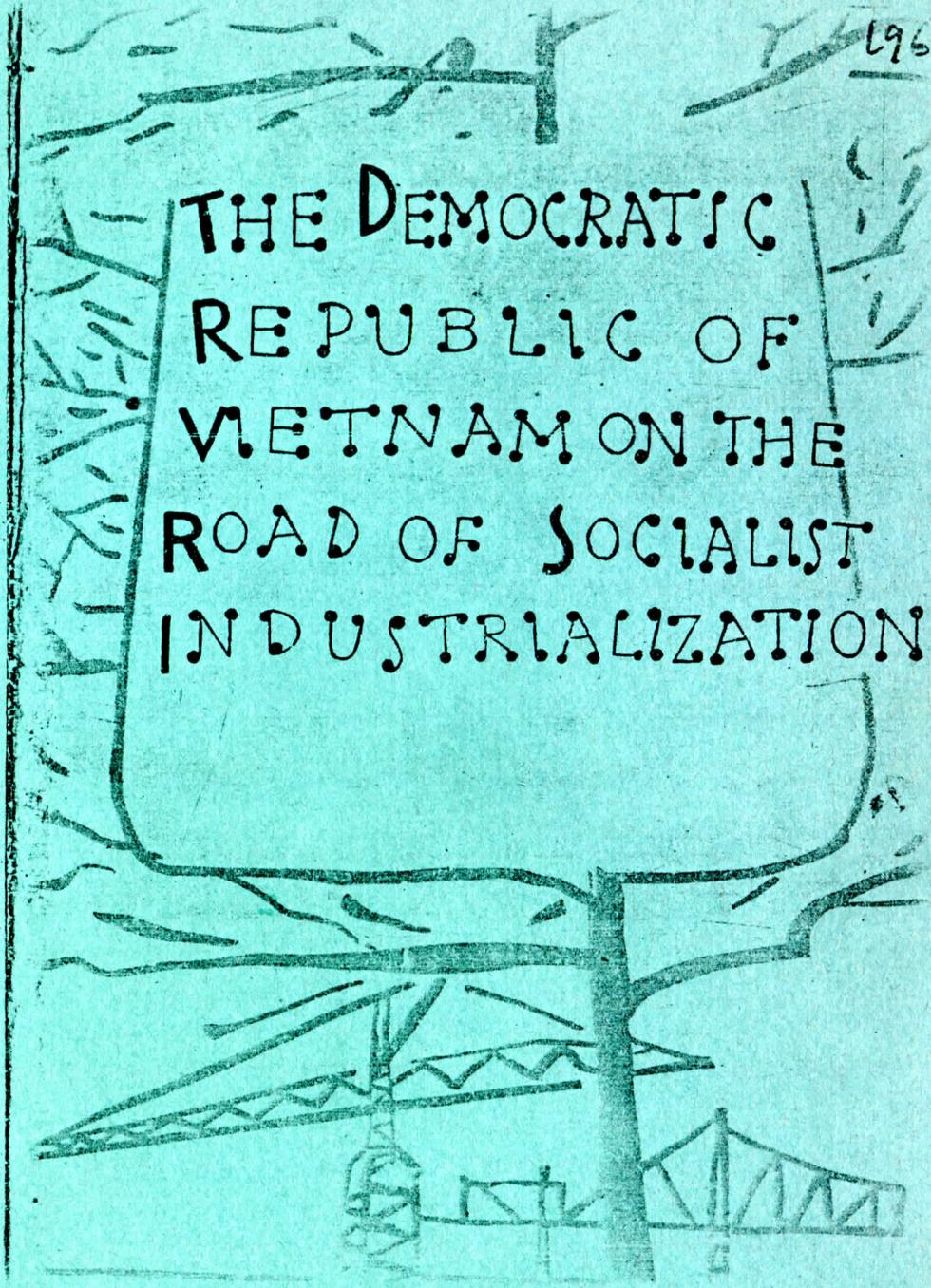


THE DEMOCRATIC
REPUBLIC OF
VIETNAM ON THE
ROAD OF SOCIALIST
INDUSTRIALIZATION



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SOCIALIST
INDUSTRIALIZATION**

FOREIGN LANGUAGES PUBLISHING HOUSE
HANOI — 1963

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PUBLISHER'S NOTE

1954. *Dien Bien Phu, liberating the northern half of Vietnam from colonial and feudal domination, opened up wide economic prospects.*

However 80 years of colonial rule had bequeathed a backward agricultural economy based on small production and practically ruined by 18 years of war. Agriculture which accounted for the bulk of national production, had an appallingly low productivity. The per capita arable land holding was tiny, nearly one-tenth of an hectare! Industry, a mere appendage to that of the metropolis, was almost non-existent. Very few were the enterprises which ran smoothly in the newly liberated towns. Handicrafts was long since strangled.

An urgent and hard task faced us: to heal the war scars, set up a balanced and independent national economy, raise the people's living standard, and make of North Vietnam a solid base for peaceful national reunification.

A prerequisite was necessary: which way to go? Capitalism or socialism? Our people knew by experience that the capitalist road would lead right to the ruts of the past, pauperism and slavery. The Party of the working class which had mobilized the toiling masses for the

Revolution, was not to repudiate its ideals of social justice. Moreover, capitalism was already doomed.

There remains only the socialist road. A must.

Our national economy was rapidly rehabilitated. At the end of 1957, it reached the prewar level. A plan of socialist transformation was carried out in three years (1958-1960). Since then, socialist industrialization has become the focus of our activity. With 1961 opens the period of first five-year plans for the building of the material and technical basis of socialism. We have good advantages: the energy of a people on the road to success, abundant natural resources, the correct leadership of the Workers' Party and the devoted assistance of the socialist countries. The preliminary results have foreshadowed a radiant future.

This booklet will deal with the general line of our socialist industrialization, its guiding principles, main stages, first achievements, along with its deficiencies and difficulties. We hope that this brief survey will appeal to our friends in the countries which have just, like the Democratic Republic of Vietnam, wrested back their independence.

FOREIGN LANGUAGES PUBLISHING HOUSE
HANOI

LEGACY OF A COLONIAL REGIME

Prior to the August 1945 Revolution, Vietnam was a French colony. The French colonialists did not cease bragging of their civilizing work. Let us see what their achievements were. Former Minister Méline, a spokesman of the French industrialists' interests, said in 1900, "In a good colonial organization, colonial production must be limited to furnishing to the metropolis raw materials or goods which have no equivalent with us." *

In 1937 and 1938, the colonialists debated on the so-called "problem of industrialization of Indo-China" **. Justin Godart, a French M. P., after his visit to

* J. Chesnaux, *Contribution à l'histoire de la nation Vietnamienne*, p. 161.

**Indo-China (Vietnam, the Kingdom of Cambodia and the Kingdom of Laos) was under the authorities of a French Governor General. The 1954 Geneva Agreements recognized the independence of the three countries with a provisional military demarcation line at the 17th parallel between North Vietnam (the Democratic Republic of Vietnam) and South Vietnam (under the domination of the US-Diem clique).

Indo-China, said, "A policy advocating the industrialization of Indo-China would be an error and a crime."*

Marius Moutet, a French minister of colonies, also stated, "In my opinion, the industrialization of Indo-China is quite advanced and is sometimes a source of impediments." **

This debate was closed without any fuss. It was the French financiers who invested the greater part of capital in the exploitation of Indo-China in general and of Vietnam in particular. They wanted to maintain Vietnam only in the role of a supplier of raw materials and a consumer of goods turned out by the metropolitan industry.

What were the consequences of such a policy in practice?

In electricity, the 1939 output for the whole of North Vietnam did not exceed 122.5 million kwh. A comparison of this output with that of other countries will enable us to see clearly the weakness of the electricity branch and hence of Vietnam's former industry as a whole.

More than half of the electric power output served the people's daily life. The electricity needed by industry was supplied not by an independent branch run by electricity companies, but by about twenty power stations belonging to various enterprises. The Indo-Chinese Electricity Company, a big enterprise in

North Vietnam, supplied electricity only to the people for their daily use.

In engineering, never under the French domination was there a machine-building enterprise in the true meaning of the word. The small enterprises set up were mainly to *maintain and repair* the equipment of a small industry. *

As for the engineering workshops, they did not belong to companies specializing in machine-building, but to transport firms dealing with repair and assembly of various means of transport. The Gia Lam workshop of the Yunnan Railways Company was an example.

All the above-mentioned enterprises depended on the metropolitan industry. Almost all the materials, tools and spare parts were imported from France. It can be said that such a scattered and warped engineering industry branch had no effect on the transformation and technical equipment of other branches of the national economy.

North Vietnam has a great deposit of iron ores and advantageous conditions to produce iron and steel. The French colonialists were aware of this. However, throughout their domination they did not build even a single ironworks.

The metallurgical branch was composed of a few small works for the smelting of tin and zinc. The French capitalists engaged in this line because they could find in North Vietnam available raw materials

* — ** G. Kherian. *Revue Indochinoise Juridique et Economique*, 1938, p.631.

* *Bulletin Economique de l'Indochine* 1939. L'effort d'industrialisation de l'Indochine.

and dirty-cheap manpower. Moreover, the products thus extracted were in the form of ingots, that is to say they were roughly processed and mainly exported to France, therefore they were only profitable and not harmful to the metropolitan industry.

With regard to the building material industry, most noteworthy was the Haiphong cement plant. This plant was built early (at the end of the last century) and developed at a relatively rapid rate to meet the requirements of colonial exploitation. At that time, as the colonialists temporarily succeeded in repressing the Vietnamese people's insurrection movement for national salvation, they had to speed up the building and consolidation of seaports, posts, barracks, prisons, palaces, bridges, roads, etc. in order to begin the exploitation of the country. Moreover, raw materials and outlets could guarantee the building of this plant.

Besides, there were some small kilns for bricks and tiles and fire-proof materials. The Haiphong glassworks produced only bottles.

With regard to the chemical industry, it could be said that it was virtually non-existent till the Second World War. North Vietnam produced only oxygen and acetylene in small quantities. During the Second World War, due to the difficulties in the communication with the mother country, the French capitalists began to produce a number of chemicals timely to satisfy the requirements of Indo-China, such as calcium carbide, explosive, potassium chlorate, etc. But their production was very small and very slow. Some products had a substitute character. Others were by-products.

Only the mining industry, especially coal mining, developed more powerfully than others due to advantageous mining conditions. The minerals thus extracted were mainly exported. (In 1939, the coal output was 2,000,000 tons, two-thirds of which were exported).

The mining and exportation of minerals from 1935 to 1939 were as follows: (Value in millions of Indo-Chinese piastres)

| ITEMS | 1935 | 1936 | 1937 | 1938 | 1939 |
|--|------|-------|-------|------|------|
| Gross output value of minerals extracted | 11.2 | 13.01 | 19.27 | 27 | 30 |
| Output value of minerals exported | 9.7 | 11.2 | 17.9 | 24.8 | 23.1 |
| Proportion of value of minerals exported in the gross output value of minerals extracted | 87% | 86% | 93% | 92% | 93% |

However, the development of the coal branch was very weak. The percentage of coal exported was far below that of agricultural products, accounting for only 5.6 per cent, ranking fourth after rice (49.2 per cent), maize and rubber.

As for light industry, naturally it could not develop with a policy aimed at transforming colonies into outlets for metropolitan goods.

Most noteworthy was the cotton industry with the Nam Dinh weaving and spinning mill. Why did the colonialists build this mill? Of course it was not because they were concerned with the clothing of the Vietnamese. The indigenous weaving trade was ruined

by this mill. Their aim was to profit by the cheap manpower to compete with Indian textiles and seize the textile monopoly in Indo-China because though protected by a customs barrier, French textile products could not compete with Indian goods owing to high production cost and transport charges.

The colonialists did not build a single sugar refinery in North Vietnam though conditions were most favourable for sugar-cane growing.

There were only some factories such as paper mills, tobacco-curing mills, husking mills, printing houses, distilleries, etc. All these enterprises were small, except the distilleries whose harmful products were forced on the people by the colonial administration for consumption.

It is necessary to add that the equipment of those enterprises was miscellaneous and of many types. To exploit the workers, many links in the production chain were not mechanized because "the dense population is an abundant source of manpower which should be utilized instead of machines"*. For example in the coal mines, in 1937 the volume of coal extracted by machines accounted for only 6 per cent of the total volume of coal exploited.

The output of large-scale industry was very low. Though agriculture was very backward, in 1939, the value of industrial output accounted for only 10 per cent of the value of industrial and agricultural output.

Let us compare the per capita output of some products between Indo-China and a number of South-

* *L'Industrie minérale en Indochine*, Novembre 1937, p II.

East Asian countries and Eastern Europe in 1937, the year when the world economic situation was relatively stable:

| | Coal | Iron | Electricity | Cement | Cotton yarn | |
|----------------|--------|------|-------------|--------|-------------|------|
| | | | | | 1937/38 | 1940 |
| Indo-China | 100k | 0k7 | 3.2kwh | 10k2 | | 0k39 |
| Japan | 646- | 4.2 | 440.8 | 87.2 | 10.28 | 5.93 |
| India | 83- | 6.1 | 8.3 * | 3.7 | 1.73 | 2.01 |
| Korea ** | 113- | 4 | 108.6 | 30.9 | 1.25 | 6.35 |
| Czechoslovakia | 1,158- | 42.3 | 285.7 | 88.4 | 6.16 | |
| Germany ** | 2,524- | 40.7 | 722.2 | 185.9 | 5.44 | |

* 1939 figures
 ** Korea and Germany prior to World War II

In short the large-scale industry formerly built by the French colonialists in North Vietnam was insignificant, backward and warped.

But it was not that the Democratic Republic of Vietnam could enjoy the whole of this industrial legacy when embarking on socialist industrialization.

When in 1940 the French colonialists surrendered to the Japanese fascists and opened wide the Indo-Chinese frontier to the Japanese troops, North Vietnam was heavily damaged by the war. After the Second World War, North Vietnam was again ruined by the aggressive war kindled by the French colonialists with the assistance of the U.S. imperialists. Torn by the war for fifteen years (1940-1954), the economy of our country was completely desolate.

Many enterprises and mines were seriously damaged. Some like the Truong Thi workshop, the Uong Bi and Mong Duong coal mines, the Cho Dien zinc mine, the Tinh Tuc tin mine, were razed to the ground. A number of enterprises in the areas provisionally controlled by the enemy vegetated and their output decreased notably.

Besides, when withdrawing, the French colonialists took away many important machines, equipment and documents. For example they took away a great quantity of equipment and means of transport from the Hongay coal mine, the Haiphong cement plant, and almost all the equipment of the enterprises for the repair of motor-cars and boats and building of motor-boats. The machines at the Nam Dinh weaving mill were left behind but materials, raw materials and the main part of the turbine of the power station were taken away.

