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- North Vietnam -

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No. 4, 1966

- .North Vietnam -

OUR PEOPLE'S GLORIOUS ACHIEVEMENTS IN
BUILDING THE SOCIALIST ECONOMY IN THE
NORTH BETWEEN 1955 AND 1965

Following is a translation of an article by Nguyen Duy Trinh in the Vietnamese-language periodical, Hoc Tap (Studies), Hanoi, No. 4, 1966, pages 14 - 32.

Since the liberation of the north, our people's socialist revolution and socialist construction have been pursued for over 11 years. Compared to our people's history of several thousand years, this period is too short. However, it is a period during which many great revolutionary changes took place in the north.

We still remember that our country has a colonial and semi-feudal country. Its economy mainly consisted of a backward agriculture. Its industry consisted of a number of mines, repair workshops, and factories. Everything, from machines to needles and thread, was imported from foreign countries. Agriculture was the main source of life, but it was unable to support the northern population of that time of 12 million.

Due to the fact that the economy was underdeveloped and because of the ruthless exploitation by the colonialists and feudalists, our people lived a very wretched life. Hungry, cold, disease, unemployment, illiteracy, and other social evils weighed heavily on the laboring people on a permanent basis. Millions of our compatriots died from famine prior to the august revolution.

Our economy - which was hundreds of years behind that in capitalist countries - was heavily devastated by fifteen years of war. When the north was completely liberated, our people started peaceful reconstruction with empty hands and with a ruined economy caused by the enemy. But thanks to the party's leadership and education, our people constantly upheld the revolutionary traditions of a heroic nation and surmounted thousands of difficulties in order to advance on the path of building an independent, autonomous, and socialist economy. This path is long and strewn with hardships. But a brilliant future lies open before them. The laboring people's dream

is being gradually materialized.

The victories which our people achieved during the last 11 years are the results of our party's clear-sighted leadership. Applying the universal truth of Marxism-Leninism in a creative manner to the concrete conditions of our country, and learning in a selective way from the valuable experiences of the fraternal socialist countries, our party has laid down a correct revolutionary line and led our people's struggle to achieve great victories in the fields of socialist transformation and socialist construction in the north.

1. Great Victories in Socialist Transformation

Imbued with the Marxist-Leninist idea of constant revolution and after basically completing the national democratic revolution in the north, our party advocated the necessity of immediately carrying out the socialist revolution and advancing the north to socialism. During the first phase of the transition period, our party regarded socialist transformation as the central task and agricultural transformation as the main link.

Between 1958 and 1960 socialist transformation in the north achieved decisive victories. In agriculture, low level cooperativization was basically completed. The transformation of handicraftsmen and small traders and the peaceful transformation of capitalist traders and industrialists also achieved good results. Since 1961, along with carrying out socialist industrialization, we have continuously consolidated and developed the victories of socialist transformation. The state economy, which was continuously grown and been reinforced, was achieved absolute superiority in industry, transport, trade, and so forth, and daily developed its leading role in the entire national economy.

The collective economy has developed qualitatively and quantitatively, especially in agriculture. So far, over 88.7% of peasant families have joined cooperatives. About 70% of handicraftsmen and 91% of fishermen have joined the cooperativization movement, and so forth. The number of cooperatives - from low to high level, from small to large has increased steadily. Collective working methods have proven themselves superior to individualistic ones, not only when the weather was favorable, but also when there were dreadful calamities, not only in peace, but also in war.

By the end of 1964, the socialist economy - embracing the state and collective economies - represented 87.8% of the total production of the country. The political, organizational, economic management, and technical management levels of cadres and people were heightened gradually.

The success of socialist transformation was a success of historic significance for the revolution in our country. Exploitation of men by men has been basically eliminated. Socialist production relations have been applied universally and consolidated and strengthened daily. The changes in the social structures of the economy have given birth to new capacities

for reinforcing the production force and they have developed the various branches of the national economy harmoniously and according to plan.

The success of socialist transformation has created conditions for stepping up the technical revolution as well as the ideological and cultural revolution in the north and created a new relation in the society - a relation of cooperation and mutual assistance among the laboring people, comprising mainly the working class, collective peasants, and revolutionary intellectuals. This success has firmly consolidated the worker-peasant alliance by basing it on a new economic foundation, thus contributing to strengthening party leadership and the people's democratic dictatorship, which is fulfilling the historic duties of the proletarian dictatorship.

The success of socialist transformation during the last few years was the success of our party's correct line and measures of socialist transformation and the success of the correct settlement of the relations between transformation and construction in the socialist revolution in the north of our country.

