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NORTH VIETNAM MINISTER OF INDUSTRY EXPLAINS PARTY POLICY
FOR ECONOMIC REHABILITATION AND DEVELOPMENT

by Le Thanh Nghi

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NORTH VIETNAM MINISTER OF INDUSTRY EXPLAINS PARTY POLICY
FOR ECONOMIC REHABILITATION AND DEVELOPMENT

Following is a full translation of excerpts from a speech delivered by Le Thanh Nghi, member of the Politburo of the Central Committee of the Vietnam Lao Dong Party and Minister of Industry, at the Military Political School of the Vietnam People's Army. These excerpts were published in the 18 February 1960 issue of the Army newspaper, Quan Doi Nhan Dan.

The feudal colonialist regime and 15 years of war had left our people with a backward agricultural economy and a tiny, crippled industry.

After peace had been restored, in the former free zone, such big factories as the Truong Thi Railway Cars Repair Shop, the Ben Thuy Match-making Factory, the Thanh Hoa Power Plant, the Ham Rong Fertilizer-making Factory, etc... were destroyed during the Resistance period. In the former occupied zone, some factories were destroyed by the enemy and some others, dismantled. The remaining ones either had their production interrupted or still continued their production but with very poor limited output. Most small industries also stopped their production. By the end of 1954, in the people's economy, agricultural production was given top priority. At present, industry as a whole takes only 1.5% of the national production. This percentage, as compared to that of other fraternal countries, is very low:

<u>Vietnam, 1954</u>	<u>China, 1949</u>	<u>Korea, 1954</u>
1.5%	17%	42.4%

In the past, due to the fact that the French had held back the development of our industry, they did not set up any industries in the field of manufacture of machinery, iron, steel, and chemical products. Therefore, we now have to import from abroad machinery and all kinds of material to be supplied to our industry. Such a situation was responsible for our shortage of agents, skilled technicians, and for our poor technological and scientific ability.

Socially speaking, the people were to face many difficulties; consumer goods became more and more scarce; upon their withdrawal, our enemy -- the French -- left behind over 10,000 unemployed in the cities; in the countryside, famine broke out in many areas due to droughts and floods.

With such an economic situation, what has been our Party's economic policy during the period of economic rehabilitation?

The decision of the September 1954 Politburo Conference points out: "During the period of rehabilitation, we must have full control of the rehabilitation and development of agricultural production. It is the key and basis for improving the people's living standards, for economic prosperity, for the increase of transportation of goods...." In other words, considering the characteristics of the economic situation in the North of our country, our Party has decided that the rehabilitation and development of our agriculture is the deciding factor in the rehabilitation and development of our economy. We began our industrial development with the development of our agriculture.

Under the Party's correct leadership, our people have achieved success in agricultural production -- the 1957 rice output was 45% larger than that of 1939 -- as a result of which industry and other fields of economic activities had the very conditions favorable to their rapid restoration and development and the people's living was stabilized and to some extent improved.

The year 1957 saw the end of the period of rehabilitation; 1958 marked the beginning of the 3-year plan of economic rehabilitation and development. The Party Central Committee has this recognition: during the period of rehabilitation, our people have achieved a great deal of important successes, but the economy of the North has been far from fully restored. In a basic sense, it is still that of a backward agriculture. In the national production in general, our industry, as it is at present, represents only about 10% of all activities. Our heavy industry has barely begun establishing its foundation. The development of agriculture still has its deciding effect upon the development of all fields of activities in our state-owned economy and upon the improving of the people's living standard. Therefore, the Party Central Committee still maintains that the development of agriculture be the main object in the 3-year plan.

The Party's policy has led to many remarkable results. In 1958, the rice output was 15% larger than that of 1957; that of 1959 was 13.4% larger than that of 1958. In the past years, the cultivation of industrial crops was rapidly increasing, too. As compared to the year 1939, 1959 showed the following increase: cotton, more than 6 times greater; jute, 18 times greater; peanuts, 10 times greater. As we compare ourselves with our fraternal countries, we find that our agricultural production has increased relatively fast.

