

To : Murphy

From: Snyder

Subject: Vietnamese Government Expenditures during 1955.

In the original study of Vietnamese government expenditures made during 1955, I pointed out that on the average expenditures were only about 65% of budgetary provisions. This average was true of both civilian and military expenditures at the national level and of expenditures made by the regional, provincial and municipal administrations. I have just looked into the matter a bit further and have come up with some compararisons which may be of interest to you.

During 1955, 7,058,977,870 \$VN were provided for personal services of the national and regional administrations (this includes military personnel). During 1955, 6,430,137,999\$ VN were actually spent on personal services which represents approximately 91% of the budgetary provisions. This would seem to indicate to me that few changes in personnel were made in this area during the year.

As concerns materials in the sence of those items necessary to daily operations, 319,968,100\$VN were provided by the budgets of the national government and the three regional administrations. 225,530,608\$VN were actually spent or about 70% of budgetary provisions. This excludes any materials for the armed forces as everything which was not personal services I have included below in Special Expenditures.

9,651,846,009\$VN were provided for Special Expenditures which are the program activities of the various government agencies, including all military materials. However, only 5,767,015\$VN were actually spent during the 1955 exercise. This is just about 60% of funds provided for in the budgets.

This last item breaks down between civilian and military uses as follows:

	Budgetary Provisions	Actual Expenditures
	for	for
	Special Expenditures	Special Expenditures
Civilian	3,632,093,409\$VN	3,546,971,015\$VN
Military	<u>6,019,753,100\$VN</u>	<u>2,220,044,000\$VN</u>
Total:	9,651,846,509\$VN	5,767,015,015\$VN

Hence, over 97% of budgetary provisions for Special Expenditures for non-military purposes were utilized during 1955 where as only 37% of military funds were utilized. The following table represents my visual estimation of the amount actually spent by the military on materials and special expenditures expressed as a percentage of budgetary provisions:

Item	Actual Expenditures of Budgetary Provisions
Food	80%
Clothing,	
Electricity	25%
Transportation	120%
Hospitalization	35%
Materials for Air	0%
Materials for Sea	92%
Other materials	8%
Maintenance of Buildings	80%
Buildings for Air	20%
Buildings for Sea	67%
New Buildings	40%
Purchase of Supplies	30%
Etc..., Etc...	

These new comparaisons do not enable us to judge wheather or not cuts were made in a rational manner, but they do help to pin point the areas where the ~~f~~ highest cuts took place. On the other hand, where expenditures for personal services were over 90% of budgetary estimations, this does not, of course, mean that in every case budget estimations approximated expenditures. In individual cases, actual expenditures for personal services were sometimes as low as 30% and as high as 3000% of the original budget estimations.