Our party holds that "socialist transformation and socialist construction are two aspects of the socialist revolution; these two aspects are interrelated and interdependent and help each other to develop." (From Congress documents, volume 1, page 54, published by the VWP Central Executive Committee in 1960 - Hoc Tap) to undertake socialist transformation and build socialism in fact is to settle the relations between production relations and production forces in society and cause production relations and production forces in it to develop harmoniously. To carry out socialist transformation satisfactorily is to create conditions for stepping up socialist construction.

Conversely, progress in socialist construction brings about the consolidation of the success of socialist transformation. Our party has pointed out: "The socialist revolution in the northern economy is a process of close development of production relations and production forces, a process of close association between transformation and construction, between construction and completion of transformation, and between consolidation and promotion of new production relations." (Political Bureau's report to the Tenth Conference of the VWP Central Executive Committee held in December 1964 - Hoc Tap) The association between socialist transformation and socialist construction is a characteristic of the socialist revolution in our country. In developed capitalist countries having a great mechanized production, the main problem in advancing toward socialism in the economic field consists of "abolishing the capitalist ownership system and establishing a public ownership system; gradually transforming agriculture along socialist line." (From "Our Common Platform" published by the Hanoi Su That Publishing House in 1960, page 19 - Hoc Tap) In these countries, the main task is to transform the capitalist production relations and build socialist production relations; the problem of socialists industrialization is not regarded as a task having a statutory character.

The situation in our country is completely different. We have advan-

ced from a backward agricultural economy - mainly based on manual labor - directly to socialism without passing through the phase of capitalist development. This is why socialist industrialization has become a law in the development of the revolution and is the central task of the transition phase to socialism in the north. But during the first phase of the transition phase, we regarded socialist transformation as the central task, in which the socialist transformation of agriculture was the main link. This was an objective requirement for the transformation of non-socialist economic elements and for the parallel development of industry and agriculture in basing themselves on socialist production relations. The initial success of the cooperativization movement in general - especially of the agricultural cooperativization movement in our country - demonstrates that our party's policy is completely correct.

The attitude of those who hesitated because our industrialization was low and who maintained that production forces did not demand cooperativization yet and the rightist tendencies of those who wanted to maintain individualistic working methods for a certain time after land reform and prior to cooperativization in order to develop production, and so forth have been rejected by realities. Objectively speaking, these tendencies would lead to spontaneous capitalist development and to class differentiation. If we started cooperativization late, we would encounter many difficulties. Thanks to the fact that the transformation of production relations was undertaken along with the reinforcement of production forces and the construction and development of the material and technical bases and that agricultural cooperativization was carried out along with the construction of irrigation projects, the improvement of farming implements, and the improvement of techniques, we have strongly developed production and carried along by the impetus of industrial development, we have gradually equipped agriculture and other branches with new techniques. This was a creative policy of our party dealing with the association between transformation and construction in a way suitable to the situation of our country.

However, during the process of the implementation of this policy, we have committed a number of shortcomings; "During the socialist transformation period, we did not deeply realize the agricultural transformation content which was to create a new production force. That is why the agricultural cooperativization movement - the main link - developed quickly, soundly, and, generally speaking, satisfactorily, but not firmly. This is due mainly to the fact that at the outset, agricultural cooperatives did not receive appropriate and necessary aid in finance and means of production from the state and in techniques from industry in order to improve their techniques and increase their production force. Recently, when we shifted to regarding socialist construction as the central task, there was the tendency to neglect the task of pursuing the socialist transformation of handicraftsmen and of traders in general and small traders in particular and the failure to punish in time and appropriately illegal activities in production and trade - speculation, hoarding, and smuggling, and so forth - which created difficulties for market management.

"The tendency to slight the 'three for and three against' movement

in a number of industrial branches or to slight the need to improve management and develop collective ownership in agricultural cooperatives was a manifestation of the separation of the building of the production force from the consolidation and improvement of new production relations - a separation which restricted the speed of production development." (Political Bureau's report to the Tenth Conference of the VWP Central Executive Committee)

This situation was due mainly to the fact that a number of our cadres were satisfied to a degree with the achievements in socialist transformation and failed to realize fully the content, requirements, difficulties, complexity, and long-term character of the transformation and construction tasks. They failed to realize that "due to the vagaries of history, the more backward a country is when it is forced to start its socialist revolution, the more difficulties it will encounter in shifting from former capitalist relations to socialist relations." (Report on War and Peace, read by Lenin at the Seventh Congress of the Russian Bolshevik Party held on 7 March 1918)