In the former free zones, during the Resistance War the people's power built or helped build a number of industrial enterprises and handicraft production bases. These enterprises and bases supplied weapons and munitions to the army, means of production and staple consumer goods. This is an achievement of the Vietnamese people, an important condition for the victory of the protracted and hard Resistance War. But these were small and medium-scale enterprises built scatteringly and equipped with a number of obsolete and patched up machines.

As a result, in 1955 the output value of modern industry in the aggregate value of industrial and agricultural output accounted for only 3.4 per cent.

In fact, late in 1954, soon after peace had been restored, this proportion was estimated at only 1.5 per cent. The rank of workers and technicians was very thin due to the enemy perfidious policy of hamstringing and restricting the study of science and technology and the development of the abilities of the Vietnamese workers, technicians and intellectuals. In the 1939-1940 school-year, Indo-China had only five higher education schools with a total enrolment of six hundred students, more than half of whom were law students. There was no college to train engineers for industry. Throughout nearly a century of "civilization" by the French colonialists, in the whole country there were only some scores of engineers of industry, the majority of them worked in subordinate economic branches. A few of them, if allowed to work in enterprises, were given only minor posts.

What about agriculture, another major productive branch in the national economy? Vietnam was originally a backward agricultural country. Formerly throughout North Vietnam, there was not a single tractor. The productivity of land was very low, about 1.3 tons per hectare on the average, and has the tendency to decrease*. As a result, under the French domination, the North Vietnam people did not eat their fill notwithstanding the 200,000 tons of rice they had to buy annually from South Vietnam. North Vietnam's agriculture was ruined more than ever by

* Productivity of an hectare of land in North Vietnam: 1939: 1,240 kilos of paddy, 1940: 1,316 kg, 1941: 1,224 kg, 1942: 1,158 kg, 1943: 1,155 kg, 1944: 1,158 kg, 1945: 1,190 kg (See Nghien Cuu Kinh Te, 1962, Vol. 1, p. 7).

fifteen years of war. Almost all hydraulic works were destroyed, tens of thousands of buffaloes and oxen killed, over 140,000 hectares of ricefields lying fallow.

Transport and communications are the arteries necessary for the restoration and building of economy, but during the war almost all communication lines and main means of transport were destroyed. As for the telecommunication system, there remained only the inter-urban lines of Hanoi and Haiphong.

Such was North Vietnam's economic situation in 1954, after the restoration of peace.

II

INITIAL ACHIEVEMENTS AND PROSPECTS

To get rid of poverty and backwardness, our foremost task is to industrialize our country. Only with the development of a large-scale industry can we guarantee the technical re-equipment of the whole of our national economy, including agriculture, raise labour productivity and the people's living standards.

Immediately after the restoration of peace (1954) we have made noticeable efforts. A session of the Political Bureau of the Central Committee of the Vietnam Workers' Party held in September 1954 set forth the task of rehabilitating economy as follows:

"We must attach utmost importance to the rehabilitation of industry and commerce, help the state-owned enterprises as well as private ones continue functioning. We will encourage the rehabilitation and development of any industrial or commercial branches advantageous to the national economy."

In 1955, the government of the Democratic Republic of Vietnam asked the Soviet Union, China and other brother countries to help it rehabilitate and

build industry and transport and communications. After many years of war, consumer goods ran short seriously. On the other hand, we did not yet make full preparations for the building of large-scale enterprises. Therefore the Political Bureau pointed out in the above-mentioned resolution, "At present we cannot yet carry out a plan for the building of an industry on a large scale at a rapid rate. We must pay attention to the immediate rehabilitation and building of a number of factories to turn out commodities for the people, workshops for the repair of the means of transport and communications, and a number of enterprises of light industry requiring small capital and rapid building, to solve the pressing problems affecting the people's livelihood."

The period of economic rehabilitation ran from 1955 to 1957. Most of the appropriations were directed to transport, posts and industry. Allocations made for industry increased with every passing day as has been shown by the following proportions (in the total amount earmarked for capital construction): 1955: 6.9 per cent; 1956: 30.6 per cent; and 1957: 41.8 per cent.

Parallel with the increase of equipment for the Hongay colliery, the rehabilitation of the Haiphong cement plant and the Lao Cai apatite mine, we have restored and enlarged the Haiphong shipyard, the car-repair workshops, the Gia Lam railway repair workshop, increase the equipment for the Nam Dinh weaving mill, build the Hanoi engineering plant, the Cao Bang tin enterprise, the Hanoi plywood factory,

the power stations at Vinh and Lao Cai, the Phu Tho tea-curing mill, and others.

Early in 1958, North Vietnam's economy was fundamentally rehabilitated to the level of 1939, prior to World War II.

A Three-Year Plan (1958-1960) for economic development and transformation and cultural development was worked out with the following basic tasks:

"We must strongly push forward the socialist transformation of the individual peasants' and handicraftsmen's economy and of the private capitalist economy. At the same time we must endeavour to develop the state economy which is the leading force of the national economy as a whole."*

With regard to the building and development of industry, our policy is:

"To endeavour to develop the industry turning out means of production, at the same time continue to step up the development of the industry turning out consumer goods", and "Parallel with the development of the centrally-run state industry, we must speed up the transformation and development of handicrafts and start the building of local state-run enterprises."**

During these three years, the state has invested as much as 36.4 per cent of the total appropriations earmarked for capital construction. Many important workshops have been built, ushering in a new stage

* Resolution of the 14th Session of the Party Central Committee, p. 12.

** Resolution of the 14th Session of the Party Central Committee, pp. 27, 28.

in the building and development of economy in North Vietnam such as the Thai Nguyen iron and steel complex, the Viet Tri chemical plant, the Phu Tho superphosphate plant, the Ha Bac nitrogenous fertilizer plant, the Thac Ba hydro-power plant, the thermo-power plants at Viet Tri, Thai Nguyen, Uong Bi, etc.

After the economic rehabilitation, economic transformation and development and cultural development, the life in North Vietnam has undergone great revolutionary changes.

The Third National Congress of the Vietnam Workers' Party held in September 1960 advocated that socialist industrialization must be a central task throughout the period of transition of North Vietnam to socialism. The Congress also defined the line, guiding principles and measures for industrialization and set forth the First Five-Year Plan (1961-1965).

The efforts of our government and people have achieved initial successes. Late in 1961, the number of centrally-run enterprises, the majority of which endowed with modern equipment, increased nearly tenfold compared with the end of 1954.

A number of industrial centres have taken shape: Hanoi, Haiphong, Hong Quang, Thai Nguyen, Viet Tri, Vinh, etc.

Our economy has made noticeable progresses in structure. The relations between various industrial branches and between industry and agriculture have gradually been readjusted and balanced with every passing day. In 1955, the proportion of industry and

handicraft in the industrial and agricultural output value was 16.9 per cent. In 1961 it rose to 43.5 per cent. The proportion of modern industry alone in the industrial and agricultural output value rose from 3.4 per cent in 1955 to 17.3 per cent in 1960. The industrial and handicraft output value increased by 569.2 per cent from 1955 to 1961. Industrial output value alone increased by more than 12.3 times from 1955 to 1961. From 1958 to 1962, the annual average industrial and handicraft output value increased by 19.8 per cent (industry by 31.5 per cent, handicrafts by 7.6 per cent). The output of many industrial goods increased rapidly whereas many new items were produced.

The structure of industry itself experienced important progresses. The formerly warped industry was initially redressed. The proportion of group A* in the industrial output value accounted for 27 per cent in 1955, 35 per cent in 1960 and 35.4 per cent in 1961. In this same period, the proportion of group B* decreased from 73 per cent to 64.6 per cent. The proportion of industry in the industrial and handicraft branch also increased from 28.8 per cent in 1955 to 54.4 per cent in 1960 and 62.9 per cent in 1961. A number of important industrial branches has begun to take shape and develop strongly such as electricity, engineering, metallurgy, fertilizers, chemicals, building materials, etc.

On the background of a dependent backward economy, we are building a sovereign economy gradually to advance to socialism.

* Group A includes the enterprises turning out the means of production. Group B includes the enterprises manufacturing consumer goods.

INDICES OF DEVELOPMENT OF THE OUTPUT VALUE
OF VARIOUS INDUSTRIAL BRANCHES (1957: 100)

| ITEMS | 1960 | 1961 |
|-------------------------------------|---------|-----------|
| Electricity | 211.3 % | 244.7 % |
| Fuel | 229.3 — | 235.7 — |
| Chemicals, Rubber | 267.8 — | 4.5 times |
| Building materials | 257.6 — | 259.1 % |
| Exploitation and processing of wood | 431.8 — | 5.3 times |
| Weaving, clothing, leather | 68.4 — | 189.8 % |
| Foods | 248.2 — | 293.8 — |
| Cultural goods | 222.2 — | 279.7 — |

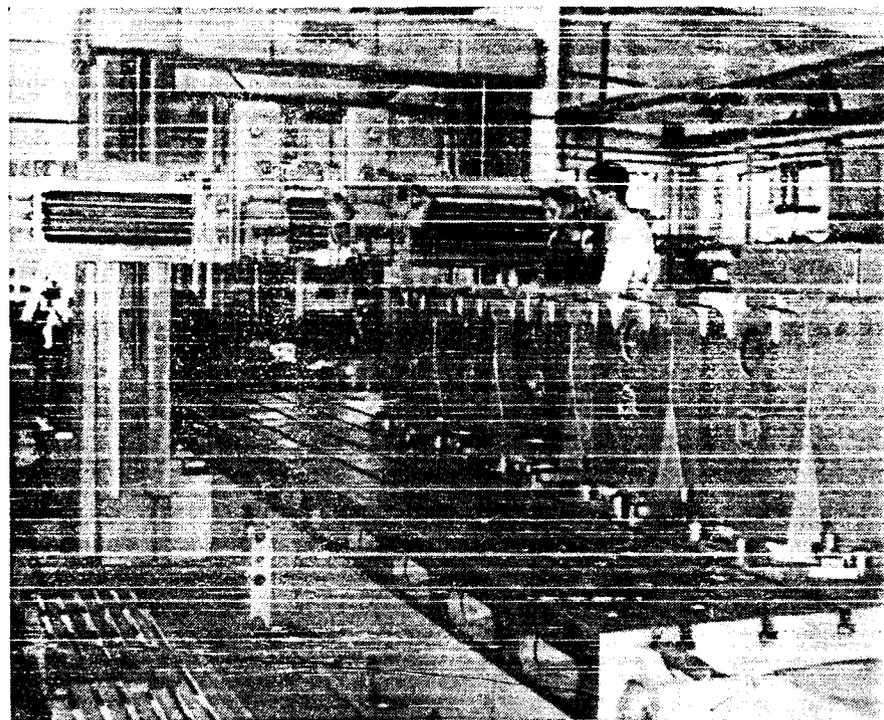
PROPORTION OF VARIOUS INDUSTRIAL BRANCHES
IN THE INDUSTRIAL OUTPUT VALUE *

| ITEMS | 1957 | 1960 | 1961 |
|---|------|------|------|
| Total | 100 | 100 | 100 |
| Electricity | 2 | 2 | 2.7 |
| Fuel | 8.6 | 8.1 | 6.8 |
| Exploitation and metallurgy of iron | | 0.4 | 0.6 |
| Exploitation and metallurgy of non-ferrous metals | | 1 | 1 |
| Engineering and repairing of machines | 5.2 | 10.4 | 13.2 |
| Chemicals, Rubber | 5.4 | 5.9 | 8.1 |
| Exploitation and processing of wood | 6.7 | 11.9 | 11.9 |
| Building materials | 7.7 | 8.1 | 6.6 |

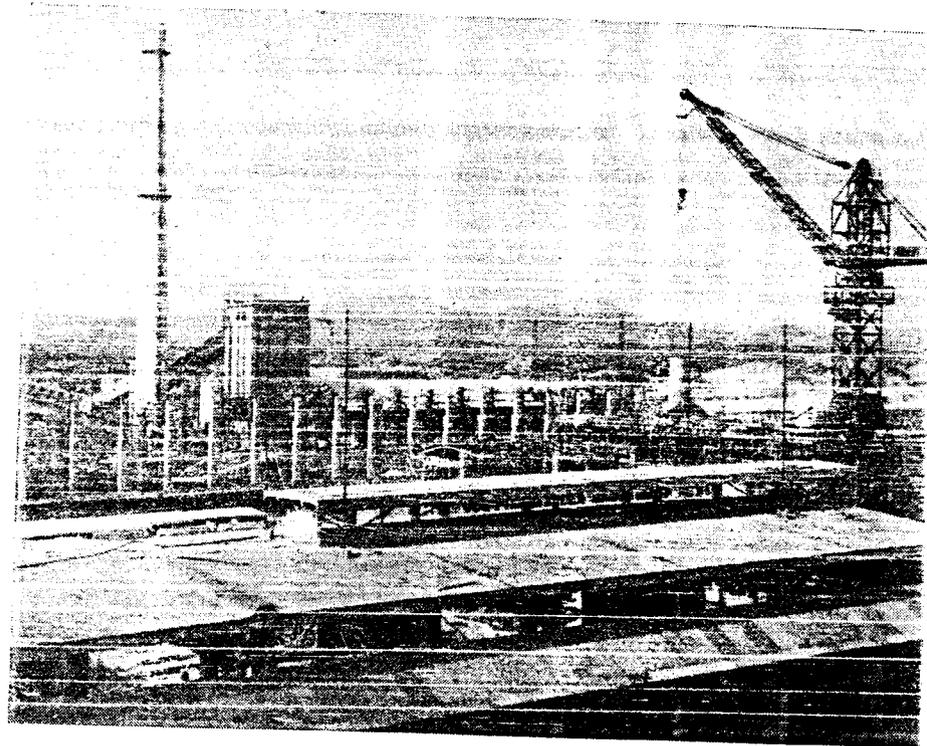
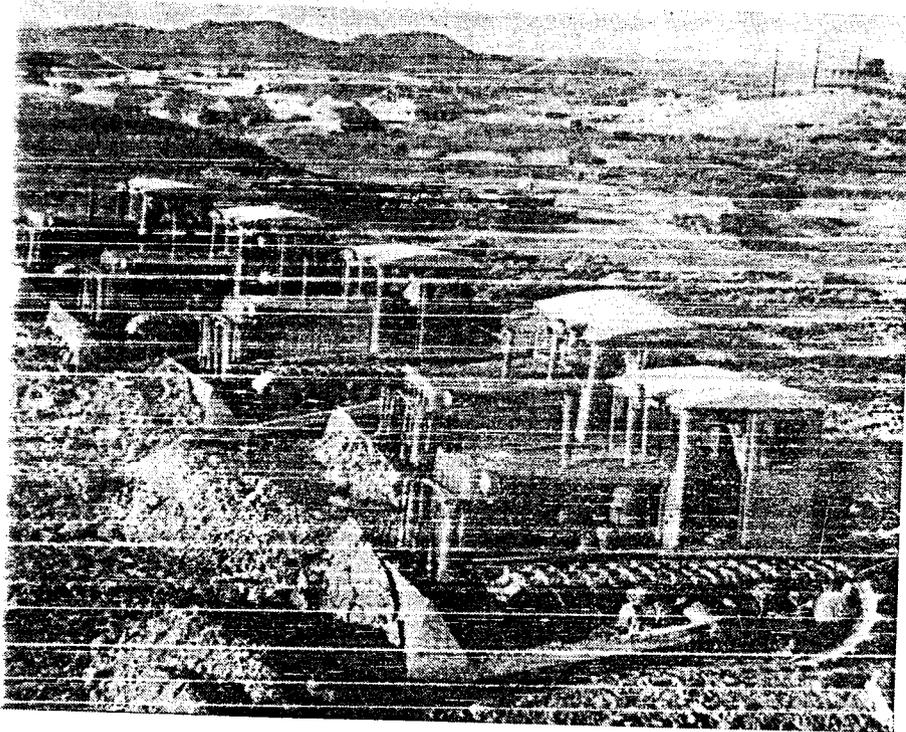
We have laid the initial foundation of the *machine-building industry*.

