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## I. THE NEW CLIMATE IN THE TECHNICAL REVOLUTIONS

### IN THE FACTORIES

(Summary Report on Industrial Plants in Canton and Chungking)

Pages 35-41

Nieh Jung-chen

China's technical revolution centering on complete and semi-mechanization, complete and semi-automation, has entered a new phase. One major objective of this revolution is the rehabilitation of the relatively backward industry and the introduction of mechanization, wherever possible, for the development of the productive capacity of the society. As this movement rapidly expands in the mines and factories, many valuable experiences have been accumulated. On the other hand, a series of contradictions have arisen and must be promptly solved. The following is a description of my impression from a recent inspection of the industrial plants in Canton and Chungking cities.

#### A. Extensive and Rapid Development

The extensive and rapid growth of the technical revolution in Chungking and Canton compares favorably with the great leap forward and the steel production campaign of 1958. Party secretaries at various levels carried out their assignments thoroughly, as they did in the steel production campaign. Many factory managers, shop managers and foremen even carried with them their bed blankets to the work sites. Workers developed innovations as they studied days and nights. Active participants in the technical revolution included not only workers and technicians but also researchers, college teachers and students. Figures pertaining to achievements in mechanization, semi-mechanization, automation and semi-automation of factories and mines kept coming from morning to night, calling for the revision of published data several times a day. Arrangements of the operational departments, information put out by the newspaper and technical appraisals, despite working around the clock, have not been able to catch up with the rapid progress in technical revolution. Workers related: "We are now as excited as in the steel production campaign." Some technicians said: "It is not until now that we have full understanding of the real meaning of revolution contained in the slogan: 'Technical revolution.'"

According to plans of the departments involved, industrial production in 1960 will be increased about 50 percent in Chungking

and 35 to 40 percent in Canton over 1959. Capital investments and output in the transportation industry will be greatly increased. Since industry must give support to agriculture and some manpower must be shifted to newly-established plants, production can be increased only through technical innovations rather than through additional supply of manpower. There were only two plants in Chungking that adopted automation in 1959. The extent of mechanization was very low. Manual labor was dominant in many factories. The situation has changed after a short period of two months. According to preliminary surveys as of 9 March 1960, the industry in Chungking was 48 percent semi-mechanized. It was reported that 11,948 operations have become mechanized, and 22,520 semi-mechanized. 453 operations have been organized in series of machine operations. 7,395 machines have become automatic or semi-automatic in operation. There are 728 production flow lines. All this results in the saving of 55,000 man-days. Canton's technical foundation was rather poor at the beginning. Workers operating with the help of machines accounted for only 24 percent of the total number of workers. Semi-mechanized operations accounted for only 18 percent while manual work accounted for 58 percent of the total operations. Automatic production flow line was nonexistent in the past. After the technical revolution, a preliminary survey showed that, as of 24 February 1960, three small industrial plants became automatic in operation, 5 semi-automatic, 25 shops automatic and 29 shops semi-automatic. There were 144 production flow lines completely automatic, and 274 lines semi-automatic. 605 machines have been converted to automatic, and 1,019 machines converted to semi-automatic operations. 1,972 machines have been converted from non-electric to electric operation.

Judging from the conditions in these two cities, technical revolution has entered a new phase which is characterized by several distinguished features described below:

1. The mass line policy, the leap forward campaign and communization are the three major factors that contribute to the development of 1959 technical revolution being advanced at a speed greater than any other campaigns prior to 1959. Various sectors of the economy, factories and mines, jobs of all description and all personnel have taken part in the revolution resulting in an all-out advancement.

2. Although there were many technical innovations in the past, there was a lack of coordination. In contrast, the recent technical revolution has a clear-cut objective and a well-organized plan; hence, this contributes to its present success. In addition, the present technical revolution has encouraged "hundred experiences to bloom" and established model examples in all key operations for all enterprises. Significant achievements have been made in enlarging the variety of products, improving design, improving technical skills, improving product quality control, installing

new facilities, improving work tools, strengthening labor organization, improving material handling and developing substitutes. Numerous innovations and new discoveries were adopted. We are confident that the productive force will be further expanded if we could coordinate and organize our valuable experiences.

