

MICHIGAN STATE UNIVERSITY

BOX 34

A. P. O. 143

SAN-FRANCISCO, CALIFORNIA

- VŨ KHIEM

- ĐO THANH LAM

- TRAN DINH KHOI

1. Nguyen <sup>Phu</sup> ~~Quoc~~ Thieu
  2. Dang ~~Ngoc~~ Dat
  3. Dohamite
  4. Nguyen duy Thanh
  5. Nguyen Khac Minh
  6. Vu Khiem
  7. Do Thanh Lam
  8. Tran Dinh Khoi
- 

## Tax Revenue

Budgetary Problem

Foreign Aid - change

domestic source - form

Budgetary structure

Tax Structure

change

purpose - Means

# Budgetary Situation

Deficit

Foreign aid

1. How is \$ aid converted to piastre funds?

- a) commercial export
- b) project aid
- c) military aid
- { d) other aid - Bal of Pay.
- { e) counterpart funds.

2. Reduction in aid

|            | VND (million) |      |      |      |      |
|------------|---------------|------|------|------|------|
|            | 1955          | 56   | 57   | 58   | 59   |
| Budget aid | 7,037         | 5644 | 5699 | 5052 | 5051 |
| Bal of Pay | 9353          | 8250 | 8362 | 7686 | 6160 |

1. Defense Expenditures.
2. Development of domestic <sup>import competing</sup> production & export industries
3. Decline in imports due to decline in non military aid finance.

| Trade Deficit      | 1957 | 1958 | 1959 |
|--------------------|------|------|------|
|                    | 8219 | 6470 | —    |
| Aid (and military) | 7669 |      |      |
|                    | 8362 | 7686 | 6160 |

4. Inflationary consequence of reduction in aid - Raise cost of

GOVERNMENT REVENUE & EXPENDITURE  
BALANCE (in millions of piastres)

|             | 1954    | 1955    | 1956   | 1957   | 1958   | 1959 | 1960 |
|-------------|---------|---------|--------|--------|--------|------|------|
| Revenue     | 5.470   | 5.122   | 7.251  | 8.461  | 8.701  |      |      |
| Expenditure | 16.934  | 15.697  | 12.471 | 14.160 | 14.375 |      |      |
| Balance     | -11,464 | -10,575 | -5,220 | -5,699 | -5,674 |      |      |

Source: U.N. Statistics Bulletin.

# MAJOR COMPONENTS OF TAX REVENUE

(Draft estimates in millions of piasters)

|                                                   | 1954  | 1955  | 1956  | 1957  | 1958  | 1959 | 1960 |
|---------------------------------------------------|-------|-------|-------|-------|-------|------|------|
| Tax on Income & Wealth                            | 612   | 752   | ---   | 729   | 634   |      |      |
| Land tax                                          | —     | 12    | ---   | 140   | 140   |      |      |
| Import duties                                     | 2,263 | 1,622 | ---   | 1,702 | 2,003 |      |      |
| Export duties                                     | 77    | 70    | ---   | —     | —     |      |      |
| Total Customs Duties                              | 2,340 | 1,692 | ---   | 1,702 | 2,003 |      |      |
| Transaction & Consumption tax *                   | 1,802 | 2,066 | ---   | 3,934 | 4,307 |      |      |
| Licences, stamps duties, registration fees, etc.. | 215   | 246   | ---   | 407   | 440   |      |      |
| Other tax revenues                                | —     | —     | ---   | 162   | 191   |      |      |
| Total Tax Rev.                                    | 4,969 | 4,768 | ---   | 7,074 | 7,715 |      |      |
| Other Revenues                                    | 501   | 354   | ---   | 1,387 | 986   |      |      |
| Total Revenues **                                 | 5,470 | 5,122 | 7,251 | 8,461 | 8,701 |      |      |

\* Transaction & Consumption taxes: excise duties, turnover taxes, sales taxes, and entertainment duties.

\*\* Total Revenues: excluding loans, borrowing, grants & aid, transfer from reserve funds, and counterpart funds.

--- not available.

