

AREA ADMINISTRATION IN VIETNAM

SELECTED ARTICLES FROM

HÀNH CHÍNH KHẢO LUẬN

(THE ADMINISTRATIVE STUDIES REVIEW)

MICHIGAN STATE UNIVERSITY
VIET-NAM ADVISORY GROUP

February, 1961

VS

NTIS

352.007 Michigan State Univ. Vietnam Advisory
V666 Group.

Area Administration in Vietnam. Feb. 1961.
282 p.

Bibliography throughout.

OFF-SITE

1. Villages - VS. 2. Public administration - VS.
3. Local government. I. Title.

35795

A R E A A D M I N I S T R A T I O N
I N V I E T N A M

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THE VILLAGE ADMINISTRATIVE AGENCY

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In a country whose predominantly agricultural population is concentrating in rural communities for the cultivation of their land, the village in Vietnam has been, from the early days of its history, the fundamental administrative unit of the Nation. The village administrative organization has thus been the object of constant concern of the higher authorities.

Local decentralisation of power in the village organisation is a method of administrative organisation aiming at the preservation of the village's interests and the assurance to the rural people of their right to take part in the government of their village (locality). With the application of this method, the village has its private property and the (village) administrative machinery is operated by the local villagers themselves. One noteworthy^{special} feature is that the Central Government only exerts control over and not direct intervention into the administrative affairs of the village. Therefore, the village executives were not appointed by the Central Authorities but were usually elected by the local people. The policy of local decentralization of power has been adopted in our country ever since Viet-Nam was an independent nation. Local decentralisation was, it is fair to say, not a product imported by the French.

Central dispersion of power was recently put into effect, owing to the particular situation of the country. As a result, the rural people no longer enjoy all the aforementioned privileges, since the rural (communal) agencies were no longer elected by the people but were appointed by and directly responsible to the local representatives of the Central Government, the province Chiefs. The village is, nevertheless, still considered the fundamental (administrative) unit of the Nation having a legal personality, public property, and a budget.

The evolution of the village administration may be examined according to the following chronological order:

1. The system of village autonomy
2. The village administrative system under the French
3. Reorganisation in the village administration in 1953
4. The draft proposal on the reorganisation of the village administration
5. The present administrative agency : the village Council.

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I. THE SYSTEM OF VILLAGE AUTONOMY.

Throughout the period of independence, from 938 to 1884, the local administrative organisation of Viet-Nam had, although it was patterned after that of the Chinese, undergone transformation with the passage of time and in pace with the southward

expansion of our people. The village had been a fundamental administrative unit of the Nation and the village autonomous system had been maintained through the epochs of history, even at the climax of the period of monarchy.

The village autonomous system had been adopted in our country since the ancient period and no substantial change was made even under the protectorate Government.

Under this system, the King and the royal court seemed to have no authority over the people of cantons and villages. Each village had its own property and regulations in which the royal court could not intervene. Each village had its own "traditions".

The main aspects of the village autonomy :

- each village had a Management Board (Ban Quan tri) which was almost independent from the higher authorities.

- each village had private property and the right to use property according its needs.

- each village had its own customs and traditions.

- each village had its own guards.

A.- The Management Board (Ban Quan tri)

The village Management Board was almost independent from the higher authorities. This independence was illustrated by the organisation and operation of the Board.

The Management Board consisted of two bodies:

- the deliberative body or the Council of Notables, and

- the executive body : the Village Chief (Xa Truong or Ly Truong).

1. The executive body : Three special features will be examined:

- the designation of the Village Chief (Xa Truong)
- the duties of the Village Chief
- the subordinates of the village Chief.

a. Designation of the village Chief. (Xa Truong)

Prior to 1467, the executive power at the village level was entrusted on an official appointed by and directly answerable to the royal court, called the "Xa quan" (village official or mandarin).

A major reform took place in 1467: the King endowed the village with a broader administrative autonomy. The village executive was no longer appointed by the royal court, but elected by the people. The system of Xa quan (village mandarin) was replaced by the system of Xa Truong (village Chief).

The Xa Truong was the representative of the villagers in relations with the higher authorities. Although he was not chosen by the royal court, the Xa Truong (village Chief) had to be subject to its recognition. The following procedures were applied for the designation of the Xa Truong (village Chief).

- the superior authorities - the District (Huyện), the province did not have authority to intervene in the election of the village Chief by introducing candidates or forcing the

villagers to vote for a favored candidate;

- the royal court approved of the results of the election by giving an affidavit to the candidate elected;

- before approval, the higher authorities had of course to inquire into the legitimacy of the election and see thereby if the elected village chief possessed the qualities required by his position.

b. The duties of the village Chief (Xa Truong)

Since he was not an autocratic leader in the village, the village Chief did not have full power in the management of village affairs.

The village Chief was, in the conception of the authorities at that time, merely the representative of the villagers in relations with the higher authorities. In this position, the Xa Truong (village Chief) was charged with the execution of orders from the superior - usually military recruitment and tax collection.

Besides, the Xa Truong was to carry out the decisions of the Council of Notables.

The duties of the Xa Truong may be summarized as follows:

- tax collection,
- military recruitment,
- to provide labor for the King.

Each village had to maintain records on adult (male) villagers and land registers.

The duties of the Xa Truong under the Nguyễn dynasty were less complicated than under the Lê dynasty. The Royal order of Quang Thuân (1480) under Emperor Lê-Thanh-tông stipulated that the village Chiefs should frequently stimulate the villagers' interest in their agricultural work. Another royal order of King Lê-Huy-Tông instructed that the village Chiefs should twice a month (on the 1st and 15th days of the lunar month) assemble the villagers in the Dinh (Temple for the cult of the village guardian spirit) to hear expandings about the confucian moral principles.

In addition, the village Chief was charged with selecting qualified (intellectually and morally) villagers for examinations.

c. The assistants to the village Chief.

They usually were the Deputy Chief of village (Pho ly) and the police agent (Truong tuân). The deputy Chief of village was also elected by the people. According to a new royal decree under King Minh Mang, the term of the Deputy Chief, like that of the Chief of village, could not exceed three years, in contrast to the term of the Council of Notables which was indefinite. However, this decree had never actually been applied. At that time, it was noted, village chiefs usually remained on duty for some twenty or thirty years without any interruption.

2. The deliberative body.

a. Composition of the Council of Notables (Hội đồng Ky muc).

The Council of Notables had an unlimited membership made

up of the well-known notables in the village. There were customarily those who had acquired academic degrees, who had been mandarins in the royal court or endowed with official titles. Unlike the executive body, the Council of Notables was not elected by the villagers. The prerequisite for membership on the Council was to meet all requirements provided in the communal convention which in the main stipulated that members of the Council should be men of letters who were successful in their academic life ... In addition, the elected candidate should even though all the aforementioned requirements were met, held a "reception" to formalize his election to the Council of Notables.

What was it meant by "reception" ? This implied holding a ceremony to pay respect to the village guardian spirit, followed by a feast to which all villagers were invited and informed by the elected candidate that he had scored academic achievement or received an official title from the royal court. The main purpose of the "reception" and feasting was to inform the villagers that a certain person had fully met the requirements for membership on the Council of Notables. This was illustrated by the saying : "One could not become mandarin without a reception".

The membership of the Council was unlimited and the term of its members indefinite. The number of candidates elected to the Council varied according to the number of successful scholars in the village.

b) The hierarchal precedence of members of the Council of Notables.

No uniform procedure existed for determining the precedence of the members of the Council. Each village has its own traditions which were at times contrary to royal laws. Certain villages applied the principle of seniority in age and others, precedence was based upon the official titles endowed by the King.

In the former, the position of First Notable (Tiên chí) was as a rule, was to be reserved for the oldest villager, even if he was a simple citizen. In the latter, only those who had the highest title or academic degree were qualified for the position of precedence - Tiên Chí.

However, even in villages in which precedence was based on royal titles, concern was primarily given to villagers who had served in the royal court and held royal titles, no matter whether or not they came from families known for bright academic achievements.

On the other hand, certain villages favored those who had bright academic achievements since this served the purpose of encouraging academic pursuit on the part of the villagers. The membership on the Council of Notables was therefore accessible to scholars having the Tu Tai, (the BAC today), the Cử nhân (today: Licence), the Tiên si (today: Doctorat), and the positions of First and Second Notable were reserved for the most successful

graduates, even though they had not served in the royal court.

c. The operation and duties of the Council of Notables

In principle, the administration of the village was entrusted upon the Council of Notables, which was the only organization having the deliberative power. But in fact, the Tiên chi (First notable) had the power of making decisions, after consultation with other notables of the Council representing the large families in the village. In certain villages, the administration was fully entrusted upon the Village Chief (Xa Truong). In this case, the village Chief had ample authority in reaching decisions on all affairs relative to the village. These decisions were then reported to the First Notable and the Council. But this was an exceptional case. The Village Chief usually played the role of an executive.

Meetings of the Council of Notables were held in the village temple (Đình) for the cult of the Guardian Spirit. The Council customarily met on the 1st and 15th days of the lunar month to discuss the village affairs, after a ceremony in worship of the Spirit. The questions discussed usually concerned, in general, the following:

- Tax administration.
- Military conscription.
- Distribution of public rice-fields.

Throughout the period of national independence until the French Domination, the village administration had been entrusted

entirely upon the Council of Notables. The King, as well as the local authorities, never meddled in the village affairs, except for matters which were deemed to be approved by the superior, as the distribution of rice-fields and tax registration. In this case, the Council Notables played an important role in village affairs and the Council itself might be considered as a small royal court.

B. Property and the right^{to}/use property of the village.

Each village had its private property and possessed the right to manage and use its property. The property of the village usually consisted of ricefield and land which were called private land and private fields, since these real estates belonged to the village which was entitled to use them as a private landowner.

These ricefields and land might be purchased by the village with revenues obtained from renting village fields, or from the sale of positions to those who failed in their academic pursuit but were desirous of official titles; or from properties donated by private persons in the village.

Such donations were either unconditional or conditional: in accepting the donations, the villagers assumed the responsibility for celebrating the death anniversary of the donor or his parents, in the years to come. This performance was to purchase "land for the cult of ancestors", and the fields purchased in such a manner were called "hậu điền" (fields left

over by the deceased villager whose cult will be maintained by the cultivator of his fields - usually the village).

The village property consisted not only of real estates but also movables - such as ornaments or utensils used for ceremonies conducted in the village Temple (the Đình). Another source of incomes were taxes levied upon the villagers and revenues from the village's private property (rental of village ricefields), fines, and charges for wedding registration. The village has ample power in using its property, for the Council of Notables, did not have to observe any procedure and was not subjected to strict control by the Superior.

C. The village traditions.

It should be pointed out with sincerity that each village maintained its own traditions which were sometimes contrary to royal laws. It's for this reason that the village formerly enjoyed ample autonomy and many foreign observers viewed the Vietnamese village as a federation of villages (Fédération de communes).

These traditions, or village traditions, were customs and habits which existed in the village through generations. They were sometimes recorded in the "communal conventions", but most of these traditions were unwritten.

Village traditions were usually recorded in communal conventions only in villages known for successful scholars.

The object of these village traditions was very complex.

The village traditions might concern many aspects of the village life : administrative, judiciary, financial, social, etc...

The communal convention contained, in the main, traditions in determining the hierarchy of the notables on the Council, the formality of "reception" (feasting), the granting of allowances for the Village Chief (Ly Truong or Xa Truong), the worship of the village Guardian Spirit. The convention also included the procedure for distribution of public ricefields which conducted annually in some villages and once every three or four, or even six years, in others. In villages of Phuc Tho, Quang Oai, and Bát Bat Districts, public ricefields adjacent to the dike along the Red River were distributed to the villagers not once in every three or four years, but once for the whole lifetime of the beneficiaries.

Village traditions also determined the procedure for imposing fines on villagers whose acts were considered detrimental to the moral patterns of the village: the squabbling couple might be apprehended and imposed a fine by the village and obliged to hold a ceremony in honour of the village guardian spirit.

The village traditions were sometimes contrary to the law of the royal court. This observation will be supported by the following examples:

- The hierarchal positions of the Council Notables. Contrary

to royal regulations, the traditions of some villages determined the precedence of the notables not on the basis of their official titles or academic achievements, but on the basis of their age.

- The term of the Village Chief:

In a number of villages, the Village Chief might remain in office beyond the three-year term fixed by royal order.

- Distribution of ricefields to the military:

A royal Decree under Minh Mang 17th reduced the percapita allocation of public fields to the military men:

- royal guards one hectare
- provincial soldiers 0 hectare 3
- communal soldiers 0 hectare 7

Although this was a royal regulation, a few villages in Hung Yên province maintained their own traditions: the allocation of ricefields to provincial or communal soldiers exceeded the ceiling set by the King.

The royal court sometimes yielded to the village's practice in using its property: the village might sell its public land and ricefields without prior authorization by the superior.

- Ceremonies and Celebrations:

The autonomous character of the village was further demonstrated in the conduct of ceremonies and celebrations. Each village has its own Đình (Temple) for the cult of the village Guardian Spirit who might be a legendary personality or an angel chosen freely by the founders of the village for eternal worship.

This was supported by the fact that neither the local mandarins nor the King ever imposed the worship of any particular Guardian Spirit upon the villagers.

It's due to this freedom of worship that there was in certain villages a fantastic situation in which their Guardian Spirit was a mendicant or a thief.

- Justice

Each village had its separate court presided over by the most important personality in the village.

Prior to the Nguyễn dynasty, the president of the village Court was the Village Chief (the Xa Truong), but under the Nguyễn dynasty, the president was the First Notable (the Tiên chi).

D. The village self-guard corps.

Patrol duties in the village were assigned to the patrolmen (the Tuân dinh). The duty guards were to be present at guard posts. During the time of harvest, they were to patrol on the ricefields to safeguard the crop for the villagers. And at the end of each harvest, the ricefields owners were in turn expected to give the patrol team some bunches of paddy as reward to their service rendered.

Each village was in charge of the maintenance of its security, and the depense of the village was therefore strictly organized. At the two extremities of the village, as well as at road intersections, guard posts were installed. Many villages were encircled by tall bamboo hedges, with firm gates at the two extremities

which were closed down at nightfall.

Sometimes, many villages reached a pledge of friendship to ensure mutual defense and assistance in cases of pillage. This was usually the case of newly-established villages whose population was too small for self-defense - establishing alliance with larger villages on which they could rely in cases of emergency.

In short, the village self-guard corps consisted of all (male) villagers placed under the direction of some supervisors, heads of patrol teams, and the village self-defense was the common task of the entire village population and not entrusted upon any definite agency.

The village autonomous system had brought fruitful results in that it provided opportunity for the villagers to take a direct part in the management of public affairs and work out by themselves solutions to problems related to their own village, and this had greatly facilitated the work of the provincial and district authorities.

However, village autonomy in our country had many defects. Administratively, the citizen was plagued by the ruthless rule of the notables, the wealthy villagers usually blocked together and engaged themselves in exploitation and repression against the people. Taking advantage of the tradition that "royal authority should yield to village traditions" and the government's non-intervention, each village became a small kingdom in which the notables exercised their dictatorial power. This evil had

given birth to local prejudices and the spirit of regionalism with which the villager thought of leaving his village as a peril. Also, owing to the fact that the village enjoyed ample autonomy, the economy of Viet-Nam had the character of a communal economy (plus the King's policy of non-cooperation with western countries) which was not fully developed and was attributed for the grave failure of the past immigration movement undertaken by either the French or private persons with an aim to solve the problem of over-population in the delta of North Viet-Nam.

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II. THE VILLAGE ADMINISTRATION UNDER THE FRENCH.

The rural situation in our country had its good aspects as well as defects which were clearly identified by the French protectorate government and the native intellectuals. Therefore, there was a tendency toward reforms in the village administration even under the French protectorate. In South and North Viet-Nam, such reforms had been undertaken by the French, but the rural administration remained unchanged in the Center.

In South Viet-Nam, there was at the village level an administrative body called Ban Hội Tề (Council of Notables) the functions and power of which were determined by an Arrêté dated October 30, 1927 of the Governor General. At the head of

this Council was the *Huong cả* or *Chủ tịch* (president), then the *Huong chủ* - vice-president- who was in charge of maintaining public funds and the *Huong su* who supervised the other notables; the *Huong trưởng* was in charge of education; the *Huong chánh* playing the role of advisor to the *Huong thân*, the *Xã trưởng* and the *Huong hào* were the three executive notables in charge of liaison between the Council of Notables and the higher authorities. The *Xã trưởng* or *Thôn trưởng* played the role of intermediaries between the village and the central government; the *Huong hào* was in charge of police duties. The three executive notables were to cooperate with the *Huong quản* in the field of administrative and judiciary police and had the authority to give orders to inferior village officials as the *Phó xã* (Deputy Chief of village), the *Cai tuần* (head of the patrol team), the *Cai thôn*, *Cai thị*, the *Trùm*, the *Trưởng*, etc... Ranking higher or lower than the *Huong quản* were the *Huong giáo* who was in charge of giving advice to the junior notables, the *Huong bộ* or *Thu bộ* (Civil Status Notable) in charge of maintaining tax, land and other records of the village. The *Chánh lục bộ* and his Deputy (the *Phó lục*) were also senior notables, but were not allowed to sit on the Council of Notables.

Village notables were usually chosen by the higher authorities from among the wealthy landowners and retired mandarins. Vacancies on the Council whose three-year term had not yet expired might be filled by replacements recommended by the Council

members for final approval by the superior.

Each village had its fund to finance expenditures on ceremonies and celebrations, on public works, education, allowances for the notables and salaries for village personnel.

Each village was divided into many hamlets the number of which depended upon the village area and houses. This also served ^{as} criteria for determining the boundaries of hamlets, since an excessively large hamlet hampered communication and an over-populated hamlet reduced the effectiveness of control. Each hamlet had a hamlet chief who represented the Council of Notables. Charged with security in the hamlet, the hamlet Chief had the duty of controlling over the activities of the inhabitants in his hamlet and the neighboring hamlets. In this role, the was to give secret information to the Police Notable (the Huong quan) on the clandestine activities of the anti-government elements. In the performance of his duties, the hamlet Chief might receive the assistance of notables outside the Council.

In North Viet-Nam, reforms in the communal administration under the August 12, 1921 Arreté of the French Resident were also more concerned with two crucial problems of organizing the village council and establishing the receipts and expenditures journals. According to this Arreté, each village was placed under the administration of a communal council which was composed of four to twenty representatives of families living in the village - every hundred villagers eligible to vote might nominate

a family representative. On the Communal Council were the Chanh (principal) and Phó (deputy) Hương hội (head of the Communal Council) whose duties were in the main to ensure the operation of the village administration, the execution of orders and instructions of the superior, to prepare expenditures and receipts and designate two or three representatives to settle miscellaneous disputes among the villagers. Since former notables, afraid of losing face, were so unwilling to be family representatives that the Communal Council was composed entirely of young members who had almost no reputation and influence, and the village administration was often hampered by the ruthless elements. As a remedy to the above evil, the French ruling circles established in 1927 the Council of Notables playing the role of an advisory body to the Communal Council: But the ex-notables usually exerted their influence and directly intervened in the work of the Communal Council and the Chief of Communal Council had repeatedly to rely upon the influence of the First Notable (Tiên chỉ) and the Ly Truong in the performance of his duties. The Ly truong remained the executive officer of the provincial and district authorities at the village level. His election was more limited and his function was in the main to serve as intermediary between the Government and the village: the maintenance of tax records, land registers, official correspondence, tax collection and general security, etc... The Ly-truong had in his assistance the Phó ly (Deputy), the Hộ lai,

Chuong ba, Truong tuân, Xa đoan, etc... In principle, the Ly trung had the right to participate in the Communal Council in the capacity of executor of the resolutions of the Council, under orders of the Chief of the Communal Council. But the Ly trung, in fact, was usually the boss in the village administration.

The receipts-expenditures record was originally established in villages having at least 500 (male) villagers. In 1927, this record was maintained in smaller villages, with an annual amount of receipts and expenditures of at least 500\$00. Since percentage surcharges constituted a major source of revenues, it was met with much popular discontent. In addition, the corruption of the ruthless notables was at its climax, the Government's control ineffective and stealing of public funds by village officials was thus a frequent incident. Reforms were therefore good in theory, but they brought about undesirable results in practice. With regards to the traditions, there were customs of reception, feasting and ceremonies which were so luxurious for the deplorable economic circumstances of the villagers. Furthermore, the habits of striving for precedence and the spirit of discrimination and factionalism forced many villagers to run into debts or to sell their ricefields or their houses to finance feasting, and many people went bankrupt as a result of a minor question of "face". In South Viet-Nam, these practices seemed to be greatly reduced with the abolition

of the reception and feasting (before taking up a post to which a villager was assigned by the royal court) and ceremonies were not so costly and luxurious as in the past and precedence was of concern to only a few.

In North Viet-Nam, the procedure of establishing public fund at the village level, and the custom of cash payment was put into practice in lieu of holding a party the bad habit of feasting could not be abolished because of the tradition of paying verbal debt and the ambition for precedence were still prevalent in rural communities.

The French had long established their domination over our country without touching on the village autonomous system, since they were apparently aware that sudden friction was likely to constitute a detriment to their rule. Reforms in the rural administration were not undertaken until 1921 in North Viet-Nam and in 1927 in the South by the French. Two ordinances of August 12, 1921 and October 30, 1927 only brought about a systematization of the old village administration. In this reorganization, one point of interest was the establishment of public fund in each village and the power of the superior to approve of the decisions reached by the village administrative agency. Owing to the establishment of public fund and the

maintenance of financial records; the handline of receipts and expenditures was increasingly improved, and the villages, especially the rich villages in South Viet-Nam, could speed up the pace of their reconstruction work. The power of approval was devised to curb the power of the village notables. The village administrative agency had thus been deprived of its democratic character; and even worse, the backward, obsolete traditions and customs were consolidated. The notables were consequently more and more isolated from the villagers.

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III. THE REORGANIZATION OF THE VILLAGE ADMINISTRATION IN 1953.

Decree 34/NV of March 19, 1953 placed the village under the administration of an elected Administrative Council composing of a Chairman, a Vice-Chairman, a Secretary General and nine commissioners, at most, with the following titles: Education, Health, Civil Status, Police, Finance, Tax, Public Works, Economic, Agriculture.

The Chairman of the Administrative Council represented the village and defended its interests before any authority, directed and coordinated the operations of the village services, etc... In short, the Chairman of the Administrative Council was the First Notable (Hương cả) of the former Ban Hội Tề (Committee of Notables). Like the Hương chủ, the Phó Chủ tịch (Vice-Chairman)

was charged with the maintenance of the village funds.

The Secretary General was in charge of maintaining records on resolutions of the council and archives, studying problems concerning general administration; he had the authority to certify official or private affidavits (in place of the three former executive notables: the Hương thân, Hương hào, and Xa trưởng).

The Education Commissioner was in charge of education, youth and sports.

The Health Commissioner in charge of public sanitation, social relief and charity work.

The Civil Status Commissioner, in charge of maintaining civil status records.

The Police Commissioner, in charge of administrative and judiciary police in the village, playing the role of an assistant to the Public Prosecutor, maintained security and order, transmitted court warrants and judiciary papers.

The Finance and Tax Commissioners, in charge of finance and the management of village's property and tax collection.

The Public Works, Economic, Agriculture Commissioners, in charge of construction work, commerce, industry, animal husbandry, and agriculture.

In villages where the security situation did not permit the election of the Administrative Council through universal suffrage, an Administrative Committee was appointed by the administrative authorities, the composition and duties of which were similar to

those of the Administrative Council.

The village was divided into hamlets, the role of the hamlet chief remained unchanged, but due to the insecurity in almost all villages, the position of the hamlet Chief was overshadowed to the extent that it was no longer considered as existing. Furthermore, the lower-ranking notables who formerly were active elements of the Ban Hội Tê (Committee of Notables) were gradually drifted toward the same doom.

The village had a legal personality, its private property and budget which was established and submitted to the superior for approval:

- to the province Chief for budgets of less than 500,000\$ (Arrêté No. 350/DF/BD of September 24, 1953).

- to the Governor for budgets of over 500,000\$ (Arrêté No. 2455/DF/BD of October 10, 1953).

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In the aftermath of the Japanese surrender, the countryside became extremely insecure. It was universally known that the French expeditionary troops in Viet-Nam were only able to exert their control over urban areas and the main lines of communication. In rural areas, local armed forces came into existence, in the name of resistance, and established autonomous regions, like the situation in Europe during the middle-age period. And the people

it goes without saying, had undergone a period of extreme perils: heavy contributions and the constant menace of war and tyranny.

Consequently, all those who were wealthy or politically known were obliged to immigrate to the cities. The duration of this immigration could not, of course, be determined and everyone was inclined to find a livelihood in the towns.

This exodus dragged along almost all those who had official titles, academic degrees, or wealthy landowners whose power was the backbone of the rural society. No other villagers had sufficient prestige to adequately take over their role of leadership. A crisis of power had therefore occurred, as was witnessed throughout the last war period: with the absence of leaders who had considerable prestige, the villagers tended to display an attitude of increasing indifference toward communal affairs and the communal administrative machinery was not as effective as expected.

In face of this danger, efforts were made at that time on the part of the superior to improve - to a certain extent - the village administrative structure through Degree 34/NV dated March 19, 1953. According to this document, the village was placed under the administration of an elected Administrative Council. After the trial period, it was found that this Council had not fulfilled its mission due to the contradiction in the role of its members who were elected representatives and at the same time, administrators. Besides, it was probable that the

villagers did not have a clear conception of their duty to vote, especially at the time when their life was subject to the threat of war and tyranny and free elections brought about the undesirable consequence that the elected candidates were not fully meritorious for their positions, or were tools of the enemy, and the dissolution of the Council was thus a rational measure to resort to.

In short, the village administrative system provided by Decree 34/NV of March 19, 1953 had a democratic character in propaganda; but it had in fact brought about undesirable results.

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IV. DRAFT PROPOSAL ON THE REORGANIZATION OF THE VILLAGE ADMINISTRATION.

The draft proposal on the reorganization was prepared on the basis of the principle of separation of power between the deliberative and executive agencies.

The deliberative power was vested in an Administrative Committee composing of three members: the Chairman, the Finance Commissioner, and the Police Commissioner appointed by the province Chief.

Thus, there would be elected representatives on the one hand defending the interests of the people and participating in the village administration by their right of vote on important

questions relative to the rural community; and, on the other hand, the officials selected by the administrative authorities from among those who have technical abilities and would be responsive to the orders of the Government in the execution of laws.

To maintain liaison between these two agencies, the Administrative Committee would be expected to be present at the meetings of the Administrative Council to provide necessary information or voice its opinions on questions raised by the Administrative Council, but the Committee would not have to right of discussion and vote.

In addition, besides the Administrative Committee which is charged with the operation of the village public affairs, the Administrative Council would have the power of supervising the activities of the members of the Administrative Committee and unveil their illegitimate acts before the province and District Chiefs.

The Chairmen of the Council of Notables and the Administrative Committee would also be representatives of the village at public ceremonies.

Shortly after the foundation of the personalist Republic the Government immediately took into consideration the village administration, in order to render this rural administrative

organization more effective, in conformity with the present situation of the country.

The draft proposal on the reorganization of the village administration is based upon the principle of separation of powers between the deliberative agency and the executive body appointed by the government. It is the hope of the authorities that the clear understanding of the power of each agency in the efficient performance of its duties and the close cooperation between the two agencies which represented the actual participation of the people in government will^{be}/factors necessary for success in the reorganization of the rural administration.

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Before the conclusion of the Geneva Agreement (July 20, 1954), it was unthinkable that the war ended with the partition of the country. In the Northern part of Viet-Nam, beyond the 17th parallel, a radical and catastrophic change had taken shape. In view of such circumstances, appropriate measures had, of course, to be adopted to cope with the situation; and for this reason, the aforementioned draft reorganization cannot be implemented, at least for the time being.

Even theoretically, the proposed reorganization might be considered as incomplete, despite its democratic character. Indeed, the Administrative Council (Hội đồng Hương chánh); has a chairman as did the Administrative Committee (Ủy ban Hành chánh); both chairmen played the role of representatives of their village

at public ceremonies. The Administrative Council has the power of supervising the activities of the Administrative Committee and denounce the illegitimate acts of its members to the province and District Chiefs. The Uy ban Hanh chanh (Administrative Committee) was, on the contrary, not vested with this power, but might denounce the Hội đồng Hương chánh only when the actions of this Council were attributed for hampering the operation of the rural government. The action of the District Chief would, in such case be to recommend the dissolution of the Council. Besides, the existence of two chairmen in one village having the power of supervising over the Police Commissioner might create a strive for influence and thus, an internal crisis.

The villages would encounter financial difficulties, if the draft proposal was put into effect, the village budget which was already inadequate, would suffer even worse when each village has to pay salaries for the three members of the Administrative Committee and indemnities for some 7 to 15 members of the Administrative Council meeting at least twice a month, not to mention the compulsory expenditures. The village budget would, under such circumstances, be deprived of sufficient means for rural reconstruction.

In light of the above defects, and under the pressure of the situation, suspension of the proposed reorganization of the village administration was a rational step. Another form of organization was worked out by the Government, and this was,

not so democratic as it might be, of prime necessity: the Village Council (Hội đồng Xã).

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V. THE VILLAGE COUNCIL.

While the proposed reorganization of the village administration was, as mentioned earlier in the discussion, not put into effect, due to the prevailing circumstances, the village was placed under the administration of a village Council composed of three appointed members:

- the Village Chief (or representative - Đại Diện Xã)
- the Finance Councillor,
- the Police Councillor.

For villages having ample budget resources, two other members may be added. Thus, the composition of the Village Council is made up by 3 to 5 councillors. The police councillor is concurrently Head of the village guards. The province and district Chiefs are completely responsible for the selection of the village councillors. Eligible for membership on the village Council are also those ex-notables, who are capable and who have met all requirements.

The village Chief and a village councillor may concurrently assume many functions (Circular No. 2941-BNV/HC dated May 27, 1957).

According to Ordinance 57-a of October 24, 1956, the village has a legal personality, a budget and public property; the administrative and financial organization of the village will later be determined by decree. Pending the enactment of this document, existing regulations which are not contrary to the principles of the republican regime remain effective.

The present concern of the Government is to firmly "grasp" the villages on which the structure of the nation is founded. It is the Government's hope that the village Council will, when reorganized, be composed of trustworthy and capable members. The enemies who are still "hiding" within the ranks of the people can be eliminated only by (village) officials who display firm loyalty to the national cause and devoted service to the people.

The limitation of the membership of the village Council to three or five councillors was intended to save village funds since most villages are suffering from budget deficit and dependent upon subventions from the Mutual Assistance fund.

This form of Council, though it lacks the democratic character, is deemed suitable in the present situation of the country to timely cope with any event which may arise.

The role of the hamlet Chief is equally important is of concern to the superior, since the impact of the Government policies depends upon the hamlet Chief for universalization among all walks of life, even in remote areas. The hamlet Chief

provides assistance to the Village Council in many respects: night patrol, assembling the villagers for meetings, expounding on the Government policies, etc... Owing to his more limited scope of activities, the hamlet Chief represents the administrative level closest to the people and has ample opportunity for friendly contact with the people. For these reasons, the payment of allowances for the hamlet Chiefs is under consideration.

Problems concerning the Village Council:

1. The role of the village Council and the status of the village councillors,
2. Basic documents,
3. Appropriate selection,
4. Difficulties encountered in the selection of village councillors.
5. Training of village councillors,
6. The present state of the Village Council.

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1. The role of the village Council and the status of the Village Councillors.

The village Council plays, in fact, an important and complicated role. In addition to the regular duties handed over by the Administrative Council (Hội đồng Hương chánh), such as the

preparation and execution of the village budget, the establishment of tax records, tax collection, civil status affairs, etc..., the present village Council also assumes other responsibilities which are more or less related to all national Departments and public agencies. In short, in an administrative organization patterned after the reversed pyramid, the cadres of the infrastructure--the village Council--play an important role. A firm superstructure should be founded upon a solid infrastructure.

Furthermore, the village Council is responsible for the safeguard of security in the village. Patrol throughout the village is day and night, ensured by the village Council and some self-guards with primitive weapons, unafraid of peril and danger. The rural compatriots may in effect live a peaceful life, carry on their livelihood and, above all, have reasons for confidence in the Government. Consequently, it was occasionally reported on the press that this Police Councillor was assassinated, the other village Chief was kidnapped, etc... The village Councillors are the worst enemies of our common enemy, since the former are the first obstacles they encounter. The country's enemy is using the villages as hide-outs and the peasant as their background. Now that they are being mobbed up by the village authorities, of course they are resorting to acts aimed at eliminating those village Councillors they consider "dangerous".

As yet, there is no statute which might constitute a guarantee for the Councillors interests, although the responsibilities they shoulder are heavy and their life and property may be endangered any time; any problem related to the status of the village Council was resolved on the basis of old, existing procedures which were enacted by the colonialists for the persistent purpose of blocking the progress of our people.

These defects, if any, were certainly taken into account by the competent authorities and the enactment of an appropriate statute for the village Council is expected before long.