3. Technical innovation and revolution is a process of improving production tools. It is also a process by which the ideology and technical skill of the workers are being constantly heightened. The expansion of recent technical revolution has been a great stimulant to the ideological and cultural revolution within the factory and to the scientific research program of the factory. On the other hand, a series of reforms are needed in the structure and management of the enterprises in order to meet the requirements under improved production tools and higher labor productivity.

#### B. Several Valuable Experiences

Some valuable experiences have been accumulated despite the brief existence of the technical revolution. The outstanding factories generally followed the practices as described below.

1. Mass movement. Since the 1958 leap forward campaign, the factories have developed a mass movement. The mass movement has been largely responsible for the magnificent achievements in the technical revolution centering on mechanization, semi-mechanization, automation and semi-automation. The mass movement is the foundation of technical revolution. Mechanization and automation must depend on the masses. Since the masses are most anxious for mechanization and automation, and since they have the most intimate knowledge of the production process and operation, their thinking and proposals are more realistic. Hence, they must be depended upon for the development of the technical revolution. The Chung-king Chien-she Lathé Plant has these interesting statistics: Out of the 2,000 technical innovation items being worked upon by the plant, only some 98 items were proposed by the engineering personnel. The other 1,900 items were either developed by the workers themselves or jointly by workers, cadres and engineering staff. The several most significant suggestions were first proposed by the workers. Soldiers who have awakened to the purpose of the battle can always manage somehow to fight for ultimate victory. Likewise, the workers who have learned to work for socialism and communism can conquer even the most difficult technical fortress and invent or create miracles. There is no question of the usefulness of the engineering staff during technical revolution. But they can develop their special skill only when they participate in the mass movement and work closely with the masses.

During the technical revolution, work among the masses became more thorough. For instance, in the field conference, the discussion was designed not only for boosting the morale of the people but also for the exchange of experiences and solution of

technical problems. Valuable experiences once demonstrated at the specialized exhibits were immediately introduced to other plants or units. These new experiences were followed up at a surprising speed.

2. Combination of native and modern methods. This means the use of relatively primitive methods in combination with relatively modern techniques. In all factories of outstanding performance, criticism was launched against attitudes favoring the delay of modern installations or looking upon mechanization and automation as a myth. The basic principle is to modernize wherever possible and when this fails, to adopt native methods. Generally we use native methods first and then try to improve and perfect them. This practice is more acceptable to the masses and can be easily undertaken. It solves many difficulties that can be solved ordinarily only with modern techniques. This approach will finally lead to technical transition from a backward state to an advanced state, provided it is guided by scientific theories. The elimination of native techniques in complete favor of modern ones is equivalent to prevent the masses from a chance to take part in the technical revolution, resulting in a slower and more costly progress. In the eastern district of Canton there is a food processing plant. The plant had 43 manual workers and occupies an old workshop of 80 square meters. Rice is being dehydrated in cast iron vats and flour is produced by dropping a hammer on the rice. The entire operation was manual from transport to grinding. Despite heavy manual work, the plant produced only about 100,000 yuan worth of output per month. During the technical revolution, workers enthusiastically introduced a series of changes. For instance, they built an automatic furnace with thin steel plates and used fire bricks. They also built a motor with used motor parts. Timber used in the plant was contributed by the workers. Various processes have been organized into flow lines, such as grinding and washing. Working conditions have been greatly improved. The wood poles previously used for carrying heavy loads, the cast iron vats and wood hammers now become museum pieces. The plant is now operating three shifts, requiring only 18 workers, representing a sharp reduction from the past. And yet the value of the monthly output amounts to 1,120,000 yuan, an increase of 10 times over the past.