We have basically completed socialist transformation in the north. But socialist transformation does not aim only at causing peasants, handicraftsmen, and so forth to join production cooperatives in order to establish a system of public ownership of basic means of production. What is important comes after: to endeavor to build the material and technical bases of socialism, and, at the same time, to pursue the transformation of production relations - especially to improve the management system in a way consistent with the requirements of a great socialist production. Lenin pointed out that, to defeat capitalism "the only way is to move our national economy - including agriculture - to a new technical base, the technical base of a great modern production. This base can be only electric power and nothing else." Lenin also taught us that in the new production relations, it is necessary to create a new labor discipline, a new labor organization capable of combining the latest technological achievements with the cooperation of the majority of enlightened workers, devoted to creating a great socialist production. Thus, when cooperativization is achieved, the most important problem to solve is to equip the various economic branches with new techniques in order to increase society's labor output and to associate this task closely with the improvement of the socialist production relations.

Now we are endeavoring to carry out the technical revolution, regarding it as a key task aimed at gradually achieving mechanization and semi-mechanization in the various branches of the national economy-first of all the main production branches - at transforming the majority of manual workers into workers in charge of handling highly efficient machines, and at applying a new labor distribution system in society. While elevating the technical revolution to a key task, we must pay attention to completing the revolution of production relations and stepping up the ideological and cultural revolution, because to be carried out satisfactorily, the technical revolution must be based on the achievements of the revolution of production relations and of the ideological and cultural revolution. In the north of our country, socialist production relations have been established everywhere

But they have not actually been consolidated and improved in these fields: ownership system, management system, distribution relations, and so forth. The state economy has assumed the leading role in the national economy. The collective economy has been established everywhere. In both of these sectors, the levels of management, technical know how, and socialist consciousness of cadres, workers, and cooperative members have been heightened to different degrees, but not high enough. The cooperative members' individual economy and family side economy still play a relatively important role. The free market is still pretty large, and so forth.

These realities require that we continue to consolidate and improve the new production relations. We must continue to encourage those who are still working individually to join cooperatives, elevate low-level cooperatives to high-level cooperatives and small-size cooperatives to large-size cooperatives, in accordance with the development of the production force and the managerial capacities of cadres and cooperative members, and achieve satisfactory socialist distribution in cooperatives. We must actively transfer the majority of small traders to production, pursue the transformation of bourgeois into workers. At the same time, we must endeavor to reinforce the collective economy, develop the leading role of the state economy, and enlarge and tighten the relations between all-people ownership and collective ownership.

The process of socialist transformation and socialist construction is a process of class struggle and of struggle between the two paths, aimed at preventing a spontaneous development of capitalism and elevating a small and backward production to a great and socialist production. Under the new conditions in the north, the class struggle and struggle between the two paths has two different contents and forms. On the one hand, this is an antagonistic struggle between us and the enemy, aimed at smashing all counter-revolutionary plots and activities of the U. S. imperialists and their lackeys and punishing the enemies of socialism. The other aspect - which is more important, wider, and more complex - is the struggle within the people. This struggle is more difficult and complex when the material and technical bases of socialism are initially being built and when a great and modern production has not yet been built and firmly established to serve as a material bulwark for new production relations.

Within our people, we have been waging the struggle between progressivism and backwardness, between collective and individualistic working methods, and between socialist and antisocialist thoughts, we are continuing to combat poverty and backwardness and to build men who are the master of the community, who are class-conscious, who have revolutionary eagerness, and who can keep a firm hold on technology and the art of managing the socialist production so as continuously to achieve greater economic results and higher labor output than capitalism. In this struggle, the task of educating small producers - the majority of whom are peasants - and transforming their mind and habits is a very complex one. We must develop cooperative members' patriotism and love for socialism and cause them to take interest in the building of the collective economy and the satisfactory fulfillment of the duties

toward the state, resolutely to eliminate conservative and individualistic thoughts, and to struggle enthusiastically for the complete victory of socialism. We know that the basic contradiction during the entire transition period is the contradiction between the socialist path and the capitalist path. That is why the class struggle, the struggle between the two paths has not ended, during the transition period to socialism, it is pursued under a new form. This struggle is at times fierce and at times relatively moderate. But it is very protracted and arduous and requires patience and endurance from us.

