000	24,936	7,800	151,836
4. Auctions and Regies	25,171	168,554	120,965	782,453	998,496	158,925	6,523	5,964	2,293,012
5. Subventions and Contributions	2,982,560	786,907	1,864,596	1,349,477	1,025,264	1,741,249	269,300	441,540	10,460,893
6. Receipts of previous years	47,369	11,608	28,320	30,424	282,691	31,990			432,402
<b>Total</b>	<b>6,207,106.24</b>	<b>4,528,259</b>	<b>4,135,854</b>	<b>5,478,720</b>	<b>5,282,875</b>	<b>1,991,714</b>	<b>334,358</b>	<b>491,364</b>	<b>28,476,211</b>
<b>EXPENDITURES</b>									
	Phong Dien	Quang Dien	Huong Thuy	Huong Tra	Phu Vang	Moc Duc	Dinh Môn B. Lang		
1. Administration	2,884,664	1,980,300	1,750,480	3,128,204	2,266,159	1,067,274	139,600	239,560	13,456,241
2. Police	970,447	1,020,150	1,184,600	893,490	466,660	674,400	177,600	101,600	5,488,947
3. Education	422,380	653,808	123,800	77,547	208,732	50,550		3,000	1,539,817
4. Health	158,764	138,900	68,100	37,300	59,200	28,910	7,000		498,174
5. Houses, roads, Agriculture	1,269,972	496,340	765,700	765,433	1,548,640	142,700		138,120	5,126,905
6. General	475,798	329,731	251,774	590,265	752,920	27,800	10,166	9,284	2,447,738
<b>Total</b>	<b>6,182,025</b>	<b>4,619,229</b>	<b>4,144,454</b>	<b>5,492,239</b>	<b>5,302,311</b>	<b>1,991,634</b>	<b>334,366</b>	<b>491,564</b>	<b>28,557,822</b>