3. Self-sufficiency. In order to accomplish mechanization and automation, the plants and mines must try to be self-sufficient. In other words, the existing equipment must be fully explored and utilized in all attempts toward improvements or innovations. They must put greater reliance on their own resources rather than depending on others. They should fully utilize the resources at their disposal, even when their needs involve specialized machinery. The production, installation and modification of machines should depend on the plant involved rather than outside sources. This

principle has been followed by the workers in the plants located in Chungking and Canton. Workers of these two cities largely depended on themselves for finding solutions to a series of problems involving designs, material, experiments, installation and inspection. Experiences prevailing in Chungking and Canton also indicate that the plants could solve their problems with their own resources, provided that they follow the party's mass line policy and adopt both modern and native techniques.

Of course, self-dependence must be supplemented by proper coordination and necessary support, particularly for small plants. Some valuable experiences were achieved in Chungking and Canton in this regard. In Canton, coordination was organized by district and by industry. Exchange of machinery and materials took place among the plants and shops. Plants of greater capacity must come to the assistance of smaller plants. In Chungking, cooperation was organized within an industry and among industries. During the technical revolution, the municipal party committee authorized dozens of tons of steel plates to the plants for the manufacture of small motors, in order to solve the shortage of electric motors in some other plants. In addition, constant exchange of experiences took place in the form of exhibit, open competition, coordination campaign, technical clinic (for organizing technical personnel to visit plants that needed help), inspection tours, etc. All this serves to consolidate and develop technical experiences and contributes to technical advancement.

4. Cooperation among the workers, management personnel and technical staff within a plant. According to a preliminary survey of 44 plants in Chungking, there are 3,200 groups organized for the purpose of pooling together these three types of personnel. About 50,000 persons were involved in the cooperative efforts. Another form of cooperation is the coordination among industrial plants, colleges and research institutions. This form of cooperation is more appropriate for the review of experience, development of long-run plans and improvement of major technical operations. Cooperation within a plant and outside the plant has contributed to the technical achievements in the technical revolution.

5. Coordination of immediate and long-run technical programs. During the technical revolution, we first concentrated our manpower on eliminating the weak spots characterized by low productivity and the requirement of more labor such as in excavation, crushing, transport within and outside a plant, loading and unloading, casting, fabricating, welding, installation, weight lifting, packing and earth moving. However, in making immediate improvements, we must also consider long-run requirements, particularly involving plant design and floor arrangement. Solutions of immediate problems must be consistent with long-run technical requirements.

In technical revolution, emphasis must be given to not only



parts of a process or an operation but also to the process in its entirety. Partial improvements of a process, a machine or an equipment must be undertaken with a view toward improving the entire process, machine or equipment as a whole.

### C. Continue to Break Old Balances and Create New Ones

The development of technical revolution requires the destruction of old balances and the creation of new ones. We must not be satisfied with the status quo.

The saying, "the severer the poverty, the more intense a revolution is needed," also applies to the present technical revolution. Generally speaking, the small plant is more enthusiastic and makes better progress in the revolution than the larger plant. This is partially due to practical reasons such as the relatively simple structure of the small plant and the fewer problems for a small plant in making changes, etc. But the main reason for the difference is one of ideology. Within the same plant it always happens that the shop which had lower productivity and poor working conditions is usually the most determined and courageous one in carrying out innovations. One machinery plant in Chungking has a transport division consisting of only 5 truck repair mechanics. But this division completed transport mechanization in only several days. In contrast, the casting shop of the same plant was behind in the speed of mechanization despite hundreds of workers and fairly good mechanical equipment. These "poorer" divisions are generally weak links in the operation. But they usually catch up with other divisions and create new balances after innovations. Some of the divisions which had been strong divisions have since become weak links as others advanced.