2. Basic documents

Decree No.34/VN dated March 19, 1953 remains unchanged, for the document on the reorganization of the village administration was a Circular of the secretary of state at the Presidency (circular No.802-BPTT/VP of June 28, 1956) and it is hard to create a new atmosphere in an old setting. This posed a problem not only for local administrators, but even the village Councillors also find contradiction and more or less pitfalls in the execution of instructions from the superior. Besides, the above document also failed to determine the division of work and responsibilities among the village Councillors. For the above reasons, it is hardly deniable that, juridically, the (present) village Council is not the (old) Administrative Council bearing the new title. Moreover,

if this conflicting situation prolonged, the village Councillors would have the impression that they are in a trial period.

Article 15 of Ordinance 57-a dated October 24, 1956 stipulated that "The administrative and financial organization of the village will be determined by decree." This Decree, it's our belief, will soon be enacted.

3. Appropriate selection

According to instructions from the central authorities, reorganization does not necessarily mean radical elimination of the old. Thus, former officials may remain on the village Council if they have displayed good will, trustworthiness and adequate capacity for service.

In the selection of village councillors, it is usually required by the local authorities that candidates should,-- in addition to age, level of knowledge, residence and place of birth--be loyal, active collaborators who have good prestige.

Our objectives can only be attained by active men, in strict conformity with our policy. Due to its important role, the village Council cannot be composed of those who lack good will and perform their duties in a perfunctory manner.

Loyalty. The present situation of the country cannot tolerate inactive elements who are incompatible with our determination to eliminate the threat of communists and

colonialists from our nationalist ranks. The village Councilors should, therefore, be those loyal to the personalist republican regime.

Prestige. This requirement may be considered as essential for the village Councillors in order that their service be effective. Without prestige, it is likely that they will meet with the indifference of the people and this may consequently be detrimental.

Candidates for membership on the village Council are usually chosen from among those who enjoy the best sympathy of the villagers, who are frequently consulted in case of worry or dispute. They are, in short, chosen from those who are nationalist, active in their work for the general welfare of the village and respected by the people.

Even when prospective candidates are identified, the designation of the members of the Council is made with great care. A too mechanical appointment may lead to failure, since inflexibility tends to be suspected by the villagers, as well as the designated councillors. The usual procedure is to demonstrate to the people that the appointment of councillors is decided in accordance with their wishes and is devised to formalize the nomination made by the people themselves.

The village Councillor who is designated in this manner will obtain the utmost support of the villagers. He will be

able to win the people to the cause of nationalism and turn them into his informers, for mutual sympathy exists between the villagers and himself, the sympathy which was built upon a spirit of close cooperation and it's the villagers' wish that he be the representative of the village.

The selection, in order to be appropriate, requires ample time. Hasty selection, without concern over the quality but over the number, is very likely to include unsatisfactory elements on the village council, and the same confusion would recur as under the former Administrative Council.

4. Difficulties encountered in the selection of village councillors.

a. The number of village councillors.

Those who might constitute the backbone of social order in the village are now very scarce, especially in villages which were completely isolated during the last war. Therefore, those who are experience and have prestige among the people are mostly old notables lacking the necessary health and age conditions...(etc). On the other hand, there are many youths who are enthusiastic, active and have the knowledge and capacity required, but not the necessary experiences and prestige. Moreover, the youths are succumbent to the illusions of the time and often skeptical and discontent with the government. In order to reconcile these

two typical types of persons, the membership of the village Council should be extended to five, at the minimum. Expenditures on allowances are in fact heavy, but the results will--it is reasonable to expect--be more satisfactory. Furthermore, in the present circumstances, the three-member Council cannot fully discharge of their work at the village hall, not to mention extra activities. The presence of the village councillors outside their offices is very necessary for determining the progress of the village in all fields, especially the support of the people. Therefore, the village councillors may be divided into two groups: one should be permanent at the village hall to settle problems of the people, the other to carry on activities outside the hall.

As mentioned earlier, the problem of time should not be raised in the selection of village councillors. This consolidation should be gradually carried out in some pilot villages in each District or Canton, according to the tactics of gradual expansion. It is possible to choose two or three neighboring villages in a same Canton in order to encourage the competitive spirit, and create a psychological stimulus and promote mutual, continuous exchange of experiences between the village Councils under the guidance of the Canton and District Chiefs who will see to it that good results be contemplated and defects corrected.

B.- Indemnites de fonction

The village Council is usually identified the concern

over indemnities for its members. Although an increase in the allowances for the Councillors was authorized by the central authorities, the present rate has not as yet completely dispersed their worries.

It is in fact the Government's policy to lower the cost of living and achieve economy in public spending. Any increase in salaries or allowances, for any particular agency might hamper the execution of that policy. Moreover, the existing condition of the budget demands utmost efforts toward economy. Nevertheless, it should be born in mind that, in the present situation of the country, it is hardly feasible to select village Councillors totally from among those who are self-sufficient--as before 1945--because there exists a difference between the two periods. Formerly, numerous people sought to build for themselves positions of good reputation--although it's a nominal reputation--daring to make sacrifices even to sell their property in the strive for a place of precedence, a title of "Phó-lý" (deputy chief of village) in a period of strenuous competition for reputation fostered by the feudalists and colonialists. Today, our country is in a period of anti-feudalist, anti-colonialist struggle and eradication of Communism, the thirst for insubstantial reputation has no reason for existence. As a consequence of the war, there was an upset in the social system. In the rural areas, most of those who have prestige and lived

an honest life are not well-off people. These people should not--no matter how much good will they display--be expected to make excessive sacrifices, that is, they should be provided with sufficient means for subsistence, once they become village Councillors.

In addition, since function indemnities are determined according to the budget capacity of each village, there is a difference in the indemnities allowed to the village Councillors. Each rural administrative agency has the same responsibilities, obligations, there should be no difference in duties and responsibilities between this village and the other, except for differences in population or area. On the other hand, for the poor village whose resources are, of course, insufficient, the duties of the Council which already are heavy tend to become even more strenuous.

The central government is particularly concerned with the above problems and has thus authorized an increase in the rate of allowances for the village Councillors by Arrêté No.435-BNV/HC-NB of August 8, 1958 for southern villages and Arrêté No.184-BNV/HCND dated May 3, 1958 for the Central Highlands.

As for the Central Lowlands, the rate of function indemnities is not uniform and varies according to the situation of each province.

In view of the budget deficit of most villages, the rate

of allowances for village Councillors cannot be increased, at least at the present time. Efforts are being made to find new resources for the villages, in order to improve their financial capacity. The problem of indemnities for village Councillors will certainly be resolved, as soon as the villages have sufficient financial means.

V. TRAINING OF VILLAGE COUNCILLORS

All village Councillors gradually received training, after a recent reorganization was put into effect. Willy willy, this training should be supplemented by in-service training or supplementary training.

Training and in-service training would, no matter how they are well-planned, fail to bring fruitful results if it was not accompanied by constant stimulation from the superior. In the present situation, a District Chief with the assistance of two or three district clerks--this staff is not strong enough to perform all the office work at the District headquarters--can hardly assume the task of encouraging the village Councils throughout the district, especially large districts.

Therefore, in order to prevent difficulties for the village council in the performance of its duties, it is deemed necessary to set up a mobile accelerating staff in each district. This staff (committee) may consist of:

- a Canton Chief or a middle-grade senior civil servant who has experiences in rural affairs,
- a Civil Guard non-commissioned officer,
- a capable civic action or information cadre who has prestige.

This "board of directors" (Ban Giám-đốc) has the duty of penetrating into all villages, starting with the most inactive, to provide stimulation and on the spot training for village Councillors--professional and political training. This board will receive instructions from the Chief of the District concerned and operates according to a schedule approved in advance by the province Chief and with the advice of the (provincial) technical services and bureaus.

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VI. THE PRESENT STATUS OF THE VILLAGE COUNCIL.

The village Council is conceived of as a popular organization whose duty is to protect the people in order to win them to the national cause. But the real situation was, if it is not unreasonable to say, quite different in certain areas: the village Councillors could not as yet live closely with the people as security conditions did not permit. This situation may be attributed to the fact that the level/^{of} understanding of the villagers in those areas was still low, because the village councillors did not have a spirit of struggle, or the selection of Councillors was

inappropriate which resulted in a lack of men of prestige. Consequently, a handful of vicious elements could easily become a threat to the people. The authorities in those areas found themselves in a contradictory situation in which the village Council was not used for the defense of the people, but it had to be protected against outside menace.

In view of this situation, how plans for improvement were carried out?

Steps were probably taken by the local authorities toward the consolidation of incapacitated Councils to provide them with firm popular support by forming wavering villagers into organization and provide them with training, simultaneously, the security of village Councillors was protected so that they could live amongst the masses. In addition, solutions were sought by the competent authorities to the difficulties which handicapped the selection of village Councillors--the addition of new members, the enhancement of the role of the village Council, the establishment of a firm legal basis for the village Council, the provision of additional means for carrying out its duties, etc...

In short, as long as we do not have village Councillors who are loyal, diligent and who have prestige to stay in constant, close contact with the people to give them guidance, encouragement, to be fully aware of their spirit, rural reconstruction could by no means be accelerated. The fans of the central

government's efforts has, therefore, been on rural development. The strengthening of the village administration, the popular self-defense movement, community development, the rural health and sanitation programs, etc..., were typical examples illustrating the importance of the village.

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CONCLUSION

Since the ancient period, the village has been the fundamental administrative unit of the nation and the village administrative organization has always been the focus of special concern of the authorities. The village administrative agency is thus conceived of as playing the role of popular organization--especially under the present personalist Republic--having the duty of protecting the people. To attain this goal, the village Council should have its roots in the people.

The support of the villages is the key factor of progress in all respects: economic, political, security, etc... and the competent authorities are always concerned with finding means which tend to accelerate the rural (administrative) machinery.

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Source: Administrative Studies Review
1959 Vol..4
Pages: 57-72.

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Source: Administrative Studies Review
Pages: 57 - 72, 1959 Vol. 4.

GUIDEBOOK FOR VILLAGE COUNCILS

by NGUYỄN TRUNG TRƯỜNG

Chapter 5Section 1

ECONOMIC VIOLATIONS

1.- Economic Violations.

According to Ordinance 55 of October 2, 1956, considered as economic violations are the following :

- Retail prices Not displayed: Retail shops, market stalls should have displayed on a certain can, or on a separate board, the price of goods in Vietnamese currency per unit, meter, decimeter, kilo, etc... For rice, beverages and necessities, firewood, coal, a tariff should be posted on the front door of the shop, or in the storehouse.

- Transportation of controlled goods without legal authorization;

- Controlled goods underclared, false declaration, quantity of stored goods not declared;

- Sale or purchase of controlled goods;

- Evasion of control by the authorities over import, export, storage, circulation, transport, restrictions and formalities concerning dealings in products, materials, goods, other things and food;

- Fraudulent sale of goods;

- Fraud in quantity of quality of goods;
- Sales without accounting records;
- No invoice, or illegitimate invoices;
- Making sales before the price rate (tariff) is fixed;
- Limited sale without legitimate reasons;
- Regular opening hours not observed;
- Refusal to sell;
- Cover up, tear down posters, announcements and court verdict;
- Overcharge. It should be born in mind that even though the sale is not made, the statement of excessive price (overcharge) in an attempt to sell beyond the official price is also guilty for overcharge;
- Engagement in speculation to upset or paralyze the national economy.

2.- Sanctions.

Sanctions against economic violations vary according to the nature of each case:

- Fine: may be up to five (5) million piasters;
- Imprisonment: from eleven days to five years. Repeated guilt within one year will ^{be} subjected to doubled punishment.
- Closing down of the shop for less than 6 months. The court has the power to mete out death punishment against speculators who might upset or paralyze the national economy and the order to confiscate the referrant's property.

3.- The economic control duties of the Village Council.

Within the limits of the village, the village council is charged with the execution of economic regulations.

In case any economic violation occurs, a report should be sent to the District which will determine the sanctions or turn the case over to the province chief, or the Public Prosecution for trial.

The report should be based upon:

- a. The object of violation as proof,
- b. If things are confiscated, a statement of confiscation should be prepared bearing the signature of the owner;
- c. Verbal declaration: verbal declaration of each individual if the case involves many persons. The declaration will be signed by the person concerned;
- d. The person(s) concerned should be asked to sign on the report. In case he (or she) refuses to do so, it should be noted on the blank space reserved for signature that: "the interested, Mr..... or Mrs..... refused to sign".

Section 2

Control of goods

A. Goods having the military character.

1.- The scope of control.

According to Arrêtés No. 332 and 433 BNV/HC/ND dated June 23, 1958 and August 8, 1958, the transport and circulation of goods

having a military character at the following localities are subject to control:

- a. An-Giang province: the entire territory of the province:
 - radios
 - visual instruments
 - typewriters, mimeographing machines
 - medical and surgical instruments
 - acetylen.
- b. An-Xuyên province: the entire province:
 - acetylen.
 - boatmotors
- c. Ba-Xuyen province: the entire province:
 - cameras, visual instruments, projectors and films
 - chemical products used in industry
 - medical and surgical instruments
 - acetylen.
- d. Bien-Hoa province: within the territory of Chanh-My-Ha Canton (Tan-Uyen District) and Long-Phuoc-Thon Village (Di-An District).
 - radios
 - chemical products used in industry
 - typewriters, printing characters.
 - medical and surgical instruments.
- e. Binh-Duong province: in the following villages:
 - Vinh-Tan, Tan-Binh, Tan-Hiep, Tan-Hoa-Khanh, Binh-Chuan (Chau-Thanh District)

- An-Phu, Binh-Hoa (Lai-Thieu District)
- Chanh-Phu-Hoa, Long-Nguyen, Lai-Hung, An-Tay, Phu-An (Ben-Cat Districts)
- Thanh-An, Thanh-Tuyen, Dinh-Thanh (Dau-Tieng District)
- Trung-Lap, Tan-An-Hoi, An-Nhan-Tay, Nhuan-Duc (Cu-Chi District) :
 - radios
 - Chemical products for industrial use
 - Medical and surgical instruments
 - typewriters, printing characters
 - acetylen (khí đá)
 - metallic wires..

f. Dinh-Tuong province: in the following villages:

- Hau-My, Mu-Duc-Tay, Hoa-Loc, My-Luong, My-Loi and Thanh-Hung (Cai-Be District)
- My-Thanh, Thanh-Phu, My-Phuoc-Tay, My-Hanh-Dong, Hung-Thanh-My, Phu-My (Cai-Lay and Ben-Tranh District)
- Phu-Thanh-Dong, Tan-Thoi (Hoa-Dong District):
- The entire district of Go-Cong:
 - radios
 - typewriters
 - visual instruments (máy thị quan)
 - cameras, projectors and films
 - medical and surgical instruments.

g. Kien-Giang province: in the following villages:

- My-Lam, Tho-Son, Soc-Son, Binh-An (Kien-Thanh District)

- Tan-Hoi, Giuc-Tuong (Kien-Tan District)

- The entire district of Kien-Binh, Kien-An, Phu-Quoc and Ha-Tien:

- radios

- typewriters

h. Kien-Tuong province: the entire province:

- radios

- transmitters and receivers

- chemical products for industrial use

- cameras, projectors and films

- medical and surgical instruments

- typewriters

- oxygen and acetylen

- metallic wires

- Western drugs

- water pumps

- beat motors

- all types of motors

- accumulators, batteries

i. Kien-Phong province: the entire province:

- radios

- chemical products for industrial use

- visual instruments (máy thị quan)
 - cameras, projectors and films
 - typewriters and printing characters
 - medical and surgical instruments.
- j. Long-An Province: in My-Quy and My-Thanh-Dong villages (Duc-Hoa District):
- radios, accumulators
 - chemical products for industrial use
 - typewriters, printing characters
 - metallic wires
 - acetylen.
- k. Long-Khanh province: the entire province:
- printing characters
 - medical and surgical instruments.
- l. Vinh-Binh: the entire province:
- acetylen.
- m. Binh-Dinh province: in the following villages:
- Phuoc-Long, Phuoc-Tan, Phuoc-Thanh (Tuy-Phuoc District)
 - Binh-Giang, Binh-Quang (Binh-Khe District)
 - Nhan-Loc, Nhan-Tho (An-Nhon District)
 - Cat-Hiep, Cat-Son (Phu-Cat District)
 - My-Duc, My-Hiep, My-Hoa (Phu-My District)
 - An-Hao, An-Hau, An-Nghia, An-Phong, An-Tuong (Hoai-An District)

- Heai-Hao, Hoai-Son (Hoai-Nhon District) and all villages of the Districts of An-Lao, Van-Canh, Vinh-Thanh:

- radios
- cameras, movie projectors and films, visual instruments
- typewriters
- western medicine and medical instruments
- acetylen.

n. Binh-Than province: the entire province:

- radios
- chemical products for industrial use
- visual instruments
- cameras, movie projectors and films
- typewriters, printing characters
- medical and surgical instruments
- metallic wires
- acetylen
- inflamables (gasoline, petroleum, mazort oil, auto oil, etc..)
- non-ferric metals.

o. Thua-Thien province: the entire province:

- radios
- chemical products for industrial use
- visual instruments
- cameras, movie projectors and films

- typewriters, printing characters
 - medical and surgical instruments
 - metallic wires
 - acetylen
 - inflamables
 - western medicines
 - acid
 - all types of metals.
- p. Darlac province: the entire province:
- radios
 - chemical products for industrial use
 - visual instruments
 - cameras, projectors and films
 - typewriters, printing characters
 - medical and surgical instruments
 - metallic wires
 - acetylen.
- q. Kontum province: the entire province:
- radios
 - visual instruments (máy thị quan)
 - typewriters.
- r. Lam-Dong province: in the following villages:
- Gung-Re, Dinh-Tuc, Dinh-Trang-Thuong, Dinh-Trang-Ha, Chau-Trung, Bao-Thuan, Binh-Khe, Dang-Gia, (Dirang District)
 - Tan-Tu, Tan-Rai, Tan-Don (Blao District):.

- radios
- cameras, movie projectors, movie camera
- acetylen.

Besides, according to Arrêtés 1133 and 1134-PTT/TTK of December 22, 1954 and 183/BNV/HC/NĐ of May 7, 1958, throughout the national territory, considered as having a military character and under control are the following items:

- weapons, munitions
- explosives and chemicals for the fabrication of explosives
- chemicals used for the fabrication of firecrackers
- printing machines (mimeographing machines?) printing ink, stencils
- oxygen.

2.- Who should have special authorization for transport.

- a. Authorization should be obtained by the owner of the goods before transporting them;
- b. When the owner is absent, the sender of the goods should request for authorization;
- c. If the goods are to be transported when authorization was not yet obtained, the transporter should refuse to do so. But if he agrees to carry the goods, the transporter may himself apply for authorization.

3.- The authorities competent for granting authorization.

- in Saigon-Cholon: the District Chiefs
- in the provinces: the Province and District Chiefs.

4.- Procedures to be followed in applying for authorization.

- a. Making application (4 copies) according to fixed form.
- b. Presenting this application to the aforementioned officials. The application will be turned over to the military authorities for consideration and signature (agreement).

Any application which does not conform with the above formalities is considered invalid.

5.- Transport of merchandises.

a. At time of departure: the special authorization and the goods transported should be presented to the control service (police station, District headquarters).

b. Upon arrival at destination: the goods transported and the special authorization should be presented to the authorities in charge of control (the Police or District Officials).

c. In case of belated arrival: while on travel, if any incident occurs against the will of the transporter and delays the arrival of the goods, the transporter is required--upon arrival at the destination--to present the certification of the administrative or military authorities of the locality at which the incident occurred.

6.- Transport of personal possessions of private persons.

The following items may be transported without prior authorization:

- a. Clothes;
- b. Properties being moved in case of change in domicile, provided they belong to the present owner;

c. Bagages on travel, or things which are necessary for the family, or small mechanical instruments for medical treatment. Considered as belonging to these categories are: cameras and accessories, movie cameras, telescopes, gramophones, radios, portable typewriters, sports equipments, baby carts and commonly used personal things (ironer, electrical machines for medical use, electrical kettles, etc...)

7.- Punishment against violations.

- Confiscation of the products or merchandises transported;

- Violations and complicity will be subject to fines from

500 to 10,000\$ (piasters) and imprisonment penalty from

10 days to 6 months;

- Repeated violation within less than one year: confis-

cation of transport equipments, the fines would be from

10,000\$ to 20,000\$ and imprisonment penalty from six

months to two years.

8.- The duties of the village Council.

A Statement of findings is established only when there is transport or circulation of the abovementioned goods without authorization, and the affair should be turned over to the District Chief.

B. Paddy and Rice

1.- The price and sale of paddy.

The official price of paddy, fixed at 40\$ to 50\$ by Arrêté No. 749/BKT/NNT/ND of December 11, 1957, should be strictly observed in areas where there are paddy storehouses or paddy boats,

vehicles or any other means of transportation which the merchants (businessmen) use in the purchase of paddy, and in the district or provincial chief-towns.

Any merchant who attempts to buy at a price lower than the official price will be denounced and punished.

2.- Business deals and transportation of goods.

a. Supply for the Prefecture of Saigon.

The purchase and sale of paddy and rice are maintained in the old situation, that is, free. Domestic businessmen must only pay license tax to practice their profession, without having to join business group or society, whenever requested, the person concerned should present the license or affidavit issued by the provincial authorities certifying that the person is a cereals and rice dealer in the province.

This certification is valid for the purchase of paddy in other provinces, but it should be presented to the authorities concerned before such purchase is made.

The transportation of an amount of rice under 500kg and paddy under 50 gia's is free, that is, without prior authorization.

Necessary authorization must be obtained for the transport of quantities exceeding the above.

Rice dealers, the suppliers for Saigon Prefecture, are free to sell rice to any storehouse or granary, but the name and address of the storehouse supplied should be clearly stated in the transport authorization.

Owners of paddy storehouses or rice mills within the export system (there is a list at the District) are authorized to supply rice for the group they represent. The amount of paddy and rice transported is not limited, but business transactions should be followed up in order to check if they use their large capital to strangle the small merchants, to purchase paddy lower or higher than the official prices, paralyzing the market.

Transport authorization must be prepared in 4 copies:

- 1 copy for the person concerned
- 2 copies to be sent to the administrative headquarters for control purposes
- 1 copy for file at the District.

Besides, dealers in cereals should pay "transformation tax" imposed on the paddy (and rice) transported out of the province, at the following rate:

Rice 48\$ per ton.

Rice brisures 48\$ per ton.

Transporters are exempted from this tax if the rice, brisures and bran were produced by the mills which have paid license tax.

In villages bordering other provinces, the transport of paddy should be strictly controlled and transport authorization should be issued by the District.

b. Supply for South Viet-Nam East and the three provinces of Southern Central lowlands (Binh-Thuan, Ninh-Thuan, Khanh-Hoa).

Entrance permits are issued by the province for transportation of quantities approved by the Economy Department on the basis of the statement of needs made by the province.

Businessmen in the provinces of South Viet-Nam East should show their entrance permits to get transport authorization from the Saigon Prefectural hall.

Businessmen in the three provinces of Southern Central lowlands may apply for authorization at the Economy Department (Directorate of Internal Trade).

c. Supply for the Center (Central Highlands and Lowlands).

Entrance permits (the transport of goods into the province) are granted by the province to businessmen according to the monthly needs determined by the Economy Department.

Businessmen should present the entrance permits at the Economy Department (Directorate of Internal Trade) together with the invoices for the purchase of rice, in exchange for exit permits.

The Directorate of internal trade issues, on the basis of the entrance permits, transport authorizations marking the number and date of the invoice (means of transportation in the highlands: automobiles, train; Central lowlands; boat).

Businessmen should inform the competent authorities of the arrival of rice, for the purpose of control and price determination.

3.- Control duties of the village Council.

In case dealings and transportation of rice without

authorization are found, the village council should draft a statement and turn the matter over to the District authorities.

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x x

Section 3

The establishment of industrial and handicraft enterprises.

1.- Definition and classification of establishments considered as dangerous, insanitary or inconvenient.

Dangerous, insanitary, or inconvenient establishments are manufacturing workshops, plants, warehouses and all industrial or commercial establishments which might cause danger, or harm to the security, hygiene or convenience of the neighbourhood, to the health of the people, or to the growth of vegetation.

All these establishments are placed under the control of administrative agencies and divided into 3 categories, according to the extent of danger or inconvenience.

First category: establishments which are to be located away from houses or in separate industrial areas.

Second category: establishments which are not necessarily away from houses, but the construction of which is only authorized when sufficient means are available for the prevention of danger, harm and inconvenience.

Third category: establishments the exploitation of which does not bring on harm to the neighbourhood or the health of

the populace, but which must conform with general, regulations intended for the protection of the neighborhood's interests and public health.

The abovementioned establishments include:

- Manufacturing industry (b.ch.), or Depots of mineral ores,
- Manufacturing industry, or depots of raw materials from animals and manufactured materials,
- Mechanical industry,
- Depots of inflammable materials,
- Establishments which use inflammable materials.

Besides, a number of establishments must, although they are included in the classification, observe separate regulations: places where explosives are produced or stored, places where steam pressure machines are used and places where fuel is stored, etc...

2.- Request and authorization for classification of the establishments.

a. First category establishments.

Application for authorization enclosing necessary papers (sketch of the establishment, etc...) should be sent to the Prefect, Mayor, or Province Chief where the establishment is located.

When the application is received, the Prefect, the Mayor, or the Province Chief will have it considered and an investigation conducted on the convenience or inconvenience of the establishment and forward the matter to the Secretary of the Economy for decision.

The Arrêté authorizing the construction of an establishment under the first category also determines necessary ways for the protection of the neighbourhood and public health.

b. Second and third category establishments.

Application for authorization should be sent to the Prefect, the Mayor or Province Chief of the province where the establishment will be located, inclosing other necessary papers.

The Prefect, the Mayor or the Province Chief will have after consideration, the announcement posted and an investigation conducted on the convenience or inconvenience of the establishment, authorize the construction of the second or third category establishments if no unfavorable circumstance arises during the period following the announcement, and after consultation with the sanitation committee, if necessary.

3.- Investigation procedures.

a. First category establishments.

First of all, a line of difference must be drawn between the period of (posting) announcement and that of investigation on convenience or inconvenience.

In the first period: announcements are posted at various places: at the location of the planned enterprise (the village hall, the District or Provincial Headquarters, etc.) for 15 successive days in order that the public be informed that the enterprise is going to be established, and a report on the posting of announcements is prepared on the first day.

The investigation on convenience or inconvenience begins

on the 16th day and lasts for one month.

When this deadline expires, a report should be made, stating clearly whether or not there was any complaint.

Thus, private persons are accorded the right to file complaint within a period of 45 days, not only the 15-day period of announcement. And at the end of this 45-day period, complaints may still be sent to the Prefect, the Mayor, or the Province Chief within the following fifteen days.

When the file concerned is turned over to the District, the province, the village council should give its general (and opinions) remarks/ about the status of the enterprise in question.

b. Second category establishments.

The procedures are the same, except a difference in that the investigation begins on the first day the announcement is posted and ends within one month. Therefore, the period of announcement plus that of investigation last only for one month, instead of 45 days in the case of the first-class establishments.

The report on the posting of announcements is made on the first day.

The report on the close of the investigation is made on the 30th day, stating clearly whether there was any complaint.

c. Third-class establishments.

There is no formal investigation and thus, announcements are not necessary, unless an investigation order is received from the District Chief.

However, the village should make an on-the-spot examination, sounding out the opinions of the inhabitants in the neighborhood and report on findings to the superior.

MODEL OF REPORT ON THE POSTING OF ANNOUNCEMENTS
(literal translation)

Today, the of (month), (year),
at (time).

We, the Village Council. (name of village), in
accordance with the instructions of the province chief of
(name of province), post the announcement concerning the inves-
tigation on the application of Mr.
requesting for authorization to establish in
. (village), at the village hall.

Thus, this report is made at the above date (and time) as
proof.

----- (the) Village Council

(Signature).

MODEL OF REPORT ON THE CLOSE OF THE INVESTIGATION.
(there is no complaint or objection)

Today, the (day) of (month), . . (year),
at (time).

We, the Villlage Council of (name of village), during
the period of investigation on the application for authorization
to establish in (name of village)
by Mr., no complaint or objection was received.

Thus, this report is made at the above date (and time) as
proof.

(the) Village Council
(Signature)

MODEL OF REPORT ON THE CLOSE OF THE INVESTIGATION
(there is complaint or objection)

Today, the of (year), at
(time),

We, the village Council of (name of village),
have, during the period of investigation on the application
for authorization to establish in (village),
by Mr. , received the complaint (or objection) of
Mr. for the following reasons:

.
.

Thus, this report is made at the above date (and time) ,
as proof.

(the) Village Council
(Signature)

Section 4

Small business credit

1.- Requirements for obtaining loans from the Small Business
Credit Fund.

The following requirements are to be met:

a. Nationality:

Vietnamese or naturalized Vietnamese.

- Vietnamese married to foreigners are not permitted
to borrow.

b. Business license:
Retail business license which was already paid.

c. Stores:
Stores which are in operation.

d. Profession:

Small businessmen engaged in retail business (that is, direct sale of necessities to consumers) of one or several of the following merchandises or food:

- fish, flesh, salted and dried fish, fish sauce.
- grocery,
- greens,
- cereals (paddy, glutinous rice, corn, sesame, etc.)
- tea,
- baker's goods
- ice-cream,
- cooked rice, chinese soup, cafeteria,
- coal, firewood,
- linen-drapery, silk,
- books and stationery,
- storage of western pharmaceuticals,
- oriental drugs
- house construction materials
- electrical appliances,
- gasoline, petroleum, oil,
- iron, brass, copper,
- auto parts,

- bicycles and accessories,
- brooders,
- shoemaker's, valise-maker's,
- watch repair shop,
- tailor's,
- silversmith selling jewelry (small shop),
- photographer's.

Small businesswomen who are wives of civil servants or military men may borrow, with the conditions that:

1. their business activities are not under the control of their husbands;

2. their husbands have informed their respective services of this fact (the application for loan should enclose an affidavit of the husband's service that such declaration was made).

Considered as invalid are applications from the following branches of business:

- big stores, business firms having many branches or selling goods according to a uniform procedure (?),
- popular pawn broker's,
- transportation of merchandise or passengers,
- branches of industrial handicraft, small handicraft, and agricultural production,
- purchase and breeding of farm oxen for sale to the farmers,
- fish sauce (nước mắm) manufacture,

- hen breeding center providing hen for sale and for breeding, (credit loans for this branch of business are provided by other agencies).

2.- Limits on loans made, duration of loan, interest rate.

a. Limits.

- each small businessman (or woman) may be granted a maximum loan of 100,000\$.

b. Duration.

The duration is 6 months and may be renewed three times, if the borrower has actually used the loan for the expansion or maintenance of his activities. The overall period may thus be two years.

c. Interest rate.

Six percent (60/o) per year, paid at the same time with the repayment of the capital.

If the duration of the loan is renewed, interests may be liquidated on the 30th of June 31st of December each year for the previous months; the entire capital will be repaid at one time at the close of the loan duration.

3.- Security for loans from the Small Business Credit Fund.

Security for the loans may be made in two different forms:

a. Hypothecation one of the following real estates having higher value than the loan requested:

- land, fields;
- brick-and-tile houses or apartments constructed on the applicant's private land,

- brick-and-tile houses or apartments constructed on rented land with infinite authorization.

b. If the above real estates are not in the possession of the applicant, the loan may be made if two sponsors capable of repaying the loan undertake joint responsibility (civil) for the loan.

The sponsors may be:

- private persons who own property, or
- permanent civil servants whose retirement is at least four (4) years to come;
- officers in active service in the Army of the Republic of Viet-Nam,
- reserve officers of the RVN Army who originally were permanent civil servants before joining the Army,
- foreigners having property.

Note:

- two sponsors are required only when the applicant does not have real estate for hypothecation to the government, or having property with insufficient value,

- husbands may not serve as sponsors for their wives, and on the contrary, wives may not be sponsors for their husbands,
- the applicant for loan may not serve at the same time as sponsor for any other applicant,
- each person may only serve as sponsor for only another,
- in case the applicant does not possess real estates, but his wife or her husband has property with sufficient value,

the wife or husband may sign an agreement for the hypothecation of his or her property as security for the debt (loan), and the two sponsors are not required in such case.

In the two last cases mentioned above, the loan file should enclose necessary documents concerning real estate as in case the applicant uses his (or her) property as security for the loan.

4.- How to prepare application for loan from the Small Business

Credit Fund

The application is prepared in three (3) copies according to a standard form issued by the Economy Department.

The application forms can be obtained at the Prefectoral headquarters, the City Hall, provincial or district headquarters.

If the applicant is a woman, she should clearly state-- besides her full name-- whether she is married, single, or widow (married without the marriage certificate is considered as single).

The married woman applicant having a marriage certificate should have her husband's signature on the application form, as authorization. The (husband's) full name, identification card number, address, profession and nationality should be clearly stated under his signature. This signature should have the "legalisation" of the local administrative agency.

5.- Where to turn in loan requests and files

+ In the prefecture of Saigon: at the City Hall where the shop is located.

+ In the Municipalities of Da Lat, Huê, Da-Nang:

- at the Municipal headquarters.
- + In the provinces:
 - at the headquarters of the District where the shop is located.

The administrative agency receiving the applications will give the small businessmen receipts which clearly mark every document received.

This agency will consider and, if necessary, give advice to the applicant as to necessary modifications to the file. This will be followed by the investigation on the application for loan, and all the files will be forwarded through administrative channels to the Economy Department for consideration and approval.

Section 5

Agricultural Credit

1.- Objectives.

The agricultural credit policy is aimed at these objectives:

- Development of the agricultural economy.
- Improvement of the people's living conditions.

