

from  
Planning section  
of 1956 budget document.

Budget  
message 77 1956

R E P O R T  
ON  
NATIONAL BUDGET FOR FINANCIAL YEAR 1956

I. General Observations.

Ordinance No. 17 on December 24, 1955 concerning the unification of Viet Nam nation, has determined in Article 3 that, from the beginning of the year 1956, all local budgets must be incorporated into the National Budget.

This solution is now realized: National Budget 1956 is the first one comprising the four former budgets unified. (gathered in the unic one). It is also the first time that the National Budget is prepared in Vietnamese language, for up to now, except the projects of receipts and expenditures in villages, all big budgets are written in French. In this unified budget, receipts and expenditures balance at Thirteen Billions Six Hundred Twenty Five Millions Eight Hundred Fifty Six Thousand Piasters (13.625.856.000 Piastres).

In comparison with the preceeding financial year (1955), financial year of 1956 has diminished of 3.404.944.479 \$, calculated as follows:

Financial Year 1955

a - National Budget . . . . .	15.059.006.900	⌘
b - Budget of South . . . . .	1.013.163.200	⌘
c - Budget of Central . . . . .	828.630.379	⌘
d - Budget of P.M.S. . . . .	130.000.000	⌘
TOTAL	<u>17.030.800.470</u>	⌘

Financial Year 1956

National Budget (Unified) . . . . .	<u>13.625.856.000</u>	⌘
Diminution in financial year 1956 is . . . . .	<u>3.404.944.479</u>	
- agreed: 19.99 %		

## II. Receipt Project.

Incomes of National Budget are sufficient to balance the regular expenditures and some new civil expenditures.

A part of military expenditures are supported by this Budget. Another part is completed by resources of National Treasure, the last one is supplied by American Aid. (Besides the American Aid by net money (6.254.198.100 \$), National Army will have its supply by material in a value of 438.575.000 \$ (out of Budget).

This is the table of analysis and comparison of receipts, projects of the two financial years 1955 and 1956:

The economic situation changes rapidly, so we can not ground the number of receipts projects upon "the average of the three former financial years". But most of estimate numbers for financial number 1956 are suggested by real receipt numbers of the preceeding year and vary according to particular condition, of each kind of taxes or each type of other revenues.

The variations are explained as follows:

Title I     Direct Taxes

. . . . .

Title II    Indirect Taxes

Title III  Customs and Public management taxes etc. (see above)

### III. Expenditures Projects

The total of expenditures are divided as follows:

- Civil expenditures . . . . .
- Military expenditures . . . . .

If we compare every type of expenditures of the two financial years 1955 and 1956, the variations in 1956 are analyzed as follows:

About expenditures, Budget of 1956 is an economical one. However, it has a complete table of expenditures for necessary needs.

Because we want to have back rapidly the security in the whole nation, and to carry out many new plans of reconstruction and development, so expenditures for many chapters are particularly increased, especially for Information, Youth, Civil Guard, Social Action, Economy, Health, Education and Public Works.

Many Directions and Services are created again or developed, in city, province, or district, to look after the carrying out of these plans.

This below table will demonstrate Principles of variation of expenditures for this financial year.

1) Expenditures<sup>for</sup> Personnel

Generally, expenditures for personnel are estimated according to the present number of personnel and salary index number and present allowances. But it reserves a certain number of expenditures for payment of further increasing of personnel grade in the year, or for

new personnel assignment following the real need of every Department, or Service.

Chapter I. - National Assembly: Personnel

Chapter 4. - Presidency: Personnel etc. ....

## *2) Expenditures for materials*

Because of economical reasons, we diminish expenditures for materials in many chapters. But there are many new needs and the materials market prices are augmented, so many of expenditures for materials must be increased to fit the necessities.

Chapter 2. - National Assembly: Materials

Chapter 5. - Presidency: Materials Etc. . . .

One has annulated chapter for ancient "President of State"

## 3) Special Expenditures.

Most of this kind of expenditures are used to the carrying out of activities, plans of each particular Department or Service.

Chapter 3. - National Assembly: Special expenditures

Chapter 6. - Presidency: Special Expenditures, etc. . . .

## 4) Public Works Expenditures.

Works plan includes reparation works and maintenance, hygienic works and new work of roads, ferry, bridges, maritime navigation, fluvial navigation, agricultural water and hydraulic force.

Although the budget is limited, but it mentions completely necessary works able to be realized in the year, especially works benefiting immediately the people.

Chapter 436: Public Building: reparation etc. ...

#### IV. Conclusion

As above showed, National Budget of 1956 must supply many new chapters of expenditures which are very important and inevitable. Although the regular resources don't develop so rapid as needs in the country, but when setting up this Budget, one strives to diminish the ordinary expenditures and give priority to new expenditures which are necessary by some events and critical situation, so that we can realize a great part of reconstruction and renovation programs of Republic Government.

Hopefully, in practice, all taxes and revenues projected will be completely collected and reserved expenditures will rest in some part.

So that to reach this goal, Government will apply strictly two methods: by the first one, specially, to take care of receipts works, not to loose in any chapter; by the second, to execute rigorously at any level, the economical policy promulgated, for each expenditure will become useful to the Nation.