The following is a description of the emergence of a mechanized or automatic production line. It began with the innovation of one specific machine or process alone. Generally the supporting manual operations were the first to be mechanized (such as loading, unloading, starting and stopping). As a result, the efficiency of this particular machine became conspicuous. This created a demand for improving the processes before and after this newly improved process. After a series of processes was improved, there was a need to reduce the time required to haul the goods among the machines and shops. This compelled a new coordination among several units of machine or process. Thus, an automatic production line emerged as a result of the chain reactions from the improvement of one process or one machine. All this shows that during this revolution we must not be afraid of the new situation brought about by the advance link breaking through the old situation and creating an imbalance. We must not hold the advance unit down and slow the progress. This negative attitude exists among the engineering staff and administrative personnel. Some of them are skeptical of the necessity of automation. They doubt the merit of improving one link and favor only an all-out automation.

This attitude is obviously unfavorable to technical progress. What the workers said is true: "If the management sets our hands free and gives a 'go' signal, we will be brave; when we become brave, difficulties will disappear." It is also true that "we must enable the short persons to grow into tall ones rather than cut the tall ones into half."

#### D. Growing Production Requires Adjustment of Production Relations

As production rapidly develops, bringing changes in work tools and working conditions, we must develop a set of new production relations in order to be consistent with the new conditions and further stimulate production. There is a whole series of problems in this respect as described below.

##### 1. Product specialization and internal reorganization.

Mechanization and automation require product specialization under which a specific type of product must be produced in large quantities. A production flow line can hardly be established if it involves the production of a variety of products at minor quantities. This calls for proper division of labor or specialization among the plants. However, product specialization is in conflict with another objective: the introduction of a variety of new products. This conflict exists especially in the machine building industry. Solutions for this problem which have been worked out are described as follows:

a. Concentration of the production of standardized parts such as screws and tools for greater economy as is done in Chungking City.

b. The application of product standardization to parts, products and machines. We should try to use standardized parts for different products. Furthermore, in modifying machines, we must so design that they can process different parts. Standardization of machine parts will facilitate mechanization and automation.

c. Reorganization of the shops and process. For instance, after standardization of parts, the Chien-she Lathe Plant in Chungking reorganized and assigned the production of standard parts, which were produced previously by many shops in many processes, to one shop or one process. Rearrangement was also made for the production of those parts which are not adaptable to a single process or volume production. The reorganization of the shops and processes has resulted in higher efficiency and paved the way for mechanization and automation.

##### 2. Production planning, organization and coordination.

After mechanization and automation the old equilibrium was upset. As a result, the production links may be out of alignment because of poor coordination. Some parts may be in surplus while others are in short supply. Imbalance may exist among the processes and workshops. The production organization may not suit the new situation. The supply of raw materials may become a problem after automation. All these problems require an adjustment of the production

planning and organization. After automation the processes are tightly linked to one another, thus requiring better coordination. Hence, administration must be strengthened and every measure taken must be precise and correct. Personnel in the administrative division or section must visit the workshop personally and study how to improve management. Workers should be brought in to take part in management. After a period of time, it is believed that factory management will be improved, corresponding to the needs of technical revolution.

3. Problems related to labor and wage policies. There is no doubt that, while automation brings economic crisis and unemployment under capitalism, the same will bring greater production and happiness to the workers under socialism. In all factories involved in technical revolution, the working conditions have been improved and heavy body work has been reduced greatly. However, we must find solutions for new problems. As a result of automation, some workers changed jobs (for instance, some manual workers became machine operators, etc) and require training and proper transfers. Many workers who were replaced as a result of mechanization must be transferred to new plants, necessitating indoctrination and organization. Generally speaking, in transferring workers, we must consider their specialization so that they may utilize their skills after being transferred. Otherwise, we should give them adequate training so that they may learn the skills required by their new jobs. If we cannot master the technical skills, it is better not to have automation. Automation requires accuracy and precision. This means that the engineers and workers must acquire higher skills through training. With respect to wage administration, automation will have little effect on a wage system based on a time period. Necessary adjustment should be made when the workers are paid on a piece-work basis after automation is introduced. In dealing with wage problems we should give emphasis on ideology rather than material incentive. Sole reliance on material benefit as an incentive will hamper the development of automation.