Therefore, to settle the relations between socialist transformation and socialist construction satisfactorily is a very important task aimed at solving the problem "who will win over whom" during the transition period to socialism. During the socialist revolution, when we regard socialist transformation as the central task, we must at the same time pay special attention to building the material and technical bases of socialism. By contrast, when we shift to regard socialist construction as the central task, we must simultaneously continue to consolidate and improve socialist production relations and complete socialist transformation. This is one of the lessons learned from the carrying out of socialist revolution in the north of our country.

2. Great Victories in Socialist Construction

After achieving decisive victories in socialist transformation, since 1961 our party has shifted to guarding the construction of the material and technical bases of socialism and the achievement of socialist industrialization as the central tasks and, at the same time, has continued to complete socialist transformation.

The achievement of socialist transformation in the north is aimed at "building a balanced and modern socialist economy, combining industry with agriculture while regarding heavy industry as the base, giving priority to the development of heavy industry in a rational way, and at the same time, endeavoring to develop agriculture and light industry in order to turn our country from a backward agricultural country into a country with a modern industry and modern agriculture." (From Congress documents, volume 1, pages 182 - 183, published by the VWP Central Executive Committee in 1960 - Hoc Tap) This is the line to be followed by our country to build an independent, autonomous, and socialist economy. This line is consistent with both the general rules of any socialist revolution and the characteristic of our country.

In 11 years the economy in the north of our country has rapidly advanced from a dependent and backward economy to an independent and autonomous economy which has gradually progressed to socialism.

Industry - which consisted mainly of exploitation and repair branches and was entirely dependent on French imperialism - is developing along the

direction of a relatively complete and harmonious industry. Heavy industry embraces the main bases of the following branches: mechanical production, power, metallurgy, chemical products, mine exploitation, construction materials, and so forth. These bases, though few and small, are very important because it is thanks to them that we can transform techniques and bring new techniques to the various branches of the national economy. Light industry and handicrafts have been developed and have produced 90% of the consumer goods for the domestic market, part of which is being reserved for exportation.

The collectivized agriculture was produced an increasingly large quantity of agricultural produce merchandise, thus basically insuring the satisfaction of the people's needs and initially serving socialist industrialization. Industry and agriculture in the north of our country are developing in accordance with the rules of a socialist economy and at a pretty rapid rate. Industrial production increased by 20.8% each year during the 1958 - 1960 plan and over 13% during the first five-year plan. Agricultural production has increased by 5% on the average each year.

Trade - including domestic and foreign trade - is increasingly efficiently serving production, construction, and the people's life. A unified socialist market has taken shape. The domestic market - which has been enlarged - is mainly based on the development of goods production and circulation between industry and agriculture, between cities and rural areas, and between state economy and cooperative economy. Trade relations between our country and the other countries - especially the fraternal socialist countries and nationalist countries - have been developed daily.

Through the realities of 11 years of building an autonomous economy and advancing toward socialism, we have increasingly clearly realized that to achieve socialist industrialization successfully, first of all it is necessary to settle the relations between industrial development and agricultural development correctly. Only through correctly settling these relations can we step up industrial and agricultural production, tighten the relations between all-people ownership and collective ownership, and create basic conditions for strongly developing the other economic branches, between industry and agriculture there are the relations of mutual cooperation: they rely on each other and help each other to develop. Industry plays a leading role in the entire national economy. Agriculture is the base of industrial development. These are new relations which cannot exist under the capitalist system.

Under the capitalist system, the capitalists build and develop industry through exploitation and impoverishing small producers - especially the peasantry in the country - and through enslaving and exploiting the people in their colonies which are also agricultural countries. The process of the development of capitalist industry is also the process of impoverishing the peasantry and hindering agriculture so that it remains backward, compared to industry. This is also one of the deepest causes of the serious lack of balance between industry and agriculture.

Under the socialist system, industrial development does not hinder agriculture, but even stimulates it to develop. This is due to the nature of the socialist system and to the basic economic rules of socialism and its rules concerning the development of a planned and harmonious economy. This new relation reflects the friendship, solidarity, and unity of mind between the working class and collective peasantry.

During the process of achieving socialist industrialization, our party advocates the necessity of rationally developing heavy industry as first in priority, endeavoring to build a relatively complete and harmonious heavy industry. It is also necessary to regard the machine-producing branch as the key branch. This is an important, paramount matter, and a problem having the character of a Marxist-Leninist principle in the building of an autonomous economy, the improvement of techniques, and the supply of economy - especially agriculture - with new techniques so as quickly to heighten society's labor output, develop production, consolidate national defense, and improve the people's living conditions.

