The following are considered ipso facto null and void:

- Resolutions regarding matters outside the jurisdiction of the Council or taken outside of legal meetings.
- Proclamations which form a demand or emit political views.

Art. 13. The Prefect or his representative may call upon the assistance of the Deputy Prefects or upon one or more officials of the Prefecture, according to the nature of the subject under discussion. The council, even when it has constituted itself into secret session, may not bar the presence of these assistants of the Prefect.

Art. 14. The detailed methods of executing the provisions of Articles 9 and 10 above, as well as the Council's rules of organization and method of functioning, shall be the subject of an internal regulation (statute) prepared by the Council, and approved by the Secretary of State for Interior.

Art. 15. The President of the Prefectural Council presides over and assures order in all meetings, with the facilities (mostly in personnel) provided by the Prefect.

All sessions of the Council shall be public, except when the Council is requested by the Prefect to meet in secret session, or it is so decided by the majority of the Council's members.

Art. 16. The minutes of all the Council's sessions shall be sent to the Prefect within seven days after the closing dates of the sessions.

III. The Powers of the Prefectural Council

Art. 17. The Prefectural Council shall be consulted on the following matters:

- Budgets (principal and supplementary budgets)
- Taxes and subsidies
Art. 18. All subjects presented to be deliberated during a session must receive the Council's decisions within that session. On its closing date, all matters which have not been decided upon, shall be considered as approved by the Council.

Art. 19. The Council may, on its own volition, express its wishes or pass motions on all questions of a prefectural character.

If these wishes or motions are intended for publication, or if they are addressed to authorities other than the Prefect, they must be transmitted through the latter.

CHAPTER III
Regarding the Budget

Art. 20. The prefectural budget shall be prepared by the Prefect and presented to the President of the Republic for approval, after obtaining the advice of the prefectural Council.

The Prefect is the authorizing officer ("ordonnateur") of the prefectural budget, and may delegate permanent powers to an official designated by him to perform these duties under his control and responsibility.

All authorizations of expenditure are to be submitted for the prior approval of the Controller of Expenditure Commitments (contrôleur des dépenses engagées).

Art. 21. Receipts from the following shall be applied to the prefectural
- Taxes, property rents, royalties, contributions received to the profit of the Prefecture;
- The amounts received from additional percentage on taxes ("centimes additionnels") within the limits of a maximum fixed each year by arrêté of the Secretary of State for Finance.
- The portion allocated to the Prefecture on the basis of the total of all taxes collected on the territory of the Prefecture to the profit of other budgets.
- Funds contributed by other interested agencies to carry out a common project (fonds de concours)
- Interest on (unexpended portions of) loans contracted for major public works.
- Revenues from property belonging to the Prefecture.
- All other receipts the collection of which is authorized by existing laws.

Art. 22. The tax lists established for the Prefecture shall be effective for collection, after being approved by the Secretary of State for Finance.

Art. 23. The prefectoral budget shall provide for the total expenses of general administration, police, the road system, public illumination, sanitation, education and, in general, for all expenses of a prefectoral nature other than those chargeable to the National Budget or other autonomous budgets.

- The obligatory expenses of the prefectoral budget are:
  - debts payable on maturity
  - personnel costs
  - expenses of maintaining material, buildings and roads, and of acquiring material on a current basis;
  - police costs
  - charges in connection with gifts or legacies regularly accepted, and of endowments regularly constituted.
CHAPTER IV
Borough and Borough Chiefs

I. Organization - Appointment of Borough Chiefs

Art. 24. The territory of the Prefecture is divided into several boroughs (eight at present); the number and the boundaries of which shall be defined by arrêtés of the President of the Republic.

Such division shall not confer any administrative or financial autonomy upon the boroughs (thus constituted).

Each borough shall be composed of several quarters ("Phuong"); the number, organization and boundaries of which shall be defined by arrêtés of the Secretary of State for Interior. (see annex to this decree)

Art. 25. Each borough shall be administered by a Borough Chief under the authority of the Prefect.

Borough Chiefs are government employees appointed by arrêté of the President of the Republic.

Art. 26. Borough Chiefs' salaries and allowances shall be borne by the préfectoral budget. They receive allowances (in money and in kind) equivalent to those of a "delegation chief" in the provinces.

II. Borough Chiefs' Powers

Art. 27. The Chief of a borough is the representative of the Prefect in the borough, and exercises his functions under the authority of the Prefect and the Deputy Prefects.

He has no power to issue regulations.

In his capacity, he is responsible for the enforcement of laws.
and regulations, and performs all special duties which may be confided to him by the Prefect.

He performs his responsibilities with the cooperation of the chief of the police precinct concerned.

He is empowered, specifically, to certify the authenticity of signatures in private legal documents, including genealogical acts (births, deaths, weddings) and transfers of property, to certify true copies and to issue certificates of good character, of residence and of identity or any others provided by special regulations.

In matters of certification, he shall have the authority to act as Chief of the borough in which the person ceding property lives (in case of transfers of things), or of the borough in which the head of the family lives (in case of genealogical acts).

He is also endowed with the powers to authorize private meetings on the occasion of receptions, marriages, funerals and anniversaries (such as social parties, weddings, burials, death anniversaries, sacrifices, etc...), and gatherings of religious organizations for ceremonial performances.

Art. 28. The Chief of a borough is also assigned to act in the functions of a registrar ("officier de l'Etat Civil") in his borough, under the control of the Public Prosecutor.

He is invested with the Judicial Police Authority ("Tu Phap Canh Lai").
CHAPTER V
Miscellaneous Provisions

Art. 29. All members of the Prefectural Council currently serving at the date of signature of this decree shall continue their offices with new responsibilities (in the Council) until the date of election of a new Council. Their term of office will expire after the publication of the result of the election.

Provisionally, Chiefs of boroughs currently in office shall retain their functions until their replacement by others.

Art. 30. All provisions contradictory to this decree are hereby repealed.

Art. 31. All Secretaries of State are charged each as to that which concerns him, with the execution of this decree which shall be published in the Official Journal of the Republic of Viet Nam.

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ANNEX

Decree No. 504 BNW/HG/ND of April 22, 1959, subdividing each prefectoral district into many "phuong" (quarters)

ARTICLE 1. The territory of the eight administrative districts of the Prefecture of Saigon are subdivided into many "phuong" (quarters).