#### E. Technical Revolution is a Continuous Movement

The future outlook of the technical movement is like this: the present is only a beginning. It is a good start and an important one. It must continue, moving forward in great strides. After the preliminary achievements in mechanization under the guiding principle of self-sufficiency and combined use of native and modern methods, many jobs remain to be done involving complete sets of equipment and series of processes. To accomplish this gigantic task we must constantly review our technical experiences and set forth new objectives. The introduction of mechanization and automation lightens manual work and shortens also the time of work, hence preparing the way for improving the technical skills and cultural levels of the workers.

As the industrial plants are equipped with better machinery and workers with higher skills, industrial technology will advance to a higher stage. This is undoubtedly a necessary stage in the industrialization of our country. Technical revolution by means of a mass movement for achieving mechanization and automation is a new and lively event in the socialist struggle. The revolution will continue to grow and its future is unlimited.

(Written on 16 March 1960 in Chongtu.)

## II. THE CURRENT ACCOMPLISHMENTS OF VIETNAM

### IN SOCIALIST REFORM AND CONSTRUCTION

Pages 45-49

Ho Wei

On 2 September 1945, a shining star rose in the sky of Indo-China. The Vietnamese people, after having been ruled by French and Japanese imperialists for some 80 years, finally created their own democratic republic under the Vietnamese Labor Party. Since then this young republic has progressed in lofty, determined and courageous steps for 15 years. This period has been marked by one victory after another, and has been full of numerous beautiful and moving episodes.

The birth and growth of the Vietnamese Democratic Republic came as a result of bitter and roundabout struggles. Not long after the founding of the republic, the French colonists, who had been chased out of Indo-China by the Japanese Fascists, again invaded Vietnam under the help of United States and British imperialists. They hoped to regain their colonial rule. But, as soon as they landed in Vietnam, they received head-on blows from the Vietnamese people. The French invasion army suffered heavy damages during the war that lasted for 9 years. After the world-famous battle at Dienbienphu in May, 1954, the main French force was knocked out by the Vietnamese army and the French were compelled to sign the Geneva Agreement recognizing the political and territorial integrity of Vietnam, thus restoring peace in Indo-China. Since then the Vietnamese Democratic Republic has completed land reform and restored the economic order. This was followed by a socialist revolution and construction. Meanwhile, the Vietnamese people, under the leadership of the Labor Party, were resolute in opposing the subversion of Wu-ting-yen (Ng ting-yen?) which aimed for the partition of their mother land under the guidance of United States imperialism. They continued a never-ceasing struggle for the peace, unity, independence and democracy of Vietnam.

The Vietnamese people encountered tremendous difficulties after the restoration of peace in 1954. The Vietnamese economy had been very weak after long exploitation by French and Japanese imperialists. It had suffered from the 9 year war. The economy became even more chaotic because the retreating French army destroyed numerous irrigation systems and demolished large industrial installations, and because the Ngo Dinh Diem clique used threats and bribery to incite the northern residents to migrate to the south. In the meantime, the imperialists conducted various subversive activities designed to overthrow this young republic. Under the correct leadership of the Labor Party, headed by Chairman Ho Chi-minh, and with the assistance of the Soviet Union and

other brotherly states, they developed the tradition for bitter struggles and continued to fight with great determination. During this period the Vietnamese people have completed two great events of historic significance. First of all, land reform was successfully completed. Even during the war against the French in 1953, the republic started land reform. This reform was expanded to the north by the time peace was restored. As a result, the agricultural population of 9,000,000 received 810,000 hectares of land. Next, the new republic has restored agricultural and industrial production. In 1957, rice production reached 3,950,000 metric tons, exceeding the peak production of 2,400,000 tons under the French rule. In addition to restoring damaged plants, 50 new industrial plants and mines have been founded, some of which are equipped with modern equipment. Industrial output grows rapidly. If one places the industrial output for 1955 as 100, the index for 1957 was 934. Remarkable achievements were also made in transportation, commerce, handicraft, culture and education.