In setting forth the principle of rationally developing heavy industry as first in priority, our party aims at building a heavy industry whose structures and size are suitable to the conditions of our country in order to satisfy the domestic needs as well as the requirements of mutual aid and cooperation inside the socialist camp. The tendencies to slight heavy industry and rely on the developed heavy industry in the fraternal countries, and so forth, are erroneous. Shortcomings such as belatedly paying attention or paying improper attention to the difficulties connected with machines, coal, timber, and so forth, originate from the failure fully to realize our party's policy of rationally developing heavy industry as the top priority.

During recent years, we have devoted over 40% of the capital to be invested in economic and cultural development to industrial development, over three-fourths of this amount being reserved to the industries for producing means of production. The main industrial branches, such as power, metallurgy, machines, chemical products, construction materials, coal mining, wood exploitation and processing, and so forth have developed at a high rate. Between 1955 and 1965, electricity production increased 11 times, while electric power increased 3.5 times, compared to the figures for the period under French domination. A network of workshops for repairing and producing machines has taken shape in almost all provinces and a number of districts. The metallurgical branch for producing both black and colored metals is taking shape. These are very great achievements - a base for developing the national economy.

Our party has stressed that "rationally developing heavy industry in priority" must go along with "endeavoring to develop agriculture and light industry." It is necessary to guide heavy industry into serving agriculture and light industry in an increasingly efficient way. Our party also holds

the view that each step in the development of heavy industry must aim at the main objective, which is to create the new material and technical bases for agriculture and light industry. Each step forward by heavy industry means more power, machines, fertilizer, and so forth for agriculture, more machines and raw materials for light industry, and more food, clothes, houses, and consumer goods for the people. In other words, we must concentrate our efforts on the branches which directly serve the people's urgent needs and base ourselves on this requirement to develop the various branches of heavy industry actively and a harmonious way and, at the same time, reinforce the material and technical bases of heavy industry itself and increase its capacity to equip itself with techniques.

The resolution of the tenth conference of the party central committee pointed out: "To develop heavy industry rationally as the top priority during this period means to create new material and technical bases in order, on the one hand, to serve agriculture and light industry and directly satisfy the main and increasing needs of the people and, on the other hand, to increase heavy industry capacity, make it increasingly able to supply the national economy with new techniques, and cause socialist industrialization to make progress. These two aspects must be closely associated." In accordance with this line we must build heavy industry and at the same time, gradually step up technical improvement and revolution in agriculture so as to make both industry and agriculture develop strongly and increasingly harmoniously.

Thus, each degree of progress in socialist industrialization means a step forward in the improvement of the people's living conditions. This means a close alliance between present and future interests and is consistent with the objective economic rules' requirements and with the concrete conditions in the north.

Our party has continuously paid attention to settling the relations between industry and agriculture and asserted that industry must aim at serving agriculture more concretely. Nowadays industrial products - which are brought to rural areas - do not consist mainly of consumer goods, as was the case at the outset, but consist of an increasingly large number of means of production.

Along with rationally developing heavy industry as the top priority we must endeavor to develop agriculture and light industry and regard agriculture as a base for developing industry. Experience in our country proves that advantages and difficulties in agricultural production exert a direct influence upon the development of industry, other economic branches, and culture. During a year when there is a good crop and during the following year, industry develops advantageously. During a year when there is a bad crop and during the following year, industry develops with difficulty and other activities in the society are unfavorably influenced.

To turn agriculture into a base for industrial development, on the

one hand agriculture must supply light industry with food, produce, manpower, and market. On the other hand, industry and trade must concretely serve agricultural development, try to find out the needs in means of production and other necessary requirements of agriculture, and exhaustively use their productive capacities in order to satisfy these needs and requirements and guide and encourage agricultural cooperatives to develop their production and heighten their technical and managerial levels.

The circulation and distribution branches in general and the trade branch in particular must satisfactorily solve the problem of goods exchange between industry and agriculture - an exchange which is based not on the "market price" principle or the "purely commercial" viewpoints, but on the principle of strengthening the worker-peasant alliance during the new phase and strengthening the leadership of the working class over the collective peasantry in order to develop production and achieve socialist industrialization.

Under party leadership, thanks to the efforts of the collective peasantry and to aid from the state, agriculture achieved great victories during the last 11 years and is developing. Attention is being paid to surmounting the usual weaknesses of a backward agriculture, such as serious lack of balance between cultivation and animal husbandry, between food crops and industrial crops, and so forth. But this serious lack of balance still exists. Agricultural techniques are still backward. Labor output is still low. The percentage of agriculture produce-merchandise is very low. That is why agriculture has been unable to fulfill its role as a base for industrial development.