The agricultural credit fund was established to provide capital for agricultural production, to prevent the plague of heavy-interest loans, and to improve rural life.

2.- Priority arrangement.

Priority in capital distribution is given to the spheres

of cooperatives and reclamation of waste land.

- a. Cooperatives,
- b. Tenant under contracts pertaining to category B or C,
- c. Small landowners cultivating their own uncultivated land and fields,
- d. Tenants under contract category A, if confirmed by the village and approved by the District,

3.- Fields of activities which receive assistance.

- a. Agriculture,
- b. Forestry,
- c. Fishery,
- d. Animal husbandry,
- e. Rural Small handicraft.

4.- Implementation of the policy.

- a. Loans are granted to the right persons.

Loans are granted to farmers who actually lack financial means (capital) who display determination and capacity for production, who can provide material or spiritual guarantees.

Loans are not granted to those who have sufficient capital, the malicious, treacherous elements, the sick or infirms who cannot engage in production.

- b. Loans are granted for the right purposes.

They are granted according to the needs of production, in conformity with the rural economic development program and operations which will bring about actual advantages.

c. Loans are granted at the right time.

In time of the crop, according to the agricultural schedule of each locality.

5.- General formalities.

a. Form:

- in cash,
- in kinds (farm cattle, farm implements, fertilizer, seeds, etc.)
- in services (extraction of sugar cane, ploughing, etc...

b. Duration:

- short-term: from 6 to 18 months for reclamation of waste land, cultivation of crop.
- middle-term: from 18 months to 5 years for resettlement purchase of farm cattle, farm implements. Growing fruit trees, industrial trees (plants), cattle rearing, etc.
- long-term: from 5 to 15 years for the implementation of important programs as the establishment of cooperatives, house construction, exploitation of plantations, irrigation systems, etc...

c. Who get loans ?

Private or legal persons who have genuine intent to engage in cultivation of the cultivation of their ricefields (agric. prod.).

It goes without saying loans are granted to anyone engaged

in production, but the concern should be that they are granted to the right persons, and according to the priority order.

d. The tariff of loans.

800\$ for cultivation of one hectare of "flooded" (sa) ricefield.

1.000\$ for cultivation of one hectare of normal ricefield.

(the maximum loan: an amount equivalent to the costs for the cultivation of 5 hectares).

Loans to other branches of activities are not made according to any definite tariff, but according to the needs of production:

e. Interest rate.

- short-term loan: 10/o monthly,

- middle-term loan: 8o/o annually,

- debt for purchase of

farm cattle: 6o/o annually,

- long-term loan: 6o/o annually,

For the cooperatives: 5o/o annually for all types

of loans.

g. Securities.

- Private persons borrowing over 5,000\$:

Hypothecation, of real estates, deposit of security or Guarantee by one or several persons by hypothecating their real estates.

Life insurance (nhân thọ) is required in case of long-term loans.

- Private person borrowing under 5,000\$.

Spiritual guarantee (the village council's certification that the borrower has the ability for production, honesty, and a sense of responsibility).

The crop yield is a guarantee for the debt.

- Loan requested by the villages.

The decision of the village council to request for loan should be approved by the province chief.

The debt will be recorded in the village budget; security for the loan may be assured by revenues from the village public land and ricefields.

- Loan for cooperatives and private groups.
 - short-term loan: joint responsibility of cooperative or group members;
 - middle-term loan: hypothecation of equipments, stored goods, hypothecation of real estates, deposit of security,
 - long-term loan: hypothecation, mortgage (c.c.) of real estates, deposit of security.

The ratio between loans and security:

- From 30o/o to 40o/o of the value of property.
- Less than 35o/o of the value of crop.

Flexibility in the security requirements.

These requirements may ^{be} eased by decision of the competent Agricultural Credit agency.

6.- Loan procedures.

a. Application for short-term loan of under 5,000\$ for reclamation of waste land and crop cultivation.

- Elaborate statement whether the fields are rented under category A, B, C contract, or recultivation of uncultivated fields by small landowners,

- Labor cost and other expenditures on the cultivation,

- Is the present applicant in debt? If so, how much?

b. Application for loan exceeding 5,000\$ by private persons for development of forestry, fishery and rural small handicraft.

- Production scheme, what are to be done, for how long, necessary expenditures; estimated yearly revenues and when to start getting revenues.

- What means are available, what are needed.

- Loan repayment (repayment made each year).

- Declaration of property for security.

c. Turning in the applications.

All applications for loans are to be given to the village council. In case big loans are requested for financing large-scale production plans, applications may be turned in at the provincial Agricultural Credit council.

7.- Consideration of applications for loans

a. The authority to consider applications.

All the village councillors and two others, one representative of landowners and one representative of the tenants. Both

representatives are designated by the district chief, at the recommendations of the village council.

b. Criteria for consideration of applications.

+ In the administrative respect:

- Personal background, family situation, personality, and political stand of the borrower,
- Social stratum and financial capacity,
- Value of property used as security.

+ In the technical respect:

- Is the production scheme realizable?
- Does the requested loan correspond to the projected enterprise?
- Is the borrower professionally skilled?

+ In the social and economic respects:

Consider if the production of the borrower conforms with the government's policies of development of the rural economy and social improvement.

The consideration of applications for loans should, in general, be based on three basic factors:

- the person
- purpose and advantages from the use of loan
- the ability to repay the loan.

8.- Disbursement of loans.

When informed by the District of the date on which loans are to be disbursed, the village should notify every farmer about the place and time he can get the money.

The village chief should be present at the time and on the day loans are disbursed, in order to witness and control the disbursement of loans to the farmers.

9.- Follow-up on the use of loans.

- See if the borrower actually uses the loan for productive work.

- Give advice or assistance to the borrower if he encounters any difficulty or obstacle.

10.- Collection of loans.

a. Notification of the due date of repayment.

Farmers should be informed a month before the date of repayment is due.

b. Collection of loans and depositing them at the treasury.

- Receipts should be issued for the loans paid and this repayment should be immediately entered into the diary.

- Receipts exceeding 3,000\$ should be deposited at the treasury.

c. Commission.

The village council is entitled to a commission fixed at 20/o of the loans collected, taken from the interests obtained from these loans. Nevertheless, if the total collection does not exceed 10o/o of the total loans to be collected--due to lack of efforts on the part of the village council--this commission will not be allowed.

Section 6

Cooperatives.

1.- Definition.

The cooperative is a society having a peculiar character, a legal personality, organized on a personalist, free, equal basis, composed of persons who have common needs, working toward the common end of preserving their economic interest by an enterprise.

The rules of each type of cooperative:

- Agricultural (production, transformation, storage and sale of agricultural products, supply, services, farmers' association...).
- Consumption,
- Small handicraft,
- Production workers,
- House construction, etc... should strictly follow, the pattern set by the Commissariat General for Cooperatives and Agricultural Credit.

Cooperatives may be formed into a Federation of Cooperatives to ensure the joint management of common interests.

Cooperatives and Federation of Cooperatives may form the Confederation of Cooperatives.

2.- Formation.

A cooperative should be founded by at least seven (7) members. This minimum number does not apply to the Federation

of Cooperatives.

The establishment should be confirmed by legal acts and "sous-recting" private acts.

The procedures for the formation of the cooperative (the submission of necessary documents, approval and announcement of the formation of the coop.) should conform with existing regulations.

Organizations which are not established in conformity with the regulations are not considered as cooperatives.

3.- Coop members - Capital.

The rules which determine the conditions for joining the Coop, resignation from membership, expulsion of coop members, a requirements for persons other than coop members to use the coop's services. The beneficiaries of these services are expected to share expenditures on management, but not allowed to participate in management and may be given back the surplus receipts (these receipts are recorded by the Coop in the account of the persons concerned), deposited as temporary shares, in order that they may become members of the cooperative.

The rules may also determine the conditions for accepting non-professional persons as supporting coop members.

The Coop's capital is made up of nominative, indivisible shares which are transferrable only with the approval of the Board of Management.

In the case of a polyvalent (đa nhiệm) cooperative (with the exception of the Farmers' Association), each coop member

should contribute at least one share, in order to enjoy the services of the coop.

The coop member should, when he agrees to make such contribution, immediately contribute $1/4$ (one fourth) of the share agreed upon, and it should be deposited at a public agency designated by the local administrative authorities. The contribution and collection of the entire share can only be and should be carried out for a maximum period of one year after the formation of the coop was approved.

If the shares are reimbursed, they should not exceed the face value.

Shareholders are entitled to only a maximum annual interest of 80/o (eight per cent), and not any other interest.

The coop's capital may increase or decrease, but the remaining capital should not be less than $9/10$ (nine tenth) of the existing capital, if a decision was reached to reduce the coop's capital.

If the Cooperative obtains loans from governmental credit agencies (with or without interest), its capital can by no means be reduced to below the level when such loans are obtained.

Whenever a coop member obtains a loan, the coop will get an additional 50/o (?) of the loan. With regards to the services rendered by the coop to its members, the coop will collect an additional percentage from the deal between the coop and its members. This percentage will be determined by the Management Board, according to each case.

These additional receipts are considered as savings of coop members which contribute to an increase in the capital of the coop.

4.- General assembly of coop members.

The assembly is legally convened, representing all coop members and making decisions on any problems relative to the coop.

The coop members have the right to attend or choose their representatives to attend the general assembly. The representative may be another coop member or a member of the family of he who proxies and may only represent one other member of the coop.

If the coop has over 200 members without a division into "areas" (khù vực), a coop member may represent four other members; at most.

In case the area and membership are considerably large, the coops may be classified according to areas (khù vực) for the selection representatives to attend the general assembly. The number of coop members in each area and the procedures for selecting representatives to attend the assembly are determined by the internal rules of the coop.

The procedures for convocation, operation of the coop and the duties of the general assembly are also determined by the coop's rules.

A member present at the assembly, or the proxy of an absent member--no matter how many shares he holds-- has the right to

only one vote.

The principle that each coop member may cast only one vote may not apply to the confederation of cooperatives.

If the coops receive loans from the governmental credit agencies, their financial records (tài mục) should be reviewed by these agencies before presentation to the general assembly.

The number of coop members present at the assembly should equal at least one fourth of the total coop membership as of the date of the assembly. If this requirement is not met, a second assembly will be held at which legal resolutions may be passed, regardless of the number of present members. Nevertheless, in case modifications to the coop's (internal) rules are to be made--especially the increase in the time limits, dissolution before expiration, the integration of coops, change in the objectives of the coop--the minimum number of present or represented coop members must equal half of the total membership.

5.- The Board of Management.

This board of management, elected by the general assembly of coop members for the direction of the coop's activities, should have at least three members and fifteen (15) members, at most. The mode of election, the duties, power, the term and operation of the Management Board, are determined by the coop's internal rules. A specialist will be designated to join the board by the Commissariat General for cooperatives and Agricultural Credit, if it is so requested by the coop

concerned.

The management board may delegate responsibilities to a permanent committee the members of which are selected from among the managers to solve daily problems confronting the coop.

Members of the board of management are not entitled to salary, but reimbursement will be made to their expenditures in the performance of their functions. They may also receive certain allowances as compensation for their service rendered to the coop, determined by the annual assembly of coop members.

According to the regulations, members of the Board of Management hold joint responsibility--depending upon each case that arises--to the coop and the intermediary for defects in management.

The Management Board may employ a special manager chosen from or outside the coop members. The salary of this manager will be fixed by the board of management.

With regards to the Cooperatives which obtain loans from the government, the employment and fixing the salary of the special manager should receive prior agreement of the governmental agency concerned.

The (special) manager of the coop discharges his duties under the supervision of the Management Board and within the scope of authority vested with him.

This manager and the members of the management Board should:

a. Have Vietnamese citizenship, except for a special case determined and authorized by the Commissariat General for

cooperatives and agricultural credit with the agreement of the Department of the Interior.

b. Have not been given a final sentence for criminal acts of thievery, misappropriation, treachery or for minor offense (offence): treachery or ill-intentioned indebtedness, deliberate misappropriation of public funds, coercion of money or bonds, ill-intentioned issuance of insubstantial checks, infraction on the national credit and storage of kinds relative to the aforementioned illegal acts;

Public right was restored, in case of indebtedness.

c. Not be engaged in any branch of industrial, handicraft activities in competition with the coop.

6.- The control committee.

The control committee is elected by the general assembly of coop members. This committee is composed of two to eight members charged with following up and controlling all activities of the cooperative.

The control committee may, at any time, when necessary and at least once every other month, exert this control.

The controller may be entitled to allowances as granted to the members of the management board.

7.- Financial provisions.

The accounting applied by the coop should conform with the existing procedures provided for business associations. Cooperatives which receive loans from a governmental credit agency observe the instructions of this agency.

Fifteen days prior to the general assembly, any coop member has the right to see the inventory of the coop's equipments, the property statement and other reports of the management board at the coop headquarters.

Ten percent (10o/o) of the annual appropriations should be earmarked for the establishment of the reserve fund as provided by the law.

This appropriation will no longer be required when the reserve fund equals the coop's capital.

In addition, the rules of the coop may provide for the establishment of non-obligatory reserve funds and determine the amount to be extracted from the annual surplus for these reserve funds.

In any case, the reserve funds may not be divided among coop members.

The annual surplus--minus the cost of various services and total expenditures, the payment of interests on loans obtained, the reserve cash, savings, deposits in the reserve fund as provided by law and non-obligatory reserve funds, interests paid for the shares if any--may only be divided among coop members or beneficiaries according to the services rendered or work done to the coop by each person concerned.

This division of the annual surplus is determined by the general assembly of coop members, at the recommendations of the Management Board.

Any increase in capital and collection of shareholdings by using the reserve funds are prohibited.

If loans are obtained from a governmental credit agency, it is required that funds be earmarked by the coop to ensure the repayment of these loans. The minimum figure of this amount will be determined by the credit agency concerned.

In case the total receipts during the fiscal year cannot sufficiently meet expenses on services and the total expenditures, the deficit will primarily be met by money withdrawn from the compensation fund, then by the non-obligatory reserve funds if they exist, and if necessary, by appropriations from the legally established reserve funds.

Coop members hold joint responsibility for the repayment of debt, according to contractual conditions agreed with the lending agency.

The Government has priority in recovering from the capital shares of the coop all loans which are granted by the governmental credit agencies.

8.- Conflict - Liquidation - Dissolution.

Satisfactory settlement of any conflict which might occur between coop members or between members and the coop will be sought by the Management Board; and contentious action will not be taken unless efforts toward a settlement are unsuccessful.

In case the coop's capital suffers a loss of three fourth (3/4), the general assembly of coop members convened by the Management Board should decide upon the dissolution of the

cooperative. The general assembly's decision on dissolution of the coop must be published for a period of thirty days on a newspaper legally authorized to publish legal announcements. The procedures concerning liquidation are determined by the coop's (internal) rules.

In case of dissolution of the coop, the remaining property would be expropriated to strengthen the fund for expansion of the cooperative movement.

9.- Protection of the coop.

Cooperatives are subjected to the control of the Commissariat General for cooperatives and agricultural credit.

Cooperatives which receive loans from a governmental credit agency are also subjected to the control of this agency. The control procedures will be determined by the agency concerned.

In case of incapacity on the part of the Management Board or grave violations of the law and the coop's internal rules to the detriment of coop members, an extraordinary general assembly will be convened by the Commissariat General for Cooperatives and Agricultural Credit to elect a new Board of Management. In case this election could not be achieved, the Commissariat General for coop and Agricultural Credit will designate a provisional management board whose members may be selected from among the coop members or outsiders.

The rules of the cooperative should not be modified in such a manner that the organization loses its nature as a cooperative./.

Source: Guidebook for Village Councils
by Nguyễn-Trung-Trường,
Department of the Interior

Pages: 112-148.

THE PROBLEM OF TRAINING VILLAGE COUNCILS

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The village is the fundamental structure of Viet-Nam, and the Village Council is the key unit of the machinery of government. In order to maintain the stability of the foundation of the administration, it is a necessity to have executive personnel at the village level who are capable and fully aware of the existing regulations. The training of Village Councillors has, therefore, become essential during the period of national reconstruction as well as consolidation of the regime newly-established.

This problem was dealt with by Mr. Lam-Le-Trinh, Secretary of State for the Interior, in an article published in the "Administrative Studies Review" (Hành-Chánh Khảo-Luận - 1958 - Vol. 1). This article is concerned with the progress of the training of Village Councillors which has been carried out, in an attempt to find a new training method for the future.

I. Why training for the Village Councils.

Shortly after the foundation of the Republic, the Secretary of State at the Presidency has, in circular No. 1704-BPTT/VP dated November 5, 1956 addressed to the province chiefs, the following observations: "The majority of the Village Councillors today do not have full understanding of their duties, and the

rural administrative machinery is not therefore operating harmoniously."

The Secretary of State at the Presidency has, in this effect, issued instructions to the provinces that intensive courses be organized for training village administrative personnel.

Thus the primary and main reason for training village councillors was the lack of capability on the part of certain members of the village administrative personnel.

This situation was attributed, on the one hand, to the fact that the present Village Council is originated from the former administrative council, the village administrative committee improperly elected or selected; and the excessive importance and complexity of the village council's duties on the other.⁽¹⁾

And, in his aforementioned essay, the Secretary of the Interior said: "Experiences acquired from their daily work help improve to a certain extent the competence of the village councillors, but did not constitute a reliable and sufficient guarantee."

The second reason motivating the organization of training for the village councils was the reorganization of village administrative agencies. At the instructions of the Central Government, the purification and rejuvenation of the village councils has been carried out by the provincial authorities.

(1) See "The village administrative agency" by Nguyễn-Văn-Nhan, Administrative Studies Review - 1959 - Vol. 4.

New councillors had to acquire a fundamental technical knowledge, in order to fulfil their mission.

Experience has also shown that the village councillors who had received training should, after a trial period through the performance of their duties, attend supplementary training courses with a more comprehensive program (circular 817-BPTT/VP dated April 3, 1959 of the Secretary of State at the Presidency.)

For the above reasons, the government's interest was focussed on the training of village councillors to improve their general knowledge, raise their political standards and technical knowledge, as well as the improvement of the moral standard and behavior of the executive level in rural communities. Since 1957, courses have been held in the provinces and districts for training village administrative personnel, according to instructions received from the central authorities.

II. Instructions of the Central Government concerning the training of the village councillors.

The Secretary of State at the Presidency has, in the above circular No. 1704-BPTT/VP, laid the principles for the organization and the program for training of village councillors:

A. Organization

1. Location: at the provincial chief town or district town.
2. Duration of study: two weeks at the minimum.
3. Instructing staff: instructors were selected from among public servants working at the provincial

administrative headquarters, or district offices, services which are competent and experienced in rural administration.

4. Trainees: the village councillors will, on an alternative basis, attend the courses, with at least half of the council membership remained on duties at the village hall; in order to ensure an uninterrupted flow of village work.
5. Materials (for study): The greater part of these materials are prepared by chiefs of bureaus at the provincial headquarters and provided for the instructors. Materials selected for study should be understandable and realistic.
6. Certificates: At the close of each course, a certificate is given to each trainee.
7. Expenditures: The village (budget) may allow participants living far from the study center daily indemnity for food, determined by the provincial authorities.

B. Program

The training program involves, in the main, the technical and political aspects:

- a. The technical aspect
 - 1) The functions of the village council:
 1. Police: The Police councillor plays the

role of an assistant of the Public Prosecutor. Procedures for investigation, statement of findings, execution of the Court's orders. Organization of self-defense militia, interfamily mutual assistance.

2. Finance: rural accountancy simplified (the preparation of the budget and the quarterly statement on receipts and expenditures, maintenance of the expenditures diary, the cash journal and the perforated receipt book). Taxes, tax collection procedures, villages revenues (public land, fields, fishing, bidden tax collection, etc.)
3. Civil status: Birth, death, marriage. Civil status penalty. Substitutes for birth certificates, marriage certificates, etc. Preparation of certificates of parenthood.

2). A summary concept of the existing laws and regulations:

- Economy (policy of economic self-sufficiency and increase in production).
- Agrarian reform.
- Agriculture (veterinary, water and forest, etc.)
- Sanitation.
- Education.

3) Miscellaneous

- Filing, receiving and sending correspondence.
- Statistics simplified.
- Registration of papers relating to real estates in the form of "actes authentiques".
- Communication and contact with representatives of the authorities and the people.

b. Political aspect

This part of the program includes:

- The position and policies of the government of the Republic of Viet-Nam.
- Achievements scored by the government.

The sins committed by the communists and the Viet-Cong (the Vietnamese communists).

- The duty of standing against communism of every Vietnamese citizen.

In addition, the Secretary of the Interior had the following recommendations to make (1):

"... The training program should be realistic, largely concerned with practice, in order that it be fruitful... The police councillor should possess a general knowledge of military command in order to be able to command the village militiamen... The competent authorities should take a particular interest in the political training of the village councillors with an aim to turn them into loyal nationalist cadres, who are firmly anti-communist and attain a thorough understanding of the plans of

the central government for the improvement of the people's conditions, community development, agrarian reform, capital investment, etc... which they have the duty of popularizing and executing among the people.

In the province, a committee for training village councillors should be set up headed by the province chief. This committee is in charge of preparing the program and subjects for study...

Circular 817-BPTT/VP had contained the following instructions concerning supplementary training: "According to the means available in each locality, a mobile training team may be organized to make visits to the villages according to a schedule set by the district chief for the purpose of providing guidance and assistance to the village councillors in their performance of technical work: rural accountancy; the execution of the village budget, etc..."

The major part of these instructions have been correctly carried out by the provinces and, in certain localities, the organization of training for village administrative personnel has been very satisfactory.

III. The training of Village Councillors in the provinces.

A. Organization

The provincial administration in many provinces had issued official orders determining elaborate details concerning the organization of training courses, the designation of the Board of Directors, the Board of Supervisors, the Instructing Staff.

In case a Training Center was established under the system of internship, the provincial authorities also appointed a Management Board and laid down the internal rules which the trainees had to observe during the period of study.

1. Location: Classes were held, according to local conditions, in the Conference Hall, the Club premises, or in classrooms temporarily made available at schools. Almost all provinces have training courses organized in the provincial chief town. Training courses were opened in the District town only when the availability of instructors could be ensured by the district or when the provincial authorities wished to achieve financial economy and facilitate the movement of the village councillors.

2. Duration of training: This is not uniform: Training lasted for three days in this locality and a week in the other. In certain provinces, it lasted for two, and sometimes three weeks. Very few provinces have training courses lasting for up to one month.

The timetable was prepared very carefully, so that the trainee's study covered the whole program.

3. Instructors: In conformity with instructions of the central authorities, the chiefs of bureaus at the provincial headquarters together with the Service chiefs, made up the composition of the instructing staff - the Deputy Chiefs of province and district (district in the provincial chief town) also participated in the instruction. The District officials

seldom took part in the training of village councillors because very few among them were capable of assuming this task.

4. Trainees: All village councillors were allowed, on an alternative basis, to attend the training courses. Some provinces took the initiatives in holding separate courses for the Village Chiefs, the Finance councillors, Police councillors and Civil Status councillors.

In certain provinces, Training Centers were established adopting the internship system in order to provide the participants with opportunities to study and live collectively. Trainees were expected to observe the internal rules and a strict discipline from their coming in and out of the meeting hall, their study, expression of opinions to their lodging, sanitation and common order.

In provinces where available means were insufficient to meet all needs, participants were expected to secure for themselves food and lodging in residences in the neighborhood of the training center.

5. Materials for study: In actuality, the instructors prepared the lectures by themselves. These lectures were, in many provinces, mimeographed and distributed to the trainees, and will be bound into pamphlets used as reference materials for the trainees when they returned to the villages.

6. Graduation examination and certificates:

At the close of a training course, a certificate is given to each trainee if he was graded as successful in the graduation

exam. In order to save time, and due to the relatively low level (of knowledge) on the part of the village councillors, examination was often conducted in the form of "tests".

7. Expenditures: Expenditures for the organization of training courses were met by the province. The village budget provided daily indemnity for food from 18\$ to 40\$ for each trainee, depending upon the financial capacity of the village and the local cost of living.

B. Program:

The study program set forth by circular 1704-BPTT/VP has been fully applied in the provinces.

In supplementary classes for the improvement of their present knowledge, the village councillors were taught the following subjects:

- Constitution of the Republic of Viet-Nam
- Administrative and political organization of Viet-Nam
- The judiciary organization of Viet-Nam.

In the technical field:

- Administrative style
- Information
- Youth
- Agricultural credit, cooperatives, Farmers Associations
- Military training (strategy, ammunitions) for village police councillors
- Intelligence.

In the political field, the following subjects were added:

- Behavior and morality of the nationalist cadre
- Population marshalling:
- The plot of sabotage by the Viet-Cong.

In separate courses were arranged by the provincial authorities for village chiefs, Finance councillors, Police and Civil Status councillors, the technical part of the program would be set according to the functions of the trainees.

The timetable usually was

07:30 - 11:30

14:30 - 17:30 (7 hours daily)

In certain localities, trainees engaged themselves in physical exercises from 05:30 to 06:00.

In provinces where trainees lived collectively during the training period, the time from 19:00 to 21:00 hours was set for homework (if any), discussion or artistical performance.

IV. Special training courses.

In addition to the regular training courses for village councillors sponsored by the provinces and districts, special courses have also been organized at the initiative and with the cooperation of central agencies. Among these special courses were: training course for village chiefs and deputy chiefs sponsored by the highland social action service, training course for police councillors at the Rach-Dua (Cap St. Jacques) Police and Surete-Training Center, training course for rural

cadres recently opened in the provinces and training conducted in the villages with the guidance of civic action cadres.

- a. Training course for the Chiefs and deputy chiefs of villages of highlanders.

In addition to the administrative training classes held in every province in the central highland, training courses have been organized, since the beginning of 1958, by the Highland Social Action Service for the purpose of training the chiefs and deputy chiefs of highlanders' villages in methods of improving living conditions in the hamlets, and in practical work at 15 model villages. A special amount of \$58,000 was granted by the Highland Social Action Service to finance the program.

- b. Training courses for police councillors at the Rach-Dua Center.

At the proposal of the commanding staffs of the first and fifth military districts, and with the approval of the Interior Department, the Rach-Dua Police-Surete Training Center had organized two training courses for police councillors from provinces of South Viet-Nam:

- From December 10 to December 20, 1959 for the police councillors from provinces of South Viet-Nam East.
- From June 17 to June 26, 1959 for police councillors from South Viet-Nam West.

The program included 3 parts:

1. The duties of the Police Councillor:
 - judiciary duties

- security duties.

2. Intelligence.

3. Psychological warfare.

In addition to the day-time program, film showings or lectures on political, social affairs, current events, etc... were also organized at the Center.

The trainees followed the system of internship. Each trainee, prior to entrance, had to pay 360\$ for food and 25\$ for necessary papers to the Center. These expenditures were financed by the villages concerned.

c. Training courses for rural cadres.

Since April, 1960, at the instructions of the Superior and with the (study) materials published by the Interior Department, training courses were held in the provinces for rural cadres.

This training was held at two levels: one for village council's employees and the other for the hamlet chiefs.

These courses were held in the provincial chief towns.

The provinces were to finance all expenditures on food for the trainees and the printing of study materials, identification cards, certificates granted to trainees at the close of each training course.

The training period was fixed at 10 days for village councillors and 6 days for hamlet chiefs.

The program covered three main areas: political, administrative, military and intelligence.

During the training period, trainees stayed at the center and receive 20\$ each a day for food.

At the close of a training course, trainees had to undertake an examination in the form of test. Subjects for the examination were prepared by the Interior Department and sent to the provinces.

d. Training conducted by the Civic Action cadres.

At the beginning of 1959, the special commissariat for civic action had, with the cooperation of the various departments, trained and assigned to the villages a number of cadres who were charged with organizing on the spot training classes for village councillors. This work was undertaken simultaneously with community development, improvement of the people's living conditions, and rural reconstruction by the Civic Action cadres.

V. Results from the training of Village Councillors.

According to reports from the provinces, the participants had demonstrated their devoted efforts and a spirit of self-improvement.

They engaged in hot discussion during class sessions and an exchange of experiences of mutual interest.

The results of the graduation examination had proved that the trainees' receptive ability was remarkable.

The number of councillors who failed in the exam was inconsiderable.

It was also learned from the provinces that after receiving training, the village councillors had showed a steady reorientation.

in their thinking as well as in their actions. The work performed by these village councillors have been in greater conformity with the laws, enthusiastic and more efficient.

It was reported by the General Directorate of Police and Surete that results of the training courses at the Rach-Dua training center for village police councillors were very satisfactory, technically as well as spiritually.

In many localities, the trainees had, at the graduation ceremonies, sworn allegiance or submitted petitions expressing their loyalty to the Republic, their firm determination to serve the people and eradicate the communist rebels, the ominous enemies of the country.

VI. Difficulties and obstacles encountered in the training of village councillors:

1. Location. In many places, especially in newly established provinces, the major obstacle encountered was the unavailability of premises for the training classes which sometimes were put off until school rooms were vacated during summer holidays. This problem can be solved only when a training center is established in each province--as in Long-An province--with the assistance from the National Institute of Administration and the foreign aid funds.

2. Duration of study. Anxious to maintain an uninterrupted flow of the village work, the provincial authorities often shortened the training period, sometimes to three days. Such a too limited time was not sufficient for the trainees to fully

grasp all subjects studied. The duration of the training, according to the Secretary of the Interior, should be one to two months. Supplementary courses were, as a matter of fact, held in addition to the intensive courses, but in order that the village councillors fully understand the regulations related to the performance of their complicated duties, attending two or three courses which lasted for two weeks respectively would not suffice.

3. The program. It was noted that, by reading lectures given during the training period, the village councillors had studied almost the entire curriculum prescribed for the "Administrative clerks" competitive examination. This compared with the limited time allowed, was too strenuous.

4. The educational background of the trainees.

Most of the provinces were concerned with the lack of homogeneity in educational background of the trainees, or their background was too low (the majority having not acquired the primary certificate). Most of the highland village councillors do not know how to read Vietnamese.

5. Materials (for study). In some provinces, study materials were not mimeographed for distribution to the trainees, since the authorities were concerned with saving public funds. These materials were, in essence, too lengthy and heavily theoretical. Even in provinces where mimeographed materials were available, it was admitted that they will largely be used by the trainees for later study. It was also argued that if,

on the contrary, the study materials were prepared in a summary form, it would be questionable if the trainees could obtain a comprehensive understanding of the subjects which would enable them to perform their work in better conformity with the laws.

6. Instructors. Most of the instructors fully grasped the subjects related to the field in which they were assigned to teach. But since very few of them had received training in pedagogy, their explanations were lacking in vividity.

The trainees, especially those who possessed a low educational level, were unable to memorize to a considerable extent the arid principles, after the instructor read through his lecture.

7. Expenditures. If the village councillors attending training courses were expected to help themselves in finding food and lodging, the indemnities received (for food) were not sufficient to meet all expenditures during their stay in the provincial chief town. But an increase in this allowance is hardly feasible in the present financial situation of the villages. Many villages did not even have cash on hand to make advance payment to the village councillors attending training courses. The provinces and districts in which this situation prevailed had to authorize the transfer of funds--in the form of loans--from the rich to the poor villages, in view of the fact that the use of the mutual assistance fund had encountered much difficulty in formality (procedures), or that the fund was reserved to finance construction and reconstruction projects in the villages.

mimeographed and distributed to each trainee, explanations should be clear and understandable, expenditures be minimized for public funds as well as for the trainees, the results of training be concrete and far-reaching.

In order to achieve this, it is suggested that the training of village councillors be carried out in two periods: study in the village through the first period, workshops and observation in the provinces or districts, the second.

In the first period, the villages will receive study materials prepared by the central authorities, covering the technical subjects - principles of administration, the judiciary, civil status, financial, economic, social affairs, etc... Included in the lessons will be a guide for study that includes in part practical work, questions to be answered by the trainees in order to make a self-evaluation of the progress of their work. The village councillors will, with the materials available, conduct continuous study in the villages with the stimulation and supervision of the district chiefs and canton chiefs and deputy chiefs. The civic action cadres working in the villages may guide such study meetings, if they had received training in the field concerned. The central authorities will prepare the time-table and determine the maximum duration of the period of study in the village.

This period will be followed by "study groups" (Học Hội) and observation. The latter period will not last beyond one week. Participants may, on an alternative basis, attend

8. Results of the training. Little was, in fact, acquired by the village councillors in technical knowledge for the above reasons.

In addition, as the competent authorities are carrying on the purification of the village councils and under the present rural security situation, a number of councillors who had received training no longer remain in service, while the new councillors have not yet received technical training.

VII. Let's try to find a new orientation for training village councillors.

As mentioned earlier, valuable experiences have been obtained after three years of implementation of the training program.

Now that the achievements and pitfalls were identified, let's try to find a new procedure for the training of village councillors.

The new procedure should, if it is to be effective, bring a solution to the difficulties and obstacles encountered by the provinces in organizing training courses for village administrative personnel.

In other words, with the new procedure, the training center should be convenient to the trainees, the duration of training be adequate to enable them to grasp the necessary subjects, the program be adjusted to the general level of understanding of the village councillors, lessons should include both theories and practice, study materials be

meetings in the province at which the instructors (who had received training) will check on the progress of their study and give replies to their questions.

A follow-up test will be given to the trainees throughout the province of district immediately after all lessons had been revised.