Since 1958, the Vietnamese people have entered a new stage of socialist revolution and reconstruction. The Vietnamese 9th Session of Congress, acting on the proposal of the Labor Party, passed a Three-Year Plan for economic and cultural development (1958-1960). The major objective of this plan is to complete the preliminary socialist reform of agriculture, handicraft, and capitalist industrial and commercial enterprises, to develop agriculture and industry with priority being given to agriculture, and to improve further the living standard of the people, especially the working people.

In order to fulfill this plan, the Vietnamese Labor Party has strengthened political leadership, socialist education and relations with the masses. Hence, the revolutionary enthusiasm has reached new heights. Labor productivity has increased in cities and villages throughout the north. Various norms have risen. The Vietnamese people have made magnificent achievements in their efforts to fulfill the Three-Year Plan. They have brought significant changes to the economy.

The Vietnamese Labor Party and the democratic government have given priority to socialist reform, centering on agricultural cooperation. The Labor Party's policy toward rural classes may be summed up as follows: "Definitely rely on poor peasants and lower middle peasants, unite with middle peasants, restrict or even eliminate economic exploitation by rich peasants, reform the ideology of the rich peasants, prevent the emergence of landlords, continue to reform the landlords through labor and resolutely guide the peasants to socialism through agricultural cooperatives." Under the correct leadership of the Labor Party and the Republic Government, 65.5 percent of the rural households in the north have participated in the mutual-aid teams and 5 percent participated in the farm cooperatives during 1958. After indoctrination of

the masses, agricultural cooperative movement has developed rapidly. Thus, during the second half of 1959, 45.4 percent of the rural households have joined the cooperatives.

Great progress has also been made in reforming capitalist industrial and commercial enterprises. During the economic recovery period, the Vietnamese Government adopted policies of "utilizing, limiting and reforming" to guide the capitalist enterprises into an integrated part of the welfare economy. Government purchasing contracts, sale contracts and processing contracts were widely adopted for the development of state capitalism. A higher form of organization, the semi-public ownership, has been used since 1958 for the reform of the capitalist enterprises. By the end of 1959, 45 percent of the private enterprises have become semi-public ownerships.

The reform of handicraft industry, which is rather developed in northern Vietnam, has accomplished many remarkable achievements. According to data up to the end of 1959, about 65 percent of the handicraft enterprises have joined various cooperatives.

While socialist reform is progressing, significant achievements have been made in socialist construction. In the field of agriculture, a series of measures were taken to increase production. These measures included irrigation, fertilizers, seed improvement, intensive cultivation, close planting, control of insects and pests, improvement of farm tools and farm management. The irrigated area has doubled as a result of various methods such as water storage system, small irrigation projects undertaken at local levels and others. In 1959, various irrigation projects amounted to 84,850,000 cubic meters of earth work as compared to 20,460,000 cubic meters for 1955. This represents a manifold increase from the average 1,000,000 cubic meters of work under French rule. All this has contributed to the increase in the agricultural production in northern Vietnam.

1959 is a year of unprecedented bumper harvest in northern Vietnam. Despite long periods of droughts, floods and other natural calamities, rice production in northern Vietnam still amounted to 5,194,000 tons, which was more than double the peak production under the French rule. The unit yield amounted to 2,300 kilograms per hectare which is almost double the highest yield, or 1,307 kilograms, under the French rule. This yield figure not only exceeds that for southern Vietnam where land is more fertile but also exceeds Thailand and Burma in terms of average yield per hectare or per capita. In short, northern Vietnam ranks first as a rice producer in Southeast Asia. This is a startling accomplishment. In the past the imperialists had predicted that Vietnam could not solve its food problems. This wishful thinking has been contradicted. In a relatively short period of time, Vietnam not only has solved its food problems

but also produced a surplus every year for export.

Much good news also came from the industrial front. The managerial reform of enterprises, which has taken place since the end of 1958, is worthy of notice. After this reform, a system proposed by the Labor Party for giving greater responsibility to the manager, who is under the guidance of the party committee, and for providing for workers' participation in management has been established. This system has served to improve the socialist consciousness of the workers and to improve also the leadership function of the managerial personnel.