Immediately after the restoration of peace, with the assistance of the Soviet Union, we have built a modern engineering plant in Hanoi which can turn out medium-

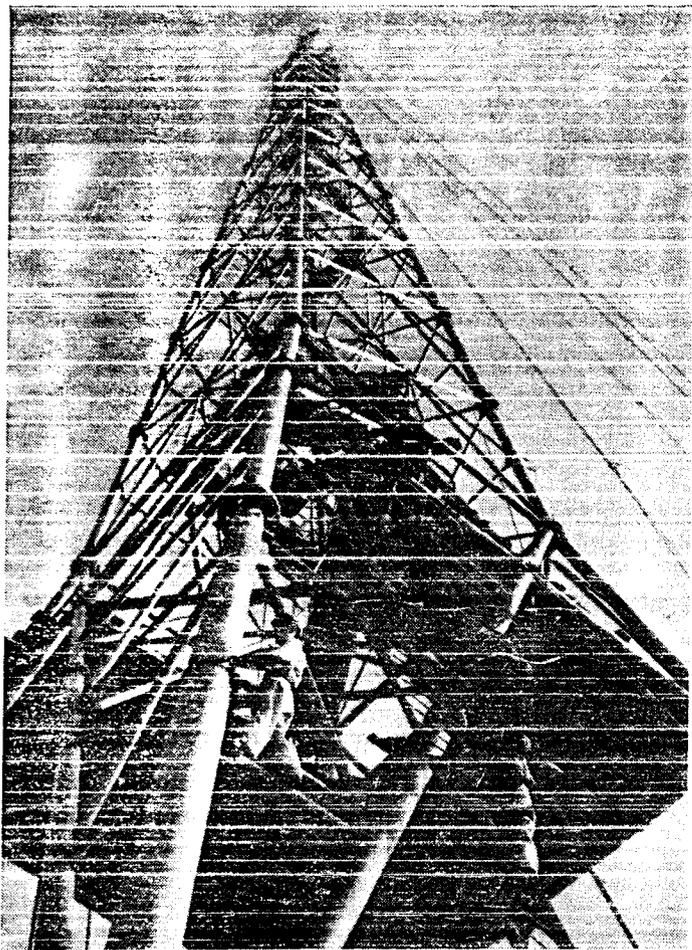
* Excluding handicrafts.



The Hanoi Engineering Plant:
Up-to-date equipment



On the construction yards of the Thai Nguyen Iron and Steel Complex



New power stations
In the photo: a tower for high tension line

size machine tools with second-degree precision, that is to say a precision to $1/1,000\text{mm}$. At present the plant is being enlarged to raise further the output and be able to produce bigger machine tools. We have supplied many modern machines to other repair enterprises to turn them into engineering-workshops. Many centrally-run enterprises have each a relatively large engineering workshop. All provinces in North Vietnam have each its own engineering workshop, some are relatively large. All these enterprises and workshops either build machines or repair and build machines at the same time. For example some engineering workshops have produced electric motors, small transformers, automatic looms, shuttle-making machines, etc. Even the small repair enterprises formerly run by private capitalists or small industrialists, after being transformed into joint state-private enterprises or handicraftsmen's co-operatives and guided and assisted by the state, can already produce machine tools and many other simple machines such as the machines to process agricultural produce, sock-and underwear-knitting machines, small rice-husking machines, etc. There are also some enterprises which can produce relatively complicated machines.

At present many machines used in various enterprises are home-made. There are enterprises whose equipment is largely made in the country such as brick-and tile-making machines, oil-pressing machines, small rice-husking machines with a capacity of from 15 to 45 tons per day, etc. At present, besides agricultural machines, we can produce brick- and tile-making machines, concrete mixers of 100-litre and 250-litre

capacity, 300-kg capacity cranes, generators, small electric motors, barges from 100 to 500 tons, boats from 40 to 90 H.P., etc. A number of such machines have reached international standards. In 1960, we supplied 25 per cent of engineering goods.

The productive capacity of each enterprise increases every year and the goods they produce are more complicated and more precise.

In short, our engineering branch has developed rapidly.

| ITEMS | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 |
|--|-------|-------|-------|-------|-------|-------|
| Indices for the development of the industrial and engineering output value | | | | | | |
| Industry as a whole | 100 | 197.9 | 273.1 | 319.9 | 414.1 | 463.4 |
| Engineering | 100 | 180.2 | 275.8 | 384.2 | 774.8 | |
| Machine-building | " | 100 | 172.4 | 10.3 | 70 | |
| | | | | times | times | |
| Proportion of the engineering branch in the industrial output value | | | | | | |
| Engineering as a whole | 10.5% | 6.3% | 5.6% | 6.1% | 8.1% | 9.8% |
| Machine-building | | 0.3 | 0.3 | 1.0 | 2.1 | |

In the electric power industry, after the restoration of peace, we had, as legacy bequeathed by the French colonialists, only four power stations: one in Hanoi, one in Haiphong, one at the Haiphong cement plant and one at the Hongay coal mine. Together with

repairing and increasing the equipment to "rejuvenate" the old enterprises, we have built a number of small thermo-power stations and hydro-power stations. Besides, in a number of provinces there are small power stations worked by diesel motors or by steam-power. Late in 1960, the capacities of various power stations doubled that of 1939; compared with 1955, the 1961 output of electricity increased by 5.5 times. To bring into full play the capacity of various power stations and to distribute electricity regularly, the state is endeavouring to develop the transmission lines aimed at building a unified electric network. At present a ring has linked the various delta provinces and is being built to link with a number of midland provinces such as Thai Nguyen, Vinh Phuc, Phu Tho, etc.

In the metallurgical industry, we have also scored many achievements.

Concerning the metallurgy of iron, we had not any productive bases. With the assistance of China, we are building the Thai Nguyen iron and steel complex which will produce in the first stage, about 200,000 tons a year. Within a short period of time, the complex will be commissioned. At the same time we have built a number of small semi-mechanized furnaces. Besides, in a number of engineering workshops we have equipped electric furnaces to produce alloy steel.

With the assistance of China, the exploitation of the chromium mine at Thanh Hoa province has been carried out since 1956 and from 1960 onward this mine has applied mechanized methods of exploitation by means of water-power.

The production of non-ferrous metals has been initially developed. The Cao Bang tin works completed in 1957 is a modern works endowed with a modern reaction furnace to work tin and raise the tin of third and second grades to first grade. A number of localities have built small bases to extract antimony, lead, zinc, graphite, amianthus. We have also completed the survey of zinc mines and make preparations for the building of a large-scale zinc plant.

The exploitation of coal has also developed rapidly. The output of coal of various mines in 1955 was only 641,500 tons. It rose to 2,829,400 tons in 1961. Almost all the coal mines have been restored, enlarged and equipped with mechanized means of exploitation and transport. The Lang Son lignite mine has been exploited to supply coal to the cement plant, hence we can reduce the importation of coal rich in volatile substances.

We are preparing to mechanize the big coal mines and restore the Uong Bi coal mine within this five-year plan period.

The *chemical industry*, especially the branch turning out fertilizers, begins to be built and developed.

Besides the production of natural phosphates we have completed the building of the Hanoi thermophosphate plant, the Phu Tho superphosphate plant, and are speeding up the building of the Ha Bac nitrogenous fertilizer plant. Apart from the big modern centrally-run fertilizer plants, we have also built in various provinces many semi-mechanized or handicraft enterprises for the production of fertilizers, some of them relatively big such as the phosphate fertilizer

mill in Thanh Hoa province with a capacity of 10,000 tons a year. Great attention has been paid to the exploitation of the Lao Cai apatite mine to satisfy the requirements in the country and for exportation. With the assistance of the Soviet Union and Rumania, the mine is being enlarged and gradually mechanized.

A chemical plant, the first of its kind, has been built in Viet Tri to produce soda, chlorine, 666 insecticides, etc., the plants to produce oxygen (Ha Bac), batteries (Haiphong), dry cells (Hanoi) have been commissioned.

Besides, the production of a number of chemicals such as sulphuric acid, hydro-chloric acid, etc. is undertaken by local enterprises.

To meet the requirements of the building of industry and other works serving culture, education, public health, housing, etc. the *building material branch* has developed rapidly. The output value of this branch increased by 36.7 times in 1959 compared with 1955.

In 1960, the output of the Haiphong cement plant increased by 37.7 per cent compared with 1959 when the colonialists speeded up production to serve war. At present with the assistance of Rumania, the plant is being enlarged to double the 1960 output. Czechoslovakia also helped us complete the building of the Hanoi saw and plywood mill at the end of 1958. Another saw mill built in Vinh was commissioned in mid-1959. Many large brick- and tile-kilns were built in Viet Tri, Thanh Hoa, and Hanoi. The joint state-private brick- and tile-kilns were enlarged. In 1959 a fire-brick works to produce silica bricks and alumina

bricks was built in Hanoi to satisfy the local requirements in fire-bricks of average quality. To enlarge the application of the assembly method and increase the rate of construction, we have built two works for the production of prefabricated concrete, one in Hanoi and the other in Haiphong. A modern glass works built with the assistance of the Democratic Republic of Germany has just been commissioned.

Parallel with the building of large-scale modern works, the state has helped handicraftsmen's organizations and local authorities to develop the production of building materials. Many bases have been equipped with machines to mix and pug clay, mould bricks and tiles, and have produced fairly good items.

In light industry, *weaving* is one of the branches which have been paid special attention. Right in the first years of economic rehabilitation, the Nam Dinh weaving mill, restored and equipped with an additional number of over 1,000 automatic looms and many other machines has become one of the great weaving combinats in South-East Asia. Compared with 1959, the output of this mill has doubled. At present the state is speeding up the building in Hanoi of another weaving combinat, some sections of which have been commissioned early in 1963. Most of its products are good quality textiles of international standard. A modern knitting manufactory was also built in Hanoi in 1959. The Haiphong wool manufactory has been restored and enlarged.

Besides, the state has helped the indigenous weaving trade and the semi-mechanized knitting branch to develop.

In the *food* industry, we have restored the brewery and the distillery which were damaged by the French colonialists before their withdrawal from the North. Moreover, we have built in Phu Tho province two tea-curing mills. We have also built three sugar refineries in Nghe An, Viet Tri and Ha Dong provinces; the sugar-refinery at Ha Dong is a big one, with a capacity of 1,000 tons of sugar-cane a day. We are preparing to enlarge the Nghe An and Viet Tri sugar-refineries and build other sugar-refineries. We have built a fish-canning factory in Haiphong, a tobacco factory in Hanoi and a number of factories such as the gourmet powder factory, the fruit-canning factory, etc. Ten rice-husking mills have been built to supply rice to the people.

In paper-making, printing, and manufacture of sundry articles, formerly we had not such mills as the Viet Tri paper-making mill, the Hanoi Tien Bo printing house, the Haiphong enamelware and aluminium ware factories, the Haiphong plastic factory, the Hai Duong chinaware factory, the match factory, the office requisite factory, the electric bulb and vacuum flask factory (Hanoi), etc.

Our industry has begun to technically equip other branches of the national economy, transform and promote them to develop.

The material and technical basis has been reinforced a step further, especially in industry.

It is also due to the development of our industry that our exportation and importation have made continuous progress. In imports, the means of pro-

duction—for the great part machines and equipment—account for an ever increasing proportion.

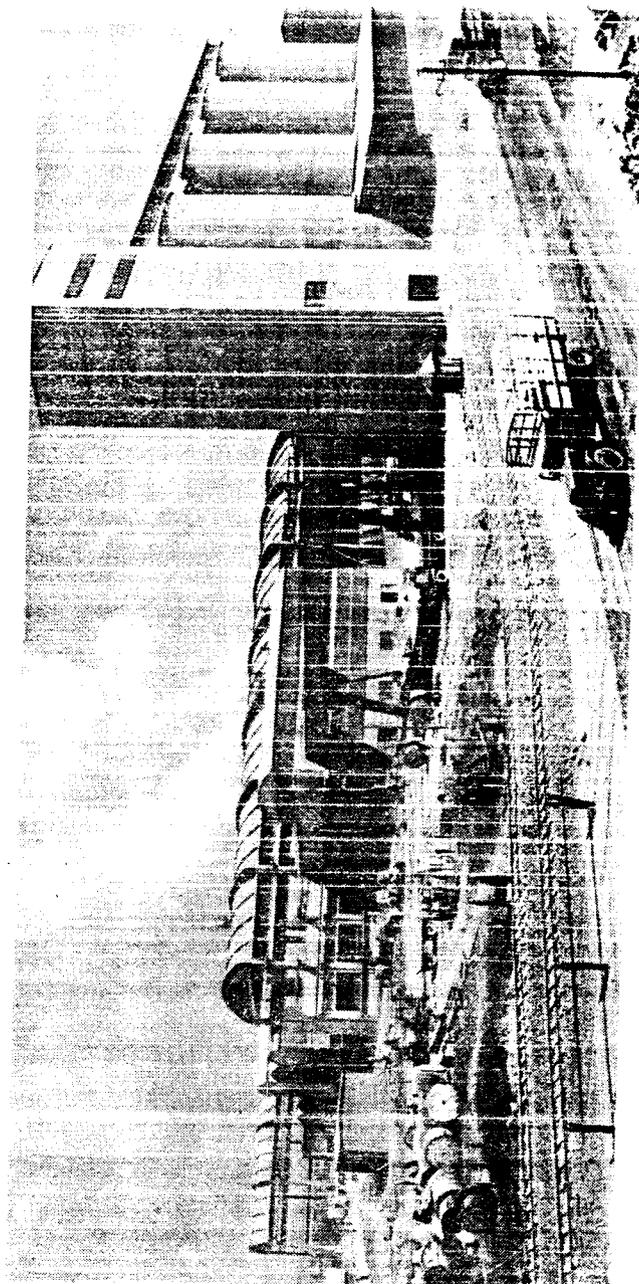
Side by side with the development of industry, the socialist transformation of the non-socialist industrial sectors has been stepped up. At present the socialist sector has gained absolute supremacy and played the leading role in the national economy. The new socialist production relations which have been set up have paved the way for the development of the productive forces.