ARTICLE 2. The number of "phuong" and the boundaries of each "phuong" are defined as follows:

- First District
- Second District
- Eighth District

ARTICLE 3. Each "phuong" is placed under the administration of a "phuong truong" (quarter head), appointed by the decree of the Prefect, upon recommendations of the District Chief.

ARTICLE 4. The "Phuong truong" should meet all the following requirements:

- minimum age of 30 and not over 60,
- in good health,
- in possession of a primary school certificate,
- good behaviour, and has a clear judicial record,
- residence in the "phuong" concerned at least for two years,
- registered in the tax records, the basic tax amounts, at least VN$100.

In case the candidate for the position of "phuong head" is an ex-civil servant, he is exempted from the tax registration requirement, but should have had covered a minimum of six years' service in the government and was not dismissed on disciplinary grounds.
In special cases, the Prefect may designate a civil servant to assume the responsibilities of "phuong truong".

Art. 5. The quarter head assumes the following responsibilities:
- Acts as liaison officer between the people and the prefecture,
- Relays the instructions received,
- Undertakes the census of population upon instructions of the District Chief,
- Reports on the unusual occurrences in the "phuong" which are detrimental to public order and security of the "phuong".
- Provides cooperation in any social work, improvement of the people's living standards and youth organization.

Art. 6. The "phuong truong" is directly responsible to and subject to control by the District Chief; relations between the "phuong truong" and other agencies should solely be maintained through the District Chief.

A "phuong truong" may - for health reasons or severe mistakes - be relieved of all duties by a decree of the Prefect, upon recommendations of the District Chief.

Art. 7. In case a "phuong truong" is temporarily incapable of assuming his responsibilities, the Prefect will assign them to the head of a neighboring "phuong" or to an official serving an interim.

Art. 8. The "phuong Truong" are not entitled to the civil servants' statute with the exception of civil servants who are appointed to these positions. Nevertheless, to make up for the expenses in transportation and the maintenance of correspondence, the "phuong truong" will receive a monthly payment, determined by the Prefect.

Moreover, the quarter head will be reimbursed from the prefectural funds for expenditures on stationery which may not exceed a Prefect-determined maximum.
Art. 9. The office of the "phuong truong" is at his private home.

A messenger is placed at the disposal of the quarter head to deliver correspondence and assist the quarter head in his office.

Art. 10. This Decree is to be implemented by the Prefect of Saigon.
C. Currents in Administrative Reform

There are several currents or aspects of administrative reform about which different persons and agencies have offered some valuable observations and suggestions. These are presented in this subsection. In addition, one document concerning budgetary procedures is included as a sequel to the evaluation offered by Mr. Snyder and two short and valuable articles by Vietnamese about local administration - agrovilles and village training programs.

1. Proposed Scheme for Field and Local Administrative Organization, 1956

When MSUG was first established in 1955, one of its major objectives was to advise the Republic on strengthening its system of central-field-local relationships in order to bind more closely the bureaucracy of the central offices in Saigon with the rural areas and their residents.

The elimination of the regional units in 1955, was viewed as one step in this direction since it eliminated one administrative layer between the local and the central units. MSUG also favored certain additional steps both in administrative organization and procedures, the latter particularly in finance. Its "master plan" for future improvements was summarized in a brief memorandum prepared for the President, in August, 1956.

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PREMISES:
1. Viet Nam is a nation. It is not merely an agglomeration of autonomous regions or provinces.
2. The government's program of services for the people needs to reach the people on their farms, in their shops, at their homes.
3. National services should reach the persons who need them. National services should be paid for by persons who can afford to pay taxes.
4. Responsibility for achieving national service programs should be clearly fixed. This responsibility should be matched by commensurate authority. Those vested with responsibility and authority should be rewarded for effective performance and penalized for ineffective performance in getting services to the people.
5. Meeting of the people's needs is a problem of timing as well as of substance.

FINDINGS:
1. The national program of services is not reaching the people as effectively as is desirable.
2. When the regional delegate for the Chief of Province is "king" in his area, national unity may be obstructed. How well or poorly each national program reaches the people varies from province to province. This variation often reflects the fact that Province Chiefs and regional delegates vary in their enthusiasm for particular programs.
3. It is a proved paradox of modern democratic governments that perfectly balanced provincial budgets are likely to mean unbalanced services to the people. If a substantial part of the total services to the people are paid through provincial budgets and if balancing of provincial budgets is insisted upon, Viet Nam will be ignoring the need in every nation for the well-to-do regions, classes and industries to finance governmental services that benefit not only themselves but the regions, classes and industries which need these services but cannot pay their whole cost. All nationally financed and performed services accept subsidy as an inherent element of nationhood.

4. Responsibility is confused. The national ministries are supposedly responsible for achievement of programs, but outside Saigon the lines of authority from ministries are not clear because competing authority has been vested in Province Chiefs. In this confusing situation it is hard to know whom provincial technical personnel should obey, and who should be praised or blamed for successes and failures of programs.

5. New employees are not paid promptly. Proposed expenditures require an excessive number of approvals. Suppliers of goods are not paid promptly. Farmers' requirements are not met in the proper stages of the growing season.

CONCLUSIONS:

A. About field administration:

1. With the abolition of the regions, the 43 provinces should be reduced to about a third as many. This will provide a more manageable span of control for the Presidency, provide larger and more flexible staffs at the provincial level, and enable greater selectivity in
appointment of province chiefs and heads of technical services.

2. The national ministries should be held responsible for effective execution of national programs, assuring that they reach the people.

3. Each national ministry should have full authority over execution of its program.

4. The provincial chief should not be interposed in the line of authority between the national ministry and its agents in the province. Instead, he should seek to promote cooperation and coordination among the technical services, should be the "eyes and ears" of the President with respect to the effectiveness of the programs in his area, and should be a critical commentator on budget estimates proposed by the technical services.

5. Ministries should delegate more authority to their field agents and should place a larger proportion of their employees in the field. Administrative decisions would then be made closer to the people served. Action would also be speedier.

