

Mrs. Lloyd Musolf

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Marvin Murphy

Your request.

Following is the best information I have been able to get from sources available to me, on the subject we discussed by telephone.

Apparently the Department of Health operates all of the national hospitals from one budget appropriation. As near as I can determine, there are from 12 to 15 national hospitals which must compete for the funds available. For 1960 there is available a total of 151,601,000 piasters for the total operations of all national hospitals. This figure compares to one of 168,340,000 \$VN for 1959 for the same purpose, so you see there has been a reduction of almost 17 million for this calendar year. Although I can't get the figures, I assume that the total 151 million is based upon specific amounts developed, planned and allocated to each hospital. In other words, Cho Quan probably has a certain fixed amount of the 151 million which can be assigned for its operations. However, if there were surpluses available from the operations of some other hospital, the Minister, with the approval of the General Direction of Budget, could transfer such surpluses to Cho Quan. This action would depend upon his order of priorities and determination of need, one hospital against another.

The total 151,601,000 is broken down as follows:

Salaries and Wages.82,501,000	
Supplies and Materials.	<u>.47,500,000</u>	
	130,001,000	-- Current Operations
Equipment	4,500,000	
Major Repairs and		
New Construction.	<u>.17,100,000</u>	
	21,600,000	-- Capital Expenditures

Within the 17,100,000 \$VN for major repairs and new construction for 1960, there is an item of 500,000 \$VN for the addition of a new dormitory at Cho Quan. The remainder of the appropriation is

earmarked for specific projects at other hospitals. None of this money should properly (budget-wise) be transferred to another project if a surplus is available at the end of the year, but should remain available until the specific project is completed.

The best I can do on past expenditures is for the first six months of 1959, as follows:

Total budget for operation of all national hospitals,	
1959	168,340,000 \$VN
Expenditures through the first six months, 1959.	60,102,455 \$VN

On the face of it, it would appear that they did return funds unspent at the end of the year. This may account in part for the 17 million reduction in their budget for 1960. However, expenditures in the last six months of a fiscal year always run at a much higher rate than during the first six months. It would not be proper to take the 60 million figure and multiply by two, equalling 120 million for 1959. Instead, I would guess that expenditures during the last six months of 1959 ran around 80 or 90 million. This would give a figure of approximately 150 million for expenditures 1959. All this is just a guess-timate, so you must be careful in your conclusions.

Please keep the source of this confidential. Hope it helps!