PROPORTION OF THE ECONOMIC SECTORS IN THE VALUE OF GROSS INDUSTRIAL OUTPUT

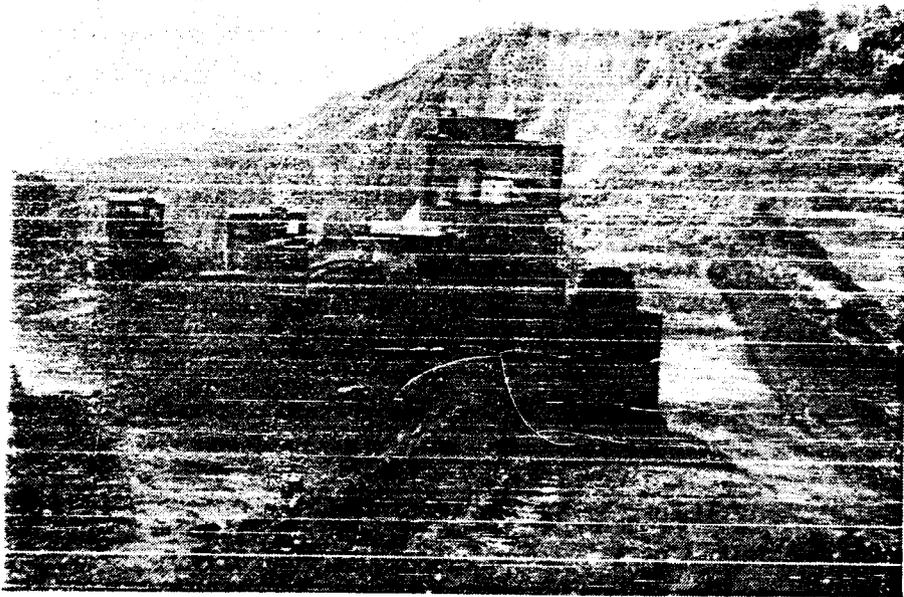
| ITEMS | 1955 | 1957 | 1960 |
|------------------------------|------|-------|------|
| Total | 100 | 100 | 100 |
| State industry | 12 | 28.4 | 53.3 |
| Joint state-private industry | | | 4.9 |
| Private capitalist industry | 16.8 | 14.22 | 0.5 |
| Handicrafts | 71.2 | 57.4 | 41.3 |

A new division of social labour force has been carried out. Hundreds of thousands of toilers in the delta have been shifted to the midlands and highlands to participate in the building of industry.

The rank of workers and employees in industry has rapidly swollen and grown to maturity. In 1962, the number of technical workers increased sixfold and that of cadres of higher education level 12 times compared with 1957. At the restoration of peace, the management of industry was very new to most of our



Enlargement of the Haiphong Cement Plant



Mechanization of mining
In the photo: *Extraction of coal from an open-cast mine*

cadres. Since then, the elaboration of plans of production, technical management, management of labour, business accounting, etc., in enterprises and construction sites have made progress. Many localities have succeeded in fixing technical and labour norms, and organizing business accounting down to workshops and production teams.

The annual increase of accumulation in the country has made it possible to cover the great part of the needs for expansion of capital construction.

The working people's living conditions have been gradually improved. The progress made in the cultural life has given rise to enthusiasm.

However, we have committed mistakes and shortcomings which could not be avoided in a big, difficult, complex and new work.

In the building of industry some concrete policies have not yet contributed to the gradual, steady and harmonious development of agriculture and light industry; the bases producing the important raw materials and indispensable consumer goods are not built in time. Attention is not duly paid to handicraft production and to a number of important branches such as lumbering, fishery, salt production.

In the years to come, we must do our best to overcome great difficulties.

The newly-built socialist production relations must be consolidated and bettered. The most important problem faced by our present-day economy is the weak material and technical basis, the predominant part played by manual labour and the low social labour efficiency.

Agricultural production does not yet constitute a favourable basis for industrial development.

Modern industry accounts for a low percentage in the value of gross industrial and agricultural output. Industry has not yet satisfactorily served the development of industry and other economic branches.

Imbalance still exists among the various branches of the national economy, especially between agriculture and industry.

Therefore the Eighth Session of the Central Committee of the Vietnam Workers' Party set for the First Five-Year Plan the task to build the initial material and technical basis of socialism, carry out socialist industrialization a step further, achieve socialist transformation, and continue taking North Vietnam to socialism rapidly, vigorously and steadily.

The concrete trends of industry are:

1. Actively supply technique and materials to agriculture; capital construction, communications and transport, and other economic branches, first and foremost agriculture.

2. Supply further consumer goods to the people.

3. Create conditions for our economy in general and our industry in particular to develop more vigorously in the next five-year plan.

In the five years to come, the capital allocations for industry will take up about 48 per cent of the total investments in economy and culture. The value of gross industrial output will annually increase by about 17 per cent on the average (about 20 per cent for Group A and about 15 per cent for Group B). The

centrally-run state industry will have an annual increase of about 22 per cent.

We will build a great part of machines and equip the small and medium-size enterprises by our own means. A number of engineering workshops will be enlarged and re-equipped, a number of specialized engineering workshops will be set up. We will construct a ship-building yard, and workshops to produce diesel engines, spare-parts for motor-cars, bicycles, etc. The local engineering network will be extended.

The engineering output will be 169 per cent in 1965 compared with 1960, and will have an annual increase of 21 per cent.

By the end of 1965 electric power output will be 5 times over that under French domination, and will be 158 per cent that of 1960. In electricity, besides securing the requirements for industry, agriculture and the townfolks, a number of villages and hamlets in the delta and of mountain towns can also use electricity in their daily life.

We will also produce a part of ordinary steel, wrought iron, alloy iron and non-ferrous metals. The Thai Nguyen iron and steel complex will be completed in the main in 1966 and will be enlarged.

We will struggle to bring the coal output to about 5 million tons in 1965.

Besides the production of fertilizers and insecticides for agriculture, the chemical branch will produce medicines for men and animals, and actively prepare the construction of a mill making artificial silk and fibre.

On the one hand, we further speed up the building and development of heavy industry, on the other, we continue developing light industry in order to meet the requirements of the people's daily life.

After the success of the First Five-Year Plan, the second five-year plan will fulfil the task put forth for the first stage (1961-1970), that is:

"to bring about a fundamental change in our national economy, generalize the mechanization and semi-mechanization of equipment, do away with backward manual labour and the present serious imbalance in economy, and ensure a balanced, harmonious and vigorous development of industry, agriculture and other economic branches, with a view fundamentally to satisfying the everyday requirements of the people in foodstuffs, clothing, housing, study and health protection; at the same time we will make preparations in all fields — material, technique, cadres, workers, etc. — to continue developing economy all-sidedly, vigorously and steadily." *

The completion of the material and technical basis of socialism, which enables large-scale mechanized production to win absolute supremacy in the national economy, will be carried out from the Third Five-Year Plan.

* Resolution of the Seventh Session of the Central Committee of the Vietnam Workers' Party.

III

LINE FOR INDUSTRIALIZATION

We have obtained the aforesaid results and have entire confidence in the future because we have formulated a correct line for the industrialization of our country.

This line relies on the universal Marxist-Leninist principles in the period of transition to socialism and the experience applied by the Soviet Union and other socialist countries. Besides, we have also paid due attention to the situation and characteristics of our country, a colony which has just wrested back independence.

We carry on industrialization in favourable conditions. North Vietnam has abundant natural resources. Though the tropical condition inevitably creates some difficulties, it is fundamentally advantageous to the development of cultivation, animal husbandry, forestry and fishery, which are the bases to develop industry.

At the beginning of 1961, when stepping into the First Five-Year Plan, we have built in North Vietnam a system of advanced production relations with two

forms of ownership—ownership by the entire people and collective ownership. 87.7 per cent of peasant households have joined agricultural co-operatives, 95 per cent of professional handicraftsmen and 82 per cent of retail traders have participated in various forms of co-operatives. All the private capitalist industrialists' and traders' enterprises were given the joint state-private form or co-operative form*.

In the world, the socialist camp has become a world system, endowed with a prosperous economy and a high scientific and technical standard. Thanks to the assistance of the brother countries, we can rapidly acquaint ourselves with the scientific and technical achievements, and in the first period we can rely on the large-scale engineering industry of the whole camp to build the main and indispensable branches of heavy industry.

But we start from a backward industry left by the former regime. Therefore we must struggle to overcome great difficulties to set up the material and technical basis of socialism.

We must carry out reconstruction in a relatively short period and raise the extremely low living standards of our people. Vietnam is temporarily divided

* With regard to the national bourgeois, the government of the Democratic Republic of Vietnam did not confiscate their enterprises. After inventory and valuation, these enterprises belonged to the state which bought them and gradually refunded the capital to those bourgeois, at the rate of from 6 to 8 per cent a year. Jobs were given to the bourgeois according to their ability. The joint state-private enterprises were re-organized and provided with new equipment and have developed rapidly.

in two zones. This situation has limited the possibility of economic development in the North and set for us many problems which must be solved, especially the raising of the people's living conditions and the strengthening of national defence.

Basing themselves on the aforesaid characteristic situation, our people should give pride of place to a big and complex task which is to

“strive to carry out socialist industrialization, and build the material and technical basis of socialism with a view to consolidating the new production relations, speeding up the development of production, raising our people's material and cultural life and strengthening national defence.”*

Concerning the line for industrialization, the Resolution of the Third National Congress of the Vietnam Workers' Party has pointed out :

“To build a balanced and modern socialist economy combining industry with agriculture and taking heavy industry as foundation, to give priority to the rational development of heavy industry, at the same time striving to develop agriculture and light industry with a view to turning our backward agricultural country into a country endowed with modern industry and modern agriculture.”*

Relying on this line, the Resolution of the Seventh Session of the Central Committee of the Vietnam Workers' Party has concretized the trend and the steps of socialist industrialization.

* Resolution of the Seventh Session of the Central Committee of the Vietnam Workers' Party.

I — TO GIVE PRIORITY TO THE RATIONAL DEVELOPMENT OF HEAVY INDUSTRY

Some of us thought that in North Vietnam we should take advantage of the international division of labour and co-operation between the socialist countries to postpone the vigorous development of heavy industry, and concentrate our forces to speed up agricultural production and develop our tropical agriculture in order to exchange for machines and equipment with the brother countries. They reckoned that by so doing accumulation would not be great, and the people's livelihood would be rapidly improved. But if we want to push forward agricultural production, first of all we must vigorously develop heavy industry so that it can supply machines, equipment and other means of production to agriculture and to the branches concerned, such as industry (to process agricultural products for export) and communications and transport (to build roads and transport agricultural products), etc.

Why is our agricultural yield irregular and dependent on nature? Because our heavy industry has not yet supplied enough pumps and electricity to combat drought and waterlogging, improved implements and fertilizers to increase productivity, and insecticides. Why have we not yet exported agricultural products in great quantities? Because we lack indispensable means of processing, preserving and transport.

Can we rely only on the exchange with abroad to satisfy our needs in machines, equipment and other raw materials?

North Vietnam is not too small a country; at present its population is about 17 million and on a rapid increase. Our needs in machines, equipment and raw materials are great and complex. Though the brother countries are ready to help us they cannot entirely satisfy our needs. As North Vietnam is far from them, communications and transport is difficult and expensive. The freight of a ton of phosphate bought from the Soviet Union is equal to half of its cost price! Our country teems with natural resources; it is not economical if we do not produce for our needs when we enjoy favourable conditions to do so. Being a tropical country we have our own particular requirements.

In the conditions of our country, it is impossible for us not to give priority to the development of heavy industry, and reserve capital to speed up light industry.

Why at present have we met with difficulties in the production of consumer goods? The main cause is that on the one hand, our agriculture has not yet supplied sufficient agricultural products to industry and for export. On the other hand, our industry is too small to turn out machines and raw materials necessary for light industry. In the last analysis, this is due to the weakness of heavy industry. In spite of the international division of labour and co-operation, our country must still pay attention to the priority development of heavy industry to speed up agricultural production, light industry and other branches of the national economy, in order ceaselessly to raise the people's material and cultural living standards.

The Resolution of the Third Congress of the Vietnam Workers' Party has affirmed:

"The key-point in socialist industrialization is the priority development of heavy industry, the foundation of socialist economy. Only by giving priority to the development of heavy industry can we provide means of production to industry and agriculture, guarantee the continuous achievement of extended socialist reproduction, develop the national economy to a high degree and constantly improve the life of the working people."*

Of course the priority development of our heavy industry differs from that given to heavy industry in the Soviet Union formerly.

"Our Party's policy concerning socialist industrialization in the North is to give priority to the rational development of heavy industry."**

Relying on the international division of labour and co-operation and the powerful force of the socialist camp we need not devote too big appropriations to heavy industry, and can reserve a relatively big capital for light industry. In the building of heavy industry, we need not build all the branches. We base ourselves on the possibilities of the country to supply the main raw materials and capital for the home needs and export, to calculate the size and the rate of building the various branches. The structure of each branch must be balanced. Its structure and scale must suit the conditions and needs in the

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 83 (English edition, F.L.P.H.).

** *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 85 (English edition, F.L.P.H.).

country, and correspond to the division of labour and co-operation in the socialist camp.

"Our heavy industry system will comprise branches which our country must at all costs build and which it has the possibility of building... and in each branch we shall build what is necessary and what can be expanded with a view to laying the necessary material and technical foundations of socialism and creating the conditions to meet the constantly growing needs of our people in food, clothing, housing, education, etc."*

Heavy industry must be carried out mainly on a large scale, but in the beginning, owing to the limit of our investment, the shortage of cadres and workers in heavy industry, and the investigation and survey of indispensable raw materials being under way, it is not necessary for us to build all the factories on a large scale. Besides these major enterprises we can and must build small and medium-size enterprises such as regional engineering workshops, small-size power stations, cement kilns, etc.

The rate of development of heavy industry must be quicker than that of other branches (but not too quick) and in harmony with agriculture and light industry.