Study materials and minutes of the study meetings will be retained in the village offices to serve as basic reference data for new councillors in case replacements are made.

The factors of success in the training of village councillors with the new procedure would be:

1. Study materials will be carefully prepared, accurate, detailed but understandable.
2. The high learning spirit of the village councillors.
3. The continuous stimulation of the cantonal and district leaders.

Conclusion

The training of village councillors, although it has been conducted for almost four years, should be carried on, since the need for improvement of knowledge remains imperative for any level.

However, the finding and the effective adoption of the new procedure in the training of village councillors only brings a partial solution to the problem of consolidating the village

councils for, as the Secretary of the Interior said:⁽¹⁾

"The consolidation of the village councils tends to involve the following problems: the selection and training of village councillors, the means and method of performing their work". These four problems should be simultaneously solved before a profound consolidation of the foundation of the national administration can be achieved.

Source: Administrative studies Review
Vol. 8 - 1960
pages 39 - 46

(1) See "Some remarks on the necessity for the consolidation of village councils" - Administrative studies journal Vol. 1 - 1958.

SOME REMARKS ON THE NECESSITY
FOR THE CONSOLIDATION OF VILLAGE COUNCILS

by LÂM LỄ TRINH
Secretary of the Interior

In the program for building an effective administration for Viet-Nam to serve the people and achieve the consolidation of the national political independence, the organization of the Village Council on new bases must be urgently carried out.

The Village Council is, indeed, the key administrative unit of the administrative machinery. If security is to be soon restored in the rural communities, if the development of the nation's economy is to be accelerated and if the promotion of democracy is to be fruitful, the perfection of the village-level administration should, it is fair to say, be the initial step. Under present circumstances, the government should strive hard by all measures to win, as soon as possible, the heart of the people, instead of only conquering land from the enemy. To attain this goal, an urgent improvement of the Village Council should be carried out.

Village Council members today are not and should not be the successors of the former "ông làng" (free translation: village boss).

The present Village Council differs, in organization, from the Council of notables (Ban Hội tề) under the feudalist regime.

Spiritually, the village councillors should, more than ever, enable the people to identify this difference by radically changing their obsolete ways of working.

Most of the village councillors have so far demonstrated their devoted service, but that is not sufficient, especially in the present period of national reconstruction.

Thus, the problem of strengthening the Village Council should be raised.

The consolidation of the Village Council may involve the following problems: the selection of council members, the training of council members, the means and ways by which the Village Council performs its work.

I. THE SELECTION OF VILLAGE COUNCILLORS.

In the present political situation, Village Council members should, as a temporary measure, be selected from among the village elite, in order to safeguard the Republic and prevent the infiltration of the enemies in the village through this channel or the other. The Village Council is, therefore, designated by the province Chief at the recommendations of the District Chief, and composes from three to five (5) members depending upon the importance of the village concerned. However, with the trend of

development of the national administration in the future and as soon as security is reestablished, the Village Council should be elected by the local people.

The selection of the village councillors should primarily be based on their firm nationalist spirit, in order that they fully grasp the policies of the government which are to be (intensively and extensively) universalized among the people and that they clearly identify the goals of their struggle. In an administration that has its roots in the people, the village councillors must of course be chosen from among residents who have the highest prestige in the village. Formerly, the *Huong Ca* (the highest-ranking member of the old council of notables), the *Huong Quan* (the police councillor) in the village were arrogant who occupied places of superiority and were oppressive against the honest villagers. The Village Chief, the Police Councillors today must, by contrast, be those who deserve the respect of the people and have an acceptable behavior, unless the instructions of the Village Council would not be observed by the people. The role of the village Chief is of prime importance, since he is a link between the village and the district and is answerable to the local authorities for the administration of the village. The Village Chief should therefore be chosen from among those who have much initiative in organization, experiences in life

and who is aged and enjoys the sympathy of the people. The police councillor who, in assistance to the Village Chief, undertakes the preservation of security and order in the village, should be selected from among the ex-militarymen or civil guards in active service who had attained a certain cultural background, active, courageous and capable of exercising leadership--The Finance Councillor should be chosen from among retired civil servants and should have the qualities of devotion and integrity to undertake the responsibilities for tax collection (in the village) and financial administration.

In order to ensure the harmonious operation of village affairs and to fully grasp the government's instructions to be flexibly and wisely carried out, the village councillors should have acquired a minimum educational background. But, in addition to their office work, the village councillors should--in order that their activities be fruitful--make frequent observation visits to the hamlets to accelerate patrol work. To achieve this, they should have good health. The Village Council would not be able to keep itself abreast of the situation in the village and fully understand (identify) the people's just expectations, if it were only capable of preparing reports or performing petty office work at the village hall. To enjoy good health and to have a discriminative mind to enable one to go out and live among

the people to obtain information is an equally important requirement for the village councillors.

Materially, village councillors should obtain guarantees against a strenuous living, thus saving them from the temptation of money. They should not, however, be granted the statute of civil servants, since this will be strictly binding to them in the performance of their duties as representatives of the people. Village councillors should be entitled to allowances they deserve. These allowances are now financed by the village and their importance depends upon the village financial capacity. Poor villages obtain subventions from the inter-village mutual assistance fund of the province and, in particular, appropriations may be obtained from the national budget. Arrêté No. 184 and 435/BNV/HC/ND dated May 3 and August 8, 1958 of the Department of the Interior provided an increase in and redetermined more appropriately the allowances for Village Councillors in the South and the Central Highlands. Nevertheless, the problem of granting allowances for village councillors deserves follow-up and a definite solution.

II. TRAINING FOR VILLAGE COUNCILLORS

A firm nationalist spirit, much prestige, a considerable educational background and good health are necessary factors for the functioning of the Village Council. In addition,

the village administrative work also requires technical knowledge in budget, civil status, military matters, etc., from the village councillors. The village councillors should be aware of common regulations in order to deal effectively with public affairs or the people's requests. Yet, village affairs are increasing and becoming complicated. While experience drawn from their daily work contributes--to a certain extent--to the improvement of the councillors' abilities, it does not constitute a safe and satisfactory guarantee. Therefore, the government's efforts have, in recent months, been focussed on the training of village councillors. Indeed, in order to have capable cadres--in any field--adequate training should be carried out. The administrative machinery of Viet-Nam should be built in a new spirit based upon the interests and welfare of the people. It should, on the other hand be organized according to scientific principles in order to catch up with the pace of development of the administrative science which is making strides in civilized countries. This is aimed at an increase in efficiency of the administrative cadres and the improvement of services rendered to the people. The village unit in Viet-Nam is the center for experimenting the implementation of the policies of the national government. The village (administrative) machinery should be subtly constructed to ensure a harmonious operation and

village officials should technically as well as politically outstandingly perform their duties in order not to frustrate the confidence of the people and the expectation of the government.

In many localities such as the provinces of Vinh Binh Binh Duong, Long An..., training centers had been established to provide separate training for village councillors, village chiefs, police councillors, finance and civil status councillors. Training programs should be realistic and concerned with practice, if they are to be fruitful. The (village) police councillor should acquire a general knowledge of military matters in order to exert effective command over the village self-defense corps. Training courses for civil status councillors are also necessary in view of the fact that in many localities civil status papers concerning birth, death, marriage, were established in inconsistency with legal practices, and that is highly detrimental to the people.

However, emphasis should be put on the necessity that in these programs the competent authorities should give special concern not only over technical administrative subjects but also over the political training of the village councillors to make of them legal nationalist cadres who are staunchly anti-communist and fully informed of the central government's plans for the improvement of the people's living

conditions, for community development, agrarian reform, capital investment, etc... which they have the duty of implementing and universalizing among the people.

At the province level, a Committee on training village councillors should be formed, headed by the chief of province. This Committee will be charged with preparing the programs and subjects for study. The chiefs of technical services in the province and the heads of bureaus at the provincial administrative headquarters will give their assistance in the instruction of necessary subjects on taxation, police, agriculture, accounting, general administration... At the close of a training course which lasts from one to two months--depending upon the category of village councillors, but should not exceed the necessary time in order to ensure an uninterrupted flow of village work--a graduation exam should be held and certificates granted to the trainees for their personal files.

After all village councillors throughout the province have attended these training courses, supplementary training should, if the financial situation permits, should be contemplated for further improvement of the capacity of the village councillors, since the need for self-improvement is persistent at all times and at all levels (of administration). Once all village councillors have attained a uniform level of training, their performance will certainly be more

effective and the situation will be satisfactory improved.

With regard to the training center, in view of the fact that the provinces do not have sufficient material means and trainers, it is deemed hardly feasible to establish in each District a center for training village councillors. In addition, frequent contests should be organized--by the provinces and districts--between village councils in the form of competitive efforts in the maintenance of security, improvement of the village halls, improvement of the people's living standards, etc... The local authorities should spare no opportunity to encourage the endeavours of the village councillors. (officials)

III. THE MEANS FOR THE VILLAGE COUNCIL TO PERFORM ITS WORK.

Is success a possibility in the village councillors' discharge of their mission, once they were severely selected and had received relating careful training? Of course not, unless minimum means are available to them. Let's briefly consider what are those means which are necessary for the Village Council.

The Village Council should, first of all, have an appropriate village hall to house its offices and maintain village record books, files and materials. This premise should be built at a location easily accessible to the villagers at the center of the village, in a populous area which is at short distance from roads or rivers. It is not

necessarily imposing, but stable, well-arranged and symbolical of the authorities in the village.

At the present time, the membership of the Village Council may not, in principle, exceed five councillors. But a few other capable persons of good behavior may be recruited to serve as rural clerks in assistance to the Village Council, and their salaries are paid from the village budget.

In the village, a number of Hamlet Chiefs have been on duty to carry out the instructions of the Village Council among the people. They provide their assistance to the council in many respects--patrolling, assembling the people, transmitting warrants, explaining the government's orders, etc.... Thus, owing to his more limited scope of activities, the Hamlet Chief represents the level (of authority) closest to and maintain friendly contact with the people. The role of the Hamlet Chief is, therefore, very important and deserves consideration for it is the Hamlet Chief who should receive credit for the (intensive and extensive) universalization of the government's policies among all walks of life and to the remotest areas.

In order to maintain security in the rural communities, the Village Council is authorized to use the self-defense (militia) forces. The militia men must generally speaking carry out the orders of the Village Council. Firm command

over the village militia corps should be ensured by the police councillor. The police councillor today is not the former Huong Quan (the notable in charge of police) exerting imperative command over the village guards. However, the use of the militiamen should be duly and without deviation from their clearly determined duties.

The duties of the militia may be classified as follows:

1. Permanently, the militiamen should keep track of the enemy, safeguard the security for the villagers, assist the local authorities in the maintenance of order in the villages, and especially the collection of information and strengthening the intelligence network.

2. They should, when circumstances require, stick to their geographical position and the people, in order to organize guerilla and counter-guerilla warfare.

In short, the duties of the village guards (militiamen) should be rather covert than overt. Armament may be not necessary, or otherwise, light arms or handgrenades might suffice. Uniforms are not required, since the militiamen should completely identify themselves with the people. They should absolutely not settle down in guard post, but may only make short stay at the (village) halls. Moreover, the scope of operation of the village militia should not extend beyond the village boundaries.

At the time being, most villages have the self-defense militia to ensure night patrol against pillage, thievery, sabotage, etc... In regard to this organization, the local administrative leadership should stimulate the active participation of the village youth movement.

Youths, usually fond of collective life, should be encouraged to concentrate their efforts on the preservation security for their families and their village.

The Village Council would, at the same time with the above undertaking, create the idea of nationalism among the youths.

The self-defense organization has, if carefully considered, an implication of democracy since the people contribute to their own welfare.

In almost every village, the inter-family mutual assistance organization was established for the purpose of providing mutual help between a group of neighboring households--from 5 to 10 houses--in case of fire, pillage, etc... For this purpose, the head of the inter-family group may exert secret and indirect control over the activities of a number of residents within the narrow limits of the hamlet (xóm) in order to report to the Hamlet Chief or the Village Council on any possible incident.

The Chief of an inter-family group may, at the same time keep track of each family in order to ensure the establishment of family declarations or that changes or

adjustments be made to them to conform with the conditions which prevail.

With respect to propaganda, each village should have information cadres operating on a permanent basis, especially in remote hamlets, to universalize the policies of the government, pointing out to the compatriots the plots of the Viet-Cong and ensuring timely counter-propaganda. A number of Civic Action cadres are, simultaneously, operating in the village. Their duties differ, to a certain extent from those of the information agents and there is no overlap. As clearly implied by the term, the information cadre is only concerned with information and propaganda. The Civic Action cadre are on the contrary, expected to assist the Village Council in explaining to the people the advantages of the community development movement; the improvement of the people's living conditions, such as construction of schools, maternities, digging canals; public wells, road repair, etc... Moreover, they must take a direct part in these activities in order to stimulate the people's efforts to accomplish the work. The Civic Action cadres have, from time to time; to undertake the organization of sound recreational activities having the character of anti-communist propaganda or such activities which are aimed at the enlightenment of the national cause as musical and dramatic performances.

Emphasis should, on the other hand be laid upon the financial means of the village. In order to realize rural improvement in all respects, the Village Council should as any other administrative agency, have rich funds which can bring self-sufficiency and satisfy a greater part of the villages common needs. A number of villages are now extremely poor, having no considerable source of revenues. The mutual assistance fund was therefore, established at the provincial level to receive contributions from wealthy villages and provide subventions to poor villages. But this solution is temporary. The villages should gradually build their own fund and seek revenues from such sources as collection of market taxes, the creation of more public land and rice-fields by reclaiming the woods or uncultivated land and rice fields, etc... If a village has no considerable amount of public land, it may attempt to reach an agreement with other villages with larger area, or with the neighboring provinces to create public land and rice-fields outside its boundaries.

The village should, even though it is concerned with self-sufficiency and the improvement of its revenues, avoid the imposition of unpopular taxes, which may create undesirable effects among the citizenry, politically as well. The solutions to rural problems will certainly be facilitated once the village finance was considerably stabilized.

One essential point of concern is the assurance of security to the Village Council. The security of the village councillors should be protected in order to ensure their active work. They should be armed in order that they feel un-worried in the performance of their duties. Furthermore, an administrative center (khu) should, if feasible, be established in the area where the village hall is located and surrounded by the houses of the village councillors. In order to facilitate their movement, the village councillors in large and important villages should be provided with automobiles or bicycles, or rowing boats, or horses depending upon the geographical conditions of each area and the financial capacity of the villages concerned. Thus, the village councillors would clearly realize that the government is actually concerned with the village, the fundamental administrative unit of the national administration, and would have no reasons to justify their indiligence:

IV. THE WORK METHODS OF THE VILLAGE COUNCIL.

Is success achievable for the Village Council with the availability of means which were mentioned in the above paragraphs? Our answer is no, since the administration of public affairs require, among other things, effective methods. The village councillors should have an appropriate conception of their role. The Village Council is a link

between the district chief and the villagers. The village councillors should, therefore, make frequent visits to the villagers in order to identify their just wishes and convey them to the superior, or to improve the efficiency of plans for the service of the people.

The Village Council should meet frequently to review their achievements and work out at the same time programs for future activities. Meetings may be held at the village Hall or in any selected hamlet in the village. At each meeting achievements and pitfalls should be pointed out in order to draw experiences, and the outlines of the schedule for the next meeting be prepared. The meetings should also be attended by the cadres together with the village councillors and representatives of various groups, those who have prestige in the village as the aged men and retired civil servants may be invited to give their opinions. The operation of village affairs would thus be facilitated for it would achieve a conciliation between the common and personal interests, and prevent conflict or regrettable reactions. The Village Council should, whenever necessary, call a meeting of all Hamlet Chiefs to resolve problems concerning community development, the improvement of the people's living conditions, agrarian reform, etc... Minutes of each meeting should be established to facilitate control over the execution of resolutions and review and

complementary changes at the next meeting.

A monthly report should be sent to the District, elaborating the village's achievements, the difficulties encountered and needs that were satisfied. The District should in turn, bring timely solutions to the problems and sponsor visits to the villages by groups of rural reconstruction officials, including the Chiefs of provincial services or chiefs of bureaus at the District level in order to give guidance to the Village Council in the performance of its work.

Moreover, in areas where the Village Councils are inactive, the Province Chief or District Chiefs should come in person and call for a meeting of all village councillors who will be given necessary instructions and advised on the consolidation of the pattern of organization, and provided guidance how that they become active in their work. The Village Councils in a District and in the province will thereby gradually achieve harmonious progress and will be further strengthened.

The Department of the Interior had long ago issued a circular that inspection registers be maintained at the District as well as in the village hall so that the visiting officials of all levels will record their remarks and appropriate instructions.

This will enable the superior to, in their next visit,

easily follow up the execution (of instructions given) and control the activities carried out. This method may also be applied to Hamlet Chiefs. Each hamlet chief should have a small handbook in which will be recorded the remarks of the Village Council. This is, in the author's thinking, an effective procedure which can provide the local leadership with a tool for the coordination of work, to follow up the implementation of the government's policies in the villages and at the same time, to fully grasp the rural situation.

The village councillors should be clearly aware of the geographical layout of their village, owing to their movement. In large villages, the Village Council should set their foot on the remote, crucial area, in order to make observations and visit the people--especially areas which had not been visited by representatives of the higher authorities--with an aim of not ignoring any isolated part of the country. On observation trips, a comprehensive picture should be obtained of the lines of communication (roads), the water ways, the village resources... in order to draw up a map which though in rough form, shows elaborate details. This map will be very useful to the authorities both in the security and economic respects. The Village Council may, if necessary, undertake the establishment of new hamlets, and widen the scope of the Council's activities. In areas with scattered settlements, the Village Council

should, after careful study of the prevailing conditions, tactfully ensure the concentration of the compatriots for the sake of improving their living conditions, giving them protection, assuring them of their livelihood and exerting control over them.

The village councillors and hamlet chiefs should, from time to time and at their convenience, arrange discussion meetings with the people at the village "đình" (temple), pagoda, in order to expound such important matters as current events at home and abroad, the policies of the government, or to introduce a work project, to encourage the people's opinions on the projects to be carried out. These meetings should be informal, with a set schedule, and not very time consuming unless the people would gradually lose their interest and the discussion meetings would consequently become unfruitful.

The conduct of the discussion meeting should be entrusted upon the one who enjoys the highest prestige in the village. When the gathering is big, the Village Council should, of course, see to it that security and order be maintained in order to prevent sabotage.

Finally, the councillors should respect the good customs and traditions of the village and live amongst the people in order to know every inhabitant in the hamlet by their frequent participation in the activities of the people such as attending the funerals, the death anniversary feasts,

wedding ceremony, etc... But, the Council's participation does not entail the occupation of places of superiority in a feudalistic manner as in the past. The Council's relations with the public should be tactful, prudent, but not at the expense of friendliness. Thus, the Council will win the sincere sympathy of the people and the conduct of public affairs will be further facilitated.

The competent authorities should organize mutual visits between the villages within a province or villages of neighboring provinces, in order to provide the councilors concerned with opportunities to exchange their experiences, to observe the achievements in all fields and promote competitive efforts. These contacts are very useful in that they will constitute a broadening of knowledge on the part of the representatives of the people who have been strictly accustomed to their narrow world--the village.

CONCLUSION

The strengthening of the Village Council is, more than ever before, very necessary in the consolidation of the basis of the national administration. The Village Council today is not and should not be the product of the Council of nables (Ban Hội Tế) of the colonial and feudal periods, within an obsolete administrative machinery. The village government should be of the people, from the people and works for the people. Rural reforms should bring

to the Vietnamese village new vitality and a modern pattern of living.

Any sound program of the government may be doomed to failure, if the executive personnel at the village level do not fulfill their duties and fail to foster confidence among the people.

It's an urgent task for the provinces to collect information and observations necessary for the Interior Department to draft, as soon as possible, an ordinance governing the establishment of a realistic statute for the Village Councils.

Source: Administrative studies Review
(Hành Chánh Khảo Luận)
1958 - Vol.1, Pages 3-11

THE VILLAGE BUDGET

by

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The village is the fundamental social basis of Viet-Nam. Through the evolution of time and the ups and downs of the race, every country--whether civilized or backward--must pattern the organization of its administrative and financial structures according to the political policy.

This rule also applies to Viet-Nam. The Village (Lang or Xa) also underwent transformation through periods of grandeur and decadence of history and as a result, the village budget has been subject to many changes in form as well as in content during the last centuries.

HISTORICAL BACKGROUND

Before dealing with the history of the village budget, from the old time to the founding of the Republic, through the dynasties and periods of foreign domination, it is worth trying to get some insight into the meaning of the "Lang" (village), the "xa" (also village) and the "Village Budget." Both Lang and Xa imply the fundamental structure of Vietnamese society; the appellation of "Xa" is used in the North and the Center, and "Lang" in the South.

The word Xa has been in common use in the South for the last five years, and the term "Village Budget" is to be substituted gradually for the term "Ngân sách Làng" (Budget of the Lang or Village Budget) which is still noted in many official documents before Viet-Nam resorted its independence and achieved the unification of the Southern and Central territory.

The village budget is a future of receipts from all sources of revenues, taxes, miscellaneous revenues, irregular receipts and of expenditures on social, economic operations, and irregular expenditures; the village budget, as other budgets, must attain a balance between receipts and expenditures, but this balance is less important, since the xa (village) is the smallest administrative entity of society.

1.- The middle-age period.

According the above definition, the village budget was not established until the period of French domination, but Viet-Nam had in fact a simple financial system since the remote epoch of history to meet the public needs of the time and especially to sustain the forces of defense.

Under the tribal system of the middle-age period, the financial operations were not conducted on the basis of money but on the basis of an exchange of services or the payment in kind; the financial system, therefore, had not attained a considerable level of development.

2. The Feudal Period

Under the Royal Dynasties, the people were organized into nation (Quốc gia), finance gained increasing importance, and the appearance of money began. In the early year of the Minh-Dào reigning year (the Ly Dynasty) under King Thái-Tôn, the Minh-Dào currencies were coined for awards to civilian and military mandarins.

In the second year of the Ke-Trung reigning year, Emperor Thái-Tôn of the Trần Dynasty authorized the use of coined currencies.

In the 8th year of the Quang-Thái Reigning year, Emperor Thuân-Tôn authorized the circulation of judiciary money, called "thong-bao-hoi-sao". But since the use of money was not popular, the greater part of public needs were still met by means of services or in kind. Nevertheless, plans for the exploitation of resources and had been marked out more elaborately. Many items of direct and indirect taxes were established. The King's principal resources were "human beings" and "land" (Dat).

Receipts from the two direct taxes--tax levied upon the adult villagers and rice fields tax--were sufficient to meet all social expenditures during the period of absolute monarchy, and the collection of these two taxes was carefully planned.

The "adult tax" was recorded into a special book called the "dinh-bo" (record on male adults), and land tax into the

"dien-bo" (fields record). The two records were established on the basis of the agreement between the village and the representative of the King, and were implemented after the approval of the "Quan-bo" (a mandarin) who was in charge of the administrative affairs of the Province (Tinh), under the Tông-Đốc (Governor).

The field tax was classified into four categories--the rice fields, garden land, house sites and waste land--and collected, according to the area, either in coins or in paddy, thus preventing cases of inequity. Adult tax constituted the source of constant conflict between the Xa (village) and the representative of the King. The village defended its interests, and the King's representative, the interests of the King.

In addition to the record on adults (the "Dinh-bo"), the village also maintained a record book called the "So hang xa" (village record book) recording the entire (village) population for the purpose of equalizing the adult and field taxes.

The village population was known only by the village and was never clearly known to the King's representative, since the latter did not have the civil status record and was never allowed to see the "village record" which the village tried to hide in order to evade taxes. The King's representative did not possess the authority to intervene in the affairs of the village, since it has acquired a traditional autonomy almost absolute from the Royal Court.

"Royal authority should yield to the village tradition." The representative of the King had thus to accept the record on adults submitted by the village relative to the total adult taxpayers which, of course, fell below the actual assessment.

In order to safeguard the resources of the Royal Court, the Gia-Long Code and many other Royal decrees determining the guilt and sanctions against fraud in tax declaration had been enacted.

Article 74 of the Royal Court Code determined the minimum punishment of whipping by the "truong" (stick), and the maximum of imprisonments against fraudulent taxpayers and provided rewards in coins for the informers. Articles 78 and 79 of the above Law prohibited the unequal division of field taxes.

In addition to direct taxes, indirect taxes were also established by the Royal Court. According to the "Lich-trieu: Hiên-chuong Loai-chi" (historical survey of the Royal Dynasties) by Phan-Huy-Chu, in the 18th year of the Canh-Hung reign, under King Hiên-Tôn of the Lê Dynasty, public management tax (thuê công quản) was levied upon the ores, cinnamon, salt, stored goods, business transactions, which constituted a considerable source of revenues for the King.

In order to prevent embezzlement, the King enacted many regulations on accounting, and under King Chiêu-Thông, the general principles of a general financial policy were adopted. Therefore, the financial foundation, the basis of taxation and

control were to a certain extent well organized, but under the dynasties there had not yet been any document about balancing proposed receipts and expenditures for each year.

The taxes were collected by the village, usually by the Ly-Truong, especially when they were direct taxes. The village had the authority to collect a percentage surcharge and, in addition, it usually undertook the collection of direct taxes on the condition that it receive an annual share of receipts, in order that it obtained sufficient revenues to meet the operating expenditures of the village.

The village, exclusively, preserved its own vitality and financial capacity, resenting any outside interference, and undertook the management of village revenues in such a manner as a good father in a family, not as an accountant in charge of the handling of public funds. The village, under the current regulation, exercised the exclusive right in handling receipts and expenditures on which financial records were also maintained without being subjected to control by the higher authorities.

Therefore, the village budget, through the dynasties, remained in its early stage.

3.- The Period of French Domination

The establishment of a village budget involved not merely the recording of the receipts collected and the expenditures made without concern over the balance between expenditures and receipts.

It is quite a major and long-term undertaking to acquire a financial technique of making, each year, a prior approximation of the revenues to be collected and expenditures to be made, in order to avoid excessive collection and disbursement which might amount to detrimental political and economic effects.

In advanced countries, the method of preparing the budget involves the elaborate estimation of the necessary needs, then the search for resources to maintain the balance--and not the determination of expenditures on the basis of receipts--requiring the active participation of the public as a whole.

The history of the initial budget took its roots in England since 1628, and expanded to the Continent of Europe.

In the United States, the budget also has its roots in England, since the United States of America was a former colony of the British Empire, but a new factor emerged: the budget was established according to the principles of the Presidential regime.

In France, King Louis XVIII (1754-1824) had established the budgets which are still applied (in France) today.

Since the budget was a highly subtle institution, and for centuries continuous efforts were made on the part of the civilized countries for its establishment and adaptation in countries in the world through the educational or colonial system.

The Vietnamese budget came into existence during the period of French domination.

As soon as they set foot on Viet-Nam, the French started working out the financial organization.

Viet-Nam had become a colonial territory, under a separate government and the budget system of Viet-Nam was therefore a system of local budget subjected to control which was even more severe than in the metropolitian.

The June 5, 1862 accords ceded to France 3 provinces of Biên-Hòa, Gia-Dinh and Dinh-Tuong; and in 1867, the French expanded their occupation to the three provinces of Vinh-Long, Chau-Doc and Ha-Tien, establishing their rule over the entire Southern part of Viet-Nam.

With the conclusion of the 1884 Accords, Viet-Nam accepted the domination of France over the entire territory, that was, the north and the center--(South Viet-Nam had already become a colony)--the French established:

- The budget for the South in 1870.
- The budget for the Saigon Capital City, in 1877.
- The budget for the Municipality of Cholon, in 1879.
- The (joint) budget for the North and the Center, in 1887.
- The provincial budget, in 1889.

(The provincial budget in the North was abolished in 1912, in the Center in 1931, and in 1931 the provincial

budgets in the North and the Center were reestablished).

- The budget of Indo-China, in 1898.
- Separate budgets for the North and the Center, in 1899.
(In 1887, the North and the Center had a joint budget, in 1899 each locality has its own budget--the separation of the joint budget for the North and the Center).
- The village budget in the South, in 1921.
(The North and the Center had no village budget at the time, and the village's management of its resources was exercised under the system of comprehensive autonomy; the Center did not have village budgets until 1957 as found in the South).
- The Municipal budget in 1928.
- The budget for the Locality of Saigon-Cholon, in 1931.
(The title was changed to Budget of the Saigon-Cholon Prefecture in 1951, and to Budget of Saigon Prefecture in 1959, after the period of French Domination).

4. - The Period of Independence.

The village budget had enjoyed a period of prosperity up to 1945. The Vietnamese revolution had forced the French to abolish the taxes that were "colonialistic" in character, e.g., the "personal tax" (the tax imposed on male adult citizens from the age of 18--taxe personnelle--and prestation tax (cong suu). Moreover the chaotic state of the country had

brought about economic disorders, and the budgets in general and the village budgets in particular had begun to suffer deficiencies.

Under the pressure of the situation, the French had to solemnly proclaim the complete Independence of Viet-Nam on June 4, 1954, but the Geneva Agreement (July 20, 1954) was a conspiracy to partition the national territory.

The real Independence of Viet-Nam (the Center and the South) was regained after a hard struggle against the rebels and after the French expeditionary forces were withdrawn from Viet-Nam.

The Republican regime was founded after the October 23, 1955 national referendum.

The October 26, 1956 Constitution laid the guidelines for the present financial system.

Ordinance 57-A of October 24, 1956 reorganized the administration of the Republic of Viet-Nam and confirmed that the village have a legal personality, a budget and public property, the rights which the village had long in the past.

Pending an Arrêté governing the administrative and financial organization of the village, the village budget of the French domination period remains in application, with some modifications in form as well as in content to adjust it to the country's political and economic situation.

PREPARATION - APPROVAL - EXECUTION AND CONTROL

The village budget had undergone transformation through the periods of history and if some insight is to be obtained into the subtlety revealed in the management of the village budgets, these details should be explored: the preparation, approval, execution and control of the village budget.

1.- Preparation.

The village council drafts, each year, a general work program for the village and presents in a document recording all items of receipts and expenditures proposed for each fiscal year.

The village council is in charge of preparing the budget but in actuality, the Finance Councillor drafts the proposed budget then presents it to the whole Council for discussion and opinions.

The duration of the execution of the budget is called "fiscal year", starting on the 1st of January (solar calendar) and ending on the 31st of December of each year. If the liquidation of expenditures is not achieved at the end of the year, the duration of the fiscal year may be extended to the 20th of January of the following year.

The establishment and approval of the village budget must be achieved prior to the opening of the new fiscal year, so in November each year the Finance Councillor is expected to start

preparing the budget for the coming year according to a uniform pattern in application throughout the country, established by the general Directorate of the Budget and Foreign Aid in the "guidebook" dated September 30, 1957.

The village budget composes two parts:

- Receipts.

- Expenditures.

A. Receipts.

In this part will be recorded all the taxes and revenues to which the village is entitled under existing regulations, or which are exploited by the village itself after discussion was conducted by the council and approval obtained from the competent authorities.

The proposed receipts were divided into 2 items:

- Regular receipts, and

- Irregular receipts.

a) The regular receipts item.

This includes the following chapters:

Chapter 1. Percentage surcharge imposed upon the main taxes - licence tax, land, field, and miscellaneous taxes.

Among the surcharges for the village budget, some were imposed on the main taxes for the national budget, such as land, field licence taxes, and some were imposed upon the main taxes for the provincial budget - taxes levied on boats, buffaloes and oxen, vehicles, etc.

Each year, the Finance Department determines a maximum proportion of percentage surcharges for the village budget imposed on various taxes collected for the national budget.

The proportion of percentage surcharge varies according to the provinces - in the South, from 50/o on rice fields tax to 100/o on land tax; in Central Viet-Nam, from 400/o on land tax to 800/o on rice fields tax.

For the Provincial budget, the village council must, each year, submit to the provincial authorities the proposed surcharge taxes for approval prior to drafting the proposed village budget, and the Province Chief will enact a decree governing the proportion of percentage surcharge for the village.

The decree of the Province Chief is to be approved by the Finance Department before application.

Among the miscellaneous taxes for the village budget were bridge toll, parking station tax, berthage tax, house construction tax, house repair tax, tax for occupation of public land, vehicle inspection tax, tax for street cleaning and garbage removal, tax for detention of animals, tax for publicity, etc.

The miscellaneous taxes were proposed by the village council according to the geographical condition and local resources. In central Viet-Nam, for example, there are the taxes for "policing" (preserving) the harvest, and duck-feeding on the rice fields after harvesting, etc..

Chapter 2. Village revenues: rental of urban land, public land, rice fields, houses, apartments, inns, theatre building, rice fields of the pagoda, stone deposits, sand creek, etc.

Public land and rice fields were real estates which were:

- Given to the village by the Royal Court.
- Purchased, and called "communal land" (and fields - *điền thổ*).
- Donations, and called "donated fields" (*hiên điền*).
- Let by will of private persons for the village to undertake the cult.

In the South, public land and rice fields were formerly rented on a bidding basis, but bidding was abolished under the present system of agrarian reform, and rental was imposed by the Village Council solely according to current regulations.

In the Center, 25o/o of public rice fields were customarily partitioned for rent and the remaining 75o/o for allocation to the villagers.

The revenues of the village became consequently inadequate (low) and many villages required the beneficiaries of public rice fields to make an annual contribution of 70\$ to 200\$ (piasters) enabling the village to meet the management expenditures.