B. About budgetary and financial administration: All authority supporting phases of administration, such as budget preparation, budget execution, purchasing, appointment of personnel, and promotion and removal of personnel, should be designed to support the authority and responsibility of national ministries for national programs.

To illustrate, the implications for budgetary and financial administration are as follows:

1. The actual budgets should be for two levels, one for the nation and one for the village.

2. The national budget should contain a chapter for each ministry.
This chapter should cover all costs of carrying out the ministry's program both in Saigon and in the field.

3. All receipts, other than those for villages, should be paid into the national treasury, and should be disbursed in accordance with the approved budgets for the ministries.

4. The Presidency (or the Department of the Interior) would include in its budget an amount sufficient to pay (a) the salaries and expenses of Province Chiefs and their immediate offices, and (b) the costs of such common housekeeping services as are maintained at this provincial level (office space and maintenance, motor pool, typing pool, etc.)

5. Budget preparation should be fundamentally a responsibility of the ministries and their field agents. However, the Province Chief and the province council should have the opportunity to examine and comment on (but not to alter) the estimates prepared by each technical service of the area. The comments of the chief and of the council would be forwarded to the national ministries and to the Budget Directorate of the Presidency for their consideration when preparing and reviewing ministry estimates.

6. Budget execution should be fundamentally a responsibility of the ministries and their field agents. This means that the ministries would decide on the wisdom and desirability of making individual expenditures that fall within the amounts of the approved budget and within the allotments made by the Budget Directorate.

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2. The Problem of Central-Provincial-Local Budgetary Relationships

At the heart of central-provincial-local relationships is the question of the plan for financial affairs. Which levels should have the power to levy and collect taxes? Which levels should have the privileges and duties of a separate and distinct budget, a status that carries with it the spirit of a self-governing unit, at least to some extent.

Shown in the preceding memorandum to the President is a radical scheme for financial administration — radical if the provincial budgets were to be entirely eliminated, leaving only those of the national and village administrations. Each separate ministry was to determine its complete plan for its functions rather than sharing to some degree with the provincial chiefs — the road network, for example, would be entirely nationalized except for village side roads; no provincial roads would exist.

As shown in the following evaluation report prepared by Mr. Snyder of the MSUG staff, the elimination of the regional units created a confused, unsatisfactory pattern of central-still regional-provincial relationships over financial matters. Mr. Snyder apparently anticipating that more authority would be delegated to the Provincial Chiefs found that instead the ministries in Saigon were holding on to their powers over the purse, thereby forcing field officials to come to Saigon for expenditure approvals, even for periodic payrolls.

The second document, instructions of the central administration to Province Chiefs in 1957, regarding budgetary and fiscal policies, shows that GVN had progressed in its thinking as to the scheme it wanted Provincial
Chiefs to follow. Insofar as the writer knows, these instructions still apply in principle if not in each detail.

Thus, provincial budgets have become an important fixture in the existing administrative system for central-provincial-local relationships. Future reform activities must fully evaluate the results of the provincial budgetary system.
Prior to the publication of my earlier study of the budgetary and financial administration in Viet Nam, which was included as a supplement to the report Recommendations Concerning the Department of Interior, the Regions and Provinces, two very important Presidential decrees were promulgated which have had considerable effect upon the budgetary and financial administration in Viet Nam.

The first decree eliminated the administrative function and responsibility of the regional governments (for SVN, PMS and CVN). This decree transferred to the national departments the complete direction of regional services. The regional governments themselves were transferred to the Presidency. However, personnel in financial services of the regional governments have been transferred to the administrative control of the Department of Finance, employees in political sections have been transferred to the Department of Interior, and the remaining employees transferred to the Presidency.

The second decree eliminated the regional budgets and many of the regional administrative powers over expenditures by the regional and provincial departmental services.

I held several interviews with officials in the Department of Finance, the regional government for South Viet Nam and regional departmental services in order to determine the effect the above mentioned decrees
are having at the various levels of administration. In the course of the interviews, two comments seemed of particular interest: one official stated that regional departmental service directors were now coming to Saigon from as far away as Hue to have their Secretaries authorize payments in their areas; another official said that under the previous system as a regional departmental director he spent less than 30 minutes daily signing payment vouchers and the supporting documents, he presently spends four hours a day signing these papers. The reasons for and the details of these new developments will be explained in section 7 of this paper where the national budget is discussed. We will begin with a consideration of the village budgets under the new decrees and terminate at the national level.

3. Village Budgets - There has been no discernible change. The village budgets continue to be approved by the Province Chief and expenditures approved by him if they exceed a stipulated amount.

4. Municipal Budgets - They are little affected by the new decrees. Previously the municipal budgets of DaNang (Tourane), Dalat and Saigon-Cholon were subsidized by both the national and regional budgets. Henceforth, these budgets will be subsidized only by the national budget. Though in theory the regional administration should have no further administrative authority over the execution of municipal budgets, this is not the case in reality. For the regulation continues to exist requiring that expenditures for projects estimated to exceed VN$60,000 require a call for bids which must be requested of the regional governments by the municipal authorities. Concerning the payment of salaries for regularly engaged personnel, no further attempt was made to determine the exact amount of
authority of the regional government over expenditures, except to verify the statement that hiring must be done through and with the concurrence of the regional administration.

5. Provincial Budgets - There has been little change. The Provincial Chief remains the fiscal manager of the provincial budget, the decree eliminating the regional administration and budget does not greatly affect provincial financial administration. However, in Central Viet Nam only two Provincial Chiefs had budgets to administer during 1955. This year budgets are being prepared by the administrations of all the provinces. Subsidies which were formerly made to the provincial budgets are now, in theory, eliminated. This means that whereas previously a provincial budget might have shown a regional subsidy of $X$ amount and a deficit at the end of the fiscal year of $Y$ amount, from now on it will show no subsidy but the year-end deficit will be $X'$ plus $Y'$ (this does not of course imply a stable amount from year to year). During the budget year 1955, the Civil Guard (Bao-An-Doàn) was carried on provincial budgets and subsidized by the regional budgets which were in turn subsidized by the national budget. In 1956, the Civil Guard is included in the national budget (under the Presidency); however, the newly created Auto-Defense Corps (Tu-Vi Huong -Thôn) is to be provincially supported by the Exceptional Pacification Tax. This tax is estimated to be insufficient, and either a request for a subsidy will have to be made or, more probably, an additional year-end deficit will be incurred to be paid by the National Treasury. The system whereby Province Chiefs must request regional authority to obligate payments for projects exceeding $50,000 is still in practice, as well as the aforementioned
The budget sections of the regional administrations are still receiving drafts of the provincial budgets (after provincial council approval) and are returning the draft budgets with regional recommendations for changes. These changes will be voted by the provincial councils and returned to the regional administration where the regional government délégué will authorize the provincial budgets. Presently 10 provincial budgets in draft form have been received by the provincial budget bureau of the SVN government. None have been approved in final form by the délégué, but some have been returned to the provincial governments for final approval. The chief of this office said he had not received any request from the national Budget Bureau to send the provincial budgets either for prior approval or recording, but this obviously is a responsibility of the Budget Bureau if the elimination of regional fiscal authority is to be carried out as decreed by the national government. We later learned that the Budget Bureau is studying the method by which it will examine provincial budgets and the responsibilities it will assume towards the provincial budgets.