To carry out priority development of heavy industry in a rational way will ensure the rapid development of the national economy, and the constant improvement of the people's living standards.

While developing heavy industry we also see to a lasting requirement, which is to build a relatively comprehensive industry.

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 86 (English edition, F.L.P.H.).

Each country is an economic unit and requires the building of a sovereign economy.

On the other hand, North Vietnam is densely populated and its natural resources varied. The industrial development in such a tropical country as North Vietnam is not only necessary to the home needs, but also to export.

Owing to these requirements and conditions, North Vietnam can and must build a relatively comprehensive industry, involving all the major branches of heavy industry. In each branch, we must develop the bases of production according to the conditions of our natural resources and the importance of the products required in order to supply by our own means the major part of technical equipment and materials to various branches, thus ensuring the sovereign character of our national economy.

The building of a relatively comprehensive industry does not limit but strengthen international co-operation. Only with a developed industry which can satisfy the requirements of the national economy can we have abundant products to exchange with foreign countries.

In the economic co-operation with the brother countries our contribution is not yet great, because our industry is still small and the productive force in the country weak.

In the political report read at the Third National Congress of the Party, Le Duan, First Secretary of the Central Committee of the Vietnam Workers' Party, has stressed :

*"We must strive to cultivate the spirit of self-reliance and to make proper use of the aid of brother countries in the building of our economy into an independent and comparatively comprehensive economy, serving as a basis for the independence of the nation and playing an active part in the co-operation with the brother countries."**

At the meeting held in Moscow in June 1962, the Council of Mutual Economic Co-operation of the socialist countries also ascertained :

*"The tendency to set up a general national economy which retires within itself, and does not take advantage of the strengthening of the rational division of labour between the countries, and on the other hand, the economic specialization in a unilateral way between the countries, can limit the results and decrease the rate of economic development of each socialist country as well as the whole socialist system."***

In a sovereign economy, what are the branches that heavy industry in North Vietnam must include ?

Here the decisive important problem in socialist industrialization is to technically equip and transform the whole national economy, carry out the mechanization of the different branches of production, construction and transport, in order rapidly to raise labour productivity.

At present we mainly rely on the brother countries for the supply of equipment and machines. But in the

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 75 (English edition, F.L.P.H.).

** Resolution of the Council of Mutual Economic Co-operation held in June 6 and 7, 1962, published in *Pravda* on June 17, 1962.

future we will produce the equipment and machines we need in order to satisfy the ever growing needs of our national economy.

"Therefore, we must strive to develop the machine-building industry and consider it as the key branch of heavy industry."*

Besides the machine-building industry, the *metallurgical industry* and *electric power industry* are two other main branches of heavy industry.

The *metallurgical industry* has a great effect on the development of many other economic branches, of science and technology, and human life. Metals, particularly iron and steel, are necessary for the machine-building industry. The rate of production and of utilization of metals is the yardstick to determine in a country the level of the development of industry in particular and of economy in general.

At present our machine-building industry and capital construction often meet with difficulties due to lack of iron and steel. Therefore, we will strive to develop our metallurgical industry, particularly iron and steel. In our country the metallurgical industry will have a bright prospect of development owing to our abundance in mineral resources, coal and electric energy.

The *electric power industry* is the basis of energy of the large-scale mechanized production. To develop the economic branches, first of all we must develop this industry. At present, many natural resources in

our country are not yet exploited, an important cause is that our electric power is still too weak. Electricity is badly needed for the people's life.

The requirement in electric power in socialist industrialization is very great. That is why we endeavour to develop the electric power industry and give it precedence to other economic branches. We have over a thousand rivers of varied sizes which can yield a great energy, and some of them can be harnessed most advantageously. We also possess big coal mines and minerals needed for the manufacture of electric equipment, such as iron, copper, aluminium and various insulating substances.

The development of hydro-power in our country is of important significance not only because it can curtail the production cost of electricity and save a big quantity of fuel; but it is co-ordinated with the task of taming and harnessing the big rivers, first of all the Red River. However hydro-power installation requires a big capital and a long period of construction. Therefore we combine the development of thermo-power with hydro-power, the harnessing of rivers, irrigation, communications and transport.

Chemicals is also the basis of technical progress. It greatly contributes to the raising of labour productivity in industry and agriculture, and helps the combined utilization of raw materials. The more developed the industrial production, the higher the technique of production and the more important the position of chemical industry. We must create conditions for the development of the fundamental chemical branch, and

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 8 (English edition, F.L.P.H.).

on this basis we develop synthetic chemistry and organic chemistry.

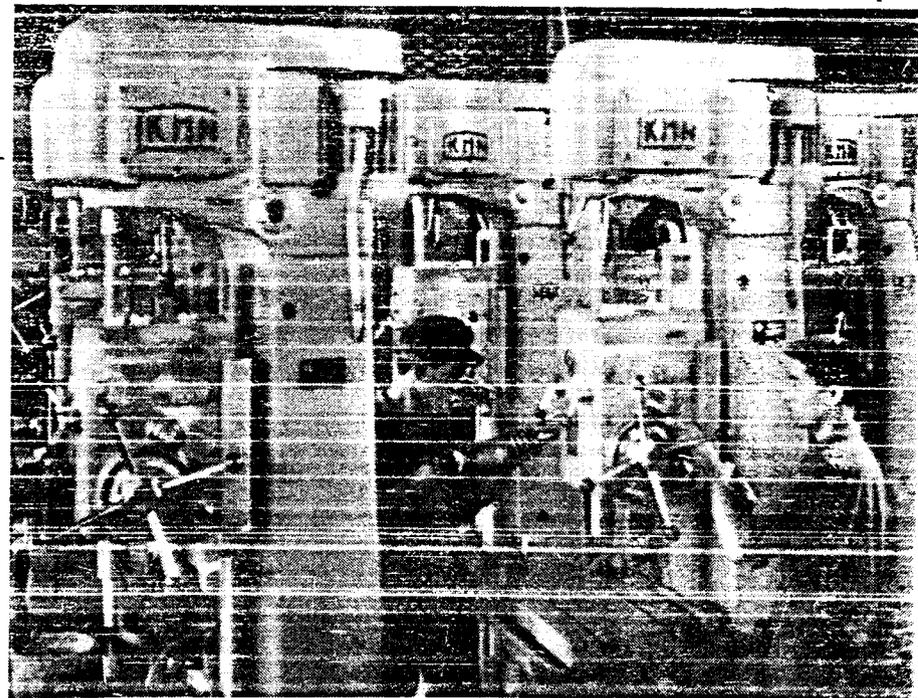
In the course of socialist construction in general and of industrialization in particular, capital construction for economic, cultural and social undertakings and public utilities increases very rapidly, so do the needs in building materials. That is why the rate of development of the production of building materials is closely related to the rate of capital construction, of the economic and cultural development, and of the improvement of the people's living standards. For the aforesaid reasons the chemical industry and the building material industry are also the important branches of heavy industry the development of which needs our attention.

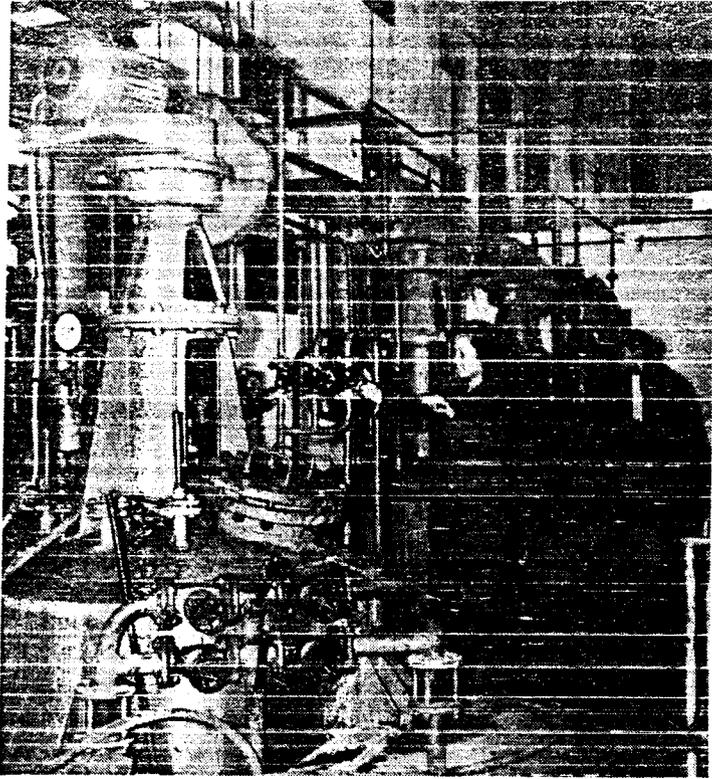
2 — CLOSELY TO CO-ORDINATE INDUSTRY WITH AGRICULTURE

In the national economy, industry and agriculture are two branches producing main material wealth. The relation between industry and agriculture is one of the most important relations of the national economy. If industry takes the lead in the national economy, agriculture is the basis to develop industry. It supplies food and raw materials to industry and is its main market.

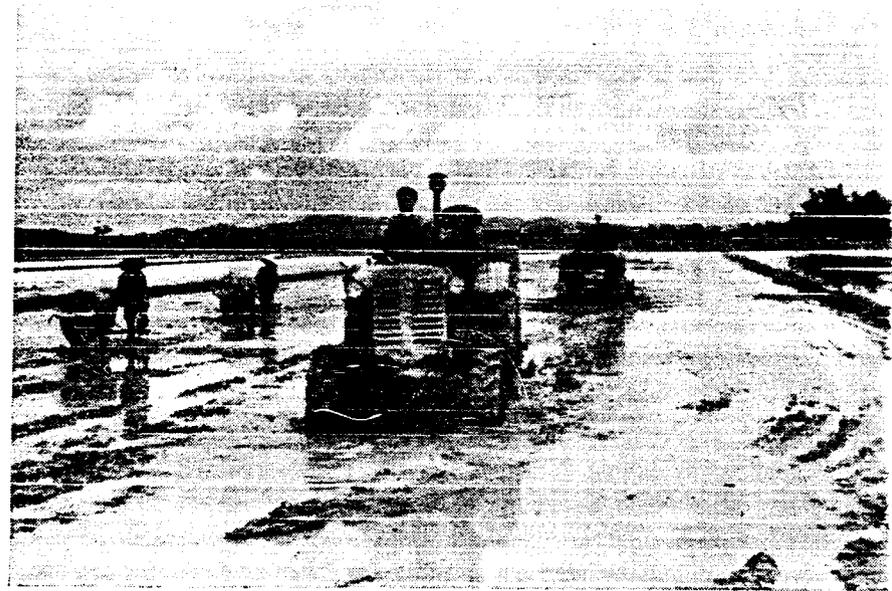
Therefore in the course of socialist construction, we must always pay attention to closely combining industry with agriculture. For us this problem has a very great significance. There is no country which builds

*Machine-tools for exportation carrying
trade marks of our engineering workshops*

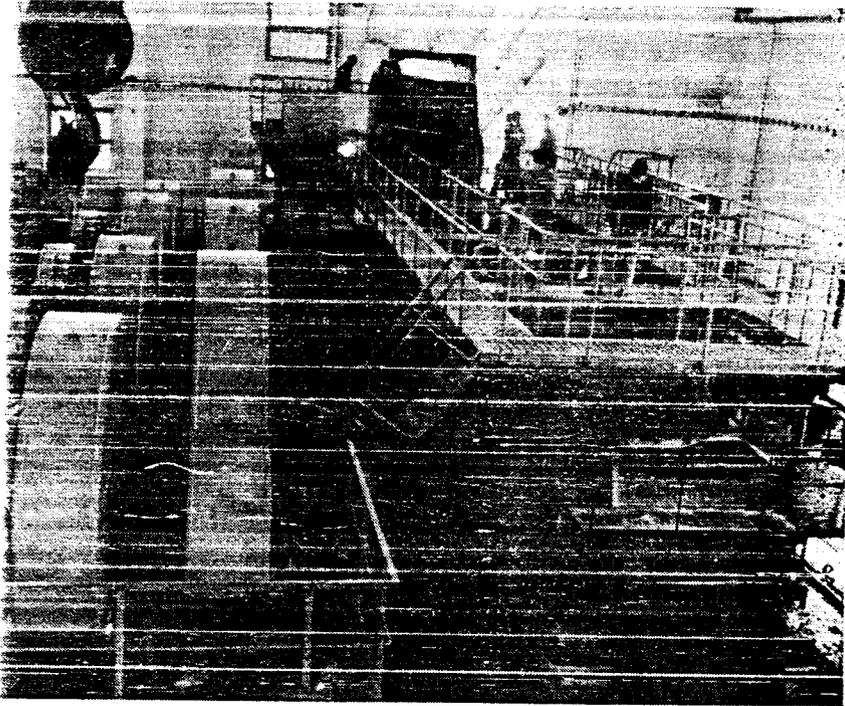




*At the Viet Tri Chemical Works
It produces also insecticides*



*Prototype tractors made by the Tran
Hung Dao Engineering Workshop*



*Light industry making big strides
In the photo: Sugar cane crushing
at the Van Diem Sugar Refinery*

socialism with such a small industry and a great agriculture in the national economy as ours. The overwhelming part of wealth of the country is produced by agriculture. Over 90 per cent of the population are farmers. There is no socialist country whose average land holding is small and farming technique backward like ours. Therefore we must pay utmost attention to the development of agriculture, and serve it as the basis of socialist industrialization.

Normally speaking, a country which wants to be industrialized must speed up food production to satisfy the needs of the ever increasing number of non-farmers. In our country thanks to the assistance of the brother countries, our industry develops at a high rate, construction sites and enterprises spring up everywhere, and the number of non-farmers increases rapidly. The life of all strata of people improves tangibly, requiring a rapid increase in food and consumer goods. Not only we must meet the requirements, but we also need many agricultural products to exchange for machines and equipment and primary goods. At present, we have a number of difficulties in the supply of food to the people because agriculture does not yet keep pace with industrial development.

Agriculture has been brought under co-operativization, but the material and technical basis of agriculture is still very backward. That is why the agricultural co-operatives have not yet fully shown their superiority, and the new production relations in the countryside are not yet really steady.

Since the August Revolution, particularly since the restoration of peace, our people's life has been

improved; yet it is still very low and needs to be raised rapidly. At present our people's livelihood depends greatly on the rate of agricultural development. We must know how to raise their income, first of all the peasants', when labour productivity is still low: Therefore agriculture must be the main branch serving industry.

Co-ordination between industry and agriculture consists in giving priority to the development of heavy industry while endeavouring to develop agriculture. We must develop as soon as possible the bases of heavy industry to equip agriculture with modern technique. First we must solve the problems of water, fertilizer and semi-mechanized farm implements. We will gradually mechanize the operations and the main processes of labour in agricultural production.