— zero

MAJOR COMPONENTS OF GOVERNMENT EXPENDITURE  
(Draft Estimates - in millions of piasters)

|                                     | 1954   | 1955   | 1956*  | 1957   | 1958   | 1959 | 1960 |
|-------------------------------------|--------|--------|--------|--------|--------|------|------|
| Defence                             | 13,409 | 11,405 | ---    | 6,362  | 6,362  |      |      |
| Economic Services                   | 71     | 210    | ---    | 684    | 787    |      |      |
| Social Service                      | 92     | 180    | ---    | 1,057  | 1,191  |      |      |
| Contribution to prov. & local govts | 1,546  | 1,685  | ---    | 1,355  | 1,455  |      |      |
| Other current expenditure           | 1,490  | 1,832  | ---    | 4,335  | 4,248  |      |      |
| INVESTMENT                          | 346    | 385    | ---    | 367    | 332    |      |      |
| Total                               | 16,954 | 15,697 | 12,471 | 14,160 | 14,375 |      |      |

Notes Defence: including defence capital outlay. Military pension is included "in other current expenditure"

Social services: including expenditure on education, health, social welfare, relief.

INVESTMENT: covers capital outlays of public works department, including maintenance, and of government enterprises and other departments and grants to provinces and local authorities for the same purpose.

\* Beginning 1956, budget relates to Free Viet Nam

--- not available

# Government Expenditures

(in million of piastres)

|                                                                                     | 1954 | 1955 | 1956 | 1957   | 1958   | 1959  | 1960 |
|-------------------------------------------------------------------------------------|------|------|------|--------|--------|-------|------|
| Nat. Defence                                                                        |      |      |      | 6.600  | 6.040  | 6.170 |      |
| Economic Service<br>(Dept of Finance,<br>Economic, Agriculture,<br>Agrarian Reform) |      |      |      | 700    | 1.110  | 740   |      |
| Social Services<br>(Educ. Health, Labor)                                            |      |      |      | 950    | 1.030  | 1.360 |      |
| Subsidy to local<br>govts                                                           |      |      |      | 1.130  | 1.860  | 2.150 |      |
| Miscellaneous                                                                       |      |      |      | 4.300  | 2.560  | 3.640 |      |
| INVESTMENT<br>(Dept of Public<br>Work & Recons-<br>truction)                        |      |      |      | 1.180  | 1.200  | 1.22  |      |
| Refugees                                                                            |      |      |      | 140    | —      | —     |      |
| Foreign & other<br>aid programs                                                     |      |      |      | 80     | 1.400  | ---   |      |
| Total of<br>expenditures                                                            |      |      |      | 15.800 | 15.200 | ---   |      |

## BALANCE

|                            |  |  |  |        |        |        |  |
|----------------------------|--|--|--|--------|--------|--------|--|
| Revenues<br>(aid excluded) |  |  |  | 9.720  | 8.880  | 10.230 |  |
| Revenues<br>(aid included) |  |  |  | 16.630 | 15.410 | ---    |  |
| Expenditures               |  |  |  | 15.800 | 15.200 | ---    |  |
| Balance<br>(aid excluded)  |  |  |  | -6.080 | -6.320 | ---    |  |
| Balance<br>(aid included)  |  |  |  | + 830  | + 210  | ---    |  |

# Government Revenues

IMF  
Nat. Bank of VN

(in millions of piasters)

|                                                                     | 1954 | 1955 | 1956 | 1957  | 1958  | 1959*  | 1960 |
|---------------------------------------------------------------------|------|------|------|-------|-------|--------|------|
| Direct taxes (Income, land, patent taxes)                           |      |      |      | 690   | 777   | 777    |      |
| Indirect taxes (on consumption, transaction, Production, luxury...) |      |      |      | 3,200 | 2,980 | 3,170  |      |
| Customs duties                                                      |      |      |      | 2,820 | 2,070 | 2,400  |      |
| Excise duties                                                       |      |      |      | 1,360 | 1,340 | 1,440  |      |
| Stamp & Registration fees                                           |      |      |      | 510   | 620   | 520    |      |
| Non-fiscal Revenues                                                 |      |      |      | 1,140 | 1,100 | 1,930  |      |
|                                                                     |      |      |      | 9,720 | 8,880 | 10,230 |      |
| <u>FOREIGN AID:</u>                                                 |      |      |      |       |       |        |      |
| Military Assistance                                                 |      |      |      | 5,970 | 5,130 | 5,050  |      |
| Aid to Refugees                                                     |      |      |      | 0,140 | —     | —      |      |
| Economic Aid & others                                               |      |      |      | 0,800 | 1,400 | ---    |      |
| Total of Aid                                                        |      |      |      | 6,910 | 6,530 | ---    |      |