In its first 5-year plan, China had an average increase of 4.3% each year in agriculture, an increase of only 1.6% in the food production of 1953 as compared to 1952, 2.3% in 1954 as compared to 1953, 9% in 1955 as compared to 1954. The year 1958 witnessed the biggest increase -- 35% as compared to 1957. An 8% increase was recorded for 1959 as compared to 1958. In the Soviet Union, in its first 5-year plan, food production in 1930 increased by only 1.6% over the 1929 mark; the same production increased only 0.4% in 1932 as

compared to 1931, 22% in 1933 as compared to 1932. In Bulgaria, during the 5-year period from 1953-1957, although agricultural mechanization had reached a pretty high level, wheat production increased only an average of 7.7%.

Some comrades maintained that from 1958 on, we should have switched our concentrated activities to developing agriculture in order to boost our state-owned economy. Such an opinion was not right as we had to consider our country's actual situation. We had to distinguish between ability and reality. Industry is the motive power for all lines of economic activities; such is true. But the situation of our country at the end of 1957, with a general lack of strength, would not have allowed our industry to play the main part in the people's economy. In order to develop our industry, we still had to start with the development of agriculture as a basis for industrial development. The important achievements in agricultural production and their enormous effects upon other economic activities during the past few years have proven that the Party's policy was right. Had the Party not decided to concentrate on the development of agriculture and done its best to strengthen the leadership in the field of agricultural production, we could not have solved our food problem and provided enough food for the people, we could not have had enough agricultural products to supply our small industries and foreign trade, the industrial market in the countryside could not have been expanded this far, without having had effects upon the development of industry and other economic fields and upon the improvement of the people's living.

Now let me talk about the Party policy for industrial rehabilitation and development during the period of economic recovery and in the 3-year plan. During the period of economic recovery, our Party considered as the main goal the rehabilitation and development of agriculture, but at the same time attached great importance to the rehabilitation and development of industry. The resolution of the Politburo in September 1954 makes it clear: "We must attach great attention to the recovery of industry and commerce, enable the existing private and governmental enterprises to continue their business...." To help our country's industry recover rapidly, the Party Central Committee and the Government early in 1955 requested the assistance of the Soviet Union and China in the rehabilitation of transportation means and the construction of important factories.

As to the Party policy for industrial rehabilitation and development, the September 1954 Conference of the Central Committee Politburo decided: "In industry, we lack capital because the degree of development of our industry has not been high enough, and because it has been destroyed during the long war.... Now if we put the planning for industrial development on a large scale and at high speed, we shall not be able to achieve it. At present, we have to pay more attention to restoring and building at once a number of manufacturing plants to manufacture the most needed items for the people's consumption.

a number of repair shops to repair vehicles and means of transportation -- such are the activities which need less capital and at the same time are more effective in solving many urgent problems the people are facing in their everyday living." (Excerpt from the resolution of the Politburo, September 1954.)

Among our comrades there have been different opinions regarding the Party's policy for the recovery and development of light industry. Generally speaking, these opinions can be divided into two main categories. Advocates of the first opinion say that the Party was right when it decided that the recovery and development of light industry be the first to draw our attention and that such a decision was in keeping with our actual needs and ability. Holders of the second opinion say that such a decision was against the rule of expanded reproduction and the principle of socialist industry. We have to reaffirm this point. Marxism-Leninism only teaches us that in such a backward agricultural economic situation as that of our country, to build up socialism is to travel the path of socialist industrialization which remains the main target during the period of extremes, and to achieve socialist industrialization is to give priority to the development of heavy industry. Such is an obvious subjective rule. But Marxism-Leninism teaches us not to just concern ourselves with theory but to know how to apply in a creative manner the popularized truth of Marxism-Leninism to our country's actual situation.

What was our country's industrial situation at the beginning of the period of economic recovery. As I pointed out earlier, the industries of our country, which had been crippled and seriously destroyed during the war and under the colonial regime, were in decaying conditions after peace had been restored. We had to do our best to rehabilitate and develop our industries in order to rebuild our economy. What must we rehabilitate and develop, the heavy industry or the light industry? Which one was the more fundamental? To properly solve the problem, we had to consider, judge our abilities and needs; abilities were the more fundamental thing and abilities meant conditions. We all know that in the years 1955-1957, we did not have the proper conditions in which we could rehabilitate and develop many lines of heavy industry although we did have the whole-hearted assistance of the Soviet Union, China and other fraternal countries. For the building of plants and heavy industries requires the full exploitation of national resources, the availability of technological agents and labor, and time enough for studying, planning and building. Yet we have not surveyed all the resources needed and we are short of technological agents and workers. As our consumer goods become more and more scarce we should without delay develop the manufacturing industry in order to have a good supply of consumer goods. To satisfy the people's need for consumer goods has not only an economic character but also a political one and is considered the representation of the eminence of the socialist regime in the North. With such a situation, the most logical action is to concentrate on the rehabilitation and development of light industries.