Our light industry must build the bases to process agricultural products in time.

Inversely, agriculture must take the development of industry into account, ceaselessly increase the volume of agricultural goods, and secure the supply of food for the people, first of all the non-farmers. We must strongly develop industrial crops in order fully to supply raw materials to light industry and reserve a part of them for export to exchange for equipment and machines.

That is why upon entering the period of economic restoration (1955-1957), at its meeting of September 1954 the Political Bureau of the Central Committee of the Vietnam Workers' Party passed the following resolution:

"In the period of restoration, first of all it is necessary to grasp the restoration and development of agricultural production. This is the key problem the basis for the improvement of the people's livelihood, supply of food to the people, economic prosperity and development of the circulation of goods..."

The 14th Session of the Party Central Committee held to discuss the Three-Year Plan (1958-1960) has also decided that:

"Agricultural transformation and development is the main link of the whole task of economic development and transformation, and cultural development."*

In order to prepare the first step of the First Five-Year Plan, the Third National Congress of the Vietnam Workers' Party has stressed:

"Industry and agriculture are the two main branches of the national economy. They are closely connected with one another. Only by intimately combining the industrial and agricultural branches, and by striking a correct balance between industry and agriculture, will we be able to lay successfully the material and technical foundations of socialism... At present, agriculture occupies a very big place in the national economy of the North of our country; moreover, the North lies in the tropical zone and has very great possibilities for agricultural production. So, for North Vietnam, the co-ordination between the industrial and agricultural branches, and the striking of a correct balance between them in the course of socialist industrialization, take on all the more importance." **

* Resolution of the 14th Session of the Party Central Committee

** Third National Congress of the Vietnam Workers' Party, Vol I, p. 84 (English edition, F.L.P.H.).

According to the aforesaid policies, bases of industrial and handicraft production have been built down to districts or villages timely to satisfy the needs in agricultural production. A number of modern works producing phosphate, superphosphate, nitrogenous fertilizers and insecticides begin to be built and others have been brought into production.

Agriculture has also made efforts to satisfy the needs of industry. Food and industrial crops have increased.

3 — TO GIVE PRIORITY TO THE DEVELOPMENT OF HEAVY INDUSTRY AND ACTIVELY TO DEVELOP LIGHT INDUSTRY

Heavy industry is the foundation of the national economy because it has the guiding role and a decisive effect upon the development of other branches. But it is not for this reason that we must not pay attention to the adequate development of these branches. The national economy is a complex organic system whose branches are closely connected with and dependent on one another. To a certain extent heavy industry is influenced by other economic branches.

The weak development of light industry will limit the effect of heavy industry. Supplied by heavy industry with means of production, agriculture will develop and need that agricultural products be consumed. The peasants require a great quantity of consumer goods, and if light industry cannot satisfy

these requirements, certainly the zeal of the peasants will be affected.

The highest goal of socialism is the happiness of the people, and the constant raising of their material and spiritual life in the society. We must constantly pay attention to the development of light industry, a main branch producing consumer goods and having direct influence on the people's daily life. Together with the progresses made in socialist construction, the people's life will be more improved and the need in consumer goods will increase day by day. In our country, this is not only an economic problem but it is also a political one. The low living standard of the Vietnamese people is all the lower after 15 years of war. The acceleration of light industry is, on the one hand, aimed at rapidly improving the people's livelihood, on the other, it proves more concretely the superiority and human character of socialism, and contributes to push forward the revolutionary movement in South Vietnam.

Industrialization requires a big capital and constant expansion of the funds for accumulation. As light industry requires a relatively small investment, makes the capital circulate quickly and gives quick returns, it has a very great effect on the accumulation of capital.

The development of light industry contributes an important part to the acceleration of agricultural production, increases the value of agricultural products and improves the peasants' living standard.

In the present conditions, we can rely on the economy of the socialist camp, and on the fraternal

assistance and co-operation of the camp to give priority to the development of heavy industry and at the same time to develop light industry. This means that, parallel with the acceleration of heavy industry, we can and must speed up the development of light industry. It is not essential for us to wait for the construction of the main bases of heavy industry to develop light industry as we can rely on the heavy industry of the brother countries, chiefly in the first period. And in the course of industrialization, we can develop light industry at a rate not too low compared with heavy industry.

What must we do to speed up the development of light industry when we do not have a big capital?

First of all we must develop the indispensable branches to supply the people with food, clothing, medicines, education, etc. We also pay attention to producing a number of high-quality consumer goods for specified requirements, for example for export. Then we gradually raise the quality of our commodities, produce a larger range of items to meet the ever growing requirements of the people, and further increase the volume of exports. Therefore we consider foodstuffs, weaving, wood and paper as the most important branches. They are also the most developed branches because the raw materials they need can be easily found in North Vietnam.

On the other hand our state only invests in those branches whose products cannot be sufficiently turned out by handicrafts and local state-run industry; it only builds the enterprises whose technique of production is complex. Our principle to develop light

industry is that the state reserves an adequate capital to develop the indispensable enterprises, and utilizes the force of all the inhabitants and all the localities to produce consumer goods.

In order to secure raw materials for light industry, we strive to speed up agricultural production, fishery, animal husbandry, and forestry, then to set up vast zones for industrial crops or for stock-breeding. We pay attention to the development of bases of heavy industry turning out raw materials for light industry, first of all the branches producing artificial silk and fibre.

From 1955 to 1961 our production of consumer goods increased nearly fivefold. We have satisfied an important part of the needs of the people in primary consumer goods. This achievement is linked with our correct policy to develop light industry.

The Third National Congress of the Vietnam Workers' Party has stressed:

"Alongside the building of the bases of heavy industry, we must strive to develop light industry, above all the food, weaving and wood-processing industries, to ensure the production of nearly all the staple consumer goods used by the people; and the more the people's life is improved, the more the demand for light industry products grows, and the more we must attend to the development of light industry, the more we must guard against any tendency to neglect light industry, to overlook it, on the pretext of priority development of heavy industry."*

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 19 (English edition, F.L.P.H.).

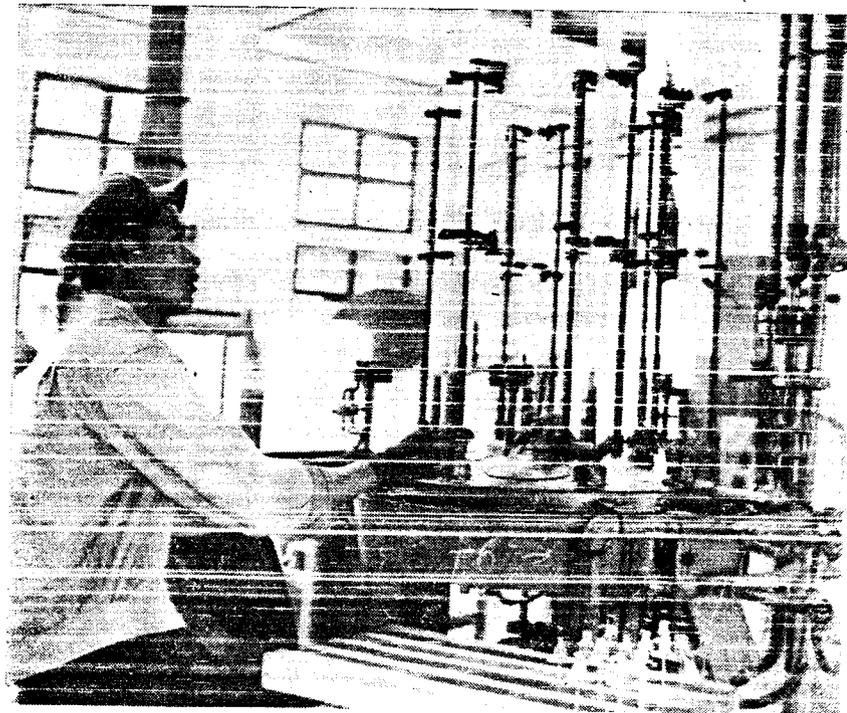
4 — CO-ORDINATION BETWEEN MODERN TECHNIQUE AND RUDIMENTARY METHOD, BETWEEN LARGE-SIZE, MEDIUM AND SMALL-SIZE UNDERTAKINGS

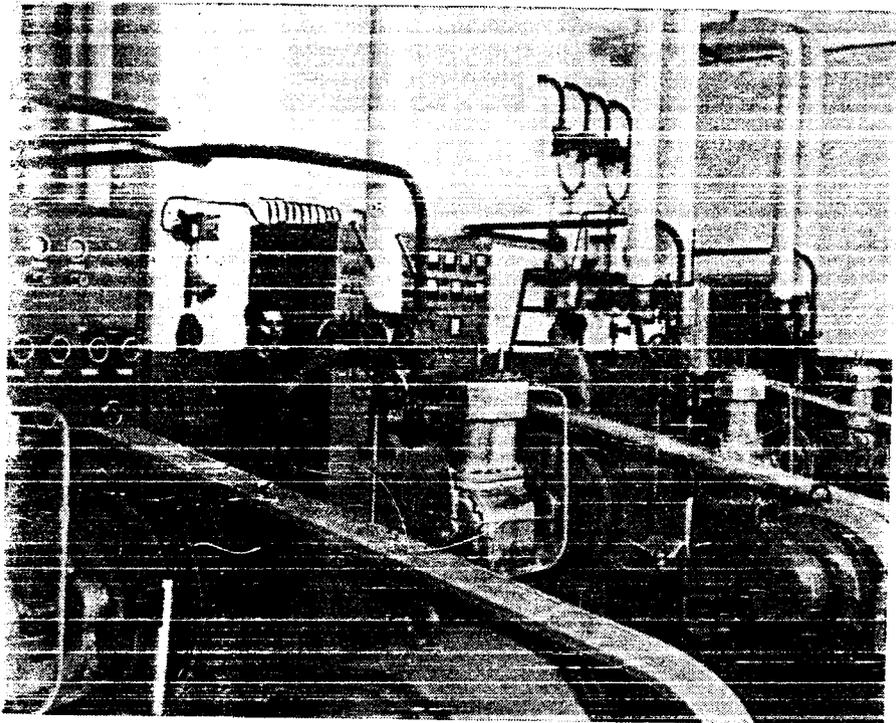
Socialist industrialization is in essence a technical revolution to replace manual labour by mechanization. Only by building and developing a great industry can this task be fulfilled. However in this industrial construction and development no country can go without making full use of the bases of production and technique — though rudimentary —, and at the same time to apply scientific and technical achievements.

Thanks to the wholehearted assistance of the socialist countries, we have been able to build fairly big enterprises and equip them with modern technique. At present, most of the centrally-run enterprises of the major lines are endowed with modern equipment. They have a high productivity and the possibility of making a radical use of raw materials, turning out high quality goods and lowering production costs. They are the nuclei in the building and development of our industry.

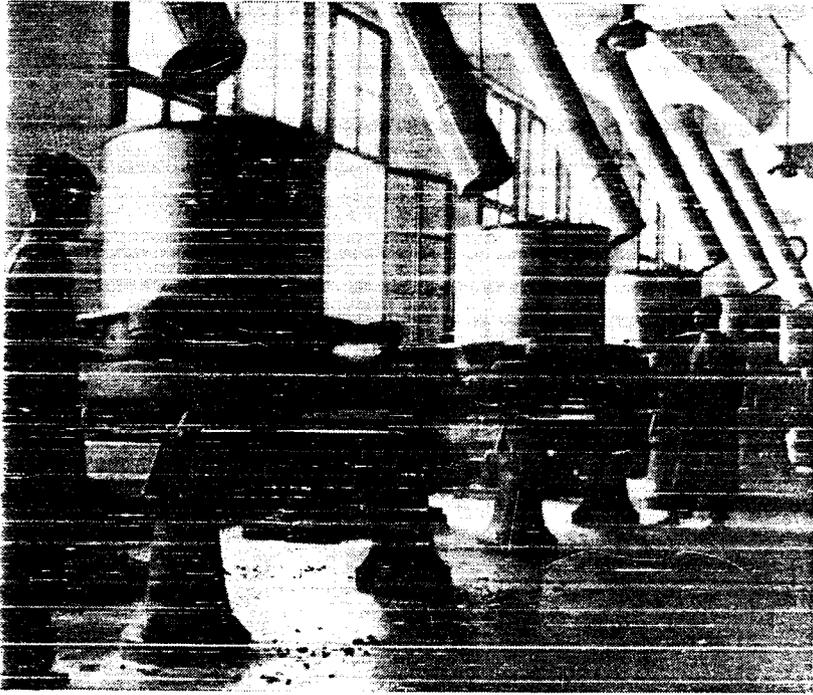
But we cannot rely on these enterprises to satisfy the needs of the people, because, having limited possibilities and natural resources (now under prospection) we are not yet in a position to *build a large number of enterprises*. A problem lies ahead of us: either we go in for the construction of big and modern enterprises when possible, in which case the commodities turned out will be cheap and of good quality but will

Neon tubes made by the Hanoi factory for the production of electric bulbs and vacuum flasks which advantageously replace imported goods





At the Hanoi Fruit-Canning Factory



At the Phu Tho Tea-curing mill

not meet the people's requirements for a long time to come; or we shall build a large number of small enterprises operating by semi-mechanized or rudimentary method. The goods produced by these enterprises will leave room for improvement and their production cost will be rather high, but these factories can be built in great numbers and commissioned rapidly to cater for the needs of the population.

In the regions where natural resources are scattered and agricultural zones not specialized, the setting up of small enterprises is adequate. Besides, these enterprises will make use of the redundant labour in the countryside to raise the income of the peasants and improve the cultural standard of the local population.

Attention has also been paid to the re-habilitation and development of handicrafts, with regard to finance, technique, machinery, equipment, raw material, outlet, personnel, etc.. The state has outlined for the artisans the co-operative path. At the end of 1960, the co-operativization of specialized handicraft bases and of concentrated zones has been basically completed. Up to now, many handicraft co-operatives have been equipped with new machines. Many have been able to turn out commodities unseen before, which require rather an elaborate technique.

With their existing manpower and accumulations, the handicraft co-operatives have gradually improved their technique and expanded production. In certain branches, some of them have gradually been turned into local state enterprises.

Over the past few years, local industries and handicrafts have accounted for a sizable percentage in

the value of industrial output: 17 per cent in 1957 and 55.89 per cent in 1961, handicrafts alone occupying 38 per cent. With regard to the production of consumer goods, local industries and handicrafts engrossed 61.6 per cent. That is why we are in a position to satisfy a notable part of the requirements of production and of the people's consumption. For instance, in 1960 the furnaces in the provinces were able to cover one-third of the home need in pig-iron. Improved farm implements are made chiefly by local workshops. Local industries have been able to satisfy a sizable part of capital construction and communications and transport. In 1960, cotton fabrics produced by local industry represented 45 per cent of the whole production, silks 64 per cent, knitwear 64.5 per cent, paper 29 per cent, sawn wood 79 per cent and soap 33 per cent. There are commodities essentially produced by local industries such as fish sauce and raw sugar.