On the other hand, we also know that so long as agriculture has not been supplied with new techniques by industry and has not basically surmounted the natural calamities, its role continues to be limited. This situation requires that agriculture continue to exert great efforts. It requires a more active aid from industry to agriculture, from the working class to the collective peasantry, and from the state to agricultural cooperatives.

At present, rural areas are seething with the movement for improving cooperative management and techniques and for developing agricultural production. Cooperatives are trying to apply intensive cultivation methods, increase crops, increase output, and develop their various branches and professions. The slogan "to produce five tons of paddy per hectare each year on a wide acreage" is becoming the goal of the struggle of the majority of agricultural cooperative members.

We are combining the construction of material and technical bases in agriculture with the application of advanced cultivation methods and the gradual introduction of science into agriculture. We are struggling to advance agriculture from manual labor to semi-mechanization and then full mechanization with the aim of eliminating step by step the backward

state of manual labor in agriculture. In the past, when dealing with the problem of agricultural mechanization a number of people used to think only of the problem of tractors and not of the problem of improving tools. They did not fully realize the importance of the task of advancing from manual labor to semi-mechanization and gradually to full mechanization in a way suitable to the economic conditions of our country.

We regard irrigation as the number one task and are mobilizing the peasants to improve their tools. We have begun using small machines in a number of tasks in agricultural production, gradually enlarging the supply of electricity to rural areas, actively solving the fertilizer problem in many ways.

At the same time, we have stepped up the organization of paddy-fields and have protected, transformed, and improved land in order to apply intensive cultivation methods and increase output, gradually prepare for the mechanization of agriculture, and so forth. We have worked out a plan for redistributing agricultural production, along the line of specializing in each region.

Each specialized region will develop a number of main branches in cultivation or animal husbandry and, at the same time, develop a number of side branches with the aim of achieving balance between cultivation and animal husbandry.

In order to specialize production areas along with developing them comprehensively and exploiting all their potentialities, we are accelerating the division of our land into agricultural areas, with areas specializing in producing rice, secondary crops, industrial crops, animal husbandry, and so forth. We must turn these areas into areas whose production and output are high and stable and which can supply a large quantity of produce merchandise for the task of socialist industrialization.

Thanks to the party line, to the new factors in agriculture, and to the increasingly efficient aid from industry, we are to a large extent capable of developing agriculture in a comprehensive, strong, and firm way, thus turning it into a base for industrial development.

Relations between industry and agriculture are the greatest relations among the material production branches in society. These relations are directly reflected in production and achieved mostly through the circulation-distribution link. We must clearly realize these relations in a comprehensive way and settle them correctly with the aim of developing industrial and agricultural production, strengthening the relations between all-people ownership and collective ownership, and strengthening the worker-peasant alliance for the sake of socialist construction.

Only by having a positive line and measures for developing in-

dustry and agriculture and by satisfactorily distinguishing relations between these two basic material production branches can we advance firmly on the path of socialist construction.

The process of socialist industrialization is also the process of achieving a revolutionary change in the use of manpower in order to achieve a new division of labor in society. When we entered the phase of socialist revolution, the labor situation in our country was generally as follows: 95% of the workers were manual workers, the majority of whom worked for agriculture. In the delta, land was scarce. The population was large. Thus, there was an excess of manpower. By contrast, in the middle region and the mountainous region, land was plentiful. Natural resources were rich. But there was a shortage of manpower. In cities, traders and those in service branches were too numerous. Unemployment was very serious. Generally speaking, the people's cultural level was low. The technical force seemed non-existent. Workers' physical strength was poor. Labor output was too low.

Since the complete viberation of the north, thanks to the correct line of the party and state we have step by step achieved a new division of labor and used our people's labor force in an increasingly rational way. We have succeeded in eliminating the age-old disease of the old regime, which was unemployment in cities and partial unemployment in rural areas. We have arranged matters so that all able-bodied persons have jobs and receive appropriate incomes. Thanks to the application of intensive cultivation methods for increasing output and to the development of branches and professions, more and more idle workers in rural areas have been given jobs. A large number of women have enthusiastically engaged in economic, cultural, and social activities. Due to the fact that the economy has been planned, the labor force has begun to be redistributed among various branches and areas. So far, about 650,000 workers from rural areas have worked for the industrial, construction, transport, and other branches. Over 850,000 persons from the delta have contributed to the economic and cultural development in the mountainous region in order to exploit the fatherland's rich sources of natural resources and cause the mountainous region to catch up with the delta. Along with the above-mentioned tasks, we have paid special attention to training a body of scientific and technical cadres and workers. This is a very big problem in the building of an independent, autonomous economy. Our body of scientific and technical cadres has grown rapidly. Hundreds of thousands of skilled workers have been trained.