When the policy for rehabilitation and development of light industries was decided upon by the Party on the basis of our abilities, its economic and political goals were then found to be the right ones. Thanks to the attention attached to the development of light industries, the amount of goods consumed by the people and produced by the state-owned factories was fast increasing; in 1957 it increased more than 30 times as compared to 1955; it was anticipated that it would increase by 2.8 times in 1960 as compared to 1957. In 1956, we had to import more than 181 million piasters of consumer goods. For 1960, although the people's purchasing power as compared to 1957 has increased greatly, it was planned that we would need to import only about 6% of the total value of locally made consumer goods.

As we decided we should concentrate on developing first the light industries, we also did not neglect a related line of industry -- we decided also to restore and develop the raw-material-producing industry. At the November 1955 Conference of the agents-managers of state-owned factories of the Ministry of Industry, it was decided that the rehabilitation and development of industries during the period of economic recovery have the following goals: "Regarding the construction of new factories, our present position calls for the construction of small-sized factories which will produce easy-to-make goods requiring less capital, allowing rapid production and fast recovery of capital, thus serving the people's living; and at the same time, the construction of factories supplying material for production, thus serving the rehabilitation and development of agriculture and industry." The resolution of the 11th Conference of the Party Central Committee in November 1956 made it clear that "In the field of industries, the main goal is to build and develop light industries and handicraft -- the manufacturing of consumer goods -- but also we must not forget to strengthen and expand, in accordance with our needs and abilities, such factories manufacturing capital goods, machinery and export products." And upon entering the 3-year plan for economic development and reform, our Party maintained that the main goal in the development of industries by that of the capital goods producing industry. The 14th Conference of the Party Central Committee, held in November 1958, decided: "In our 3-year plan, we must endeavor to develop the capital goods producing industry, and at the same time, to speed up the development of the consumer goods producing industry."

So far, our capital goods producing industry has been restored and now is developing relatively fast. Most of the important mines in the North, such as the coal mines at Hon Gay, Mao Khe, Lang Cam, the apatite mine at Lao Cai, the tin mine at Tinh Tuc, have been restored and are being expanded. The Uong Bi coal mine, the Bac Can zinc mine are in their planning stage; the output of the Haiphong cement-making plant in 1960 will be 26% larger than that in 1939. This output increased by 300,000 tons in the first phase of expansion which, according to planning, will be completed by the end of 1961 when the output of the

plant will be double that of 1939. Also according to planning, electrical power in 1960 will be more than double that of 1939. An important fact is the completion of the Hanoi Machinery Plant -- a plant of modern equipment which will be able to make machine tools with a 1/1000-millimeter accuracy. In 1960, this plant will be able to make more than 500 machine tools. We also have small shipyards where small boats, tugboats, canoes, etc. are made. We are building the Thai Nguyen cast iron and steel center and many other factories making chemical products. Our construction material industry has also developed fast. The following figures prove the above statement: the 1957 value of total output of our material-producing state-owned factories was 2.9 times larger than that of 1955; according to planning, the same value in 1960 will be 3.5 times larger than that of 1957. Such accomplishments have contributed toward improving the quality of our country's industries and set up conditions favorable for the achievement of the first 5-year plan.

In the past years, our Party's policy for industrial rehabilitation and development was a right one. As the Party Central Committee was drafting the policy for industrial development, it did consider our economic situation, our ability for achievement. As a result, it came to the decision that we should go step by step without impatience and hurry. But beside the finer points in the organizing and leadership toward the realization of the Party's policy, there are shortcomings which shall be dealt with later. These are shortcomings that have to a certain degree reduced the amount of our people's achievements.

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