According to data covered up to the end of 1959, the value of industrial production contributed by the state enterprises has increased 16 times from 1954. The value of handicraft and capitalist enterprises has increased at the rate of 30 percent per annum. The share of industrial output among the gross national product has increased from 25 percent in 1955 to 37.1 percent in 1959.

In 1955 there were only 17 state-operated industrial enterprises in northern Vietnam. The number increased to 108 by 1959. During 1959, there was one capital investment project being completed every 5 days. These projects which are mostly equipped with modern machinery include machinery, electric generating, sugar refining, enamel, sawmill and rice processing plants. In the meantime, many new industrial cities and towns have emerged. In 1960 construction began on an iron and steel combine. When this combine is completed, an era characterized by the absence of steel production in Vietnam will come to an end.

Local industry in northern Vietnam also registered remarkable achievements. According to data for 1959, there were 500 local industrial enterprises.

As industry developed rapidly, Vietnam has begun producing machines which she could not produce in the past, including multi-purpose machine tools and parts, rice-grinding machines, brick and tile molding machines, seed sowing machines, and tug boats of 360 horsepower. Various consumer goods such as textiles, knitted goods, stationery, plastics, enamel, etc., are being produced. Thus, northern Vietnam has not only altered its economic backwardness inherited from colonial rule but also has laid the foundation for a socialist economy.

The growth of agricultural and industrial production has stimulated Vietnamese domestic and foreign trade. Retail volume in 1959 increased 99 percent over 1955. The share of socialist enterprises in total domestic trade volume has increased from 29.9 percent in 1957 to 62.5 percent in 1959, thus insuring market stability and an adequate supply of consumer goods. The volume of export shows increases every year. Thus, the value of 1959 exports increased 8 times over 1955. The share of consumer goods



among total imports has decreased year after year. Thus, the value of consumer goods accounted for only 13.3 percent of the total imports.

Vietnam also develops its education, culture and welfare at a great speed. Under the French rule more than 80 percent of the population were illiterate. This situation has completely changed. As a result of a vigorous campaign, illiteracy has been completely eradicated in the plains area since 1958. Since that year adult education has become a popular mass movement. School education also expanded rapidly. In 1959 the number of students who have received universal education was 2.5 times that under French rule. The number of college students was 13 times that under the French rule. The composition of students by social classes has changed significantly with a rising number of students coming from the working and peasant classes. With regard to health facilities, the number of hospitals and clinics increased twofold from the time of the French rule. The number of physicians was twice as many for the whole of Indo-China under the French rule.

The living standard of the Vietnamese people has improved year after year as industrial and agricultural production has increased. Unemployment has disappeared. In 1955 the per capita national income amounted to 120 yuan. It increased by 90 percent to 227 yuan in 1959. During 1955-1959, per capita rice consumption increased from 115 kilograms to 172 kilograms and meat consumption from 3.4 kilograms to 7.4 kilograms. Wages of workers and staff increased annually, as did the state welfare expenditure, bonuses and social insurance.

1959 is the last year of Vietnamese Three-Year Plan and is also a year for making adequate preparation for its First Five-Year Plan. The value of industrial and handicraft production for 1960 will increase 19.2 percent over 1959. Rice production will increase by 250,000 tons. Basic socialist reform is scheduled to be completed during 1960. At present the people of Vietnam are taking various measures to complete their Three-Year Plan and to celebrate the 15th anniversary of the founding of the republic. Under the leadership of the Labor Party, which has had long experience, and with the assistance from brotherly states, the people of Vietnam are going to achieve the most splendid victory.

It is not an accident that the young Vietnamese Democratic Republic has achieved significant gains in changing the outlook of their country in only several years. Such achievement is owed to the correct leadership of the Labor Party headed by Ho Chih-minh, and also to the diligent and brave people who have taken part in the struggle. The significant accomplishment of Vietnam demonstrates fully the supremacy of the socialist system.