Chapter 3. Taxes on markets, slaughter-houses, berthage, fishing sites, fish ponds, etc.

In South Viet-Nam, the bidding procedure--which proved to be far more fruitful than public management--was applied by almost all villages.

In Central Viet-Nam, the villages are applying the procedure of "proportionate share" (hội khâu) i.e., (market) taxes which the village undertakes to collect for the provincial budget will be returned to the village according to the following proportions:

- Market, berthage. 30o/o
- Fish ponds, lakes 65o/o

Chapter 4. Miscellaneous receipts and delinquent receipts.

These include fines, registration fees, fees for the issuance of copies, loans obtained, subventions from other budgets, security deposits of bidders and delinquent receipts.

What was interesting to take into account in this chapter was the mutual assistance fund which we will deal with in a later paragraph.

Chapter 5. Reserves and surplus of the preceding fiscal years.

These included the reserves, the deposit at the Treasury Service, cash on hand in the villager (drawer), loans made.

b) Irregular receipts.

The part on proposed receipts was well-prepared, but sometimes irregular receipts occurred (such as donations, inherited property, etc.) which were unpredictable, and could not be recorded into any other chapter. These receipts will be

recorded into this "irregular" item and any collection or acceptance as such should receive prior approval of the superior.
The method of proposing receipts.

The village is expected, each year, to propose as receipts the revenues that are deemed collectable and which it was authorized to collect. But during the years in the aftermath of the chaotic period, many a village, especially the poor villages, was obliged to propose as receipts many taxes which could not be collected, or delinquent taxes, in an effort to maintain the balance in their budgets.

B. Expenditures.

As the part on receipts, the part on expenditures of the village budget was divided into two categories:

- Regular expenditures, and
- Irregular expenditures.

a) Regular expenditures.

These include the following chapters:

Chapter 1. Administrative expenditures.

Chapter 2. Social expenditures.

Chapter 3. Economic expenditures.

Chapter 4. General expenditures for the villages.

Chapter 5. Delinquent and unexpected expenditures.

Each chapter is divided into two paragraphs--personnel and materials--chapter 3 has a third paragraph on expenditures on work projects.

Personnel expenditures include all payments to employees who were designated or recruited for the operation of the village (administrative) machinery - allowances for the village council members, salaries for village employees, allowances (thu lao) for personnel establishing and checking the tax records, expenditures on council meetings, travel allowances for the councillors, etc.

Expenditures on materials include all expenses earmarked for the supply of necessary equipments for the village: the rent of the council office, purchase, renovation of furnitures, stationery, water and illumination, reception, etc.

Expenditures on work projects include the projected work expected to be carried out within a year: repair of roads, bridges, construction of public buildings, etc.

b) Irregular expenditures.

In this category are recorded expenditures which were not proposed and could not be entered as disbursement into chapters on regular expenditures. This category is, in principle, an extra and irregular expenditures which can only be proposed on the basis of an equivalent in irregular receipts.

Method of proposing expenditures.

In preparing the draft budget, it is expected that village council propose expenditures on the basis of expenses in a month; for example, personnel expenditures should be calculated on the basis of the actual number of employees. An increase

in personnel expenditures should be accompanied by an increase in personnel which require the approval of the higher authorities.

Proposed expenditures on materials for the coming year should be based upon the actual expenditures during the current year. Any increase or decrease must be elaborately expounded.

In the paragraph of work projects are to be recorded, by order of priority, the works of common interest to the village(s) or within the framework of rural reconstruction, depending on village's financial capacity.

II.- Approval.

After it is drafted and closed, three copies of the proposed village budget are to be submitted to the Superior for approval.

The Đại-diện Hội đồng Xã (representative of the village council or village chief) sends the draft budget to the Deputy Canton Chief (Cai Phó Tổng), if this position exists, for certification and it will then be forwarded to the District Chief for "opinions" (review).

If no illegitimacy is found, the District Chief gives his certification then submits the draft budget to the Province Chief for approval required for village budgets amounting to less than 500,000\$.

For a village budget exceeding the total of 500,000\$, the Province Chief will give his certification and opinions and submit it to the Presidency (the Directorate General of

Budget and Foreign Aid) for approval.

The execution of the village budget can only be, in principle, carried out after approval, but in actuality, if the village budget is not approved in time, the village council may start at the beginning of the year--collecting revenues which the village was authorized to collect in the preceding year.

For expenditures, only salaries are in the meantime paid to village personnel, and sources of expenditures require the approval of the province chief.

III.- Execution.

The execution of the village budget is very simple - no checks, no payment order exist, and there is no distinction between "budget officer" and accountant.

The Finance Councillor undertakes the handling of cash (expenditures and receipts).

A treasurer, who is usually the Village Chief himself, is charged with the maintenance of cash or make disbursement to meet the expenditures authorized by the Village Council.

1. Procedure for the collection of receipts.

The village council is vested with full authority in the collection of the surcharges on taxes and revenues covered in the category of regular receipts, when the documents authorizing an increase in existing surcharges or the establishment of new surcharges and the village budget were approved by the Superior.

With regards to the irregular receipts, the Village Council is only authorized to collect money or accept donations in kind when the relevant minutes of the Council discussions were approved by the competent authorities and all legal requirements were met.

a) Percentage surcharge tax.

For receipts collected on the basis of the tax records, the Village Council is expected to prepare draft records on the main taxes and the percentage surcharges which are to be sent to the (provincial) Administrative Headquarters for the establishment of the general tax records.

b) Public land and rice fields.

The ownership of public land and ricefields belongs to the village which has full authority in renting them according to the agrarian reform regulations to get rentals evaluated in cash.

The exploration of public land and fields through "mutual agreement with the tenants" is not so fruitful as by bidding formerly in practice.

Village revenues, therefore, suffered a considerable decrease.

c) Market taxes.

The villages have markets, slaughter-houses, berthage, fishing sites, etc... which are usually bidded in order to improve the level of revenues as a result of competition between

the bidders. In case bidding is not successful, they are rented by mutual agreement or the village itself undertakes the exploitation through public management (quan quan). These two ways of exploitation are not very successful, especially public management which sometimes bring losses, since receipts dropped below the bidden standard.

Biddings should conform with the existing formalities in order to ensure equity and prevent complaints and subsequent complexities.

d) Accounting books.

To facilitate control, the village should maintain the following accounting records:

- The tax receipt book.

This is customarily called the perforate receipt book.

Upon receiving a tax payment for taxes for the national, provincial or village budgets - the Finance Councillor is expected to issue to the taxpayer a perforated receipt from a receipt book with duplicates for file.

On this receipt the Finance Councillor should clearly mark the name of the taxpayer, the nature of the tax, the amount collected, the date, and affix the stamp mark and his signature.

Each village uses two different receipt books:

1. for the collection of taxes pertaining to the national and provincial budget.

2. for the collection of taxes and revenues of the village.

This receipt book was usually printed in color different from the former to differentiate itself from the former and improve identification.

- The cash diary or the funds record.

This record on receipts and expenditures is used as a means to follow up the situation of receipts and expenditures and keep the village informed of the daily remaining cash in the village treasure.

2. Procedures for the execution of expenditures.

In principle, the villages enjoy a considerable degree of financial autonomy, that is, the villages undertake the preparation of their budgets and their execution, after approval was obtained from the higher authorities who only exert control and did not meddle in the management.

In actuality, the villages are expected to get the agreement of the District Chief on expenditures of over 500\$ and the approval of the Province Chief of expenditures exceeding 2,000\$, in order to prevent illegal appropriations.

This maximum disbursement varies according to local practices in some localities, the authorization of the District Chief is only required for disbursement of over 1,000\$ and the approval of the Province Chief of expenditures exceeding 5,000\$. Although regular expenses have been proposed in the budget, the village does not possess the authority to use them with the exception of such pre-determined expenditures as salaries

for personnel and those which are mentioned earlier.

Budgetary control was but a practice created by the local authorities as a precaution against misappropriation or embezzlement, and no official ruling exists concerning this.

For irregular expenditures, the village may of course make disbursement only when approval is obtained from the District Chief or Province Chief.

a) Personnel expenditures.

The treasurer disburses salary payments on the basis of the payroll established by the village and each payee is expected, when receiving payment, to sign on the payroll, write his full name, his position and the salary for which the employee was employed with the authorization of the District Chief or Province Chief.

b) Expenditures on materials.

Money is disbursed only when legitimate invoices are provided, that is, invoices bearing the signature of the Village Chief certifying that the work has accomplished; signatures of three Village Councillors are required in case of substantial spending. The creditor is expected to mark "payment received" and sign on the invoices, and the cashier to mark "paid" and sign on the invoices after the payment was made.

Following are the procedures concerning expenditures on materials in application, in the administration of village (public) funds:

- price check, for expenditures exceeding 5,000\$.
- for expenditures of over 60,000\$ a contract is to be established after the bidding.

c) Expenditures on work projects.

The projects of works on renovation or construction, though recorded in the budget, must be approved by the Province Chief or the Presidency, depending upon the amount of more or less than 60,000\$, before implementation.

The Public Works or the Reconstruction Services provided assistance to the village in working out the cost estimation stating the estimated cost of the undertaking. Minor work projects may be carried out by the village through public management (quan quan) which is subject to the technical control of the Public Works or Reconstruction Service. Any major undertaking the cost of which exceeds 60,000\$, is to be implemented on a bid basis.

d) Accounting books.

Expenditures must be carefully handled, thus the village is expected to maintain the following records in order to ensure conformity with financial regulations and to prevent excessive spending.

- Expenditures diary (daily journal).

Expenditures on personnel, materials, or work projects should be entered, each day, into the expenditures diary. These disbursements must be added up daily and monthly.

- The original expenditures journal.

In addition to the expenditures diary, the village also maintains an original expenditures journal in which are recorded all expenditures by chapters and by articles of the budget, in order to follow up the expenses and to prevent excessive spending within these chapters and articles.

- The property record.

All existing or purchased equipments are to be recorded in this property record.

Any discarded utensil should be accompanied by a proving statement of abolition according to the regular procedures. The number of the statement is then recorded in the property record next to the discarded item.

3. Cash reserves.

According to the principles of "unitary fund" the Cashier must keep in the village's safe all receipts from taxes pertaining to the National, provincial budgets and revenues of the village.

For security reasons, the Cashier is only authorized to keep in the village safe the following amounts of cash:
and villages located in the district town

- Villages in the provincial chief town/are authorized to keep a maximum amount of 20,000\$.

- Other villages, 10,000\$.

If receipts from taxes or revenues exceed the above amounts, the surplus must be deposited at the Treasury Service

for exchange of receipts.

When the village wishes to withdraw the deposit from the treasury, a request should be submitted to the District Chief for approval, then a "voucher" which should be obtained from the provincial administrative headquarters, bearing the signature of the Province Chief will be presented to the Treasury Service for the withdrawal of cash from the treasure.

Upon the expiration of the fiscal year, budgetary operations must discontinue as of the 20th of January if the following year. The remaining cash from the expired fiscal year-- (including cash on hand in the village or deposited at the Treasury)--must be entered as receipts on the perforated receipt book of the new fiscal year and a receipt be issued bearing the amount equivalent to the total remaining cash.

This receipt is numbered one and glued on the receipts--expenditures statement prepared for the first quarter of the new year; and the administration of the village budget is carried on.

IV.-- Control.

If the technique of establishing and executing the village budget has almost reached the level of perfection, the control was organized even more strictly and, it is reasonable to add, more intricately:

- Control exerted by many agencies.

- Control by supervision over the spending power.

- Control by financial statements and reports.
- Time control.

1. Direct control over the execution of the village budget by competent agencies.

The Deputy Chiefs of Cantons, the District Chief are in charge of the direct control over the execution of the village budget by making permanent inspection of the village's accounting records.

a) Control by the Deputy Canton Chiefs.

The Deputy Canton Chiefs are expected to inspect the accounting records and the situation of receipts and expenditures of the village twice a month and to examine the maintenance of the village records, the vouchers and records on taxes collected for the national and provincial budgets.

Any case of unduly excessive spending should be immediately brought to the attention of the District Chief and the Province Chief.

Every time the perforated receipts book and the accounting records are checked, the inspector should add up these figures, mark the date of the inspection and his signature. Any such auditing should be accompanied by audit statements one of which is to be sent to the Province Chief and one kept in the village correspondence file.

b) Control by the District Chiefs.

These officials must, at least once in three months, make an on-the-spot inspection of the village's accounting records.

This represents a general control over the village financial situation. A report on the inspector's remarks is to be sent to the Province Chief, after the inspection.

c) Control by the Province Chiefs.

These high-ranking administrators or their representatives are expected to make frequent inspection tours to the villages in order to accelerate the collection of taxes, revenues, and to exert on-the-spot control over the village financial administration.

d) Control by Central authorities.

If need be, the central government (authorities) may designate an Inspector or a Financial and Administrative Inspection Delegation or Inspectors of the Finance Department, to make an on-the-spot audit of the village budget.

2. Control over the spending procedures.

This tutelage of the spending power is carried out simultaneously with the execution of the budget (expenditures).

Any disbursement, with the exception of the expenditures mentioned in the above paragraph, must be authorized by the District Chief, the Province Chief or the Central Authorities, and even the withdrawal of deposit from the treasure is also subject to decision by the Province Chief.

3. a) Control by financial statements and reports.

A monthly summary statement on receipts and expenditures must be prepared by the village and sent to the provincial administrative headquarters for control.

b) A quarterly statement of receipts and expenditures enclosing the justification papers (vouchers) is to be prepared and sent to the Province Chief for approval.

c) Each year, at the close of the fiscal period, the village is expected to prepare a summary statement divided into two parts--receipts and expenditures--giving the actual figures.

d) A report on the financial administration in the villages of the district is prepared by the District Chief on the basis of the village quarterly financial reports.

4. a) Time Control.

Prior to its execution, the village budget was carefully studied by the village council, the Deputy Chief of Canton, the District Chief, the Province Chief, and repeated corrections were made during the drafting process.

The agencies did not fail to examine every detail, especially the expenditures, many proposed expenditures were abolished and, it is reasonable to say, the sources of expenditures which remained in the proposed budget were the minimum and necessary.

b) In the process of execution, the approved village budget remains under the strict control of the higher authorities. The village is not in a position to make disbursements in view of the fact that they were contained in the budget. Any disbursement is subject to approval of the competent agency, with the exception of expenditures mentioned

in the item on "Procedures for the execution of expenditures."

c) After execution, accounting records and vouchers, for village budget under 1,000,000\$ (one million), must be submitted to the District Chief and Province Chief for examination.

For a village budget exceeding 1,000,000\$, the accounting records and vouchers are to be forwarded--quarterly--to the Directorate General of Budget and Foreign Aid for posteriori control.

The control over the village budget is highly complicated, two ways of control are at times carried out simultaneously and sometimes intermingled.

OBSERVATIONS.

As has been noted, the village budget came into existence during the period of French domination by arrêté dated Oct. 3, 1921 of the Governor of South Viet-Nam and modified by the Sept. 6, 1923 arrêté.

This budget existed only in South Viet-Nam, which had become a French colony; and was subjected to too severe control.

The control procedures established by the French remain in application today.

In form, the village budget was elaborately established. Its structure has not in the main undergone any major change for half a century--each budget document also contains two

In all, 982 villages did not yet have budgets, that is 380/0 of the total of 2,584 villages:

South Viet-Nam.	136 villages
Central Lowlands.	443 "
Central Highlands	405 "
	<hr/>
Total.	982 villages.

In the South, a number of newly-established villages have no budget.

In the Center, village budgets began to be established since the publication of the "Guidebook" by the Directorate General of Budget and Foreign Aid, that is since 1957 and many villages therefore, did not yet have budgets.

In the Highlands, due to its geographical position and the nomadic life of the inhabitants, no village has a budget as yet.

The budget capacity of the villages is not uniform, depending upon the local economic situation.

In the South, the smallest budget was that of Thanh-Luong village (Binh-Long province) with a total amount of 11,000\$ (eleven thousand), and the largest budget, that of Dieu-Hoa village (Dinh-Tuong province) with the total amount of over 19,000,000\$ (nineteen million).

Among the 1602 villages having budgets:

1431 villages have less than 500,000\$ - (almost 90o/o)

953 villages have less than 300,000\$ - (almost 60o/o)

533 villages have less than 100,000\$ - (almost 33o/o)

(Among 1431 villages having less than 500,000\$, 953 vil-
lages have less than 300,000\$ and 533 villages have less
than 100,000\$, and of course among the 953 villages
having less than 300,000\$, 533 villages have less than
100,000\$.)

The village should have a minimum budget of 300,000\$,
if its development is to be realized.

The expenditures of a village having a budget of 300,000\$
may be proposed for the following:

- Personnel: 100,000\$
- Materials: 100,000\$
- Work projects: 100,000\$

a) Personnel.

Monthly allowances for

- The village council
 - The village chief 1,700\$
 - Police Councillor 1,600\$
 - Finance Councillor 1,600\$
 - Civil Status Councillor . 1,000\$
-
- Total 5,900\$

- The three special commissioners
in the west:

Political Commissioner. . . .	500\$
Information Commissioner. . . .	200\$
Youth Commissioner.	200\$
	<hr/>
Total	900\$

Grand total. . . . 5,900+900=6,800\$

(The Information and Youth Commissioners receive 300\$ each from the national budget).

Annual payment:

6,800\$ x 12 = 81,600\$

exclusive of salaries for the village clerk, the dutyman (general worker), and allowances for the hamlet chiefs.

b) On materials.

Materials necessary for the operation of the village affairs already constitute a major source of expenditures and, if uniforms are to be provided for the self-defense militiamen and other employees, 100,000\$ are insufficient.

c) Work projects.

With the amount of 100,000\$ it would hardly be possible to fully carry out such social programs as construction of schools, maternity, rural development, etc... and economic undertakings--road, bridges, etc...

Villages with budgets of under 100,000\$ could hardly assure a smooth operation--due to financial insufficiency in paying allowances and salaries for village personnel--and has to remain reliant upon subventions from other villages.

In view of this fact, the "Mutual Assistance Fund" was established by circular No. 2497/TTP/NS/S2 dated April 25, 1957 from the Presidency.

"The Mutual Assistance Fund is a step toward the concretization of the spirit of intervillage solidarity and the equal distribution of resources of the villages in a province, the gap of difference in revenues between village will thus be narrowed".

All villages are expected to contribute to the mutual assistance fund at the proportion of

- 1/10 of the total actual receipts

- 1/4 tax receipts from markets with revenues amounting to over 100,000\$ annually.

This fund will be opened in an account of the provincial budget, for the purpose of providing subventions for needy villages and financing work projects of mutual interest.

Subvention is subject to decision of the province chief and this decision is in turn subject to approval by the Presidency (the Directorate General of Budget and Foreign Aid)?

In fact, the establishment of the Mutual Assistance Fund represents a desired initiative and a timely step to provide (financial) assistance to poor villages during recent years, but considering the details in terms of budget and spirit, the mutual assistance fund is but a temporary measure which cannot be maintained.

- In terms of budget.

According to the principles of the mutual assistance fund, rich villages are expected to shoulder the financial burden of providing assistance to poor villages within a province. This is, in fact, thoroughly a village affair and the maintenance of the mutual assistance fund should have been entrusted upon the village in the provincial chief town. But, according to the existing regulations, this fund was opened as an account in the provincial budget.

In certain provinces, the mutual assistance funds are still maintained in the public treasure of the chief town village. This greatly facilitates the province chief's decision and swift distribution of subventions to needy villages.

The creation of the mutual assistance fund in an account of the provincial budget has brought about many complicated accounting procedures, an increase in the total amounts and an unnecessary change in the form of provincial budget.

- In terms spirit.

The mutual assistance fund was aimed at fostering solidarity among villages within a province, but it has at time brought undesirable results.

The rich villages, feeling that substantial disbursements have been made from their budgets for assistance to the poor villages, became jealous, since they had encountered much difficulty in collecting taxes but did not enjoy the

same easy conditions for spending as for disbursement of their public funds to assist other villages.

However rich a village may be, it still finds that many social and economic operations remain to be carried out in order to improve the living conditions of the people who paid taxes to their village; if they were not authorized to use their resources to materialize the above programs, but should instead provide financial assistance to other village, it is likely that they would become discouraged and relax their efforts in collecting taxes and revenues for their villages.

The poor villages, on the contrary, receiving permanent subventions without making efforts in acquiring resources became reliant and sometimes have feelings of disappointment in view of the deplorable fact that they remain poor and dependent upon "donations" for subsistence.

Moreover, in a province there are only a handful of villages which are financially capable of providing assistance to other villages without finding difficulties in the operation of their budgets. Other villages, after contributing to the mutual assistance fund, fell into the situation of needy villages.

RECOMMENDATIONS

The majority of the villages remain poor, and the mutual assistance fund is but "a temporary measure and not a magic remedy" to bring self-sufficiency to the poor villages.

In order to assure the village of a minimum budget sufficient for its subsistence, we would like to suggest the following measures:

a) Redistribution of the budgets.

The village budget resources should be examined in order to ensure an equal redistribution.

The majority of the village council members are very simple and have little insight into problems of taxation or accountancy; therefore, the village budget should be only recipient of revenues which are easy to collect, in order to render the collection effective.

For the time being, 533 villages have budgets of less than 100,000\$. If each village is granted an additional 200,000\$ to provide a minimum budget of 300,000\$, the annual increase would be:

$$200,000\$ \times 533 = 106,600,000\$$$

An annual amount of about 100 million piasters is obtainable from the national resources and if the country's finance is still in a state of deficiency, this amount should be made available in many periods, so that the budgets from which such funds are withdrawn would not have to encounter

major obstacles in their execution.

b) Creation of public land and fields.

Many villages do not possess public land and fields. These real estates constitute, it is fair to say, the most stable sources of revenues.

A large area of expropriated agricultural land remain unpurchased. It is desirable that the villages be granted loans to buy these fields and turn them into public land and fields. Moreover, the French had conceded a considerable amount of fields, part of which can be sold on long-terms to the villages for their own exploitation.

c) The integration of villages.

It is worth considering the possible integration of two neighboring poor villages, in order to economize expenditures for their operation.

The integration of villages has been carried out long since, but further integration of a number of village remains feasible.

This undertaking often encountered difficulties in terms of geographical layout.

If two poor villages have common boundaries and large areas (superficie), they should not be integrated, unless obstacles will be confronted in the patrol and control over the people; and sometimes the integration of two poor neighboring villages is deemed feasible but has met with the

objection of the inhabitants and the local authorities of both sides.

In such case, the tact of the District Chief and the Province Chief might achieve a settlement and bring about the expected results.

d) Economic development.

The national economy is the artery of our country. Viet-Nam is an agricultural nation. The fields stretch to the horizon, but their exploitation is not carried out on such a large scale as in the past, owing to the unfortunate situation of insecurity.

In the industrial field, continuous efforts have brought about fruitful results to be national finance; but since Viet-Nam is not an industrial country, industrial expansion has its limits.

At any rate, plans must be mapped out for the full exploitation of the fields and for industrial expansion, in order to ensure that the increase in production bring maximum resources to the country.

e) The establishment of new direct and indirect taxes, if need be.

In case the above measures cannot be immediately taken, the establishment of new taxes should be considered, if necessary, to provide support for the village budgets during this period of deficiency.

As mentioned in an earlier paragraph, the abolition of the "personal" and prestation taxes has exhausted the village budgets.

This does not mean an expression of regret for the abolishment of these two taxes which had dishonoured us and which had come to an end, but to encourage our efforts in seeking other substitute resources which constitute the equivalent of the lost revenues.

If need be, new temporary taxes--direct as well as indirect--may be established, but should depend upon the capacity of the taxpayers and the political situation of the time.

Direct taxes may be levied on persons and, to avoid possible confusion with the "personal tax", be called contribution (money) for "reconstruction" or "construction", etc...

If fully expounded and widely universalized, this measure would certainly meet with the favorable reaction of the compatriots.

As witnessed in recent years, the compatriots have been making enormous contribution of manpower and ability to the improvement of living conditions, community development work, and today a great number of villages and hamlets have swiftly changed their face.

If computed in terms of money, the labor of the compatriots could be estimated at hundreds of million piasters.

-Now that rural reconstruction, an ambitious undertaking by the national government, is nearing completion, the contribution of the compatriots can be formalized by the establishment of a tax properly organized in order to assure justice for all.

The compatriots (the people) would warmly accept this tax in order to avoid labor contribution. Nevertheless, those who do not pay will carry on the remaining work.

Indirect taxes can be imposed on products transported from the village and, to avoid possible confusion with the "pacification" tax, the appellation should be changed to "security" tax or "patrol" fees, etc...

CONCLUSION

From infancy to the formative period, through thousands of years of history, the village budget underwent considerable transformation.

Owing to the influence of western countries, our village budget acquired a form comparable to that found in civilized countries.

The procedures for the establishment, approval, execution and control of the budget were carefully determined in every detail.

The village budget in content, evolved from nil to a period of prosperity and began to suffer during the period of chaos.

Many measures have been proposed to bring about self-sufficiency to the needy villages.

The day when the villages can overcome poverty, the method of budgeting applied in advanced countries should be adapted, that is, proposing expenditures prior to the acquisition of resources to satisfy the needs.

The village budget will then have its true role and it will be the clear reflection of the political, economic, financial and social situation of each village.

Extremely severe control has greatly deformed the spirit of comprehensive traditional autonomy.

The principle of financial autonomy should be respected, the Administration (authorities) should not participate in, but only exert control over the management.

Budgetary control should be reduced, so that the village has the pure character of a fundamental administrative structure in the Vietnamese society.

Oftentimes the village misuses public funds under the pretext of unawareness of accounting rules. If abuse and embezzlement are to be prevented, more concern should be given over the "education" of the Village Council members rather than restraint of the village's activities, blunting it of all initiatives and thereby retarding its maturity.

Finally, in order that the village budget have a significance the village budget should be provided with sufficient appropriations, 300,000\$ at the minimum.

When circumstances permit, the Mutual Assistance Fund should be abolished and replaced by real revenues collectable to the village.

The Village Councils have demonstrated much good will and a high spirit of sacrifice, but they see no better alternative for the development of their villages, when the village finance remains in a state of chronic deficiency.

Source: Hanh-Chanh Khao-Luân (Administrative Studies Review)
Department of the Interior
Vol. 8 - 1960 - pages 23-38.

SUGGESTED SOLUTIONS TO HELP
THE VILLAGE BUDGET ATTAIN AUTONOMY

ĐỖ-VĂN-RỒ, chargé de mission
in charge of Civil Guards and
Self Defense Corps. Admin.
Service, Department of the
Interior.

1. In the Vietnamese administrative system, the village is the fundamental unit, the foundation of higher organizations. Through generations and historical events, the communal spirit as well as a great deal of local religious customs have been engraved in the minds of the citizen and have become traditions--though no longer unalterable--which are not swift-changing with the passage of time.

Ordinance 57A, dated October 24, 1956, confirming that the village is the administrative unit with legal personality and the foundation of the National Administration, had formerly recognized the leading role of the village in the Vietnamese administrative and political machinery.

Once its key role is recognized, the village shall be of course given an essential position in any economic and social development plan, for an efficient and firmly-established plan--if it does not deal primarily with the fundamental--must at least penetrate into this unit, unless it is not a limited plan the roots of which do not grow in fertile soil. By the foundation of the

Vietnamese Society; we mean the village itself.

Raising the problem of village development is, we think, a (muộn màng) undertaking, for the national Government has long focussed its operations on the village, and has been, since 1957, accelerating the rural construction movement in the framework of many plans, reorganization and important achievements. Measures for the organization and consolidation of the village administration, the movement of people's self defense, community development, the program for expansion of rural primary education... represent typical examples in the administrative, economic and social areas.

However, to shed more light on the problem of obtaining means for village development, we think it is not an untimely matter. Village development is a long range undertaking and the problem of finding means for the pursuit and achievement of this important project is a many-sided problem to which a definite solution can never be found. For years, villages could not be developed and equipped because of the unavailability of means for development. And at the present time, the village has, each year, requested for financial support to carry out operations of social and economic interests.

Certain villages also request for financial support to finance such indispensable expenditures as the management expenditures of the village council.

In this limited study which is made in the hope that it may be of any interest to the readers, we will deal with a means (a crucial means, in our view) in the village development project, that is the problem of village budget autonomy.

I. THE VILLAGE AND ITS BUDGET

The village is recognized as having a legal personality, a budget, and public property. The village must therefore be viewed as an independent family. And to sustain its existence, the family must live in a life harmonious with the common life of other families-- society; it must possess the abilities to live independently from others, and develop itself in pace with the trend of common evolution. A family that is built without a livelihood cannot maintain a lasting subsistence but constitutes a burden to other families and society; it does not only fulfill its responsibilities but its independence is also meaningless. In other words, the village should have an adequate budget too, at the very least, fulfill these two functions:

The operation of the village administrative machinery.

In the administrative area, the village must be able to finance the regular management expenditures (allowances for the village officials, purchase of stationery, miscellaneous expense...)

Economic and social self-development.

Apart from management, the village must possess the abilities to achieve reconstruction projects of economic and social value as road building, rehabilitation of bridges, dikes, construction of schools, hospital, maternities, etc...

The village budget has to fulfill those two functions, only then the family of villages may be called as autonomous, that is, it must be able to subsist and develop itself in order to lead a long lasting life.

The above analysis provides some insight into the functions of the village budget which are quite burdensome and tend to exceed the possibility of the greater bulk of the present villages. Indeed, in the existing village situation, the village budget can hardly finance management expenditures. Expenditures on socio-economic reconstruction are usually considered as exceeding the village's authority. Community development, the program for the expansion of rural primary education, are reliant, to a certain extent, on subventions from the provincial or national budget.

If certain village budgets are at present self-sufficient, that should not, in our thinking, be interpreted as these villages are actually self-sufficient, but on the contrary, one must boldly face the facts which

requires analysis, examination; so that an appropriate solution could be found to the problem: "the village should attain actual autonomy (financial)".

II. THE PRESENT SITUATION OF THE VILLAGE BUDGET

On the basis of the receipts and expenditures during the fiscal year, it may be noted that the village budget had attained autonomy since 1957, after the Mutual Assistance Fund was established in the provinces.

As a matter of fact, most of the village budgets have at the end of each fiscal year a reserve for the following fiscal year.

But, a more elaborate examination of the receipts and expenditures of the village will reveal a contrasting fact. The annual excessive receipts of the village budget is but the result of such restriction on the village's activities according to the maximum that "only spend when cash is on hand" (this is also a principle of family administration. Spending should not exceed incomes, and it is unwise to squander while one is in debt all year round.)

Generally speaking, the village finance is in fact still too unstable and a further stride is to be made before true autonomy is attained.

I. The real situation of the village finance.

RECEIPTS. The village budget includes in general

the following items:

Tax incomes for the village cash: surcharge of tax on land and field business license, boats, on oxes and buffaloes, horses, automobiles, carts, buffalo carts, peddicabs.

Village revenues: rental of public land and fields, urban land, rental of houses (and apartments), theaters.

Bidded tax collection: boat landing piers, markets, slaughtering houses, parking stations, fees on running water and power consumption.

Miscellaneous revenues: fines, charge for detention, revenues for sale of unclaimed properties, subventions, registration fees, regular tax miscellaneous tax. (As for the Central Midlands, the villages have been, in recent years, obtaining two other sources of special revenues: Payment for reconstruction work, and subventions from the provincial budget; in the Central Highlands, almost all villages budgets are reliant upon subventions from the national budget.

To obtain a clear understanding of the important proportion between the village budget's various categories of receipts, we would list as examples the budgets of two relatively rich villages:

Thanh Hoa village (Cailay District, Dinh Tuong Province, Southern SVN).

And Quang Loi village (Quang Dien District, Thua Thiên Province, Central VN).

Listed below are the important estimated receipts of the two villages during fiscal year 1958.

<u>Thanh Hoa Village</u>	2,122,000\$00
Bidder tax collection:	858,120\$ (40% of total)
Fines	360,000\$ (16,9% of total)
Miscellaneous tax	200,000\$ (9,4% of total)
Tax on land-field & business license	103,534\$ (2,9% of total)
<u>Quang Loi Village</u>	993,389\$
Payments of labor contribution to reconstruction work	363,000\$ (36% of total)
Village revenues	202,000\$ (20,3% of total)
Bidder collection (market tax)	84,600\$ (8,5% of total)
Surcharge tax on land and field	2,189\$ (0,2% of total)

This figure shows that the principal receipts of these two budgets included bidder tax collection, fines and payment for labor contribution to reconstruction.

Market tax is a special source of revenues for the village, varying according to the economic events, the security situation in that village and in neighboring areas. In the present general situation this category of receipt is a stable and reliable source of revenues in the days ahead.

Fines and payment for labor contribution in reconstruction are unreliable sources of incomes, and cannot be considered as the essential revenues of the budget. Fines are expected to be reduced on a gradual basis in pace with the progress of popular education.

Payment for reconstruction labor is only a periodic contribution on the Government from the people during the present phase of reconstruction.

A budget which is over-reliant upon these two categories of receipts will be doomed to insecurity and unexpected deficit. The village budget, in this case, lacks the conditions of stability, the unalienable conditions for a healthy (sound) finance.

On the other hand, such revenues which can be considered reliable as surcharge tax on land and fields, on business license, revenues from public properties of the village only play a substitute roll (less than 50/o of the total budget.)

