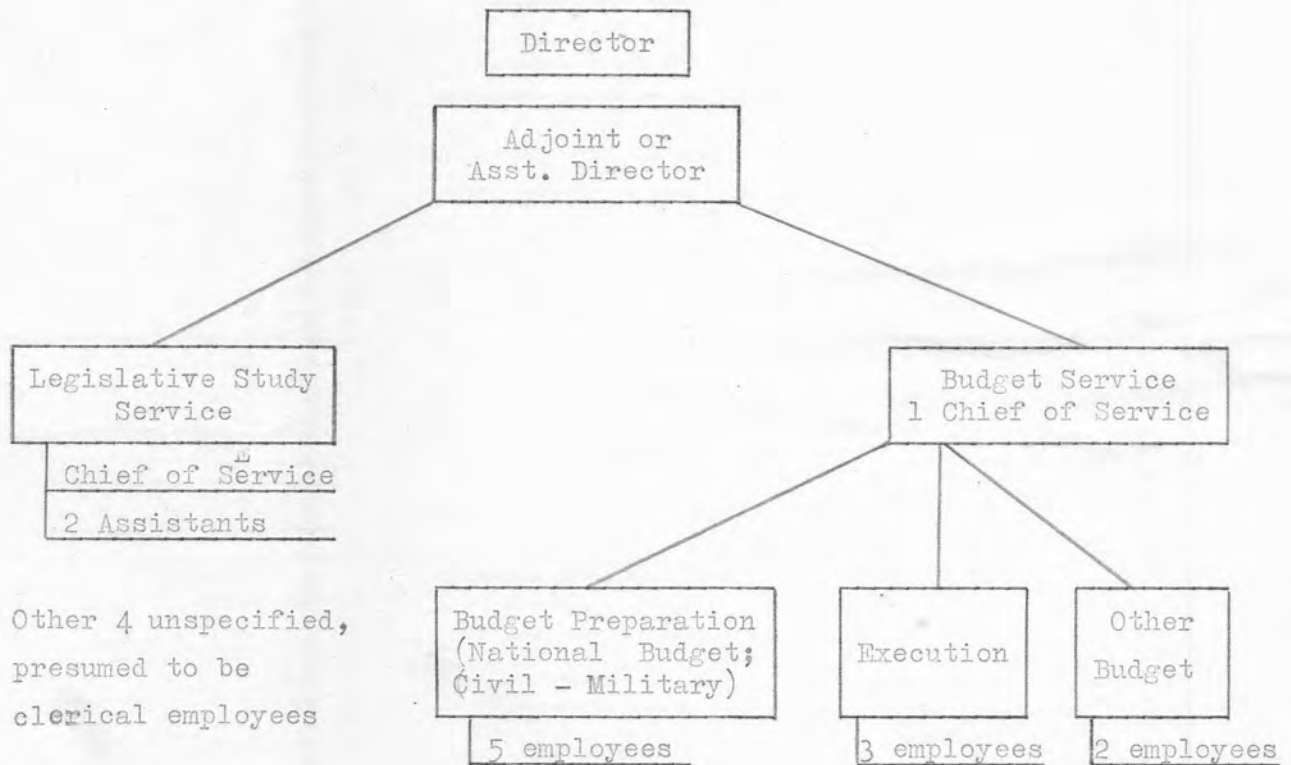


TO: DR. WEIDNER

Nov. 4, 1955
Mr. Dieu, Director of Budget
Mr. H.D. Higbee, MSU
Mr. Trieu, Interpreter, MSU
Mr. ? Adjoint

This meeting was held for the purpose of learning more about the present status of the Budget Bureau Organization and functions and to solicit from the Budget Director such comments regarding beneficial changes as he might have.

On the factual side we learned that the Bureau of the Budget employs 20 persons as follows:



The Budget Bureau's relative relationship with the outside world seems to be one of isolation. The Director indicated he had no contact with the ministers or President except through the Minister of Finance.

Functions of the Bureau seem to be as follows:

1. Service of Legislative Study:

Studies needs of all ministries. This study seems to amount to little more than a reading of budget requests submitted by the various ministries. There are 3 persons in this service and the Director feels that is sufficient.

2. Service de Budget:

This service has 3 sections as follows:

a) Preparation of National Budget, both Civil and Military. Preparation consists of the mechanics of compilation and the military budget is not prepared by this Bureau.

b) Execution:

Execution, so far as I could determine, consists of recording all purchases made and passing on to the Minister of Finance for approval. I was informed that even though the Refugee Commissions Budget is not "prepared" by the Budget Bureau, it is "executed" here.

c) Other Budgets:

Other budgets consists of at least regional and municipal budgets. It appears that this is a receiving point for such budgets

There does not appear to be much relationship between budget preparation and revenue estimation. In response to my question regarding the basis for preparation of a particular budget the Director gave no indication that a policy decision was made by higher authorities base on estimated revenues. So far as I could learn the Budget Bureau has no hand in preparing the budget in the sense of acting as the staff arm of the President in preparing a budget determined by political and financial decisions.

The Government is geared to a calendar year for fiscal purposes. Although budget requests are requested around September it seems that no hard and fast deadline is established for their return. Added to this the budget itself may not be published until 6 months after the start of the new budget year. I was informed that revenue estimate may not be completed until around may or mid year of the budget period.

The Budget Director explained that the recently ended war, the short time they have had full control of their budget making process and the

shortage of qualified personnel was responsible for their inadequacies.

One is left with the impression that the Budget Bureau as now constituted is in no position to carry out the functions of the Budget Bureau as we envisioned its duties. In the first place, it is positioned too far from the center of top decision making centers to be properly informed. Secondly, its function as apparently envisioned by the present government is one of recording requests, compiling into a document these requests, and recording transactions. Thirdly, present personnel strength and qualification are somewhat less than necessary for the important task of managing the budget making process.

In short, it would seem necessary to reset the complete organization in a more favorable environment, redefine its functions very carefully and recruit a well qualified corps of personnel before it can adequately serve its useful purpose.