The process of using the labor force and achieving a new division of labor in our country has developed along the principle of gradually increasing the labor force of the non-agricultural production branches and appropriately raising the percentage of the industrial population. In the distant future, this percentage will be obviously higher than the percentage of the agricultural population. During this process, on the one hand we must insure that agriculture is supplied with sufficient manpower

and, on the other hand, we must struggle gradually to lower the percentage and later reduce the absolute quantity of the agricultural population.

In other words, the process of socialist industrialization is also the process of achieving a new division of labor in our society, of transforming more and more agricultural workers into industrial workers, of liberating workers from hard work, and of quickly raising labor output. But to achieve these goals, first of all we must endeavor to raise labor output in agriculture because, as Marx said once: "It is obvious that the separation of workers of the processing industry and other branches (that is, the "free hands" process, according to Stewart's terminology - Hoc Tap) from agriculture is decided by the volume of agricultural produces which agricultural workers have produced in excess of their personal consumption."

To enlarge the scope of the use of manpower and of the new division of labor, to develop the labor force in non-agricultural production branches such as industry, construction, transport and so forth, and to invest more manpower in new economic areas in the middle region, the mountainous region, and the coastal areas, it is necessary to step up the application of intensive cultivation methods in agriculture.

We must develop agricultural production comprehensively and develop various branches and professions in order to use manpower in rural areas rationally. We must raise labor output in agriculture so as to be able to send a number of agricultural workers to go and work for other economic branches and accelerate the process of socialist industrialization. At the same time, we must accelerate socialist industrialization, because a modern industry alone can bring about a raise in labor output in the economic branches and create many new production branches size grows daily and which employ an increasingly large number of workers.

Nowadays in the north, our material and technical bases - though having been strengthened - are still weak. Our labor force is large and is increasing quickly each year. Therefore, to increase our general production, we must raise labor output and use our existing labor force rationally. This principle is consistent with the trend of intensive production of the economic branches and localities, and is aimed at satisfactorily using the labor force and exhaustively using the rich labor sources for production purposes. But in the concrete management of each factory, cooperative, and branch we must pay attention to raising labor output, because this is a statutory problem of socialism.

Nowadays, in industrial production branches which have better technical equipment and a higher technical level than other branches, we must endeavor to raise labor output in order to develop production and insure that the manpower invested in industry increases year after year in a rational way for better economic results. However, in practice we must pay attention to production characteristics and labor characteristics of

each industrial branch - machine production, mining exploitation, industry at the central level, local industry, and so forth - in order to assign the labor force and increase labor output in a practical way.

In agriculture, since mechanization has not been achieved, we must raise labor output and, at the same time, invest more manpower in production in order to apply the intensive cultivation methods and develop agricultural production. But we must base ourselves on the situation of cultivation, animal husbandry, and manpower - whether there is a shortage or excess - in each locality or production area to decide whether only an output increase or both of these tasks must be carried out. We must clearly realize that for the time being, the increase of manpower for agricultural production is a very important and necessary problem for solving the immediate problems. But we must struggle gradually to lower the relative percentage and, later, reduce the absolute number of agricultural workers in order to satisfy the increasingly high demand for workers - especially young and healthy workers - in industrial production.

We must pay attention to accelerating the technical improvement and technical revolution, because these are the lever for developing production, for specializing and cooperativizing manpower. At the same time, we must base ourselves on the superiority of socialist production relations satisfactorily to organize and manage manpower, continuously uphold the socialist workers' role as masters of the community, and cleverly combine political education, ideological leadership, and the heightening of their class consciousness with encouraging them through their material interests. We must continuously improve labor organization and management, have a managerial system set forth labor norms, and so forth. We must endeavor to step up the emulation drive and create favorable conditions for developing production, increasing socialist capital accumulation, and improving the people's living conditions.

As the organizer and leader of the socialist revolution in the north, our party has continuously paid attention to developing production and improving the people's living conditions. Basing itself on the basic economic rules of socialism, our party has achieved close association and built correct relations between capital accumulation and consumption with the aim of increasing the capital necessary for socialist industrialization, satisfying the requirements of the revolution, and at the same time gradually satisfying the increasing needs of the people.

The resolution of the third party congress pointed out: "In the economic and cultural development task, we must correctly settle the relations between accumulation and consumption in accordance with the political and economic requirements of each phase in order to insure that socialist economy in the north is developed at a high rate and, at the same time, to continuously improve the people's living conditions on the basis of developing production."