However, within the same Vietnamese territory, southern Vietnam is in a miserable state under the rule of the United

States and Ngo Dinh Diem group. According to the Geneva Agreement, a national election was to be held in July, 1956, for the purpose of uniting the country. However, this provision was not carried out by the United States-Ngo Dinh Diem group. Since this group favored rearmament, southern Vietnam has in fact become a United States colony. United States economic and military aid for the past several years amounted to more than \$1 billion. There are more than 40 United States air bases and 10 naval bases in southern Vietnam. Under the orders of United States military officers, the Ngo Dinh Diem group frequently conducted military campaigns in recent years and prosecuted former veterans and slaughtered the patriotic people. They also forced the people to leave their native towns and concentrate in the so-called "density area," only to be enslaved.

The United States-Ngo group has brought great disasters to the people of southern Vietnam through their military expansion. Southern Vietnam has fertile land. It was famous for its rice, the production of which reached as high as 4 to 5 million tons in the pre-war period. But now, under the colonial policy of the United States-Ngo group, the rice crop has decreased year after year. For instance, rice production in southern Vietnam was only 2,940,000 tons, equal to approximately half of that for northern Vietnam.

Trade and industry in southern Vietnam is also in a state of depression. Textile and sugar refining industries, two of the most important industries for southern Vietnam, have been in a state of crisis because of competition from foreign goods, particularly goods received as aids. Textile plants suspended operation in large number. Cotton cloth production has sharply decreased. Sugar production was only 25,000 tons in 1958 as compared with 60,000 tons in 1939. Depression also hit hard the light industry and handicraft industry including salt, matches and cigarette industries. The trade deficit accumulated annually, three-quarters of such deficit being met by United States aid.

The living condition of the southern Vietnamese people is worsening every day. Unemployment looms large. There is a food shortage in the rural area and famine prevails. There were numerous instances of children being sold by their parents. United States' adventure stories and yellow journalism are corrupting the youth. The entire southern Vietnam has become a dark and crime-stricken world. The southern Vietnamese are now more eager to go to the north for the struggle for uniting their mother land as they have become more and more aware of the reactionary nature of the United States-Ngo group.

Vietnam is a nation of integral territory. The first sentence of the Vietnamese new Constitution declares solemnly in these words: "Vietnam is a united country from Liang-shan to Chin-ou." Since the restoration of peace, the government of

northern Vietnam has made unceasing effort for peaceful unification and independence. However, the United States-Ngo Dinh Diem group openly made military preparations in violation of the Geneva Agreement, and obstructed peaceful unification. In the meantime, they provoked a tense situation, threatening the peace of Indo-China and Southeast Asia. The Chinese people and people of the world are resolutely opposed to the criminal acts of the United States-Ngo group as described above. Our government has, on several occasions, declared its support for the government of the Vietnamese Democratic Republic and the people of Vietnam in their struggle for the preservation of the Geneva Agreement and for the unification of their mother land. We firmly believe that the holy territory of Vietnam will be united and that the conspiracy of the United States-Ngo group will be defeated.

China and Vietnam are two brotherly socialist states. Both have common boundaries. As stated by Chairman Ho Chih-minh, we depend on each other as do the lip and the teeth. Our two peoples have developed a profound friendship. In the struggles for national independence and against imperialism, our two peoples offered mutual sympathy and support, thus developing a close relationship as between two brothers. Our friendly relationship has been developed one step further after both countries had overthrown imperialist rules and established peoples' governments. In 1959, both countries signed long-term trade agreements and cultural exchange agreement in order to strengthen their economic and cultural ties. Exchanges of visits of government leaders have played an important role in strengthening the friendship and co-operation between the two countries. As the relationship between the two countries becomes closer day after day, friendship between our two peoples will fully develop. Since both China and Vietnam are members of the large socialist family headed by the Soviet Union, the consolidation and further development of the friendship and unity between the two countries has made, and will continue to make, significant contributions towards the safeguard of world peace and the strengthening of the unity within the socialist camp.

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