Though our country is poor and lacks capital over the past few years, it has been able to invest sufficient capital in heavy industry and accelerate the production of consumer goods. This is precisely due to our ability to make the best use of the old bases of production and rudimentary methods and to develop the existing potentialities of our people.

Practice has shown the accuracy of our policy of combining modern technique with rudimentary method and large enterprises with medium and small-size ones, and of utilizing old enterprises with the building of new ones. This policy was confirmed by the Third National Congress of the Vietnam Workers' Party:

"In the course of socialist industrialization our guiding principle in the building and development of industry is: to combine large enterprises with medium and small-size enterprises, to combine modern with rudimentary techniques, to combine the building of new enterprises with the full use of existing enterprises, to combine the development of central industry and local industry. By grasping this guiding principle firmly, we can mobilize and bring into play all positive factors, and initiate a broad mass movement for the development of industry, thereby rapidly laying the foundation of our country's industry." *

This does not mean that we will let small bases of production and rudimentary methods develop without rhyme or reason. Socialist economy develops under a plan. There should be a division of work between the central authorities and the local authorities and between the provinces themselves.

* *Third National Congress of the Vietnam Workers' Party.*
Vol. I, p. 85 (English edition, F.L.P.H.).

IV

CARDINAL MEASURES

To fulfil the above-mentioned task of building and developing industry, the Seventh Session of the Central Committee of the Vietnam Workers' Party has worked out many measures.

Hereunder we only deal with some problems which usually concern the backward countries, such as accumulation of capital, training of cadres, self-sufficiency and self-procurement in co-ordination with assistance from outside.

I — ACCUMULATION AND UTILIZATION OF CAPITAL IN A MOST ECONOMICAL AND EFFECTIVE WAY

In industrialization, capital is an important problem which needs to be solved successfully. On the importance and rate of increase of accumulation depend directly the importance and rate of industrial construction.

Formerly the capitalist countries have solved the problem of initial accumulation for industrialization

by means of exploiting the toiling people in these countries and in the colonies and by unleashing predatory wars.

Today, a number of under-developed countries have asked for loans or "aids" from imperialist countries to finance their national construction work with enslaving conditions harmful to their national independence. We cannot apply the measures used by the capitalist countries, nor do we, for some difficulty or another, fall under the yoke of neo-colonialism. Experiences have shown that only by energetically struggling against imperialism and neo-colonialism of all forms, closely uniting the toiling people, developing their positiveness, distributing and utilizing material wealth rationally, can a big capital be accumulated for national construction. If we depend on imperialism not only our political sovereignty is trampled underfoot but our economic rights are violated, the livelihood of our people not improved and our capital not accumulated extensively.

In the present-day conditions when the world socialist system has come into existence, the newly independent countries can find in it another source of capital for their industrialization and national construction. The socialist countries are ready to afford them assistance in all respects. This assistance is generous and disinterested and has no other aim than to relieve the difficulties of the under-developed countries and create favourable conditions for them to maintain and strengthen their national independence, and constantly raise the living standard of their

people. The assistance of the socialist system to these countries is of a paramount importance and must be secured at any cost. But, however great this assistance may be, we feel it necessary to rely mainly on our own economy.

The rate of accumulation depends first on the rate of production. The planned development of our socialist economy at a high tempo allows us to accumulate bigger and bigger capital. We have also found the branches in which production of wealth can be increased with maximum speed and minimum expenditure. Our country possesses an abundant and valuable mineral resource which we are doing our best to exploit. Over the past few years, we have been able to restore and expand such important enterprises as the coal mine at Hongay, apatite mine at Lao Cai, tin mine at Cao Bang, the cement plant at Haiphong... Thanks to the low expenditure defrayed by these enterprises we are quick in accumulating funds. Sometimes the extraction of these mines has not yet directly served the home need, but through the exchange of commodities with foreign countries we have been able to import primary goods.

It is necessary for us to make use of all the potentialities of our tropical agriculture in order to develop it all-sidedly. At present we cannot regard the value of agricultural goods as rational as it has not yet

* From 1955 to 1965, the Democratic Republic of Vietnam has received aids and loans amounting to 4,229,786,000 dongs of which 1,708,721,000 dongs have been granted by the Soviet Union (not including the Vietnam-U.S.S.R. Friendship Hospital in Hanoi), 1,871,037,000 dongs by the People's Republic of China and the remaining by other brother socialist countries.

reached 30 per cent of the total exports. We must step up food production and rapidly expand the acreage of industrial crops. We are not satisfied that industrial crops represent only 3 per cent of the total value of agricultural output.

Full and rational utilization of the labour force of the people is also a tremendous source of accumulation. At present there is deficiency in this regard especially in the countryside where live the major part of the population. A peasant works only about 150 days a year on the average. If conditions are available for him to work 200 days a year and more, the volume of social wealth will increase substantially. Another measure to make fuller use of the labour force is strongly to develop handicrafts and local industries and to urge the agricultural co-operatives to go in for many-sided occupations. In the division and placing of manpower, we must pay particular attention to the productive branches. At present our administrative organs are quite cumbersome; in enterprises and on construction sites the personnel who take an indirect part in production still accounts for a high percentage. This should be ended as soon as possible. An important measure to raise labour productivity is to improve technique and rationalize production. Technical improvement should be applied first to the links of the chain of production which require a great amount of labour force. Though at present our heavy industry is small, yet we enjoy ample possibilities to rapidly raise our labour productivity. We utilize only 50 per cent of the capacity of

our machinery. At present a worker works only 21 days per month, at 60 per cent of his daily rate.

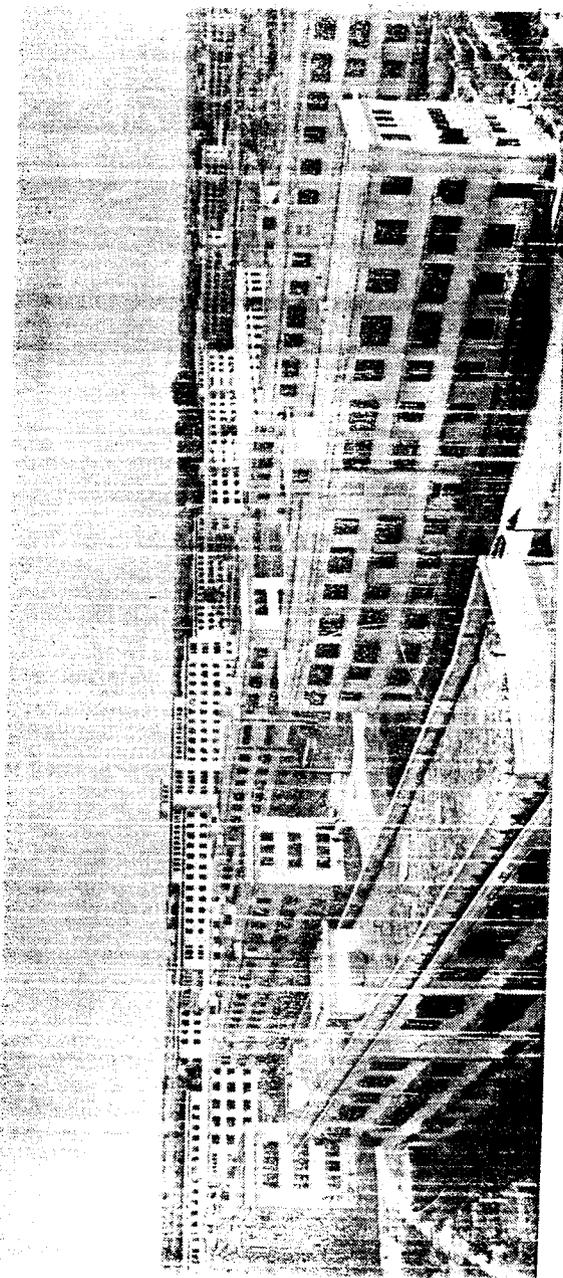
Should we utilize 70 or 80 per cent of the full capacity of our machines, strengthen labour discipline, better the insurance service and improve the working and living conditions of the workers to enable them to work 23 or 24 days a month at the rate of 80 or 90 per cent of their efficiency—as our present conditions permit—surely we shall be able to raise our labour productivity notably.

In agriculture as well as in the mining industry and in forest exploitation, we work mainly by hand and have a backward technique. Should we use machines and apply modern technique in production, or at least utilize improved implements—which is quite possible—our labour productivity would rise rapidly.

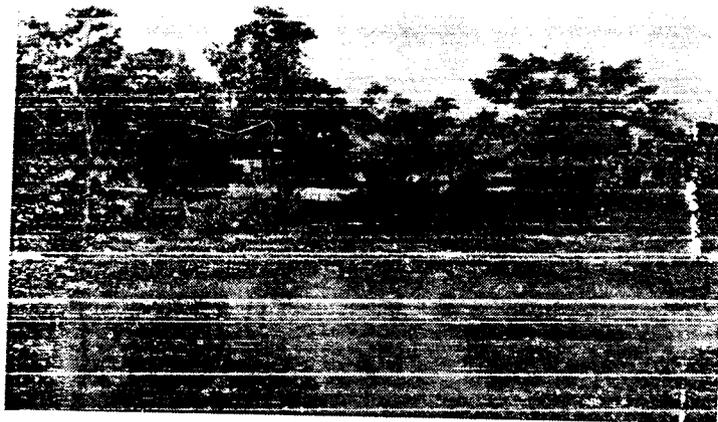
Our people still have a low standard of living. The part contributed by the national income to the state budget is not great. For instance, in 1959, this part represented 17.3 per cent. On the contrary, the share of income contributed by state enterprises to the state budget increases day by day. In 1960, this share represented 58 per cent of the state budget.

Besides we have urged the people to defray part of the expenditures directly needed for their livelihood such as general education schools and first-aid stations; thus the state can earmark more capital for industrialization.

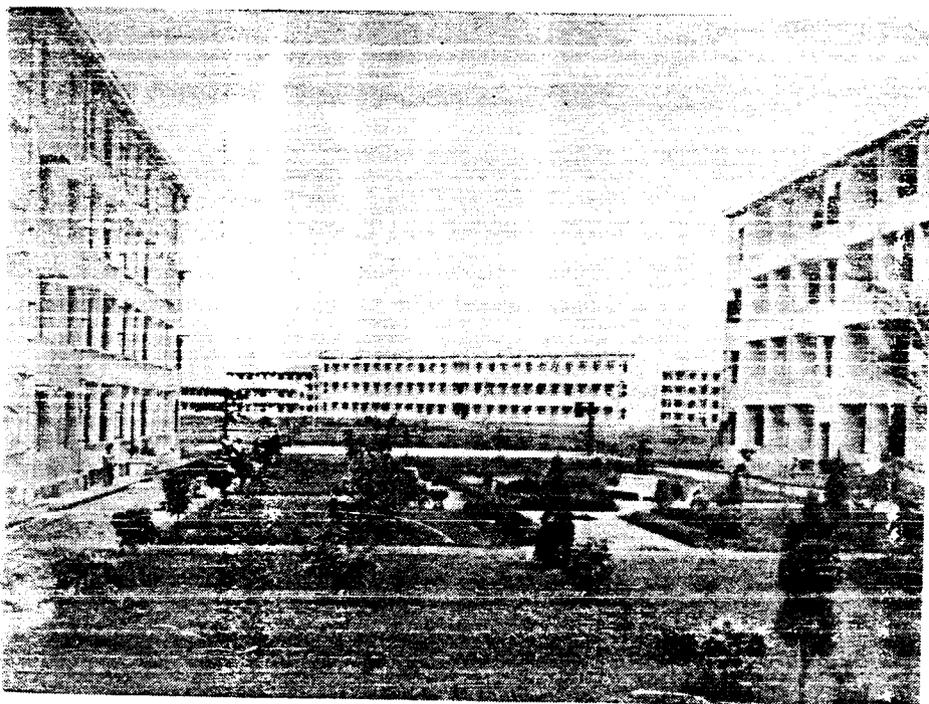
To encourage the inhabitants to deposit their money at the bank is also a form of accumulation. In 1955 the money deposited at saving banks did not exceed



A quarter of the Hanoi High Colleges for the training en masse of technical cadres



Former swamps
have given place
to workers' new
settlements



100,000 dong, in 1961 it amounted to nearly 60 million dong.

To solve the problem of capital needed for industrialization, we have also secured the assistance of our brother countries and co-operated with them in various business undertakings.

The capital thus accumulated should be used in a most efficient way. For this purpose they should be concentrated first in the most important branches, for a disparate utilization of fund would bring about tension in the supply of materials and curb the effectiveness of investments. What will happen for the other requirements if the capital is so concentrated? Sometimes we have to live in want at present so as to be able to satisfy our requirements in the future.

To utilize capital in a most efficient way is also to utilize them thriftily in consumption and especially in production. Thrift is a most important economic and financial policy of the socialist regime.

"In capital construction, if we can save 10 per cent of the outlay on assembling equipment and building, and if in our state factories we can reduce by 1 per cent the costs of production, then in one year we will be able to build dozens of new factories like the Thong Nhat (Unity) match factory or the chinaware factory at Hai Duong."*

In construction as well as in production, it is necessary for us to fix the norms of construction and of utilization of materials and raw materials. In

* *Third National Congress of the Vietnam Workers' Party*, Vol. III, p. 229 (English edition, F.L.P.H.).

construction we are ready to cover all the expenses which are likely to guarantee labour safety for the workers. For all supplementary works, we will curtail the expenses if they do not affect production and labour safety and will avoid any extravagance.

To practise thrift in production is also to do our best to utilize local materials, raw materials and equipment, though for the time being they are not up to the standard of imported goods. By so doing, we shall be able to develop home production and to save foreign currencies to import necessary machines and equipment.

At present we must practise thrift and reserve good quality commodities for export. We are not yet in a position to produce goods in great quantity and of good quality. But we have tried to use local goods within the limit of our production and to import goods from abroad only in case of great pressure, reserving as much money as possible to import machinery and equipment.

However it is not our policy to accumulate capital at the expense of consumption:

" We maintain that there must be an appropriate relationship between accumulation and consumption, that is to say, a relationship conforming to both the economic and political requirements of each period, guaranteeing both the development of socialist economy in the North at a high rhythm and the constant improvement of the life of the people in keeping with the development of production."*

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p.72 (English edition, F.L.P.H.).