6. Regional Budgets - There had been a complete change. These changes affect the two old parts of the regional administration: the government itself (la délégation du Gouvernement du SVN, PMS et CVN) and the regional departmental services (Public Works, Information, Education, Health, etc.).

As mentioned in the opening paragraph of this paper, parts of the regional government have been incorporated in the national budget chapters for the Presidency, the remainder in the Departments of
Interior and Finance. District Chiefs, for example, formerly were paid from regional funds but are now paid from the Department of Interior's national budget. The delegue no longer has power as fiscal manager (ordonnateur) of his own budget. However, under the new terminology he is designated the delegated fiscal manager (ordonnateur delegue) for the expenditures of his own personnel (remembering that a portion of these have been transferred away from his direct control and are now the responsibility of the Department of Finance or Interior).

The regional departmental services now have greater responsibilities in most instances over the expenditure of funds; but these new responsibilities can be more readily explained at the national level.

7. The National Budget. It now has all the funding responsibilities formerly charged to the regional budgets and administration. Previously fiscal managership rested in two persons, the Secretary of State for Finance who was the fiscal manager of the civil budget "A" and the Secretary of State for Defense who was the fiscal manager of the military budget "B." Under the new decree the President of the Republic of Viet Nam is the only fiscal manager. However, under the new terminology he has named all of his Secretaries of State as delegated fiscal managers for expenditures within their various departments. He has also given to them the power to name the regional delegues and the province chiefs as deputy fiscal managers (sous-ordonnateur) to carry out at the regional or provincial level payment procedures for the account of the Secretaries of State. However, in practice, this possibility has been little used to date. Two situations were cited as limiting the decentralizing of spending authority: (1) It has been explained to me that some of the delegues are extremely unhappy with their demotion in rank. Formerly, they had much greater fiscal authority in that they were fiscal managers and actually controlled the regional and sometimes provincial expendi-
tures of all the departments. Under the new regulations, they have power only over their own immediate expenditures. It was further explained that some of the délégus have refused to accept deputization by the Secretaries of State to carry out the latter’s regional expenditures. Furthermore, they would insist on their Province Chiefs agreeing to act as deputy fiscal managers for some department, which in theory would put the Province Chiefs on the same fiscal authority level as the délégus themselves, should they accept a similar task. (2) On the part of the Secretaries of State themselves, many apparently were unwilling to delegate any of their newfound authority over real funds. As mentioned above, never before has a Secretary of State had any final say over his departmental expenditures. He could recommend to the Secretary of State for Finance that he would like such and such funds spent on this or that project, but the Secretary of State for Finance could deny the request on policy grounds, not merely on the grounds that such funds were unavailable. Under the new system, all of the Secretaries of State are delegated fiscal managers of their own budgets and within the availability of funds provided for in the national budget may spend as they see fit, after control exercised by the National Obligation Control Office on the correctness of the purchase itself (verification that all supporting documents are properly signed and executed). Though previously, occasionally Province Chiefs received funds advanced by the délégus to cover expenditures within their provinces by provincial departmental services, under the new system few Secretaries of State are willing to continue such delegation of power and are attempting to centralize all expenditures of
funds in their own hands. Specifically, this is the situation to which the regional directors referred in paragraph 2 of this paper. Previously, as liquidator for the regional funds of his department, he would request the délégué to make funds available to the 21 (now 24) Province Chiefs for expenditures in their provinces by the concerned provincial departmental service. Now, the director complained, his secretary had refused to request that either the délégués or the Province Chiefs be named deputy fiscal managers for this provincial expenditures. Where formerly the regional directors were responsible for liquidating expenditures within their immediate organization leaving to the Province Chiefs the liquidation of monthly salaries, now they are obliged to liquidate all payments within their areas. In another office it was explained that this was the reason why regional directors from Huế found it necessary to come to Saigon to have their Secretaries authorize payments within their regions. Previously the government délégué in Huế had paid their service's employees, but now with the authority in the central departments, they felt it necessary to come personally to Saigon to expedite payment.

8. In conclusion, it would seem that though in theory the new regulations do permit a new degree of decentralization, in fact, the majority of cases do not indicate this, but rather the contrary, a higher degree of centralization. In closing, it should be mentioned the Department of Finance had created another office for the Control of Obligated Funds (Control des
Dépenses Engagées) at Ban-mê-thuôt which partially should speed
up the payment process in the three provinces of Kontum, Pleiku
and Daklac.

* * *
Objective: the carrying out of the provincial budget fiscal year 1957.

By circular No.47 TTP/NS/S2, dated April 25, 1957, the Presidency let it be known that the provinces will no longer depend on the 'resources of the treasury' and that they should do their best to attain self-sufficiency with their own resources and the subsidy from the national budget.

You are therefore asked to pay attention to the carrying out of your budget, fiscal year 1957, and to do all in your power to fully implement the above-mentioned Presidential circular.

The first part of the subsidy from the national budget has been cleared. The second and the third ones remain to be cleared respectively in the first two weeks of July and October, so that the expenditure process in each province may be maintained smoothly and continuously.

As far as your province is concerned, in order to attain self-sufficiency, I think the following measures should be adopted.