In this situation, the budget's receipts--even if they are prosperous, cannot justify firm confidence in tomorrow, because of the instability and the periodic character of the principal receipts.

EXPENDITURES

With productiveness as a criterion, the expenditures of the village may be divided into two categories: production expenditures and non-production expenditures.

Productive expenditures involve the proposed expenditures of economic and social value. These are investment expenditures aimed at the construction of various institutions necessary for the village's economic and social development.

The unproductive expenditures involve expenditures for the operation of the village administrative machinery. In other words, the objective of these expenditures is to safeguard the present village life, in the administrative, and political respects.

The more importance is attached to productive expenditures, the further the village is developed, the people's living standards raised, and the brighter is the prospects of the village finance.

A glance at the two budgets of Thanh Hoa and Quang Loi reveals that the management expenditures amounted to over 65% of the funds. Productive expenditures were estimated at 35%. Reconstruction came next.

Moreover, these two budgets, do not truly represent the general financial situation of the villages, for it can be said that almost all the village budgets today,

mainly in the Central Midlands and Highlands, are reliant upon subventions in order to meet management expenditures which, in the Central Midlands alone, amounted to 700/o of the budget. Expenditures for rural development remain almost an expectation to the village budget.

We may, from this analysis of receipts and expenditures reach the conclusion that the village budget has now fulfilled all but part of its functions and must still be further consolidated if rural reconstruction projects are to be adequately financed in the progress toward an actual autonomous life.

2. The Mutual Assistance Fund and its impact upon the village finance. The problem of village (financial) autonomy has drawn the concern of the central authorities since 1957.

By circular No.2497 TTP/NS/S2 dated April 25, 1957, the Secretary of State at the Presidency had reestablished the principle that "the village budget must finance the management expenditures of the village" and established the Mutual Assistance Fund to assist poor villages finance their own necessary expenditures.

The M.A.F., like a pipe connecting many pots, is established to harmonize the distribution of resources between villages.

Part of the surplus resources of rich villages is channeled into poor villages in the form of subventions, so that every village obtains sufficient funds for the operation of public affairs in the village.

Two questions should be raised at this point to evaluate the 'Mutual Assistance Fund'--financially: "What results of the M.A.F. has brought to the village finance, and the real value of this fund, in time and in space?"

The M.A.F. is an account opened in the provincial budget.

The receipts come from the villages in the province at a definite proportion: 1/10 of the actual receipts of the budget, and 1/4 from market tax revenues of over 100,000\$00.

As for expenditures, the aforementioned Circular No.2497 provided that "The Mutual Assistance Fund is used to subvention needy villages or to carry out projects of common interests."

Thus, the M.A.F. may also be used to carry out general development operations in the villages, apart from granting subventions to poor villages to meet management expenditures.

In its function of aiding poor villages, the M.A.F. had achieved a major part of its purpose (objective).

Has it fulfilled its reconstruction task?

To respond to this question, let's take a look at the condition of the M.A.F. at a wealthy province of eastern South Viet-Nam: the province at Biên Hoa.

In 1958, the receipts in the M.A.F. of Biên Hoa amounted to 1,917,142\$00 of the province's 78 villages, 54 received subventions from the M.A.F.

Comparing the Fund's receipts with the number of village receiving subventions (69o/o of the province's villages), it's our thinking that it is too burdensome for the M.A.F. even to finance only part of the overall management of these villages. The funds earmarked for reconstruction projects are inconsiderable, if not non-existing.

The M.A.F. has only attained part of its objectives of providing funds for management. In broader words, it has created financial effects, but not as yet sounded an important echo in the economic and social spheres.

This does not mean a denial of the value of the Mutual Assistance Fund. The "Mutual Assistance Fund" has its own value, the value of a temporary measure to revive the critically paralyzed financial pattern of the village after 10 years of chaos.

In time, the M.A.F. has exercised an immediate effect in the preliminary steps toward a recovery of

the village finance: granting immediate aid to poor villages for survival and relieve the provincial budget of annual subventions to these villages.

In space, the M.A.F. has been so far established only in the South. In most of the Midland (Trung Nguyên) provinces, and in nearly all provinces of the Central Highlands, the M.A.F. was not established according to the guiding principles. In fact, in the Central Midlands, the M.A.F. has been reestablished, but instead of being called Bo-tro, it was called Ho-tro (Mutual Assistance). In this part of the country, although collective contribution cannot be realized, the Provincial authorities have had rented a certain acreage of public land and fields to get revenues for the provincial budget, in order to grant annual subventions to the villages, (in fiscal 1958, Quang Loi village received a 50,000\$ subvention from the province).

In short, the M.A.F. only has a limited value in time and in space. It cannot be a definite (an ultimate) solution to the problem of village (Financial) autonomy (self-sufficiency), because in reality, the unharmonious distribution of resources among the villages is not the only cause of the unstable situation of the village finance which is attributed to other reasons.

III. THE CAUSE OF THE UNSTABLE CONDITION OF THE VILLAGE FINANCE

The present illness of the village finance is attributed

to many causes. The principal causes should be identified before necessary conditions for a proposed, appropriate solution can be set forth.

1. The psychological reason.

Some light must be shed first of all on a psychological cause: a too narrow concept of the village as an administrative unit and the ^{village} finance. Under the eyes of the ruling authorities during the domination period, the village was an administrative and social unit, which existed as a result of the villagers' customs, religions, creed and traditions. The village unit tends to be more social and religious than administrative. The people living in the same village are considered as under the protection of a "guardian spirit" whom they are to worship.

On the Council of Notables at that time, except for the three "executive notables" (notables instrumentaries), all other positions were titles of honor. These notables and the honorary notables were charged with solely tax collection and holding ceremonies.

Since our sovereignty was restored, the village unit became a concern, and the village administration has undergone gradual reorganization and consolidation.

But that narrow concept still prevails. Recognized as having a legal personality, the village has not as yet attained the financial, economic and social status it merits with its legal personality. Many villages, established for

administrative and political reasons in order to meet the emergency needs for the creation of a system to control the village population are in fact lacking economic and financial conditions for their existence and development that is deserved by their administrative legal personality.

(For example, five plantation villages of Dau Tieng District, Province of Binh Duong).

The village is therefore only a fundamental administrative unit. The national socio-economic foundation is the province, and rural development is merely a least-concerned point in the framework of the Province's development program.

Such is the concept of the village unit; the village budget is of course limited within the management area and is merely a balance sheet of proposed receipts and necessary expenditures for the village administrative operation. Thus, the development of the village resources beyond its needs, is not considered as a matter of ultimate necessity. This narrow concept has been a stumbling block to the improvement of the village budget.

This concept has undergone consideration change in Central Vietnam. In the south, it is still prevalent. Some administrators, who have long cherished it often attempt to enhance the cities rather than to undertake rural "true reconstruction" even though they are fully conscious of the fact that the greater bulk of the people are living beyond the limits of the cities; and in order to achieve

final victory, steps should be taken to rally the whole people to the Government's cause. Consequently, at various localities, in the provinces of districts, each year has witnessed the realization of many beautification projects; while in the rural areas, a great many villages are in need of necessary construction; and in many localities, roads are non-existing, or existing but not in good shape for communication because they are badly damaged. The administrators are fully aware of this fact, but it seems that when taking up their posts, they are more inclined toward urban development than rural rehabilitation. They probably have the feeling that their stay in a province is usually too short to work out elaborate programs for the villages; they are instead concerned with the swift realization of certain projects in the chief towns which are visible to the superior, while rural affairs draw the least attention and may be handled at any convenient time.

It is also probable that some administrators who -- when assigned to certain posts -- developed a habit of carrying out their pet projects in the Chief town in remembrance of their term of office there.

It is also probably because some administrators were usually praised for their achievements in the province of district by their superior or by natives of the locality, or by visitors. This is quite understandable, the superior, the travelers (visitors) scarcely have the opportunity to set foot on the village. (Rural people, accustomed to destitution,

scarcely express any demands. The village Council is carrying out operations that are within the capacity of the village's tight budget. Urban people, a number of whom are intellectuals, used to get into contact with the authorities and voiced this suggestion or discussed the other. The province chiefs sometimes find these suggestions good, sometimes are motivated by self-respect, and usually mapped out their reconstruction plans according to these suggestions. Yet, almost every "high dignitary" is living in the chief personalities often come to large provinces and the capital. Their living standards are relatively high. They find everything unsatisfactory in the provinces. They requested that the chief towns be taken care of. The relatively high standards of living in urban areas are on the rise, but never sufficiently high in their eyes; there is therefore a competition between the chief towns to accelerate development, and development and reconstruction projects exert financial requirements.

In this respect, the Province chief has his provincial budget. The Province chief is in fact the actual administrator of the village budget. With Ordinance 57A increasing the responsibilities and power of the Province chief and with the present administrative system, the Province chief may, if he so desires, make available part of the village resources to finance reconstruction projects in the province, that is, usually in the chief's towns. On the other hand, the

establishment of the Mutual Assistance Fund in the province provides the Province chief with another legal means to fully use part of the village resources, without either any strict control, nor any well-defined plan.

Therefore, we sometimes hear complaints from some district chiefs and village council members that the village finance is existing but may not be used for village affairs, and that only the province has the priority in development and reconstruction work. These complaints are at times true. There are true complaints, partly because some administrators are primarily concerned with the welfare of the chief towns, then the rural areas. They usually are working to satisfy their self-respect, their desires to receive tribute for projects that sometimes are rather beautifying than actually useful. Consequently, there are few administrators who tend to voice their tribute to the achievements of their predecessors. The opposite is the fact: they usually claimed that their predecessor's work was not justifiable and sometimes abolish unilaterally certain operations or modify them according to their personal taste, or abandon the present program and worked out a new plan that jibed with their will. Exclusive care has been, year after year, given to a handful of chief towns, but the results have never been completely satisfactory, not to mention the rural areas. The way of work without continuation and the predecessor's projects were abolished as modified when disapproved or hampered the smooth flow of work.

Beautification work, as a matter of course, requires the appropriation of funds.

It would be more useful if these funds were used in reconstruction work in a village which is thoroughly lagging. The crucial thing is to use the village resources to finance useful projects in insufficiently developed rural areas, rather than to enhance the beauty and the "showy" appearance of places where, relatively speaking, the people are enjoying much material and mental comfort.

2. Financial reason

Financially, three chief reasons may be pointed out:

Unharmonious (unequal) distribution of resources among the villages.

Village public property so insufficient.

And the village's private resources are not adequately exploited.

In the distribution of resources among the budgets, the village is subjected to much disadvantage. An important amount of revenues which are either within the village or directly related to it, or which totally go to the superior budget, or partly belong to the village as an almost symbolic amount.

Land-field surcharge tax:

In the south, the village budget is entitled to 5% and 10% of the principal tax revenues (except for land-field tax in the chief town to which the village is entitled 25%;

but urban land is very scarce or non-existing for the distant villages). In Central VN the percentage surcharges on field and land amounts to 50%.

Forestry tax: The National budget is fully entitled to this tax, even though the provincial and village budget has to meet such expenditures for the exploitation of forests. (repair of roads damaged by timber tractors).

In public property, the villages usually have public land and field and apartments on rent. Unlike the villages in Central Midlands, the greater proportion of which possess an important acreage of public land and field, in the Southern villages, the acreage is inconsiderable, so receipts from the village's sources of revenues are low. The reason we are faced with this fact is that it has been our thinking that the village may only have public field and land within the village area. This concept was the motivating force behind our firm restrictions imposed upon the village's right of private ownership.

Being recognized as a legal personality, the village should have every privilege as a physical personality (except for the restrictions imposed by law), the village's right of private ownership should be enlarged so that the village may obtain more property. The village budget will receive considerable annual revenues, especially when this source of revenue is steady and permanent.

The village's resources are so limited, and the exploit-

ation inadequately undertaken, that is also an important reason.

In time of war, insecurity has forced the rural authorities to abandon a great amount of resources, or consent to their exploitation by the people for the latter's personal interests.

At the present time, although security and order have been restored, the exploitation of the village resources has not as yet reached the desirable extent for the following reasons:

The village council is not powerful enough to insure respect for regulations on the exploitation. Bidders become discouraged and tax collection suffered depreciation. Example: at a certain village, a ferryboat landing pier was bid, but some local influential figures openly put their boats into operation within the scope of the bid pier; the bidder suffered loss in revenues, and the Village Council was unable to put an end to this violation. Collection at this ferryboat landing pier will be depreciated if the situation remains unimproved.

The village council does not have sufficient time and means to exploit the village resources. For this reason, part of these resources are abandoned or exploited in a perfunctory manner.

The village council has not fully grasped the usefulness of these resources and was not genuinely interested in their

exploitation, swing to its habitual reliance upon the superior. It's good if there are receipts, and if not, subventions will be obtained from the Province.

The above reasons have weakened the village finance and resulted in a vicious consequence: the village budget is limited to limited-scale operations, without the constructive and reconstructive character that a sound budget is expected to have.

IV. LET'S CONSIDER SOME SOLUTIONS WHICH MAY CONTRIBUTE TO THE DEVELOPMENT OF THE VILLAGE BUDGET.

Before putting forth our suggested solutions, it would be helpful to reiterate the concept of the village unit and village budget.

A legal personality as it is, the village should attain a status that its legal personality deserves, both administratively and financially.

Financially, the village should be able to sustain itself, to organize its existence in an appropriate manner and to develop itself. The village budget is not a mere means for the management of administrative affairs, but is a plan for village development, to a certain extent. The village budget cannot be established without taking into account the rural development plan.

Although this concept is reiterated, it was in fact in existence and it is certain that the administrators will label this reiteration as unnecessary, and probably

elementary. At any rate, it should be clearly reiterated according to its importance, so that it will not be overwhelmed by another concept, or in better terms, another tendency, the tendency toward the beautification of the urban areas and the abolition of operations which are essential to rural welfare, despite the true fact that urban villages are prospering with the assistance of neighboring villages.

This tendency is the present illness of many an administrator an illness from which no one realized that he is suffering, if it is not pointed out. And that probably is one of the key reasons why village resources, the village's artery, are not circulating harmoniously in an "administrative unit" called "Province".

With the concept of the village unit and village budget thus reiterated, we will find the improvement of the village budget is an urgent step, for it is the essential condition for the village to attain a deserving position. That is in effect "personalism" applied to the village budget.

The problem of budget improvement should be considered in two aspects: Receipts and expenditures.

1. Increase in receipts.

Increase in receipts should involve the increase of sources of revenues which are stable and regular, in order to set the village budget on a steady foundation. The

following incomes should be increased:

a. Tax surcharge on land and field:

Land and field are real estates from which the annual incomes are relatively steady. Land and field taxes are imposed on a definite basis. It is deemed fit to increase tax surcharge on land and field, to preserve the key role of the village budget. Furthermore, land and field are to a great extent, located in rural areas. It is not in any way unreasonable to give the village a major proportion of revenues from land-field taxes.

Tax surcharge may be increased in two ways:

Increase in percentage surcharge for the villages.

The rate fixed for fiscal 1959 (from 5 to 50% of the principal tax) was too low. Receipts from land-field taxes too insufficient: (Thanh Hoa village: 1,1%; Quang Loi village: 0,2%).

But, if the village's percentage surcharge is increased and the main tax item unchanged, the tax burden will be increased on the shoulders of land (field) owners, and that may be an unpopular measure.

On land and field tax, the national budget should reserve all revenues for the provincial and village budgets. The national budget has a great deal of other sources of revenues and should not be concerned with land and field tax. Moreover, the national budget has a relatively small share of these tax revenues. If the provincial and village budgets

are fully entitled to land and field tax, an increase in this tax to improve the village budget and to finance rural reconstruction projects will most likely stimulate the people's eagerness to pay tax, because they come to see in their own eyes and in their own village, useful operations are carried out with their own efforts.

The village is not deserving of its legal personality, its status as an administrative, if it does not possess financial capacities for the management of regular necessary operations. The villages (with the exception of particular cases in the Central Highlands and Midlands) should not, year in year out, remain in a state of deficiency, uncertainty and reliance. How could such a village be called an administrative unit, a legal personality, and how could it sustain itself. And the rule, too, is by no means progressive.

In our view, the village is a family. It is unbearable if a village is in debt all year round without thinking of repaying, and how could it repay them. How long may the lifetime of such a village be?

That village should have finance to sustain its existence. And finance is made up with resources within or without (outside) the village. The only source of revenues in the village are land and fields, but these revenues go to the superior budgets, and an inconsiderable amount to the inferior; that is irrational. How can financial

improvement be realized in those circumstances, particularly when at present, there is no industry, no rational organization of fishery, and no commercial development.

Also in this respect, we suggest a reconsideration of the tax rate levied on garden land, rubber plantation and other industrial trees, for these categories of land are more productive in comparison with ricefields -- either one crop or two crop fields.

In short, it is necessary to reconsider the tax rate imposed on land and field for a temporary tax increase, and for the village to obtain the proportion it deserves.

Only when this is realized, the administrative unit called the village attains its necessary values. If not, distant villages will ever be the poor in comparison with the well-off urban people, and will ever be those who are in debt all year round, their moral values become deteriorated, their human dignity damaged. To give the village its equitable share of revenues from land and fields tax will financially strengthen the presently poor villages, while the financial status of urban villages remains unchanged, due to their limited possession of land and fields. This would mean the application to the village budget of a policy that may be called "a personalistic finance", like the policy of "personalistic economy" adopted by the VN government.

b. Introduction of a surcharge tax on forestry for

the village and province. Vietnam has considerably large areas of forest. Forestry tax constitutes an important source of revenues to which the national budget is entirely entitled. It is deemed necessary that a surcharge be imposed on the net tax (principal tax) for the provincial and village budgets, as these two administrative levels shared an important proportion of expenditures on forest exploitation.

Furthermore, if the village and province have a common share, they will take a more active part in tax collection from which they obtain their direct advantages. The annual tax receipts will increase.

As far as we are concerned, this problem had long been raised and was scrupulously studied by many province chiefs. We suggest that the step be taken at the earliest moment possible so that the villages which have large areas of forest obtain their due advantages.

c. Increase in the village's revenues.

This category of receipts is the most stable and should be boosted to the greater extent the better. This could be done in two ways:

Increase of the village's public land and fields.

In this respect, a broader view must be taken in regards to the village's right of private ownership, so that it may purchase privately-owned land and fields in or outside the village area, or reclaim new land from the national

forests.

In former time, little concern is given to the extension of public land and fields beyond the village limits. If a resident of Saigon may purchase land in Long Khanh or An Xuyen, we think a village only possess public land and field outside the village area, in case no land (and field) is purchaseable in the village itself.

Agrarian reform being carried on may offer a good opportunity for the villages without public field to purchase a proportion of expropriated fields, (land) or to reclaim waste land, regardless of whether it is in the village area or in other provinces -- for cultivation or for rent. If the opportunity is missed, it will later be difficult to create public land and fields for the villages.

We may reconsider many privately-owned plantations or foreign companies seized by the local people who, in the past years, had destroyed the trees and turned the land into crop land or rice fields. These areas of land, if they are not owned by the present occupants, may be sold to those who are cultivating it. The remaining will be sold in appropriate proportion to the village as public land and fields. Possession of public land and fields is one thing, another equally important thing is its exploitation.

No uniform statute has yet been established concerning this question. The exploitation of public land and field

was determined by many separate documents on local initiatives.

Public land and fields are either allotted free to the peasants, or rented at a symbolic rate.

In Central Midlands, certain proportion of public land and fields were bidden in many provinces (Quang Tri, Thua Thiên). In Binh Dinh province, during fiscal 1958, all public land and fields were allotted to the farmers who paid 25% of rental to the budget as defined by the land reform law. This form of exploitation had brought to the village an important amount of receipts (18,000,000\$ for the whole province).

This form of exploitation according to the local needs and on local initiatives has encountered many disadvantages; in certain localities, the village is suffering loss, for land (and field) is rented at a symbolic rate or allotted free to the people. On the other hand, in other localities, rental was too heavy and illegally imposed, and that may give rise to complaints from the renters.

A well-defined and uniform statute should be enacted concerning the cultivation of public land and fields. The statute may fix the maximum proportion of public land and field

each village is authorized to have, and determine the procedures for exploitation which will at the same time improve the village budget and prevent possible complaints from the people.

In our view, the form of exploitation (cultivation) in Binh Dinh province may be considered as realistic, but the rental percentage should, according to that quality of the land, be reduced to support the tenants. The rental period for each tenant should also be restricted (limited), so that public land, field will be alternatively allotted to poor tenants in the villages for cultivation. Besides public land and field, populous villages should also consider the problem of building more houses or apartments, theatres, inns along the highway for rent. These operations, if carried out, will be greatly useful in many respects, especially in the social respect, besides the increase in village resources.

At some localities, the village can establish plantations. If the village can have theatres, markets, slaughtering houses, ferryboat landing piers, power stations... it can also have rubber, coffee, tea plantations, fruit trees, salt fields and fish ponds along the coast. The problem of exploitation is not irresolvable.

But, the villages may raise this question: "Now that the village have no funds even to meet management expenditures for their personnel, how can they obtain funds to finance the construction of such ambitious establishments? Such a problem has not arisen, and if it does arise, a solution will certainly be found, sooner or later. Farmers, industrialists, businessmen may request for loans from the

Government to carry on their profession, so may the villages. And if loans are not requested for the construction of such properties, a prospective source of revenues, when shall autonomy be attained? Loans are, it goes without saying, to be repaid, not in the immediate future, but in terms under a plan which is in compliance with the plan for operations of those newly established proprieties. The problem cannot be solved within five or ten years, but gradually under a long-range and well-defined program. Rural affairs, like the provincial or district administrative affairs, should not be viewed as periodic, but continues. Only the implementation of the program requires a classification of operations according to their urgency. In the absence of a government program -- requiring the administrators to drop their pet projects unless they are approved by the Government, little will be done to the village welfare, but village resources may sometimes be squandered.

d. Increase in market tax.

Bidden market tax, the village's private revenue, should be increased by all means, in order to improve the village budget. Particularly for villages which have rivers, bidden fishing is also an important source of revenues to the budget. Revenues from marine products should be reconsidered everywhere, and this task may be assigned to a technical committee to study all aspects of the problem.

2. Systematization of the use of the budget.

In this phase of reconstruction and the reduction in expenditures cannot be contemplated. The village budget should finance as much as possible expenditures on rural reconstruction to increase the people's purchasing power, in order to accelerate economic recovery. Expenditures do not mean over expenditures squander. Spending must be justifiable.

Therefore, what shall be realized is not a restriction on expenditures to maintain the balance of the budget, but the orientation of the budget's expenditures account toward production and reconstruction goals. To attain these goals, a plan should be worked out for each individual budget, aimed at two main objectives: reduction of nonproduction expenditures and increase in reconstruction expenditures of economic and social interests.

a. Unproductive expenditures involves expenditures in management (salaries for personnel, stationery, miscellaneous expenditures, irregular expenditures... and customary expenditures (construction, renovation of the "dinh", pagodas, ceremonies, etc.))

Management expenditures are regular and necessary, but highly flexible according to local needs. Egocentrism -- the common illness -- often necessitates much squander from this category of expenditures. Any village sees itself as an important element, its work burdensome, and is therefore inclined toward the recruitment of more employees

whose number sometimes exceeds the demands of public service. This typical village will demonstrate the fact: it has a population of 3,974 inhabitants and hires a minimum staff of 14 persons in charge of administrative affairs and 10 in charge of information, cultural and social affairs.

In 1957, this village's management expenditures -- payment of salaries -- amounted to 270,000\$00 out of the total budget of 336,344\$00 (over 80⁰/o) (these figures are taken from a report dated December 10, 1957, by Mr. Nguyen Van Luan, comptroller).

The Central (Central Vietnam) authorities should, it is suggested, reconsider the personnel necessary for public affairs in each village, in order to prevent excessive spending in some localities, and the shortage of personnel in others which disrupted the general work flow.

Furthermore, the village budget has, each year, to meet considerable expenditures on customary religious activities (construction renovation of pagodas and the "đình", ceremonies...). These expenditures are also necessary at the present time. But they must be reduced by mobilizing the people's participation. The budget only provides a symbolic financial support. This step was taken in many localities and good results have been obtained. We cite for example an average village in Tay Ninh where, with contributions from the local people, a 300,000\$ dinh was rebuilt and inaugurated in 1958. The local people had voluntarily

donated 100,000\$00 to the funds for organizing the fete.

b. Expenditures for social reconstruction should be increased to the greatest extent possible because these expenditures went to the construction of the very structure of future development.

The greater these expenditures become, the sooner the village budget is improved and its prospects more promising. For these expenditures, the village may request for loans if need be, provided that the achievements are really constructive and fruitful.

In short, to attain a sound village finance, the applicable measure involves to main points:

Increase in the regular and stable revenues, in order to establish a stable and healthy basis for the village budget.

And the systematization of the use of funds, aimed at production and reconstruction goals.

But this is not a new measure and is in fact hardly applicable in some very poor villages with limited resources and a small population. It is difficult to find a solution to the problem of increasing receipts without an investment plan and credit loans to poor villages (the case of Highland villages and a great proportion of Southern and Midland villages). These poor villages constitute the majority at the time being.

In this situation, when shall the problem of "rural

autonomy" be solved, and how?

V. TWO SUGGESTED SOLUTIONS TO THE VILLAGE'S AUTONOMY.

PROBLEM: INTEGRATION OF VILLAGES AND THE DISTRICT BUDGET.

1. Integration of villages.

The village is viewed as an independent family, and its existence depends upon the harmonious evolution of various activities. A family that is inactive, and having no livelihood is a burden to society. A village in this case is a burden to other villages and the province. The usual solution to this problem is to reduce to the greatest extent feasible this burden. And the only way to reduce that burden is the regrouping of small and poor villages into a large village which may obtain an adequate livelihood. The regrouping of villages has already been realized in Central Midlands. In 1957, 4,476 old villages (làng) had been regrouped into 882 new villages (xã). The village budget was consequently relieved of a considerable amount of expenditures on personnel, office management and material.

In the South, the demarcation provinces had been made. Many old provinces had been regrouped, and a number of new provinces created according to their geographical position. In this undertaking, apart from political and administrative reasons, the Government has also aimed at turning each province into a unit which may have adequate means for economic financial, and social development.

New districts have also been established in recent years.

But simultaneously with this undertaking, it is to be taken into account the regrouping of some small villages which are facing serious financial difficulties into a large village with sufficient means to carry out various activities. The regrouping must of course depend upon the political, security situation, and must be based upon other key factors: resources of the village, and the socio-economic factors.

The regrouping of small villages is but a periodic measure. Whenever the overall situation justifies, that large village may be divided into small villages. The crucial problem is to ensure a reduction in management expenditures without harming the administration.

2. The District budget.

The role of the budget, as defined, is the functioning of activities and rural development, the improvement of the budget is essential to any social advancement plan. But one stumbling block remains to be broken down: the obvious difference in resources between villages.

Beside a number of large and populous villages with rich resources there exist a good many extremely poor villages, lacking all conditions for development: no natural resources, insufficient manpower, and inadequate equipment... Although efforts have been made by the Government to realize the fully recovery of the village finance, development is not harmonious, and the gap of difference between the

villages is widening. Financial equilibrium may be attained in each individual village, but that gap must be filled before an equilibrium can be established between all villages. In other words, rural development is not to be carried out in individual villages, but has to be placed in a broad perspective; resources must be equalized; the needs be identified; and the undertaking must be carried out under an overall plan.

This requirement reminds us of the pooling of village resources in order that development can be carried on under a definite plan. This has been done in some parts of the Central Midlands.

Part of other villages' resources were concentrated in the District Mutual Assistance Funds. But the results were not satisfactory, owing probably to loose coordination and inefficient administration.

Since 1958, provincial, the Mutual Assistance Fund has been established in the provinces. The concentration of part of the villages' resources in the form of M.A.F. has brought about good results, but shortcomings were unavoidable, because the province chief is the only administrator of the fund.

Let's consider the problem of establishing a district budget.

a. The District budget and the village traditions.

Budget in this case does not represent a national or

provincial budget, but it may well be considered as the district's plan for action, i.e., "a number of villages illustrated by figures". The District will use the budget as a means for the realization of economic and social reconstruction plans in the districts villages.

If the District budget is established, the Mutual Assistance Fund has no justification for existence. The village budget will be limited to a record book on management expenditures. Each village will establish necessary receipt books and a record on regular management expenditures. All receipts will be deposited at the treasury, and the village will only keep sufficient cash on hand needed to meet management expenditures recorded in the expenditure book. If expenditures exceed receipts, the village may request for subventions from the District.

According to Ordinance 57A, the village, under the provincial level, is an administrative legal personality, financially autonomous. The district is but the intermediary rank between the Province and the Village, and has no right of establishing a separate budget. The district chief is the province chief's executive officer in the implementation of regulations in the district.

The establishment of a district budget may be viewed as shifting to the district part of the legal personality and at the same time, a major part of the village's resources.

This integration shall, in its early steps, arise

objections from the people, because the village tradition is somewhat damaged and the village's character is also partly shadowed.

However, this is a surmountable barrier. Furthermore, the concentration is merely financial, and the village still maintains its status as an old administrative unit. Regionalism will increase with the passage of time and the people will be gradually adjusted to the idea of collective development and will recognize the important role of a district budget in rural development.

This measure would -- prior to its application -- be widely expounded throughout the villages, as were the Government's policies.

b. The district budget is the present village finance.

The idea of a district budget will revolutionize the whole village financial pattern.

In contrast to the situation in which resources are scattered in individual small units, the district budget implies a strict concentration of these resources, with the purpose of establishing a financial equilibrium for the whole district.

Any village -- regardless of its financial capacities -- may obtain management funds corresponding to the village's needs. Subventions to poor villages remain no longer a problem, and the waste of resources on the part of rich villages will be put to an end.

The district budget is thus a plan for action in accordance with an established line. Village resources concentrated in the district will be handled in a more systematic and scientific manner. Rural development will be achieved on an expanding basis, starting from the most needy villages.

The villages will, in this process, witness equal development and the gap of difference in resources will be narrowed.

The district budget is established, as mentioned earlier, to restore the balance of the village budget and to realize the rural reconstruction program according to a long range plan, the district's plan which is embodied in the general plan of the province.

A question may be raised at this point. If all the villages are poor, and obtaining insufficient resources to meet all regular management expenditure how can a district budget be established and reconstruction work be carried on? The necessary measure is that the poor district will obtain loans from the prosperous, under a plan mapped out by the province, after joint examination with the districts. And if this measure is taken, why the Mutual Assistance Fund is not maintained at the province, for the sake of convenience? Because it is not advantageous to concentrate the resources in the provincial budget, although plans have been drawn for the districts, e.g. the whole province, and

if the fund is maintained at the province, it may be misunderstood that these resources belong to the province and must remain at its disposal.

Moreover, the province chief must be free to take charge of the general management, control and guidance, i.e., leadership.

The district chief is in an executive position and must be active in his activities directed toward definite goals. But these activities demand adequate means, and an increase in the means does not entail an increase in power. This rural reconstruction plan will, once it is approved by the Government, be gradually materialized. This plan may be modified as the situation justifies, but these modifications are subjected to the Government's approval or order. District chiefs and the province chief may be shifted, but the program remains unchanged, and any replacement is expected to carry it on and not to widen the scope of the program unless the action is approved.

The district budget will be reviewed by the province chief and approved by the Presidency. The district chief is the disbursing officer, under the control of the province chief.

This system of management of resources is more efficient, for the district chief has attained a firm knowledge and a broader understanding of finance than the village officials.

Disbursing officer as he is, the district chief does

not have full power in using the funds at his will, but must be under the control of the province chief.

The province chief is not in a position to freely use the funds as do the present Mutual Assistance Fund authorities.

The control over village budgets is no longer a serious problem. This will greatly reduce the workload of the village of the province, and the General Directorate of Budget, while there is no considerable increase in the district's affairs.

The control over the district budget, too, is easy, because it is established primarily to finance part of the poor villages' management expenditures. The annual remaining cash will go into capital investment, economic and rural social reconstruction under a plan mapped out for the district.

c. The district budget and rural development.

The district budget, as mentioned earlier, tends to be a program, i.e., apart from management, it is also aimed at rural development according to a program mapped out for the whole district.

Each district has to work out a program based upon the local situation, needs and available means. The period of implementation may cover many successive fiscal years (from three to ten years). The program will receive elaborate study with the assistance of experts, and the plan will be forwarded to the province chief and the central authorities

for consideration and, after ratification will serve as a basis for any yearly plan of activities of the district. The district budget will include proposed expenditures according to work projects which will be carried out during the year covered by the program.

The speed of rural reconstruction, and whether or not the projects of economic and social interests are carried out in conformity with the village's needs, depend on the work schedule and the use of the district budget. If the resources are maintained at the village level, poor villages will remain poor, while rich villages are at times squandering. The development of the organisms of the whole "province" body are consequently unharmonious.

Our suggested solutions called for an increase in receipts, reducing expenditures, and an equal and rational distribution of village resources in order to carry out rural development under a definite program. The realization of a truly autonomous finance is an extremely subtle and complicated problem. No matter which solution is to be found, to strengthen the present budget, fruitful results still depend upon many factors: time, efforts on the part of the competent authorities, the understanding of the people, village incomes, the internal general situation...

In raising the problem of village autonomy, it's not our ambition to seek a clearcut solution, but solely -- on the basis of some insights obtained -- to put forth an

orientation in the hope that these constructive suggestions will receive the consideration of the technical and competent authorities, so that effective solutions can be found to the problem of rural development and the improvement of living standards of those people who are living beyond the reach of the cities.