\* Planned figures

National Budget of V.N.  
Planned Revenues for 1955, 1956, 1957, 1958, 1959  
(in millions of piasters)

|                                                                    | 1954 | 1955              | 1956             | 1957             | 1958             | 1959             | 1960 |
|--------------------------------------------------------------------|------|-------------------|------------------|------------------|------------------|------------------|------|
| Direct Taxes (Income, land, patent taxes)                          |      | 761<br>(637)      | 894<br>(743)     | 771<br>(694)     | 709<br>(709)     | 769<br>(769)     |      |
| Indirect taxes (Consumption, Transaction, Production, Luxury, etc) |      | 876<br>(733)      | 1.283<br>(1.197) | 2.536<br>(3.243) | 2.967<br>(2.967) | 3.037<br>(3.037) |      |
| Customs Duties                                                     |      | 3.105             | 3.220            | 1.801            | 2.222            | 2.405            |      |
| Excise Duties                                                      |      | ---<br>(735)      | ---<br>(1.302)   | 1.441            | 1.530            | 1.447            |      |
| Stamp & Registration fees                                          |      | 523<br>(615)      | 523<br>(599)     | 560<br>(510)     | 647<br>(647)     | 516<br>(516)     |      |
| Post & Telecommunication                                           |      | 174               | 268              | 276              | 268              | 281              |      |
| Other Public Services                                              |      | 99                | 140              | 175              | 196              | 213              |      |
| Other Revenues                                                     |      | 99                | 65               | 886              | 134              | 146              |      |
| Foreign Aid & grants                                               |      | 10.801<br>(7.037) | 6.313<br>(5.643) | 5.699<br>(5.699) | 5.103<br>(5.051) | 6.176<br>(5.051) |      |
| Special Revenues                                                   |      | 588               | 914              | 771              | 353              | 399              |      |
| Total                                                              |      | 17.030            | 13.625           | 14.919           | 14.133           | 14.994           |      |

\* Figures between brackets relate to effective receipts

Source: National Bank of Viet Nam.

National Budget of U.N.  
Planned Expenditures for 1955, 1956, 1957, 1958, 1959.  
(in millions of piasters)

|                                                         | 1954   | 1955   | 1956   | 1957   | 1958   | 1959   | 1960 |
|---------------------------------------------------------|--------|--------|--------|--------|--------|--------|------|
| 1. Presidency & N <sup>2</sup><br>Assembly              |        | 843    | 2,031  | 1,919  | 1,870  | 721.   |      |
| 2. Information                                          |        | 131    | 257    | 230    | 200    | 244    |      |
| 3. Foreign Affair                                       |        | 62     | 58     | 89     | 100    | 129    |      |
| 4. National Def.                                        |        | 10.622 | 6.967  | 6.598  | 6.042  | 6.042  |      |
| 5. Justice                                              |        | 101    | 97     | 196    | 204    | 228    |      |
| 6. Interior                                             |        | 598    | 627    | 613    | 641    | 1.958  |      |
| 7. Finance                                              |        | 477    | 378    | 391    | 348    | 407    |      |
| 8. Nat. Economy,<br>Agriculture &<br>Agrarian Reform    |        | 156    | 186    | 872    | 398    | 334    |      |
| 9. Nat. Educat.                                         |        | 409    | 423    | 533    | 612.   | 788    |      |
| 10. Public Health<br>Labor, Social<br>Security          |        | 284    | 332    | 376    | 364    | 505    |      |
| 11. Public Works &<br>Communication<br>& Reconstruction |        | 1,223  | 1,114  | 1,548  | 1,198  | 1,144  |      |
| 12. Miscellaneous<br>items                              |        | 2.120  | 1,150  | 1,550  | 2,152  | 2,489  |      |
| Total                                                   |        | 17.030 | 13.625 | 14.919 | 14.133 | 14.994 |      |
| Total *                                                 | 16.954 | 15.697 | 12.471 | 14.160 | 14.375 |        |      |

Source = National Bank of U.N.

\* UN Statistics Bulletin estimates.