I. RECEIPTS.- To my knowledge, the tax assessment in your province has been drawn up very late. This seriously hampers tax collection. I find it necessary therefore to urge the services in
charge of tax assessment to speed up their work and to finish it as quickly as possible. The services in charge of tax collection also are urged to pay attention to the carrying out of the collection so as to ensure its success.

"Actually, in many provinces, mostly those in the south, receipts are far below their estimated or planned levels.

Other provinces, although well known for their wealth, have scored very poor results in the collection of land taxes. The main reason advanced is that landowners had left their land for the Capital, therefore making tax collection more difficult.

This difficulty could be avoided if, on the one hand, you carry out, completely and strictly, Presidential Circular No.11 TTP/TTK dated July 27, 1956, and, on the other hand, if your tax assessment offices, instead of copying from the old assessment book, take care to add the landowners' new addresses to the new list. The Treasury will then send out collection letters accordingly.

It should be noted also that the license tax is one of the easily collected taxes. But in many provinces, up to now, receipts have not yet reached 50% of their estimated level. This state of affairs clearly demonstrates that the services in charge of tax collection do not work hard enough.

As far as the non-collected taxes of the past years are concerned, they must also be recalled and collected.

"In the provinces of South Viet Nam, the special tax called the pacification tax, which has been levied on the provincial border - the crossing of products or goods, constitutes the most important
resource. If a tight control is to be set up so as to deter taxpayers from avoiding taxes, I firmly believe that the receipts will be considerably increased.

Besides the existing systems of control, I would suggest a few other measures which could easily be carried out:

- permanent change of personnel in charge of control in the different control stations scattered along the borders of the province.
- the setting up of mobile units of control aiming at controlling vehicles and boats at points far from the control stations.
- regular checks on collectors' papers and files.

"By the way, I would like to call to your attention Circular No.25 NTC/TNS dated April 19, 1956, from the Delegate of the Government for South Viet-Nam, specifying that all the receipts from this special pacification tax must go to the provincial budget. Villages are not entitled to collect this tax any more, nor are they entitled to a small part of it, as previously stated.

Finally, the villages should be urged to turn in the receipts resulting from the collection of this pacification tax, as earmarked in the provincial budget, fiscal year 1957 (Chapter IV, Receipts).

To conclude, all available means must be used in the drawing up of assessments, in the collection of taxes, chiefly the land and license taxes, and in the control on the collection of indirect taxes.
II. EXPENDITURES.- In all cases, the policy of limiting expenditures must be considered as a guiding principle and closely pursued. The fact that the expenditures have been approved and earmarked in the budget does not necessarily mean that they must be spent. On the contrary, they ought to be examined carefully, and the collection capacity taken into account.

1. Personnel: According to Presidential instructions, new recruitments are not allowed from now on. A census of the personnel working in the different offices of the province should be taken, and their assignments readjusted, so that their abilities may be fully exploited. Should any of them be considered as unnecessary, they must be returned to the Directorate-General of Public Functions (Secretariat of State for Interior) and assigned to other places. The newly created provinces certainly have more office messengers, wage earners and workmen than they really need. You are therefore asked to retain only necessary personnel, for the sake of lowering the expenditures of the provincial budget. Actually, in provinces of South Vietnam, 80% of the expenditures on personnel are as much as 80% of the total expenditures supported by the provincial budget. This excessively high percentage should be gradually reduced, and the money thus saved employed in rehabilitation and construction works that most provinces badly need at this time.
In imperative cases, when new recruitments are indispensable, those recruitments must be approved by the Directorate General of Budget and Foreign Aid, and agreed upon by the Directorate General of Public Function before the hired persons can be sworn in.

All recruitments of personnel on a contract basis, and with communal funds, for assignments in the Chief-of-Province's or the Chief-of-District's office must be stopped at once.

2. Material: Expenditures on material should be reduced to the minimum. Unnecessary or lavish expenditures must be cancelled. The use of government-owned cars should be closely watched so as to prevent abuses and improper uses from occurring. The newly created provinces perhaps have more cars than they really need. A census of cars should be taken therefore, and the necessary vehicles kept while the unnecessary ones should be handled over to the Secretariat of State for Interior for distribution to provinces in need of vehicles. Regarding vehicles which can no longer be used, they should be sold by auction.

In the fields of rehabilitation and construction, only works which be considered useful to the people both economically and socially will be taken into consideration. Because the government is not in a position to provide the provinces with extra subsidies which are not included in the national budget, you are advised to devote the
subsidies from the central government first to the payment of salaries, then to expenditures on rehabilitation and construction.

III. CONTROL AND CARRYING OUT OF THE BUDGET.—The Presidency has been making a study on the possibility of setting up in the provinces a system of control such as the Service of Control of Engaged Expenditures now existing in Saigon.

There is a good chance that in the very near future, the Directorate General of Budget and Foreign Aid will set up provincial bureaus of control in South Viet Nam such as in Central Viet Nam, with the ultimate aim of helping your province to carry out quickly the projects already approved by the Foreign Aid or the National Budget Office.

Meanwhile, in order to attain more efficiency in the control of the provincial budget, you are asked to make a monthly report listing warrants already cleared, enclosing copies of justification papers such as payrolls, bills, etc., to the Directorate General of Budget and Foreign Aid.

Following is a draft of the aforesaid list:

<table>
<thead>
<tr>
<th>Warrants</th>
<th>Creditors</th>
<th>Nature of expenditures</th>
<th>Amount of money</th>
<th>Notices</th>
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Besides this list, please continue to send the receipt-expenditure balance sheets, chiefly the temporary figures on receipts and expenditures of both province and villages, for the first five days of the month (refer to my letter No.77 TTP/NS/VP dated June 15, 1957).

IV. REGULARIZATION OF ACCOUNTING PROCEDURES IN NEWLY CREATED PROVINCES. As far as newly created provinces are concerned, you are asked to see to the regularization of their accounting procedures.

Before being created, the former provinces had issued warrants authorizing either payment or receipt of money. These warrants can be considered as payment orders (ordre de paiement) or temporary receipt bulletins (bulletin provisoire de versement). The Chiefs of these provinces are urged to get in touch with the provincial branch of the Treasury in order to regularize the situation.