Source: The Administrative Studies Journal,
Volume 1958 (no month)
(Department of Interior)
Pages 32 - 48.

THE ROLE OF THE CANTON CHIEF IN SOUTH VIET-NAM

by

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The position of canton chief existing in our country long ago has been maintained up to the present. Through various ages, the canton chief regime has been modified several times from the appointment procedure to the powers and duties.

Role of the Canton Chief Through Various Ages

Prior to the French domination, canton chiefs were elected at the village hall. On the election day, the authorities and personalities gathered in full strength, drew up the minutes in which they unanimously proposed the canton chief then submitted the minutes to the province authorities. After consulting the "Án Sát" (mandarin in charge of justice) on the legal status of the elected canton chief, the "Bô Chánh" (mandarin under the "Tông Đốc") on behalf of the "Tông Đốc", provincial chief) issued an order admitting the new canton chief to the cadre of probationary canton chief.

After 3 years of public service, if found worthy, the canton chief becomes career employee and may be conferred a title by the court. But in practice, a canton chief seldom

is granted this honor before 6 years of public service. After 20 years in office, the canton chief is called "Bá Hộ" or "Thiên Hộ".

He was appointed for an indefinite time and terminated his work only when he put in a resignation or/was dismissed. He was authorized to have a rectangle-shaped, wooden stamp bearing the inscription of the name of the canton.

The canton chief was at that time an influential and most powerful notable in his zone and was obeyed and respected by the population under him.

The confidence of the population and the good treatment of the higher authorities have made the canton chief an important liaison between the government and the population.

The canton chief is assisted by a deputy canton chief in big cantons (over 5,000 people). The deputy canton is also appointed in accordance with the above procedure.

Realizing the importance of the canton chiefs' role towards the people and in the Vietnamese administrative organization, the French administrators maintained this position. Moreover, they reviewed and modified the canton chief regime at South Viet-Nam and called canton chiefs "Cai Tổng".

At first, decree dated December 30, 1871 classified canton chiefs under 3 categories and deputy canton chiefs 2 categories and determined their salary and pension as

for career employees.

Under Arrêté dated September 6, 1918 issued by the Governor General of Indochina, the promotion should be based on the proposal made by the province chief after 3 years of service for canton chiefs and 2 years of service for deputy canton chiefs except for unusual cases.

Also under the above arrêté, deputy canton chiefs automatically replace canton chiefs when the latter's position is vacant.

Only in 1936 did Arrêté dated February 10, 1936 determine the election procedure for canton chiefs and deputy canton chiefs appointed by the Governor at the province chief's proposal based on the list of 3 persons voted by the electorate.

The term of office is 5 years to be renewed by the Governor's decision without necessity for reelection.

The electorate is composed of:

- rural authorities
- tradespeople, industrialists, landowners having paid their main tax from \$50 upwards
- persons holding high school diplomas and university degrees.

The conditions are stricter for candidates who are confined to a few classes of people who have stable positions such as:

- rural authorities or ex-public servants having served for 6 years including 2 years of service as village chief.
- members or ex-members of the provincial council.
- deputy canton chiefs having served for 12 years.
- ex-public servants having served for 10 years.

In addition, these people should meet conditions as residence in the canton, ability to read and write Vietnamese 35 years of age at least, and 50 at most, and listing their property.

From that time, canton chiefs did not get paid but received only office allowances and representation fees.

Under the Vichy Government, Arrêté dated July 26, 1941 and February 17, 1943 of the Governor General modified the regime of canton chiefs in South Viet-Nam once again; the canton chief was appointed by the Governor in accordance with the province chief's proposal after an election.

Unlike the regime in 1936, the voters could only vote for one person instead of three.

But only 3 high (ranking rural authorities (Hương Cả, Hương Chỉ, Hương Sĩ) in each village were allowed to vote. If the electorate was limited, on the contrary, the conditions of running for the election were maintained as before.

Under the new regulations, the canton chief could serve up to 65 years of age and enjoyed travelling allowance

in addition to the two above allowances.

The canton chief and his deputy were aided by assistants appointed by the province chief with the Governor's approval. These assistants were not paid and enjoyed only travelling allowances covered by the National Budget.

After 1945, "the autonomous Government of South Viet-Nam" established a new system for deputy canton chiefs which had a more democratic character in line with the developments of the times and the revolutionary movement of the people (Arrêté No. 1746-MI/AG dated October 19, 1946).

The electorate expanded included male and female citizens from 25 years of age upwards or rural authorities, ex-tradespeople, landowners paying over 50\$ for their main tax, people holding primary school certificates, equivalent certificates or higher ones.

The conditions of candidates running the election were easier; were eligible the following people:

- 30 full years of age and not exceeding 60
- residing in the canton over 5 years
- reading and writing Vietnamese
- well-behaved
- serving as rural authorities for one year or serving as public servants over 5 years.

The term of office of canton chiefs was five years and could be extended over and over again.

The canton chief received monthly position allowances covered by the provincial budget.

The canton chief's duties were specified in Arrêté 1946 as follows:

- As administrative representative of his area, the canton chief is responsible for the administration of his canton, the enforcement of law, the execution of assignments allotted by his superiors, the supervision of rural authorities, the control of tax collection, the execution of the village budget, the following up of the operations of rural public agencies including schools, hospitals, maternity hospitals, etc...

From the judicial viewpoint, the canton chief assists the Law Court in the arbitration of civil cases, conducts an investigation in accordance with his superiors' instructions, draws up reports on police regulation violations, receives complaints on police regulations, ^{violations} felonies and misdemeanors and forwards them to the Public Prosecutor's office, arrests offenders under the judge's instruction, draws up reports in flagrante delicts cases.

As the people's representative to the Government, the canton chief can present to higher authorities the needs of his area, the aspirations of the population as well as the complaints of rural authorities or private individuals, submits suggestions for measures to develop social and

economic conditions.

Canton Chief's Position in the Current

Administrative Organization

Although the Arrêté dated October 19, 1946 specified all about the recruitment, appointment, duties and powers of the canton chief, the provisions of the above arrêté are not fully applied because of the state of prolonged internal war, the political confusion and the unstable administration.

No wonder then still exist in South Viet-Nam a number of canton chiefs who have followed the regime prior to 1945. In addition, under unusual circumstances and because of urgent public service needs, the office of the Government Delegate in South Viet-Nam authorized certain provinces to appoint "assistant district chiefs" to serve in cantons (official letter No. 1658-NCC/1 dated April 12, 1955). By Circular No. 86/M/NCC/1 dated June 12, 1956, the Office of the Government Delegate in South Viet-Nam instructed "district deputy chiefs" to work directly with the district chiefs. But the situation of the localities has prevented the above provisions from being executed uniformly in provinces.

This situation lingered until President Ngô-Đình-Điêm proclaimed Decree 57a dated October 24, 1956 on the re-organization of the Vietnamese administration.

Originating from the personalist-democratic revolution

advocated and led by patriot Ngô-Đình-Diệm, Decree 57a stipulated the duties and powers of various local administrative public agencies.

Being the fundamental document, the canton chief's position only stipulates generalities and article 13 provides that "the procedure of appointment and the duties of the canton chief and the deputy canton chief shall be fixed by arrêté".

As yet, this Arrêté has not been issued and consequently, the appointment of the canton chief is executed only in accordance with presidential circular No. 115a dated October 24, 1956 and Interior Department Circulars No. 1084-BNV/HC dated March 12, 1957, No. 546-BNV/NC/P5 dated August 23, 1957 and No. 4325-BNV/NV/PI dated September 27, 1957.

According to these documents, the canton chief and the deputy canton chief are appointed by the province chief upon proposal of the village representatives and the opinion of the district chief concerned. This appointment must be approved by the Department of Interior.

In addition, it is advisable to appoint the canton chief only in indispensable cases and to discontinue the selection of deputy canton chiefs because in the present local administrative system emphasis should be given the strengthening of organization of villages so that the execution of public service may be done thoroughly. Interior

Department official letter No. 1255-B/BNV/HC/PC, dated July 28, 1958).

The canton chief and the deputy canton chief do not receive salaries as public servants but receive position and travelling allowances according to the following tariff:

	Position Allowances	Travelling Allowances	Total
Canton chief after 10 years	3,220\$00	600\$00	3,820\$00
Canton chief after 5 years	2,817\$50	600\$00	3,417\$50
Canton chief before 5 years	2,530\$00	600\$00	3,130\$00
Deputy canton chief after 10 years	2,300\$00	600\$00	2,900\$00
Deputy canton chief after 5 years	2,012\$50	600\$00	2,612\$50
Deputy canton chief before 5 years	1,667\$50	600\$00	2,267\$50

Concerning the duties of canton chiefs and deputy canton chiefs, circular 115a stipulated: "The canton chief assumes liaison between villages and district and province administrative agencies. The canton chief assists the district chief in the application of measures decided on by higher authorities. Whenever possible, the canton chief will arbitrate conflicts in order to conciliate the advantages of villages and of private individuals".

In practice, the canton chief is in charge of part of the assignments specified in old statutes especially in Arrêté No. 1746-MI-AG dated October 19, 1946 as mentioned above.

However, the canton chief no longer represents a rigid administrative system: in order to relieve the local administrative machinery and to make public service run more smoothly, provincial or district official letters sent to villages do not need to be forwarded through the canton chief and village reports sent to provinces or districts do not have to go through the canton chief's office.

The canton chief is usually given assignments which are not urgent but which require a careful investigation; or a coordination of the villages in the canton, or the regular follow-up and control exercised by canton authorities such as urging Village Councils to discharge public service to collect taxes, to prepare direct tax rolls and the yearly village draft budget to perform operations serving the public, community development activities, welfare promotion, and creation of agrovilles etc...

Through various ages, the status of the canton chief in South Viet-Nam has been modified several times according to the developments of the political and local administrative situation. Prior to 1945, the role of the canton chief provinces of South Viet-Nam was relatively important and

the canton chief was very instrumental in the regularization of the rural administrative machinery.

Since 1945, with the progress achieved by the country, the role of the canton chief has changed and through 1946 Arrêté fully determined the status of the canton chief, through Decree No. 57a dated October 24, 1956 still maintains this position, the case of canton chiefs in South Viet-Nam has not yet been stipulated.

In practice, the canton chief's position is only in part important in the coordination of villages in large sized districts having a large population, a heavy workload and village councils scattered in many places resulting in the fact^{that} the district chief has neither time nor means to check them all.

But later, new districts were created by presidential decree, a large number of large districts were divided; in provinces of the Western South, the position of deputy district chief has been set up so that when the canton chief's position is vacant, it is not filled unless necessary.

However, this provisional situation will come to an end some day and in the future the canton chief's case should be solved once for all in order to complete the local administrative organization.

Source: Administrative Studies Review
Vol. 8 - 1960 - Pages 47-51.

POWERS AND DUTIES OF THE DISTRICT
CHIEF

The Department of Interior is preparing a complete document on the powers and duties of the district chief for district chiefs' use.

Meantime, the Administrative Studies Review summarizes and gives hereunder an outline of general administration, the village budget, taxation, judicial police, for the purpose of refreshing the district chiefs' memory while discharging their duties.

Editor's Note

I. GENERAL ADMINISTRATION

In his district, the district chief represents the province chief under whose orders and control he exercises his powers.

The district chief has the duty to execute orders issued by higher authorities, to follow up and control the enforcement of regulations in his district.

The district chief supervises and controls local administrative organizations (canton, village) and fundamental organizations: hamlet, section, inter-families.

As the province chief's representative, he is responsible for the general operations of various offices in his district. He sees that the activities are regular and effective and reports to the province chief on the development of public agencies in his district.

In case the district chief notices shortcomings, disorder at any agency in his district, or unusual incidents

or difficulties, the district chief has the duty to report them to the province chief.

The district chief may request and expresses comments on the operations involving his district.

He is bound to handle all investigations or works assigned by the province chief.

Whenever faced with an important affair beyond his field of action, he should refer it to the province chief and express his views on it.

With the assistance of the authorities of cantons and villages, the district chief has the duty to take care of and maintain public buildings, roads and bridges in his district. He reports to the province chief the construction or maintenance operations which should be undertaken and submits to his superior together with his comments, such request made by the canton and village.

The district chief does not directly assume the position of registrar but should control the work of the village registrar.

He has the duty to take the census of citizens, control and follow up the activities of the village council towards the execution of instructions from higher authorities on this matter.

The census of citizens includes the following operations:

1. To take a census of male and female citizens and make their identity cards (arrêté No. 330-NV of June 4, 1955).

The district chief should assume the delivering (first and second copies) of the identity declaration, after a careful investigation.

2. To issue plastic-laminated identity cards.

Presidential arrete No. 474-NV of November 14, 1958 provides for a new kind of plastic-laminated identity card for all male and female citizens from 18 years of age upwards. This plastic-laminated card will replace the "identity card" that is the census card established by arrete No. 330-NV of June 4, 1955.

This new plastic-laminated identity card is provided with a photo and complete identification details.

The district chief receives the 10-piaster cost for each identity card in accordance with the prescribed procedure.

3. To take a census of families.

The district chief should follow up and control the census taking of families provided for by Interior Department arrete No. 353-BNV/HC/ND dated June 30, 1958.

4. To take a census of male citizens in order to make individual military descriptive sheets.

Under decree No. 91/QP of December 4, 1953, every year in October, all males 18 years old having Vietnamese nationality or not justifying their nationality must report to the local administrative authorities of their place of residence in order to have their individual military descriptive

sheets made.

At the same time, the males who were omitted in the previous census are included in the current census.

Each year, an Interior Department arrete which determines the census is published through public notices posted everywhere indicating categories of age which should be included in the census, the period during which the census is taken and administrative locations where individual descriptive sheets are received.

5. Recruitment census.

Decree No. 29 dated June 26, 1953 established the military service for Vietnamese citizens.

Under the first article of this decree, all males above 20 should undergo a period of military service unless they are officially recognized to be unfit.

Consequently, before being called out to join the army, these males must report to the Recruitment Census Council to undergo a checkup.

There is an annual session of the Recruitment Census Council and the duration of this session is fixed by an interdepartmental arrete issued by the Interior and National Defense Departments.

In addition, article 39 of this decree provides for a year-end meeting of the Recruitment Census Council. This meeting is held for the purpose of taking a census of those youths who could not report previously for a sound reason

and of enabling them to fulfill their military service duties.

After the complementary census, those youths who wittingly avoid to report will be prosecuted before the civil court for "unsubmission" under article 93, Decree No. 29.

6. Census of reservists.

The census of reservists should be executed in accordance with the procedure fixed in circular No. 5957-BNV/HC/P9 dated September 25, 1959.

The district chiefs should undertake the above census and directly contact the Military Affairs Section in order to receive necessary instructions on this matter.

Each month, after gathering the total of reservists' forms who come to report or change their address (reported by the village), the district chief will establish on the first of the month:

- A list of ex-servicemen reporting the previous month.
- A review of all changes.
- A list of ex-servicemen coming from another province.

The district will forward these lists on the fifth at the latest to:

- The provincial or city Military Affairs Bureau: one copy of each.
- Military agencies: one copy of each.

Those ex-servicemen who have been included in the census will be called for military training.

The procedure of calling out ex-servicemen has been fixed in presidential arrete No. 205/QP dated May 20, 1959 and National Defense arrete No. 356/QP/ND dated June 9, 1959.

The district chief has the right to draw up a report of violations against economic law in his district. But he has no right to arbitrate them.

Violations are made against economic law when traders and industrialists do not comply with regulations fixed in laws, arretes, economic decisions especially arrete No. 55 dated October 2, 1956.

Decree No. 53-CN dated March 7, 1959 provides that the district chief has the right to witness and draw up reports of law violations in his district.

In addition, the district chief executes all instructions on measures to protect forest products and prevent forest fires.

II. PREPARATION AND EXECUTION OF THE VILLAGE BUDGET

The village budget is necessary for the village to be provided with means to act and to get along. It also enables the administration to exercise an effective control of the rural economy.

Therefore, the duties of a district chief as far as the village budget is concerned are very important and may be divided into 3 following main parts:

1. Stage of preparation of the village budget.

2. Stage of execution of the village budget.

3. Control.

Stage of preparation of the village budget

The preparation of the village budget throughout the nation together with samples of related documents has been specified in presidential circular No. 7332/TTP/NSNV/HT dated November 8, 1957.

In principle, the establishment of the village budget rests with the Village Council, the Financial Councillor is in charge of drafting the budget, and submits it to the council for discussion and approval. Since the fiscal year for each village budget starts on the first of January, its establishment and approval should precede this date.

In this stage, the district chief should:

1. Urge villages to prepare the budget draft for the coming year beginning the first of November each year and to establish the preparation schedule;

2. Meet with Financial Councillors to explain circulars issued by the Central Administration concerning the budget preparation, and to warn them against committing mistakes made in the previous fiscal years and to implement the district programs, etc...

3. Assign to the village a district official familiar with the question to assist the village councillor in case he is unqualified.

4. Urge the villages to finish the preparation of the

budget so that the latter can be submitted to the province authorities for approval at the beginning of December. The large villages whose budget total exceeds 500,000VN\$ should be paid particular attention to because these budgets should be submitted to the Presidency (General Directorate of Budget and Foreign Aid) for approval.

Stage of execution of the village budget

A. Receipts:

1. The district chief should always remember that the village budget can collect only taxes authorized by law and resources developed by the village which have been discussed by the village council and approved by the superior authorities.

2. For other revenues proceeding from such sources as market, slaughter-house, ferry boat etc... bids should be organized in order to secure the highest advantages for the village budget;

3. Supervise and control the keeping of collection registers:

- Deposit register for tax collection: the district chief numbers, stamps each page and signs the first and last pages. The district will record the numbers of receipts distributed to villages in a register in which those who receive the deposit should sign. At the end of each month, the receipts will be accounted for by the village council and submitted to the district chief for approval after

examination.

The register which records necessary details for assessment and follows up the collection of private and public land taxes.

At each village, the Village Council should keep a "deposit" register.

4. Follow up and control the deposit of taxes with the Treasury.

The cash which may be kept at villages is as follows:

20,000VN\$ for chief-town villages or district seats.

10,000VN\$ for other villages.

B. Expenditures:

1. Except for regular expenditures (salary, stationery), the village can disburse only with the approval of the district chief or the province chief. The province chief delegates to the district chief the power to authorize villages to spend up to 2,000VN\$.

2. Expenditures should comply with financial regulations:

- provided with bills in order;

- expenditure over 5,000VN\$ requires a previous price investigation.

- for expenditure over 60,000VN\$, bids should be called.

3. Construction operations should be controlled by the Public Works provincial Service or the Reconstruction provincial Service from the technical point of view;

4. The following registers should be kept:

- The expenditure daily register: daily and monthly accounting. At the end of each fiscal year, the expenditure daily book should be closed and visaed by the district chief;

- The ledger: to divide expenditures into chapters, articles in accordance with the classification of the budget in order to follow up expenditure and avoid excess of expenditure;

- Fund register: to be accounted for every day to control the cash on hand;

- Material register which records all material possessed by the village;

5. Efforts should be made to avoid irregular expenditure or covered by other budgets.

C. Reports:

1. Each month, the village should draw up a summary report on receipts and expenditures and submit it to the provincial administrative headquarters for control.

2. Every three months, a report (made in 3 copies) should be drawn up and submitted together with vouchers to the province chief for approval.

3. Each year, at the end of the fiscal year, the district chief will base on the quarterly receipt and expenditure report to draw up a report of the management of public funds of the villages within the district and submit it together with statements specifying the status of receipt and expenditure

of each village to the provincial administrative headquarters.

Principles

1. The execution of the village budget is controlled by canton chiefs, district chiefs and province chiefs.

2. Accounting books; the report of the village budget should be controlled regularly.

- The district chief should urge the canton chiefs, deputy canton chiefs (South Vietnam) to control the village funds, the method of keeping accounting books, the regularity of receipts and expenditures, to control vouchers, to check whether taxes collected for the National Budget and the provincial budgets are all paid etc... Whenever this control is effected (twice per month), the canton chief or deputy canton chief will visa the accounting book and draw up a control report.

- The district chief should personally conduct investigation at least once every three months and report to the province chief.

- To be sure that no village is omitted, the district chief should prepare a schedule for the control of village budgets and should unexpectedly exercise control.

- Whenever receipt or expenditure is irregular, it should be reported promptly to the province chief with suggestion of appropriate measures.

III. TAXATION

A. Indirect Taxes

Duties and powers of the district chief.

At provincial chief-town districts, the Tax Service assumes collection of indirect taxes.

At other districts, the district chief is the Treasury agent for indirect tax collections. He signs tax payment receipts and is responsible for the money.

In special cases where the district chief is often busy outside his office, he can propose to the General Directorate of Taxation a reliable cadre in his Service who will sign tax receipts in place of the district chief in the latter's absence.

The district chief has to remit from time to time all tax collections to the Treasury and cannot have in custody more than 10,000\$.

Accounting books

The cash on hand must always correspond to the amount registered in books.

The district chief has no authority to use tax collections for any expenditure.

Neither can he deliver any provisional tax receipt.

All receipts must be detached from a receipt book which has been numbered on each page and signed in advance by the provincial tax service before being submitted to the district.

Each tax receipt must be stamped before being delivered to the tax-payer.

Tax-payers' records

For control purposes, the district tax bureau keeps records of each tax-payer filed according to each tax.

With these individual records the district tax office can follow up payments, press them and apply penalties when necessary.

Indirect taxes and collection procedures

Production tax: Anything produced in Vietnam is subject to the production tax at the rate of 6⁰/o of the value of the quantity produced. Unimportant products are exempt from tax provided the following 4 conditions are fulfilled:

1. Product is for producer's use.
2. Production does not require more than 6 workers.
3. No machine is used, or if any, it is only an adjunct to the manual process.
4. The annual turnover is not more than 500,000\$

All producers subject to the production tax must take monthly declarations on their products in order to pay the tax.

Meat consumption tax: This tax is collected together with the tax on animal slaughtering by village authorities, then remitted to the district tax bureau. The district chief should take care to check the quantity of animals killed each day in the district so as not to lose tax collections.

Show or social relief tax: In small districts, the district chief applies a specific tax determined in agreement with the show director. But in large districts which used to be provincial chieftowns, the legal tax rate is 40% of proceeds for movies, and 10% of proceeds for theatrical performances.

Jewel and precious metal tax: The rate is 20% on diamonds and gems and 10% on pure gold.

Paddy milling tax: The rate is 3\$ for 100 kilos.

Ice consumption tax: The rate is 100\$ per ton of ice produced.

Tax on circulation of motor vehicles: Collected by provincial tax service.

B. Direct Taxes

Patente (Firm license) Tax.

a. Patente census: At the beginning of each year, a committee appointed by the district chief and composed of businessmen visits every shop to determine the patente tax for small businessmen.

The provincial tax service assesses big businessmen and industrialists paying 200\$ or more for principal tax.

b. Patente roll: The report of the above committee determining patente assessments is submitted to the province chief for approval before coming to the village council for preparing the patente roll.

The patente roll is then certified by the province chief and used for collections at the beginning of April each year at the latest.

c. Supplementary roll: After the principal tax roll is certified by the province chief, if there are more requests for firm licenses, it is necessary to make a supplementary roll. This supplementary roll must also be certified before taxes are collected.

In addition to the preparation of the patente roll for businessmen in the district, the district chief must provide necessary data to the provincial tax service for the latter to draw up separate rolls for:

- Big businessmen and industrialists
- Forest products development
- Bidders for markets, slaughter houses, vehicle parks taxes
- Supply of materials to the government etc...

Rural land tax.

The roll listing small owners of lands and rice fields is made by each village council, whereas the roll of big land owners is made by the provincial tax service.

Early each year, the district chief must remind the village council of taking a census of cultivated areas and lands subject to tax in order to rectify assessments and avoid complaints in the future. This will facilitate and speed up collections.

The rural land tax roll must be certified by the province chief before being used for collection early in April each year.

The district chief must follow up and urge the collection, make a monthly report on the amount collected to the province chief and help the village council solve its collection problems.

Occupied land tax.

The preparation of the roll and collection procedure is similar to those regarding the rural land tax. However, the occupied land tax is applied only to those centers (district or village government seats) which have been classified by arretes.

If there are prosperous centers which have not been classified, the district chief should propose their classification by the provincial authorities starting the collections of the occupied land tax.

C. Sundry Taxes.

Transport facilities tax

At the beginning of each year, the district chief should instruct each village council to take a census of cattle, carts and boats in the village for the purpose of making:

- a tax roll for cattle
- a tax roll for carts
- a tax roll for boats

The procedure for preparation, approval and collection

is similar to that applied to other tax rolls.

Vehicle park, market, slaughter house, pier, fishing taxes.

While all revenues from indirect taxes go into the National Budget, the village budget benefits by only an additional percentage of direct taxes and mostly by sundry taxes. To increase village revenues, the district chief should develop markets, build more vehicle parks and piers which will be offered for bids every year.

Every bid must have its basic price approved by the Directorate of Budget. If this basic price is less than 60,000\$ the bid is handled by the district chief. If it is more than 60,000\$ the province chief will handle the bid.

The minutes of the bid are effective only when approved by the province chief.

Revenues from village-owned lands.

They are the largest and surest revenues for the village budget. The district chief should review all contracts between the village council and farmers in order that the rental may be revised upon expiration of the contract for the purpose of increasing the village revenues.

For villages which do not own public lands and rice-fields, the district chief should propose that public lands and rice-fields be created on public properties or purchase those expropriated private lands which have not been bought.

IV. JUDICIAL POLICE

Under article 87, paragraph 2, Decree No. 4 dated October 18, 1949 stipulating the organization of Justice in Vietnam, at present administrative district chiefs serve as judicial police officers of Justices of the Peace in criminal and civil affairs.

Criminal Affairs. In criminal affairs responsibilities, as assistant Judicial Police officer of the Public Prosecutor the district chief has the mission to prosecute felonies, misdemeanors and police regulations violations, gather evidences to bring the culprits before the court which is bound to judge and punish them.

In order to carry out this mission, the district chief should absolutely comply with the regulations of the criminal law proceedings. In order to preserve evidences, the district chief has the following duties:

- a. to receive complaints submitted by victims of law violations;
- b. to receive denunciations submitted by persons not concerned;
- c. to gather reports and minutes concerning the law violation drawn up by his aids like the village police councillor;
- d. in flagrante delicto case (while a crime is being committed), to interrogate the accused, record witnesses' statements, draw up reports and bring the accused before the

public prosecutor.

In addition, the district chief can be delegated by the Public Prosecutor, the examining judge or the Tribunal of first instance, the Court of Appeal, or the Criminal Court to conduct the investigation.

In order to discharge his duties or carry out his responsibilities, the district chief basing on the extent of gravity of the violations, should at first classify these violations under the following categories:

1. Violation which law punishes by "police regulation violation" penalty to be tried by the Police Court;
2. Violation which law punishes by misdemeanor penalty to be tried by the Petty Sessions Court;
3. Violation which law punishes by criminal penalty to be tried by the Criminal Court.

In criminal and petty crime cases, the district chief has only the duty to gather materials for use by the Higher Court. This means that the district chief has the duty to investigate criminal or petty crime cases which have taken place in his district. The district chief can arrest and bring people to the Public Prosecutor in the following circumstances:

- Flagrate delicto case - under article 41 of the criminal law proceedings, flagrate delicto cases involve catching persons who are committing a felony or a misdemeanor or have just committed them or are pursued by the

public or those suspects having evidences on themselves who are arrested at the place of law violation within 48 hours (it is no longer a flagrante delicto case if the violation occurred over 48 hours ago)..

However, those who commit minor infringements should not be arrested if they have a fixed abode and a secure job.

Should the law violation in flagrante delicto be a criminal case, the district chief has the duty to go to the spot and to inform the Public Prosecutor or the Judge at the Court of the Peace with extended powers.

On the spot, the district chief will record the statements by the present, draw up a report, ask them to sign it and in case they refuse, mention their refusal. In case the victim dies from his wounds or his death is suspicious, the district chief will send for a surgeon to find out the causes of death and the status of the corpse. He can also search the suspect's house in order to seize weapons used to commit crimes as well as things appropriated by violators. He will interrogate the suspect, use evidences to question him and can arrest the suspects who have convincing evidences.

In accordance with the law in force the persons caught red-handed should be immediately brought to the Public Prosecutor and should not be detained over 24 hours. However, they should not be detained if not caught red-handed. A detention of the suspect for further investigation must be authorized by the Public Prosecutor.

- There are 4 kinds of writs:

1. Summons which has no right to coerce the persons concerned, the agent enforcing this summons can only serve it then return to the Judge the original which bears mention that the summons has been served.
2. Warrant for arraignment. The accused is taken (by force, if necessary) to the Judge.
3. Warrant for preventive detention which is the order to the police to take the accused to prison for preventive detention.
4. Warrant for arrest which is the order to arrest and detain the accused.

As mentioned above, in criminal and petty crimes, the district chief has the duty to gather materials and provide them to the higher court for use while having the authority to handle police regulations violations.

Police regulations violations are subject to detention from 1 to 5 days and to a fine or to either of these. The rate for punishing police regulations violations in Central Vietnam and South Vietnam is not the same in various zones:

- In Central Vietnam, it ranges from 0\$30 to 3\$00 multiplied by 20, that is 6\$ to 60\$.

- In Southern Vietnam it ranges from 1 franc to 15 francs multiplied by 40, that is 4\$ to 60\$.

In police regulation violations, the district chief has the right to judge without appeal, that is no appeal can be

made against the verdict in contrast with some cases which are judged with possibility for the accused to appeal to higher courts for reconsideration.

In Central Vietnam, judgements without appeal are rendered for police regulation violations subject to a fine or compensation not exceeding 30\$. But appeals may be made when fines or compensations exceed this sum of money.

In South Vietnam, the person concerned has the right to appeal when fines or compensations exceed 20\$.

In addition, the district chief has the duty to protect the freedom of the people under his jurisdiction; under article 22, arrete dated March 7, 1924, if it is known that a certain person is detained illegally the district chief should order that he be released. If the victim is detained in an official place, or if the authority detaining him claims the legality of the detention, the district chief will report it to the Public Prosecutor for decision.

Source: Administrative Studies Review.
Vol. VIII, 1960
Pages 81 - 90

BÌNH ĐỊNH PROVINCE

by Bui-Thúc-Duyên,
Province Chief

HISTORY AND RENOWNED LANDSCAPES

1. History

Under the dynasty of King Lê-Nhân-Tôn, a Cham King called Cai-Bi often invaded and sacked the region of Hoà-Châu in spite of several campaigns against him. Until the year of the Tiger (1446), the Vietnamese King ordered General Lê-Thư and General Lê-Kha to attack Cham Kingdom for the first time, they took the fort of Đồ-Bàn situated in the present Bình-Định province.

In the year of the Dragon, under the dynasty of King Lê-Thánh-Tôn, (1470) Tra-Toàn a King of Cham, was preparing a war with Viet-Nam. The Vietnamese King took his great army of 200,000 soldiers to invade Cham Kingdom; the Fort of Đồ-Bàn was defeated a second time. The King of Viet-Nam took the regions of Đồ-Bàn, Đại-Chiêm and Cổ-Lũy, with these regions, he formed a new province, province of Quảng-Nam divided in 3 "Phủ" and 9 "Huyện", then assigned mandarins to administrate this area.

After the pacification of Cham Kingdom, King Lê-Thánh-Tôn moved inhabitants of the three provinces Thanh, Nghệ, Tĩnh to land-development centers, thanks to these operations, Bình-Định becomes a populous and rich province at the

present time, but also since that day, Cham people gradually disappeared.

In the year of the Dog (1742) under the dynasty of King Thế Tôn Hiếu Võ Hoàng-Đệ, the Region of Đồ-Bàn took the name of Quý-Nhơn Phủ where Nguyễn-Nhạc recruiting an army to revolt mandarin Trương-Phúc-Loan. In the year of Cat 1771, under the control of Prince Đinh-Vương, he took Fort Bình-Định and used it as a base to fight against Nguyễn-Ânh.

But 28 years later, the power of Tây-Sơn (Nguyễn-Nhạc) decreased, and in the third month of the year of the Serpent, (1799) Nguyễn-Ânh sent his great army to attack for the third time, and took Fort Qui-Nhơn, which he called Fort Bình-Định, and he assigned General Võ-Tánh to defend it, with the assistance of Ngô-Tổng-Chủ.

2. Renowned Landscapes

Bình-Định province has numerous renowned landscapes and historic sites, such as:

The Beach of Qui-Nhơn

Thi-Nai golfe

Vong-Phu Rock, in Cát-Chánh village, and Phú-Cát district

Grotto Pagoda in Mỹ-Hòa village, and Phú-Mỹ district

Pagoda Ông-Núi in Cát-Chánh village, Phú-Cát district

Cham temple in Hưng-Thạnh (3 km from Qui-Nhơn)

Bánh-Ít temple in Phước-Lộc village, Tuy-Phước district

Tomb of Đào-Duy-Tử in Hoài-Hào village, Hoài-Nhân district

Tomb of Võ-Tánh in Đập-Đá village, An-Nhơn district
 Tây-Sơn's temple in Bình-Thạnh village, Bình-Khê
 and other majestic natural landscapes, old Cham temples,
 historic remains, and the beach of Qui-Nhơn with Găng-Rang,
 and Fairy spring. These once are rebuilt, Bình-Định province
 will have numerous beautiful landscapes which will attract
 tourists and contribute to the development of the tourism
 in our country.