In the first stage of socialist industrialization, while social production is still low and our people meet with difficulties in their livelihood we have solved this problem by means of gradually raising the living standard of the people and practising thrift to the utmost.

Well aware of the role played by the toiling people—first and foremost the workers—in industrialization, we are constantly eager to improve their material and spiritual life. The social insurance system promulgated in 1962 guarantees the rights for factory and office workers in case of illness, labour accidents and incapacity, and the rights of women for maternity leaves. In offices, workshops and construction sites, the trade unions take part in discussion and organization, carry out the plans of the state and of their branches, attend to the livelihood of factory and office workers. On the one hand the state constantly applies the principle of utilizing material incentives to encourage the toilers to devote themselves further to their work. On the other hand, through the socialist emulation movement, the state mobilizes millions of toilers to improve technique and surmount difficulties in order to fulfil and overfulfil the state plan.

2 — TRAINING OF CADRES AND DEVELOPMENT OF SCIENCE AND TECHNOLOGY

The training of cadres and workers and development of science and technology is for us an urgent problem which we must solve as soon as possible. We cannot

build and develop industry without a scientific and technical knowledge and without cadres and technical workers.

At its Third Congress, the Vietnam Workers' Party has pointed out:

"Parallel with the socialist revolution in the economic field, we must strongly promote the socialist revolution in ideological, cultural and technical fields." *

and:

"Train and foster cadres for economic construction and skilled workers on a large scale." **

In order to enable us to carry out scientific and technical study and development rapidly, practically and in conformity with our requirements and ability, this work

"must be linked with production; it must serve production and the people's life and at the same time national defence. Our science and technology must be built and developed with focal points and through firm forward steps; with the wholehearted aid and the close co-operation of the brother countries, first of all the Soviet Union, our country's science must strive, within a few decades, to reach the international level. For the time being in the natural and technical science, we must concentrate mainly on the different branches of applied science, combining modern knowledge with the traditional experiences of our nation, while not neglecting the various branches of fundamental science..." ***

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 236 (English edition, F.L.P.H.).

** *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 120 (English edition, F.L.P.H.).

*** *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 94 (English edition, F.L.P.H.).

The training of cadres and workers

"consists in combining training at home with training in the brother countries, training at school with training in enterprise and office." *

We take the training in the country and in enterprise and office as basis.

We have thoroughly realized that science and technology is a ticklish problem, but we do not consider it a mystic branch reserved for a narrow circle of scientists only. Science and technology is the crystallization of experiences gained in productive labour. Where there is productive labour, there scientific and technical research can be conducted successfully. Only by combining productive labour and helping the toilers carry out scientific and technical research, can we develop science and technology vigorously and practically and satisfy the requirements of the people's livelihood. That is why, apart from the research institutes attached to the ministries, we have organized the schools in such a way that they become not only institutions to train and educate the cadres but also to study science and technology. Relying on the educational principle of combining theory with practice, and study with labour, the schools are in a position to fulfil this task.

In practice, at present many schools have become "advisers" of the bases of production.

When there is a hitch, these bases would take counsel with the schools. Many higher education

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 140 (English edition, F.L.P.H.).

establishments have signed contracts to give assistance to the bases of production: the schools study the problems for the production bases or send teachers to train their cadres and personnel. Inversely the bases of production accept the students coming for practical work.

At present each higher education establishment has set up a scientific research council for its cadres. We have also organized scientific and technical study for workshops and agricultural producers' co-operatives. The Hanoi engineering plant and many other engineering works are in a position to blueprint projects of a number of universal or special machines to equip themselves. The technical cadres of the State soap factory have successfully studied the substitution of many imported products by local products.

To raise the scientific and technical level of the people, the Scientific Vulgarization Association has been set up, with many agencies and collaborators in various schools as well as in enterprises and agricultural producers' co-operatives. The State Scientific Board was set up in 1959.

The state promotes and facilitates scientific and technical researches. Those who have achieved successes in these researches are awarded. The teachers are granted a certain time in their schools to conduct scientific researches. Enterprises have set up funds for this purpose.

To develop science and technology and train cadres and workers as many and rapidly as possible, it is necessary first to wipe out illiteracy and gradually raise the cultural level of the people. Only a week after the triumph of the August Revolution was the Mass

Education Department set up. Today illiteracy has been eradicated in town and country and the movement for supplementary education organized at spare time is developing vigorously. General education schools are opened everywhere. Each village runs at least one primary school. In every two or three villages there is one secondary school. Soon after the re-establishment of peace we buckled down to setting up higher education schools and vocational schools. Almost all the enterprises are able to organize scientific and technical courses. Higher education schools and vocational schools have also run night classes and correspondence courses. Those who attend these courses are granted some working hours for study. We have also resorted to the form of apprenticeship to train workers on the job: technicians of brother countries train Vietnamese cadres and workers, technical cadres train ordinary workers and aged workers train the young ones.

We are also anxious to give facilities to the workers, peasants and other toiling people in their study.

During the Resistance War we have opened schools to give supplementary education to the workers and peasants and general schools for toilers in order to foster the cadres, army men and workers and raise their general education in the shortest time. The cadres, army men and workers are given priority to enter higher education schools and technical schools. During their study they draw the same pay and receive the same privileges as when on the job. Besides, the state also grants scholarship to the children of needy families who attend these schools. Thanks to this allocation,

the number of cadres, army men and workers and children of worker and peasant stock enrolled in higher education and vocational schools has risen rapidly.

Experience has shown that the training of scientific and technical cadres from factory workers and ordinary scientific and technical workers, that is to say from those who have been in the trade, has the advantage of gaining time and obtaining higher quality cadres.

Furthermore, we have sent cadres, workers and students to study in the brother countries when the fierce Resistance War was showing sign of drawing to a close. Up to 1960, the brother countries trained nearly ten thousand students and post-graduate students sent for practical training.

Ahead of us, to meet our need in cadres and workers for national construction, we have mapped out a programme on the practical principle of studying what is immediately required and raising the level of the workers gradually. In the training and fostering of cadres and workers in the professional field, we are anxious to give them an ideological education in order to develop our nice tradition and heighten their socialist consciousness.

This large-scale training programme has met with great difficulties, especially in teaching personnel. We have boldly employed and promoted the cadres on the principle of teaching and learning at the same time. We have invited the technicians of the brother countries to train our cadres and improve their technical knowledge. Our teaching personnel has rapidly swollen in rank and grown to maturity. They can teach many subjects in a satisfactory manner.

The rank of our scientific workers, technicians and skilled workers has thus developed vigorously. Furthermore their professional level has been much improved. They are able to blueprint and produce fairly complex machine tools and technical equipment and pieces which require second-degree precision. They are in a position to make projects and install 110kv. high tension lines, and blueprint and build the saw-mill and the oil refinery at Vinh by their own means.

3 — CO-ORDINATION OF SELF-SUFFICIENCY WITH THE ASSISTANCE AND CO-OPERATION OF THE SOCIALIST COUNTRIES

In our era, the existence of the socialist camp and its assistance are a great advantage to the newly independent countries, to their industrialization and the rapid abolition of the backwardness left behind by the colonial regime.

*"With regard to our country, a backward agricultural country advancing to socialism without passing through the period of capitalist development, the assistance of the socialist camp is a necessary and very important factor. We must fully grasp the great importance of this assistance to use it properly, with a view to rapidly eliminating our economic lag."**

However, notwithstanding the devoted assistance afforded by the brother countries, we have seen that we must rely mainly on our own efforts because nobody can replace us in the building of our country.

*"We must not depend on others but must develop our spirit of relying on our own powers to the highest degree."**

** Third National Congress of the Vietnam Workers' Party, Vol. I, p. 74 (English edition, F.L.P.H.).*

During the Resistance War and particularly since the restoration of peace, we have made every effort to secure the assistance of the brother countries. Torn by 15 years of war, our country has received from them rice, cloth, raw cotton, medicines, machines and equipment. They have sent their technicians to help us. Thousands of Vietnamese students and post-graduates are learning in their universities or practising in their enterprises. The brother countries have helped us with the experiences they have learned in national construction and are ready to pass on to us their scientific and technical knowledge. Without this great and valuable assistance, we cannot rapidly heal our war scars and build our country as it is today.

Nevertheless we do not want to depend on others. We have reduced our consumption and reserved from 50 to 80 per cent of the aids granted by the brother countries to buy complete equipment and build and develop our industry. We have endeavoured to make accumulation in our country and gradually reduce our requirement in foreign capital.

PROPORTION OF INCOMINGS MADE
BY THE STATE BUDGET WITHIN
AND WITHOUT THE COUNTRY

| ITEMS | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 |
|-------------------------------|------|------|------|------|------|------|
| Incomings | 100 | 100 | 100 | 100 | 100 | 100 |
| Income derived in the country | 60.5 | 59.3 | 62.2 | 74.3 | 87.2 | 84.3 |
| Aids | 39.5 | 40.7 | 37.8 | 25.7 | 17.8 | 15.7 |

We have endeavoured to produce by our own means to equip ourselves in machines, supply materials and raw materials and buy from abroad what we are not in a position to produce at home or what we have no favourable condition to produce. We have made projects and built a number of enterprises by our own efforts. We should develop further our spirit of self-sufficiency and self-procurement and try not only to blueprint, build and equip not very complex factories, but to produce what we can to equip the enterprises which we cannot build entirely. Only by relying on our own powers can our cadres be matured and the productive ability and natural resources of our country be fully utilized. The aids granted by the brother countries are precisely to afford us the opportunity of relying on our own powers and developing our effective role to the full.

We must also

“create conditions to develop our possibilities in order to help the brother countries in their requirements.” *

“Each country should play an active part in this international co-operation.” *

We should do away with the spirit of depending on others and prevent an unhealthy tendency which consists in highlighting our spirit of self-sufficiency and self-procurement while failing to co-ordinate it with the assistance and international division of labour and co-operation of the socialist countries.

* *Third National Congress of the Vietnam Workers' Party*, Vol. I, p. 74 (English edition, F.L.P.H.).

According to this tendency it should be necessary to produce all the needed commodities, even though the conditions for their production are lacking, believing that by so doing local production could develop at a high tempo and the living standards of the people would be improved rapidly. The first socialist country had to do so as it was encircled by imperialism. But in our era, with the existence of the socialist camp and the international division of labour and co-operation of this camp such an undertaking is not economical and hinders the rate of development of the national economy.

Only by co-ordinating self-sufficiency and self-procurement with the assistance and international division of labour and co-operation of the socialist countries, can the socialist industrialization of our country be developed at a high tempo.

The statesmen and newsmen who have visited the Democratic Republic of Vietnam cannot conceal their surprise at the achievements we have recorded in the economic field.

Danielle Hudebelle, special reporter of the French bourgeois newspaper Le Provençal, a journalist who cannot be suspected of siding with us, wrote,

"What astounds me is the great effort of a people on the move (those we said ten years ago: never would they be willing to fall into line), the striking results achieved in the agricultural field, the cleanness of villages, the number of workshops in operation, the quality of the leaders and effectiveness of their methods. The few Western experts who have witnessed this transformation foretell that some years later, North Vietnam would be the Rhur of South-East Asia."

These successes are all the more striking if one thinks of the ruinous condition of our economy under the colonial regime. Danielle Hudebelle is qualified to make the comparison,

"I knew Tonking twelve years ago, at the time of General de Lattre de Tassigny," she wrote. "A medieval rural population ruined and terrorized by the ghastly war. A delta with two-thirds of cropland lying fallow, as the custom was to import rice from Cochin-China. Fifty per cent of Vietnamese and French landlords and the Catholic church owned

65 per cent of farmland. Four big complexes : the coal mines at Hongay, the textile mill at Nam Dinh*, and the paper mill at Viet Tri, together with some second-rate workshops, accounted for 10,000 workers and technicians, and 23 engineers, without finance, without cadres... As to productivity, it was close to nought."**

The Vietnamese experience is interesting on a double score. Vietnam is an ex-colonial country, it is the first country to shift from colonialism to socialism.

The peoples of former colonies are aware that political independence will be formal and precarious if it is not open to deep-going changes in the economic and social life. To set on foot a balanced independent economy in a short time in order to consolidate political independence and improve the material and cultural life of the people, is a primary task to be carried out after liberation.

However, the imperialists try to induce the leaders of these newly-established states that their countries would be cut out for agriculture and that their industrialization would not be a paying proposition or even would be impossible. Worse still, these imperialists keep in their former colonies the key posts and mainstays which made it possible for them to bring pressure to bear on the governments and undermine the projects of industrialization.

The experience in Vietnam is quite contrary to these hypocritical assertions. It shows that in the present international situation, the struggle put up by the

under-developed countries against neo-colonialism is not doomed to failure. These countries take advantage of the new relation of forces in the world and are favoured with the support of the socialist camp and all the democratic forces in the world. The economic and technical assistance afforded in a disinterested way and without ulterior motive by the socialist countries will enable them to get rid of the economic tutelage of the former metropolitan countries.

However it goes without saying that the struggle would remain hard and should be waged with great energy and method. It involves radical measures to escape the monopoly capitalists' grasp : to carry out the necessary nationalization to hand over to the state the principal economic wheels, set up a broad state sector, establish state monopoly on foreign trade, denounce the monetary and customs agreements which hinder national finance and industry, etc.

Far-reaching democratic reforms would then be needed. First the agrarian reform which will enable to restore land to the tillers while wiping out feudal vestiges, and to release the gigantic potentiality of the peasant masses, the main force of the revolution in under-developed agrarian countries. In fact, industrialization claims a huge force from the entire people. Let us transform the national effort — originating from the struggle for national liberation — into a creative energy for economic construction. This energy is maintained and strengthened only in the unity of the people, only when a political action uses independence as means of promoting economy in the interest of the workers. In Vietnam our industrialization policy is correct and can be

* Let us add : the cement plant at Haiphong.

** *Le Provençal* of March 6 and 7, 1963.

successful because its ultimate goal is to develop the productive forces to a large extent in order to satisfy the ever growing material and spiritual requirements of the whole society. It is at this price that we can impel and unite all the national forces in a wide creative impulse which is socialist emulation.

Such a policy is possible only when a real democratic regime is set up in the country and when it is carried out by a state

*"which consistently upholds its political and economic independence and fights against the new forms of colonialism and the penetration of imperialist capital, a state which rejects dictatorial and despotic methods of government, a state in which the people are ensured broad democratic rights and freedoms..."**

In foreign policy such a state must cement friendship and economic and cultural relations with all the newly independent countries in conformity with the Bandung spirit and establish a trustful co-operation with the socialist countries to struggle together against neo-colonialism, against the manoeuvres of aggressive imperialism and for world peace.

* Statement of the Meeting of Representatives of the Communist and Workers' Parties held in Moscow in 1960.