V. GENERALITIES ON THE ESTABLISHMENT OF THE BUDGET FOR THE FISCAL YEAR 1958.- Finally, you are asked to start establishing your provincial budget for the fiscal year 1958. From this year on, all provincial as well as prefectural budgets must be approved and promulgated prior to January 1, 1958.

It would be better for you to gather all the materials necessary to the setting up of a realistic and detailed budget as soon as possible.

In the 1958 Budget, expenditures on personnel and material must be clearly explained and real figures given. Here are a few examples:

- on teaching personnel: figures on schools, classes, faculty members, students, should be given.
- on office stationery: figures on paper, pens, pencils, etc., should be given.
- on boarding hospitals: figures on each class of patients and corresponding prices of food required for their feeding should be given.

Reports on achievements during the past three years, as well as plans for 1958 from the heads of provincial services (education, health, public works, police, civil guard etc.), should be added to the different chapters of the budget, as further explanations of your proposals.

To sum up, the budget for the next fiscal year must be a realistic and detailed one, set up according to the real needs of the province - a program you can rely on for conducting your administration.

If necessary, complementary instructions will be given later.
Signed: Nguyen-Huu-Chau.

3. The Thua-Thien Province
Experiment with Village Consultative Councils

An observer of local administration told the writer some time ago that the Central Lowlands were known for their interest in experimenting with possible improvements in local administration, partly because of the impact of changes made by the Viet Minh and partly because of the more pressing economic necessities for better administration.

In a visit to Thua Thien province in May, 1959, the writer obtained the following copy of a statement describing the village consultative councils which, he was told by a provincial representative,
was an attempt of the Province Chief to relate administration more closely to the people. Although the writer had no opportunity to evaluate the effect of this change, it was indicated to him that this was an improvement merit ing consideration for other provinces. (Field research in 1961 conducted in Quang Nam by other members of the MSUG staff showed that the plan had been installed there.)
ORGANIZATION OF THE CONSULTATIVE COUNCIL
IN THUA THIEN PROVINCE

I. SIGNIFICANCE AND PURPOSE OF FORMATION OF THE VILLAGE LEVEL CONSULTATIVE COUNCIL.

"A village-level consultative council was established in the province of Thua Thien on a temporary basis to assist the village councils in the fulfilment of their duties, pending the enactment of a decree which will determine the village administrative and financial organization (as provided for by Article 12 of Ordinance 57-a, dated October 24, 1956).

II. COMPOSITION OF THE CONSULTATIVE COUNCIL AND BASIS OF SELECTION.

"The selection of the consultative council should be aimed at the notables, learned men, family heads, family representatives and retired mandarins of good will and devotion who took the Nationalist stand and are influential and attained strong background among the people. The composition of the consultative council in each village is not definite and depends on the density of population, on the importance of each village, and on the number of those who meet the requirements for admission to the consultative council.

"In selecting the consultative council, the District Chief -- in primary relationship to agencies of all corresponding levels -- establishes a list of those members of the consultative council who meet the standard requirements for admission to the villages' consultative councils.

"The District Chief will then organize meetings in each village..."
and thôn with wide-scale attendance by the people who will receive explanations on the formation of consultative councils.

"The District Chief will take the third step in granting the people the right to select or elect under his guidance. The report on the meeting and the list of elected members of the consultative council will be submitted to the province for ratification. The important point resides in the district's close consideration of the composition of the consultative council, in order to exclude those vicious elements which deliberately sought to infiltrate into the council to carry out sabotage.

"Furthermore, the District Chief should also ensure that each thôn has at least one member on the consultative council so that the voice of the representative of the inhabitants of the thôn will be heard in the village as well as in the thôn itself.

III. AUTHORITY AND DUTIES.

"A. The main duties of the consultative council are:

1) To play the intermediary role between the village authorities and the people. To put it concretely, the consultative council represents the people by submitting their just aspirations to the authorities for consideration, and conversely the council also publishes throughout the village the government's recommendations to be popularized and assists in mobilizing the attainment of the government's recommendations.

2) To advise the village council in all rural reconstruction programs and improvement of rural customs."
3) To advise the village council in preparing the budget.
- Vote on the village budget
- Follow up and control the implementation of the village budget.

B. AUTHORITY:

"The majority of the consultative council members who undertake the responsibility of representing the people seldom request any material interests, but instead want to ensure that they are supported morally and their prestige preserved.

C. RELATIONSHIP BETWEEN THE VILLAGE COUNCIL AND THE CONSULTATIVE COUNCIL:

"The consultative council is an independent body, not dependent on the village council, in terms of selection and activities as well. However, for the sake of common interests and aiming at the same end of serving the interests of the nation and the people, the village and consultative councils should display unity of will and action, and mutual assistance in the fulfillment of their duties.

"If ever disagreement is unavoidable, both sides enjoy the right to communicate their views to higher authorities for a solution.

CONCLUSION: The consultative councils were established by the province of Thua Thien itself, aiming at assisting the village council in the fulfillment of its duties and the gradual democratization of the fundamental level. Hence it is thus far
not feasible to set a formal and detailed statute. Nevertheless, two years of experience have shown that where the consultative council fulfills its duties, the situation has proved to be satisfactory, to a certain extent."

4. The Agroville Experiment

One of the major attempts to alter the social structure of rural society was centered in the establishment of agrovilles — that is, new settlements for rural residents living in a more dispersed pattern. Motivated by both economic and political concerns, plans were established presumably for the eventual re-establishment into agrovilles of a large proportion of the rural population. For some areas, modifications were envisioned such as "row" villages along major highways.

Altogether about 20 agrovilles have been completed; whether the program will be continued is not known. From the administrative viewpoint, the establishment of the agrovilles provides an excellent opportunity for improving procedural as well as organizational aspects of communal government.

The following article serves well as an explanation of the announced intent of the agroville program. It closely follows governmental publications regarding this scheme for rural development.
Quite the reverse of conditions in North Vietnam where the inhabitants live crowded together in villages behind the green bamboo hedge, is the situation in South Vietnam where the land is extensive and thinly populated and the people are scattered throughout the country.

In fact, rich villages are not rare in the south. On the road from Saigon to the six provinces or from the latter to the districts and villages, one cannot miss seeing crowded hamlets, prosperous markets and streets. But if the tourist leaves the highway and goes forth into immense fields or in the borders of bushy and quiet forests, he will see in these remote areas many straw huts belonging to agricultural families who live scattered in a lonely state.