1. Geography

A. Situation

The Bình-Định province is a large province situated
 South of Central Viet-Nam, between 13th and 14th parallel.

In the East is the China Sea, in the North is Quảng-
 Ngãi province (the natural limit is Bình-Đệ Pass which
 separates Đức-Phổ district of Quảng-Ngãi from Hoài-Nhân
 district of Bình-Định), in the South is Phú-Yên province
 (the natural limit is Cù-Mông Pass and Hòn-Ông mountain
 separating Đông-Kuân district of Phú-Yên and Tuy-Phước
 district of Bình-Định, in the West are Kontum province and
 Gia-Lai province. The Mang-Gian Pass situated in An-Túc
 district separates Bình-Định from the western Plateau.

The circumference is approximately: 500,000 km.

The surface is about 9,140 km².

B. Rivers, Coast, Mountains, Weather, Vegetations, Animals.

The largest river is Con River, called also Ba river or Ba-Huyen river, 35 km long, originated from Kim-Thung mountain in the An-Khe chain, it crosses 3 districts (Binh-Khe, An-Nhon, and Tuy-Phuoc) and goes into the Marsh of Thi-Nai before arriving at the Port of Qui-Nhon.

The Con river has the name "Ba-Khi" river when it is at its source in the Chain of An-Khe, it becomes Con river when it arrives at Binh-Khe district, when it enters An-Nhan district and An-Thai village it is called An-Thai river, and where it is divided into 2 branches called Bac-Phai and Nam-Phai. Then Bac-Phai is divided into several streams, one of which flows to Dep-Da and Go-Uhan (An-Nhan district), a second stream called Go-Gang river goes to the North crossing Vinh-Luu, and Huu-Phap villages (Phu-Cat district). The second branche crosses Nhon-My, Nhon-Phuc, Nhon-Loc, Nhon-Hoa (An-Nhan district) then passes beyond Truong-Cuu, and Tri-Thien (also in An-Nhon district) and is called Cua-Tien river. Then this river arrives at Tan-An and takes the name of Tan-An river, and when it has crossed Tan-An, it is called Go-Boi river when it crosses Go-Boi villages (Tuy-Phuoc district) and arrives at Thi-Nai Marsh.

The second largest river is Lai-Giang river. Its source is in Kim-Son Mountain, when it crosses Hoai-An district, it is called Kim-Son river. It has an affluent originated

in An-Lão area, and called An-Lão river. The two affluents joins together in Phú-Vân village, then it is called Lai-Giang river, which crosses Lai-Khánh village, Hoài-Đức and Bông-Sơn villages and arrives and Bàu-Tướng golf in the village of Hoài-Hương, Hoài-Nhân district.

These two rivers are navigable in the raining season from April to November, but in the dry season, from December to March, the navigation on them is hindered by sand bars. Along the banks of the rivers, especially the ones of Lai-Giang river, farmers have built roads, and set up pumps to bring water to their rice fields.

In addition to these two rivers, there are some others:

- Hà-Thạnh river has its source in Hà-Thạnh mountainous area of Tuy-Phước district, it crosses Phước-Lông village, then it is divided into two streams called Ngang river and Lo-Voi river, then the two streams join together to arrive at Thi-Nai Marsh.

- La-Tinh river also called Phú-Lý river, constitutes a natural limit between Phú-Mỹ and Phú-Cát districts. It is formed by two affluents: one is originated from Hoi-Sơn mount, and the other has its source in Thuần-Phong mountain (both in Phú-Cát district). The affluents after crossing Phú-Lý village (Phú-Mỹ district) meets in Cát-Khánh village (Phú-Cát district). On their way to the sea, they are divided into several streams crossing An-Lương, An-Xuyên,

villages (Phủ-Mỹ district) and Chánh-Hối village (Phủ-Cát district).

An-Tướng river is 5 km long, its source is in Thọ-Lộc mountain, it crosses Trung-Ai, Phú-Quang, Quảng-Châu, Hoài-Nghi villages (An-Nhân district), then joins Cửa-Tiên river (or Con river).

Tam-Quan river is an affluent of Lai-Giang river.

The common characteristic of the above-mentioned rivers is that they are used for irrigation rather than for transportation.

b. Coast

The coast runs along the western side of the province and is 100 km long. Qui-Nhơn is an important port after Saigon, as important as Tourane, and in the future when the land development policy is finished, in the Highland of Central Viet-Nam, and when the communication is improved, Qui-Nhơn will become a larger and more prosperous port.

Besides fishing, the principal resource of the coast of Qui-Nhơn, on which thousands of families, there is another special resource which is swallows' nests. The swallows' island in the Phường-Mai chain, 4 hours of sailing from Qui-Nhơn, has 9 swallows' grottoes which now are sold to a Chinese for 5 years (1956-1960) for 2,030,000 piasters.

c. Mountains

Bình-Định province is limited in three sides by mountains, except the East facing the ocean. Most of these

mountains belong to the Anamitic Chain. The terrain is difficultly accessible, there are more mountains of the Northern and Western districts.

Bình-Định does not have very high mountains, the highest ones are Kon-Lak (1720 m), Kon-Bonia (1568 m) (in An-Túc), then Ba Mountain (1100 m) in Phù-Cát, Kim-Sơn (800) in Hoài-An, Gò-Mít (656 m) in Hoài-Nhân, Chớp-Chải (655 m) in Phù-Mỹ, Hòn-Cao (620 m) in Hoài-Nhơn, Tháp-Tre (605 m) in Phù-Mỹ. Most of them are from 170 m to 600 m.

Areas separated by mountains are communicated only by passes, there are twisting passes very dangerous for the traffic. Between Bình-Định province and Phù-Yên province there is Cù-Mông pass, Bình-Đê pass separates Bình-Định provinces from Quảng-Ngãi province, and between Bình-Định province and Pleiku province is Mang-Giang pass, and An-Khê pass separates Bình-Khê district and An-Túc district within Bình-Định province. There are Nhôn pass in Phù-Mỹ district, and Phù-Củ pass in Hoài-Nhân district.

d. Weather

It is hot all the year, the lowest temperature in winter is 20 degree centigrade, and the highest temperature is 36 degrees centigrade, in summer from June to July. Comparing with other provinces in the Northern part of Central Vietnam, Bình-Định province has a good weather: less rains, and more sun. Rains become more frequent from the middle of

October to the end of December, during this period, there are often floods.

Situated in the monsoon area, Bình-Dinh province has cool winds from the ocean in the summer, and cooler northern winds from the continent.

The regions with mild and healthy weather are Qui-Nhơn, Bông-Sơn, Tam-Quan, -Hoài-Nhơn district); Bad weather, malaria are found in An-Lão, Vĩnh-Thạnh and Vân-Ganh.

e. Vegetation

Because of the effect of the weather, the vegetation in this province is that of a tropical country. The most common is coco-nut tree.

As grains, they have rice, corn, sweet potatoes, manioc, the also have beans, vegetables, fruits (mango, jacquier, banana, orange, grape fruit, guava, persimmon...), industrial plants (sugar cane, cotton, coconut tree especially, kinap.)

Forests have precious woods, and other products.

f. Animals

Chickens, ducks, geese are reared in families. Swallows are found in Phường-Mai (Phước-Hải village, Tuy-Phước district).

There is breeding of buffaloes, cows, horses, goats, pigs, rabbits.

In the forests, there are elephants, tigers, bears, peccaries, leopards, antelopes, squirrel, porcupines, and foxes.

As for fish there are cá nhám, cá bò, cá bông, cá thu, cá mèi, cá nục, cá chích, cua, tôm, mực, sữa, ốc, etc.

C. Means of Communication (air line, railroad, roads, rivers, sea)

In general, the means of communications before the cease-fire was almost existent. Roads bridges were destroyed by Viet-Công, but after the cease-fire, roads, and bridges have been rebuilt. At the present time, the communications have been improved, and have efficiently assisted the economic development of the province, especially in the commercial field.

a. Roads

The two most important roads are the Route No. 1, and the Route No. 19.

The Route No. 1 runs from the South to the North of Viet-Nam in crossing Binh-Dinh from Củ-Mông pass to Bình-Đê pass on 141 km. A branch of this road starts from Dinh Market (Tuy-Phước) and joins Qui-Nhơn, on 5 km.

On this road, bridges destroyed by Việt-Công have been rebuilt, these iron and wooden bridges are for temporary use, and is very convenient for the communication: Traffic is prosperous from the town of Tam-Quan to the City of Qui-Nhơn, on 98 km, and crossing the towns of Bông-Sơn, Phù-Mỹ, Đập-Đá, Binh-Dinh and Tuy-Phước.

The Route No. 19: this road runs along the South western side of An-Nhơn district, from Bà-Gi bridge to Phú-Phong (capital of Bình-Khê district), then from Phú-Phong to An-Khê, and Pleiku. It is 156 km long, and as the Route No. 1, it has been rebuilt since the transfer of the province to the Republic of Viet-Nam. At the present time it is the only road for communication from Qui-Nhơn to An-Khê, Pleiku, Kontum, and vice versa. This road has been being under reconstruction by the JDP, and will be ready at the end of 1961.

Besides these two national routes, there are provincial roads, or inter-district or inter-village routes. They are quite large (5 m in average). They also were destroyed during the occupation of Viet-Cong, how, they have been rebuilt, but most of them can be used only for bicycles or horse-carts. In the raining season, they are flooded, and carried away by water, thus the communication is difficult.

The principal roads are:

1. In Tuy-Phước district:

- Phú-Mới-Mục-Thịnh road, 41 km.

Roads in the city of Qui-Nhơn is satisfactory.

2. In An-Nhơn district:

- Provincial road from the Fort of Bình-Định

(An-Nhơn) to Xuân-Khê (Bình-Khê): 15 km.

- Inter-village road from Bình-Định to Gò-Bôi:

10 km.

- Inter-village road from Go-Cham to Lộc-Thuận
9 km.
- Inter-village road from Đập-Đa to Hòa-Bình
7 km.
- Inter-village road from An-Thái to Nhớn-Lộc
5 km.

3. In Phu-Cat district:

- Road from Phu-Cat to Đê-Gi, 23 km.
- A road from Phu-Cat to Khách-Thủ, 24 km.
- A road from Phu-Cat to Cát-Sơn, 17 km.
- A road from Go-Gãng to Kiên-Mỹ, 16 km.

4. In Phu-Mỹ district:

- A road from Phu-Mỹ - Mỹ-Thắng to Bình-Dương,
36 km.
- A road from Tam-Tượng to Phú-Thủ, 13 km.
- A road from Nha-Đa to An-Lương, 10 km.
- A road from Đại-Thuận to Diêm-Tiêu, 13 km.
- A road from Vân-Tượng to Chánh-Trực, 6 km.
- A road from Mỹ-Chanh to Mỹ-Cát, 11 km.
- A road from Diêm-Tiêu to Hoài-An, 15 km.

5. In Hoài-Nhớn district:

- A road from Chương-Hoa to An-Đỗ, 15 km.
- A road from Cầu-Nước-Mặn to An-Đỗ, 19 km.
- A road from Tai-Lương to Cửu-Lợi, 6 km.
- A road from Chợ-Bộng to Bàu-Tượng, 8 km.

- A road from Bông-Sôn to An-Lão, 19 km.
- A road from Bông-Sôn to An-Tin, 7 km.
- A road from Bông-Sôn to Hoài-Mỹ, 12 km.
- A road from Cầu-Vội to Kim-Sôn, 31 km.

6. In Hoài-An district:

Since this district is close to Hoài-Nhơn district, the road crossing this district is mentioned above, (Hoài-Nhơn). Several branches of these roads lead to villages of Ân-Đức, Ân-Tin, Ân-Tường, Ân-Hữu.

7. In Bình-Khê district:

Besides the route No. 19, all other roads are small, roads for private use only, they are not practicable for bigger vehicles than bicycles.

b. Railroads

They had the same fate as that of roads and bridges, they were destroyed by Viet-Cong according their destruction tactics at the end of 1945, and later, they temporarily rebuilt them for the use of hand-pushed carts and for rail-trucks. After the transfer of Bình-Định, bridges and rails have been rebuilt. The Qui-Nhơn - Saigon railroad was inaugurated in August 1958, the railroad from Diêu-Trí to Sa-Huynh was completed thus used as a link from Saigon to Đông-Hà.

Within the province, along the Route No. 1, there is a railroad from Qui-Nhơn to Diêu-Trí (9 km), and from Diêu-Trí

to Sa-Huỳnh (104 km). In the South, the railroad runs from Diêu-Trí to the border of Phú-Yên province (38 km), in total Bình-Định province has 151 km of railroad.

c. Fluvial and Maritime routes of communication.

- The Port of Qui-Nhơn: It is very important in Central Viet-Nam, ships from the South to the North pass by Qui-Nhơn. Small ships can be moored in it, goods are disembarked, then put on trucks or trains to supply Bình-Định or the neighbouring provinces such as Phú-Yên, Quảng-Ngãi, Pleiku, Kontum, etc...

On the other hand, products of Bình-Định and the provinces of the Highland are exported from Qui-Nhơn very conveniently.

That is the reason why the Port of Qui-Nhơn has a very bright future. If it was improved for big ships to come in, this port would become the principal port in Central Viet-Nam, because the province has a prosperous background.

- Golfs of Tam-Quan and Bàu-Tượng: The maritime route from Tam-Quan to Bàu-Tượng is 10 km long. In these two golfs, sailing boats can be embarked from 40 to 50 tons of goods to Saigon, Phú-Quốc, Nam-Vang. Tam-Quan is the biggest port in Hoài-Nhơn district.

- Đê-Gi golf: It is situated in Phú-Cát district, the maritime route from Cát-Chánh to Cát-Hạnh is 6 km long and can be used by small ships. But the trade is less than

in the golfs of Tam-Quan and Bàu-Tượng.

- Rivers: Most of the rivers in Binh-Dinh province are navigable for sailing boats in the high water season, in the low water season, they are navigable only by small sailing boats to transport light goods.

d. Airlines

In Qui-Nhon, there is a landing strip built by the Air Force during the war. At the present time, it is used for private and Government's Air companies.

The Air lines are:

- Qui-Nhon - Quang-Ngai - Da-Nang - Huế.
- Qui-Nhon - Pleiku - Kontum - Banmethuot - Dalat - Saigon.
- Qui-Nhon - Tuy-Hoa - Nha-Trang - Saigon.

Besides, there is an airport in the village of Hoa-Hoi, Phu-Cat district left by the Japanese, and an airport newly built by the Viet-Nam Air Force near the district headquarters. But they have not yet been used for air transport, airplanes only land at Qui-Nhon airport.

2. Population

a. Population - Races - Foreigners

The population of Binh-Dinh province is 802,136 inhabitants divided as follows:

- | | |
|----------------|---------|
| - Vietnamese | 754,024 |
| - Mountaineers | 40,112 |

- Chinese
- Indians 20
- Japanese 6
- French 4
- Americans 2

b. Living

85 percent live on agriculture, 10 percent live on fishing and 5 percent live on trades, and craftsmanship.

The standard of living during the occupation of Viet-Cong was very low, because they confiscated all the wealth and products of the people. Since the transfer, the standard of living is better, thanks to the policy of the government of economic support, living improvements, national reconstruction. The inhabitants of the province are building their life in peace.

c. Languages

Except the foreigners living in the province, all Vietnamese and, some mountaineers speak Vietnamese. The mountaineers communicate one another with their languages which are Rhadé or Bahnar.

d. Customs

In 9 years of occupation, Viet-Cong strived to destroy the moral, beliefs, customs and habits of this province by all methods of brainwashing, criticizing, forcing, terrorizing, but finally they failed. The people of Binh-Dinh continue

to respect the Confucian morals, defend their family system, beliefs, religions, and practice traditional customs.

Eight percent of the population are catholic, 70 percent buddhist, and a minority practice Caodaism. In all families, the cult of ancestors is respected. Moral foundations are guaranteed. The policy of fighting against colonialism, feudalism, communism is spread deeply among the inhabitants thanks to the works of political associations, and the Information service of the Government aiming at eliminate all dangerous traces which the enemy had left here before the transfer of Binh-Dinh.

e. Characters

The people of Binh-Dinh are frank, pleasant, has a practical spirit, hate hypocrysy, are eager of learning, patient, and brave.

But, since they have very little to fight against the nature they are not prudent, credulous, and irresponsible.

Besides, Binh-Dinh people have a very strong patriotism, a great devotion towards the nationalism, when they have seen the truth.

f. Education

After 9 years of war, most of the schools were destroyed by Viet-Gong, since they transfer, the government has re-constructed them.

- High schools:

1. Cường-Đề Governmental High School from the 6th grade to the 11th grade with 1,037 students.
 2. Tăng-Bạt-Hồ Governmental High School from the 6th grade to the 9th grade, with 505 students.
 3. Tam-Quan semi-private high school, from the 6th grade to the 9th grade, 236 students.
 4. An-Nhơn semi-private high school, from the 6th grade to the 9th grade, 417 students.
 5. Bồ-Đề private high school, from the 6th grade to the 9th grade, 370 students.
 6. La-San Bình-Lợi private high school, from the 6th grade to the 9th grade, 145 students.
 7. Trưng-Vương private girls' high school from the 6th grade to the 9th grade, 157 students.
 8. Tân-Bình private high school from the 6th grade to the 10th grade, 250 students.
- Total: 3,117 students.

Primary schools:

There are 89 governmental primary schools in the city of Qui-Nhơn and large towns, each school has 5 grades, there are 467 classrooms in total, with 25,687 students.

There are 220 governmental primary schools in villages, with 628 classrooms and 28,008 students.

In addition, in Bình-Định province, there is a Community Leadership School.

In brief, since the transfer of Binh-Dinh, the number of schools has increased quickly, to meet the increase of students who become more and more numerous.

- Kindergardens: 2 kindergardens in Qui-Nhon with 80 pupils.

- People's education: There 1644 classes, with a total of 45,185 students.

3. Administration

a. Districts, villages, hamlets

The Binh-Dinh province has 11 districts, 1 city, (4 mountaineers' districts).

The villages in Binh-Dinh province were destroyed during the 9 years of war, because of two principal reasons:

- The policy of destruction of Viet-Cong.

- The war against the French occupation.

The most destroyed are the towns, the city, and the villages near the Routes No. 1, and No. 19: Qui-Nhon, Gò-Bôi, Phú-Cũ, Phú-Mới, Diêu-Trì, Chợ-Huyện, Binh-Dinh, Đập-Đá, Chợ Gôm, Phú-Ly, Phú-Mỹ, An-Xuyên, Vân-Canh, Bông-Sơn, Tam-Quan, Đông-Dài, An-Tường, Lộc-Giang, Phú-Phong, etc.

But these destroyed villages, towns, hamlets have been reconstructed since the cease-fire, and in 4 years, most of them have been completely reconstructed, several have become more beautiful than before the war, such as: Qui-Nhon, Binh-Dinh, Đập-Đá, Bông-Sơn, Phú-Phong.

b. Social activities

Right after the transfer, the government has immediately taken the charge of raising the standard of living for the people of Binh-Dinh province, at the same time with the bringing in of security and order.

The general situation is poverty, ragged clothes, diseases, and a broken down spirit.

Therefore, in addition to spreading the policy of the government, and the satisfactory anti-communist activities, social assistance has been carried out right on the first days of the transfer of this province.

Besides the distribution of 600 tons of rice to poor people, the Social service continues to distribute rice, material, clothes, medicines, shoes, beans, salt, soap, towels, and foods. The total is as follows:

- Rice	1,232,500 tons
- Money	1,503,260\$
- Material	46,635 meters.
- Clothes	6,000 suits
- Blankets	5,365
- Shoes	6,000 pairs

And from June 1, 1955 to June 30, 1960, the following constructions have been made:

In Qui-Nhon:

- 1 hospital, 1 maternity hospital
- 1 hospital for leprosy in Qui-Hoa

- 1 social assistance center for 169 people
- 1 popular recreation center
- 1 popular restaurant
- 1 orphanage (19 orphans)

In districts:

- 1 orphanage in Kim-Châu (149 orphans)
- 1 orphanage in Gò-Thị (147 orphans)
- 10 dispensaries with maternity rooms
- 3 medicine distribution centers
- 106 first aids centers
- 1 maternity in Bông-Son
- 2 sanitary service centers
- 2 medical mobile teams.

Besides the social and medical services, the government is also interested in the problem of irrigation in the province. The living of workers has been improved, unions and associations organized. All the activities which have been done, or are being done, aim at the economic development, raising the standard of living among laborers in the towns as in the villages.

4. Source of wealth

a. Labor

Bình-Định province has enough labors for all sort of industries. At the present time, they are scattered, and working in craftsmanship, agriculture, charcoal production,

wood cutting, in docks, and bus stations, and they live on small trades in the towns and markets. Some people have immigrated to the South or to the Highland. The total population of Vietnamese above 18 years of age is 444,843. The total of laborers would be at least 10 percent of the above figures.

b. Industries: there is nothing remarkable.

- 6 printing shops
- 11 ice making shops
- 3 sweet drink factories
- 2 brick and tile factories
- 9 soap factories
- 3 sawmills
- 207 rice and bean mills.

c. Handicrafts

Most of the activities are small industries and handicrafts. The productivity is low, because of lack of means, materials, and the methods are not modernized. There are many types of handicraft as follows:

- Weaving: After the destruction of the silk factory belonging to the Delignon Company, most of silk works are done by people coming from Quang-Nam. Most of the people of Binh-Dinh weave cotton fabrics, with rudimentary looms all over the province, but especially in the districts of Binh-Khe, Hoai-Nhon, and An-Nhon. Besides, there is silk

weaving in Phú-Phong, Kiêm-Mỹ, Trung-Chánh, Âu-Thường, and Bông-Sơn.

- Mats: are woven in Phường-Phi (Phù-Cát), Mỹ-Hòa, Mỹ-Hiệp (Phù-Mỹ); Già-An (Hoài-Nhơn).

- Hammocks, coco-fiber ropes are made in Tam-Quan, Cửu-Lợi (Hoài-Nhơn), Mỹ-Lợi (Phù-Mỹ).

- Hats are made in Bông-Sơn (Hoài-Nhơn), An-Hành, Kiều-Đồng, Kiều-An (Phù-Cát). Especially "nón ngựa" hats are made in Cát-Tưởng, Cát-Trình, (Phù-Cát); they are sold in Gò-Găng market, so they are also called "Gò-Găng" hat.

- Noodle: Bean noodle is made in An-Thái (An-Nhơn), rice noodle is made in Tam-Quan (Hoài-Nhơn).

- Porcelain is made in Cát-Hành, Cát-Chánh (Phù-Cát) and Bình-An (Bình-Khê). Chinawares are made in Phù-Mỹ.

- Nước-Mắm is made in Đê-Gi (Phù-Cát), Tam-Quan (Hoài-Nhơn), and the coastal villages of the district of Phù-Mỹ, especially in Gò-Bồi (Tuy-Phước).

Other products such as sugar, bricks, lime, wooden furnitures, boats, coco oil, silver objects, are made everywhere in the province.

d. Agriculture

1. Cultivated surface, and annual productivity:

The cultivated surface is 75,000 hectares, 3/4 for rice, 1/4 for other products such as manioc, potatoes, bean, sugar cane. 20 percent of the surface is the most fertile,

50 percent is second grade land, and 30 percent is third grade land. In some places, there are 2 harvest per year, some other place they can have only one, according to the problem of irrigation. The average productivity of a "mẫu ta" (3,600 square meters) is as follows:

- First grade land: 2 tons
- Second grade land: 1 ton and half
- Third grade land: 600 kg.

The total production of the province is 200,000 tons in a favorable year, 80,000 in an unfavorable year; the average is 140,000 tons of rice per year.

Part of this rice is sold in Quảng-Nam, Quảng-Ngãi. Bình-Định uses only approximately 200,000 tons per year, in unfavorable year, they have to buy rice from the South.

During the war, Viet-Cong forced the people to pay taxes with rice, therefore, there was not sufficient rice for the people of Bình-Định, they had to have sweet potatoes, and manioc as their principal food.

Besides, Bình-Định can produce annually about 24,000 tons of manioc (4,000 hectares), 648 tons of corn (1,080 hectares), 3,600 tons of sweet potatoes (1,260 hectares), 3,302 tons of peanut (4,970 hectares) 323 tons of soya, and green bean (1,100 hectares), 96 tons of tea (200 hectares), 14,000 tons of sugar (1,000 hectares), 15,000,000 coconuts (2,200 hectares), 6,500 tons of copra, 260 tons of tobacco

(250 hectares), 52 tons of sesame (159 hectares), 2 tons of pepper, 60,000,000 fruits of "cau", 2,500,000 mangos (200 hectares), 1,200 tons of pineapple (100 hectares), 10 tons of cotton (25 hectares).

5,095 hectares of uncultivated land have been cleared, land in fallow is approximately 25,000 hectares, among which 1/3 can be cultivated for rice, and 2/3 cultivated for other farm products. These lands are left in fallow because of salt water, or lack of water, or too much water, or because they are destroyed by ungle animals. The other reason is that the poverty of the farmers who were robbed by Viet-Cong after 9 years of war, does not permit them to buy buffaloes and tools.

2? The following irrigation works have been completed:

- Canal of Hội-Khánh in Phú-Mỹ	3,400,000\$
- Dike and dam of Ninh-Thái in Phú-Mỹ	260,000\$
- Dike of Ngũ-Hàm Mỹ-Thành (Phú-Mỹ)	250,000\$
- Dam of Thoại in Phú-Mỹ	200,000\$
- Dam of Trinh-Thượng in Phú-Mỹ	200,000\$
- Dam of Dầu-Gò in Phú-Mỹ	52,000\$
- Dam of Bầu-Mun in Phú-Mỹ	12,000\$
- 3 Dam of Phước-Thuận in Tuy-Phước	210,000\$
- Dike of Phước-Thuận in Tuy-Phước	75,000\$
- Dam of Bầy-Yên in An-Nhân	11,420,000\$

- Dam of Thuận-Hạt in An-Nhơn	1,500,000\$
- Dam of Lão-Huê in An-Nhơn	300,000\$
- Canal of Huynh-Kim (An-Nhơn)	150,000\$
- Canal of Vĩnh-Phu in An-Nhơn	100,000\$
- Dam of Gò-Thị in Hoai-An	200,000\$
- Canal of Thanh-Lương in Hoai-Nhơn	33,000\$
- Dam of Lão-Tâm in Phú-Cát	2,465,375\$
- Dam of Lo-Nối (Phú-Cát)	398,000\$
- Dam of Chương-Hoa in Hoai-Nhơn	400,000\$
- Canal of Bông-Thanh-Tân in Hoai-Nhơn	260,000\$
- Dam of Tam-Quan in Hoai-Nhơn	150,000\$
- Canal of An-Lộc in Hoai-Nhơn	50,000\$
- Dam of Kiên-Hoa in Bình-Khê	400,000\$

e. Forestry

The total surface of forbidden forest in Bình-Định is 8,120 hectares. The most principal forests are in the two districts of Bình-Khê and Hoai-An (the Forestry service of Bình-Định was established in July 1955, in charge of 2 forestry sub-service of Diêu-Trí and Bông-Sơn).

Types of wood: Cho, Huynh, Go, Bông, lãng, Kiên kiên, Chuôn, Xê, Trâm sen, Trắc, Lim.

Forestry secondary products: "Dầu rái" is a source of wealth of Bình-Định, it is used to laquer holes in sailing boats. Bình-Khê during the occupation of Viet-Cong, supplied all necessary "Dầu rái" to the 5 Viet-Cong Region. In

addition, there are "lake" used to make hats, "vỏ giố" used to make paper, "vỏ trăn" to make mats, "sa nhân", "củ cùn" and "hà thủ ô" used as medicines.

f. Trades

In general, trades are paralyzed during the occupation of Viet-Cong. Since the transfer, trades have been restored, but have not yet been satisfactorily developed, because the people was poverty-stricken during the Viet-Cong occupation, so the consumption was very low.

The most principal place in Binh-Dinh province is the city of Qui-Nhơn. Trades in Qui-Nhơn are more developed than any whereelse, and have a prosperous prospective. The reason is that the provincial headquarters is there, and Qui-Nhơn is a port with numerous ships getting in and out, therefore importation and exportation are easy. Moreover, Qui-Nhơn is a crossroad from the Highland Saigon and Tourane.

Trade has been restored in the cities such as Bông-Sơn, Tam-Quan, Phu-Mỹ, Phu-Cat, Dập-Đa, Gò-Bôi. The principal markets are Gò-Cham market in An-Nhơn and Binh-Dưỡng market in Phu-Mỹ. There are other markets but less important such as: Gò-Bôi, Huyện (Tuy-Phước), Bông-Sơn, Tam-Quan, Tài-Lương (Hoài-Nhơn), Gò-Găng (An-Nhơn), Phú-Phong (Binh-Khê), An-Dưỡng (Hoài-An), etc. In these markets, are sold all types of foods, agricultural tools, goods. But the principal items still are rice and materials.

g. Farm animals

There is no large scale breeding, but there are only a couple of buffaloes, 4 or 5 cows in each farm, for ploughing or for food. The raising of pigs is found in An-Túc, An-Nhơn, Bình-Khê, Phù-Cát, Phù-Mỹ and Hoài-Nhơn. Before, Bình-Định pigs were exported to Hongkong and Singapour.

Horses of An-Túc are the best horses of Central Việt-Nam. There is the breeding of ducks in Bình-Định.

The total of farm animals is as follows:

- Buffaloes	15,883
- Cows	157,336
- Horses	595
- Goats	1,014
- Pigs	165,876
- Chickens	496,878
- Ducks	133,519

h. Fishing

Fishing is general in Bình-Định. A great part of the population live on it, especially in the costal villages. The total of fish caught annually is about 65 tons, which is sold in the province or used to make Nước-Mắm. The principal region producing Nước-Mắm is Gò-Bồi (Tuy-Phước), Đê-Gi (Phù-Cát), Tam-Quan -Hoài-Nhơn) and Hà-Ra (Phù-Mỹ). Fish is sufficient for the province's use, "Nước-Mắm" is also made and sold 700 tons annually. Bình-Định does not make dry fish.

i. Construction

After nine years of war, Binh-Dinh suffered the most from the destruction, in comparing with other provinces of Central Viet-Nam. In the city and towns, there were few Chinese houses left which were not destroyed by Viet-Cong, all Vietnamese houses and public buildings became a pile of bricks. Bridges, roads were demolished. Villages suffered the same fate, but less serious.

Since the transfer of Binh-Dinh, houses have been built, bridges, roads were restored. The city reconstruction has become more and more important. At the present time, Qui-Nhon, is a new city, with magnificent buildings, and a bright future. Other cities also have been reconstructed, they are populous and thriving.

k. The standard of living

All the people of Binh-Dinh were impoverished by Viet-Cong. The general situation is hunger, rags, and diseases.

Since the transfer, the living is restored. There is no more hunger, rags, and unemployment; diseases have been increased enormously.

5. Capacity for economic activities

a. Labor

The labor in the country side is superabundant, and may be employed in industries.

b. Products

Coconut is an important source of wealth of Binh-Dinh. Oil, soap, cocofiber ropes are made by hands, therefore there are wastes of labor and they are worthless in the market, if industrialized, the production would be immensely developed.

Mats, hats would be produced much more, if there was markets for these items. At the present time, it is impossible to increase these productions.

c. Irrigation

If the irrigation problem is solved (dams, pumps, canals) and fertilizers are furnished sufficiently, the agricultural production of Binh-Dinh will be increased, and have the prospect to be exported.

d. Trades

Trades are not developed at the present time, since Binh-Dinh has just got out of the communist yoke, the level of production and consumption is very low. But the trades of Binh-Dinh have a good future, because Binh-Dinh is a large consumption market.

List of Principal Handicrafts of the Province of Bình-Định

	Bình-Khê	Tuy-Phước	Hoài-Nhơn	Phù-Mỹ	Phù-Cát	Hoài-An	An-Nhơn	Vinh-Thạnh	Qui-Nhơn	An-Fúc	An-Lào	Total
Rice mill	25	43	24	24	18	14	43	4		6	6	207
Saw mill			1				1		1			3
Ice, sweet drinks			2	1			1		6	1		11
Printing			2						5			7
Bricks, tiles in ciment									2			2
Weaving	10		12				9		1			32
Silk			1									1
Mats		2	2	4	2							10
Rope			13	6								19
Hats			1		5							6
Noodles			1	1			2					4
Earthware	1		1	1	1							4
Nước-Mắm		19	20	20	20							79
Sugar	1	1	4				2					8
Bricks	12	6	4	3	9		4					38
Lime		1	7	1								9
Wood working	2						2		1			5
Weaving baskets				1								1
Coconut oil			24	15	1	10						49
Peanut oil	2	4	6	4			3					19
Soap			4				2		3			9
Blacksmith	5	3	7				5		5			25
Dying	2		4				5		1			12
Bread making	2								3			5
Charcoal making		5										5
Alcoholic drink									2			2
Electric generator	2											2
Mechanics' shop			2									2
Lighting									8			8
Hairdresser for ladies									2			2
Pump		1	3				3					7
Car maintenance shop									2			2
Iron works									1			1
Candle making			1						1			3
Lines for angling			1					1				1
Cigarettes									4			4
Pastry making									4			4
Tea									4			4

Source: Administrative Studies Review
Vol. 8 - 1960 - Pg. 59-73.