The tourist may have already asked himself: Why do people live in such a state without attempting to get together to enjoy a more comfortable life?

The above question suggests the problem of assembling people and putting land to use as well as that of establishing dense and prosperous areas. This is being realized by the authorities within the framework of the improvement of living standards and the social common progress.
I. REASON FOR THE CONSTRUCTION OF DENSE AND PROSPEROUS AREAS.

1. The non-progressive life of the cultivator.

The cultivator adjusts himself to an isolated life among immense rice-fields or in maquis areas because he wants to live close to his field in order to take care of it easily. He also gets used to his low-roofed straw hut, his muddy hands and feet, and a very hard life.

Although they have to work hard and in lonely places, the South Viet Nam farmers seldom find themselves in a critical state on account of the extensive land, a regular climate and rivers providing water resources.

Cultivators are content with their life which is not a miserable one but which could be improved. They live in the narrow framework of a countryside environment to which they cannot bring any change by their own means. The annual yield goes for a large part to the landowner or to the moneylender; the remainder can only help them meet the strict needs of their families. If they do not live in an economical way or if they become ill they are obliged to borrow money or paddy and this with interest. Their lives seem to have no prospects for the future. As to landowners, they get richer and richer and are not interested in the improvement of cultivators' life as well as of agriculture itself.

Besides, isolated initiatives or goodwill, even if they exist, do not bring any considerable results on the common standpoint.
"In remote areas, the cultivator pays only full heed to his plot of ground, he knows only the landowner and is indifferent to village affairs. Village officials, too, very seldom come to see and take care of him.

"Living far from the village, the hospital and the school, the cultivator's family suffers from lack of medicines and medical care. The cultivator's children usually are illiterate. Even if they attend school, this is for only two and three years during which they are taught reading and writing and then they have to stay home to help their parents in the fields.

"In short, the cultivator's family lives in a primitive, unorganized way, lacking the commonest sanitary conditions and enjoying no advantage of progress.

"This is their way of life in peacetime. During war and trouble and now, farmers writhe with anxiety, threatened by the pressure and menace of the rebels. They are compelled to feed and to supply them and are at the mercy of their plunder.

"2. The construction of dense and prosperous areas is a project living within the social common progress.

"Living alone and scattered throughout remote and dangerous areas, the farmers should be placed immediately within the scope of governmental works.

"It is with the aim of helping the above farmers to escape such a hard life that includes no hope of progress, no security that the government has worked out a project tending to establish dense and prosperous areas in the provinces of South Viet Nam."
"It is a matter of fact that the farmer's life can only become orderly, systematically organized and progress rapidly if all farmers gather together.

"Based on the principle of a social common progress, the Republic of Viet Nam is oriented towards the country people to rebuild social conditions in the country and at the same time develop the agricultural economy of our country.

"The land reform has brought to cultivators an adequate status and helped a number of them have some private foundation that is likely to be the starting point of some further undertaking.

"At present, the number of tenant farmers having signed a contract is 800,000 and those who have been awarded evicted land are approximately 115,000. (1)

"The resettlement project, which aims at clearing overpopulated areas where there are many people and little land and reclaiming uncultivated districts, has achieved concrete results. So far, resettled people in various centers are about 130,000. (2)

"In the agricultural credit field, the National Agricultural Credit Office has scored steady success; while under French

(1) Department of Land Registration and Agrarian Reform's report of September 11, 1959.

(2) According to the report of the Commissioner General for Land Development during the Nationwide Resettlement Congress held on September 30, 1959, 84 resettlement centers have been set up so far numbering 128,374 people and 48,336 hectares of cleared land.
domination such agencies as S.I.C.A.M. and O.C.P. did not reap any results that are worth mentioning. Instead of adopting the usual process which consists of lending money against securities or property, the National Agricultural Credit Office dared provide poor cultivators with funds, trusting only their faithfulness. The number of farmers eligible to borrow from the National Agricultural Credit is 500,000. They cultivate about one million hectares of land making during the past few years a benefit of 400 thousand piasters which they did not have to hand back to the lenders if they had to borrow.\(^{(1)}\)

"Within the framework of agricultural development, the cooperative and agriculturist association movement has received a strong impetus and brings to farmers conditions suitable to the development of their profession.

"However, the government work program aims at a deeper action in the country to bring a brighter life to farmers who still live in remote areas.

"Dense and prosperous areas will better the countrymen's life from the social standpoint, bring them security, guarantee their freedom and property and will be economic units playing in the future an important part in the national economic development.\(^{(2)}\)

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\(^{(2)}\) The President's appeal on July 7, 1959.
"II. PROJECT CONCERNING DENSE AND PROSPEROUS AREAS.

"We must discriminate between the delimitation process and the establishment of the above areas. The delimitation process is to be realized in a restricted sphere, whereas the establishment of dense and prosperous areas has a large scope extending over the village framework.

"In the western provinces such as Phong Dinh, Kien Hoa, An Xuyen, Ba Xuyen, Kien Giang, the local authorities are planning to put into effect the project concerning construction of dense and prosperous areas. At the start, a few zones will be established as pilot centers within each province. The work may be divided into three steps:

1. Geographical point survey.

2. Drawing up the building plan.

3. Construction and resettlement.

"1. The choice of location for dense and prosperous area.

"The construction of a dense and prosperous area involves a lasting and large-scale character, therefore the works that are to be put into realization should follow a program which must be carefully studied and keeps close to all various aspects: population, beautification, building, agriculture, land, water and air communication, security...

"First of all, great care should be taken as to the choice of location which must meet all conditions required by further developments:
a) The location must stand right on or close to a communication axle including roads or rivers or an airport which already exists or which is to be built. Lack of bridges will call for the construction of ones to provide easier and more convenient transportation from the chief-town or the district-seat to the area. Communal roads, little, narrow, caved-in, neglected ways of communication, will be mended, repaired, enlarged because they are necessary to the life of the center.

"Maybe the spot has been selected because of other conveniences and does not lie near the lines of communication; in such a case, a new system of ways will complete the existing ones.

b) The location should not lie far from the ricefields where the farmers are working so that they can reach them early in the morning and return in the evening.

"However, if they have to cover a distance of more than four or five kilometers, they could be granted another plot of land to cultivate.

"Nevertheless, in such a removal, the government will pay heed not to provoke too much expense or too great a sacrifice from the farmers; even if the expenses and sacrifices are only temporary and will bring multifold profit.

c) The land should be of a good quality, large in size, easy to cultivate because there is still the problem of
distribution to farmers and their families coming from far-off. They should be able to go and work on the fields without any difficulty.

d) The location should be suitable to the maintenance of security for the whole center as well as the neighbouring area.

For these reasons, the foregoing survey needs the participation of numerous central and local agencies. In the case of the above-mentioned provinces, the selection of the center has been performed successively by numerous missions in charge and appointed by the central government including the Director General of Reconstruction, technicians, architects, officers who joined local authorities (the government representative, the military region representative, the Province-Chief, the District-Chief, the representative of the local public works agency) and came to the very spot for discussing and making proposals to the government.

2. Drawing up the building plan.

The location once selected, the provincial cadastral service will make a survey and a plan which the Directorate of Reconstruction will use to base the building plan.

All works relating to the construction of the center will be done in accordance with the building plan of the General Directorate of Reconstruction.

As the dense and prosperous area operates on a large scale, a number of at least 200 families is required for the construction
of such an one.

"On the General Directorate project of servitude and allotment, it is planned that there will be a canal surrounding the center and many small canals which will be used as separations between the lots. The earth removed from the digging of canals will be utilized for building the roads; there will be a large main road and others.

The whole area is divided into many sub-areas:
- an administrative section
- a shopping and industrial section
- a residential section with gardens and farms.

"a) In the administrative section will stand the village public buildings and the premises of technical services:
- Post Office.
- Information service.
- Agricultural service.
- Police.
- School and sportground.
- Dispensary.
- Maternity hospital.

"b) In the shopping and industrial section, around the market, there a place will be reserved to build shopping streets and large grounds for manufactures, and industrial workshops to be set up in the future.

"c) The garden and farm section is in fact the residential one where the farmers' families will be concentrated.
Each family will be granted a plot which can cover 60 meters x 80 meters (4,800 square meters) or more or less according to each region. The farmers will dig ponds to breed fish and use the earth removed to make the floor. They will have sufficient land to grow vegetables, fruit trees, breed fowl, cattle etc... and go on cultivating the field they are working on.

The problem of drinkable water which is a very important one for the western regions will be carefully examined; public water tanks, Layne wells or ponds may be installed in such a way that the inhabitants would have sufficient water to drink in the dry months, and if possible, to water their gardens and cattle.

In case that the selected location falls on an existing village or hamlet, houses built for farmers will be gathered together and added to old hamlets. Additional roads will be constructed, as will canals and bridges to develop communication. Existing public buildings such as the village office, the school, the maternity hospital will be repaired or enlarged and non-existing buildings such as the offices of various services: information, Post Office, agricultural service, etc... will be constructed.

The above-mentioned works must follow the building plan of the General Directorate of Reconstruction.

In short, old and small villages will be enlarged to become a dense area prospering in accordance with a carefully studied project.
"3. The realization of the dense and prosperous area - the means.

a) Procedure and expenditures.

Major works such as canal digging, road building, the construction of foundations in the administrative and public sectors will be carried out according to the community development process: the local authorities will take charge of the supervision and will be entrusted with the technical aspect of the problem; the local population will contribute with their work. The government will give an aid amounting to not less than a million piasters to each area for the purchase of necessary tools as well as for scheduled expenditures relating to rewards to our countrymen who have joined their efforts in this undertaking of common interests. Maybe a half of this amount will produce back-interest that will serve for the creation of funds for each area to use for the betterment or additional realization of necessary work in the future.

The building of markets in the commercial and industrial area, of schools, dispensaries, maternity hospitals, village halls, offices of technical services, rainwater tanks, etc... in the administrative area will be entrusted to the local authorities with the cooperation of the technical services concerned. Houses will be built with bricks and tile-roofed. Half of the expenditures which can reach millions will be financed by the government, the other half being given to the province as a long-term loan.
farmers will follow the joint families mutual aid way and will
together dig fish ponds, the earth removed used for the cons-
struction of house foundations. They also will join their efforts
to built houses. Local authorities will give some help by
supplying and transporting building materials.

b) Resettlement.

"If the selection of the location requires many technicians
and much time, if the building operations and the establishment
of the dense and prosperous area causes much expenditure, the
problem of resettlement is somewhat delicate in the early stages
as the farmer cannot help but regret the less of the cottage
where he lived, the fruit trees and the vegetable gardens he
has taken care of so long.

"The government understands thoroughly this psychological
point and pays full heed to get the settlers prepared in such a
way that they are ready to adhere to the program and to
participate in the carrying out of the project. With these
conditions only, the dense and prosperous area will last and
develop in the future.

"Aiming at that goal, several missions have been set up
including officials from administrative services, cadres from
Civic Action, Information, Youth, farmers' associations, etc...in
charge of explaining to farmers and helping them understand
the program's utility.
"Provincial authorities also have the initiative in mobilizing the staff and the cadres for helping and taking care of the farmers at the very start by encouraging, giving presents, making medical visits, giving medicines to their families and more especially by lending a hand in the transfer and the building of new houses.

"Then comes the farmers’ work problem which should be resolved in such a way that no impediment would be placed in front of them. So the resettlement phase starts only when farmers have free time after the rice transplantation or the harvest. And those who have to move their houses far from their fields – in case that it is unnecessary to grant them other pieces of ricefield – they should be allowed to set up a temporary hut on the plot of ground to use as shelter during their workday.

"And when the resettlement phase is over, they will obtain aid from all existing means so that they can live in security and lead an active life in the new environment.

III. ADVANTAGES DRIVING FROM THE ESTABLISHMENT OF DENSE AND PROSPEROUS AREAS.

"As stated above, roads, houses, public buildings in dense and prosperous areas must follow the construction plan of the General Directorate of Reconstruction.

"The whole area will be a modern countrytown equipped with electricity, drinking water, well-aligned and beautifully built houses and streets."