To correctly settle the relations between accumulation and consump-

tion, we must not be subjective and opportunistic. We must take into consideration the economic characteristics and the political requirements of each revolutionary phase. Since the material and technical bases are weak, production increase is limited, and needs in all fields increase rapidly, the task of correctly settling the relations between accumulation and consumption is becoming a very complex one. We must be concerned with the legitimate demands of the people's livelihood. At the same time, we must accumulate more capital to achieve industrialization and satisfy other requirements. These conditions require that we divide demands into groups in order to satisfy them appropriately. First of all we must satisfy the most urgent and fundamental ones, since we cannot satisfy all of them at one time.

In the north, the objective factors which are obstacles to a rapid increase in accumulation and consumption are low labor output, slight increase in value increment and national income, low economic and financial management level, and prevalence of waste and embezzlement. Thus between accumulation and consumption there is a tense situation; they prevent each other from developing, and their development is restricted by the national income.

During the last 11 years, the party's correct line on economic development has created the firm bases for capital mobilization and accumulation, thus steadily increasing our capital sources. With the capital accumulated yearly inside the country, we have been able to satisfy mostly the requirements of the development of basic construction, of the achievement of an enlarged reproduction, of the struggle against U.S. aggression, and of the gradual improvement of the people's living conditions.

We know that socialist value increment is a source of our accumulation. This value increment is created within the national economy, based on the development of the production of industry, agriculture, and other branches. We have paid attention to increasing the capital sources of the state by relying on industry - especially state industry, which has a high labor output - and on cooperativized agriculture which is developing itself comprehensively, firmly, and strongly and whose percentage of merchandise and value increment has increased daily. Compared to our need, our sources of capital accumulation are small. But we have centralized them and used them for developing basic construction, developing industry, building irrigation projects, clearing new land, developing communications and transport, and so forth. For us, this is very significant. Thanks to the development of basic construction and to the starting of production in a number of new establishments, we have attracted many persons who have reached the age for employment to industry and other branches for developing production, increasing the national income, and creating conditions for improving the people's living conditions.

During the past few years, our social accumulation - especially in the sector of collective economy - was small and increased slowly. In addition to objective factors, an important cause was the fact that the

socialist accumulation line was not fully understood by the various branches and echelons while carrying out their activities. At present, in our economy the very low labor output and value increment are affecting the percentage of accumulation. Therefore, to rapidly increase accumulation within our national economy, it is necessary to step up industrialization and achieve the technical revolution in order to raise labor output; exhaustively use the labor force and achieve the division of labor in society in a rational way in order to satisfactorily exploit the economic potentialities of the various regions; and endeavor to strengthen economic and financial management, strictly practice economy, and combat waste and embezzlement. At the same time, we must use our accumulated capital in such a way as to achieve high economic results and struggle to increase the efficiency of the basic investment capital, the working capital, the capital for long-term loans, and so forth.

In the state economic sector - especially in industry and basic construction - we must exhaustively use the existing bases, quickly build new bases and make them produce, improve the quality of goods, and endeavor to raise output, reduce costs, combat waste in manpower, machines, raw materials, and so forth. In the collective economic sector, we must also struggle to steadily raise the percentage of capital accumulation through developing production, practicing frugality in consumption - especially in consumption on precious agricultural products which must be reserved for exportation - and actively use cooperative members' labor strength to put into practice the intensive cultivation methods for increasing output and continuously increase the quality and quantity of products. We must further increase our reserve of means of production, finance, and so forth in order to be ready to cope with calamities caused by nature or the enemy.

While achieving socialist accumulation, we have continuously paid attention to improving workers' material and moral life. At present, after being liberated from oppression and exploitation, our people in the north have many legitimate needs concerning their livelihood. But as production is low and revolutionary demands are very great, our party must set forth the policy of centralizing efforts on satisfying in a realistic way the main and most urgent needs of the people concerning food, housing, clothing, circulation, education, and health protection.

The party and state have implemented many measures aimed at developing industrial and agricultural production, improving the circulation and distribution of goods, and strengthening the management of goods, market, and prices in order to stabilize the people's life. The party has upheld the principle of remuneration according to labor and associated this principle with the satisfaction of the fundamental needs of various people's strata. Moreover, the party is constantly concerned with developing social welfare in order to gradually improve the material and cultural life of all the people.

In addition to these measures, the party has paid special attention to the people's political education and ideological leadership and to

heightening their love for the fatherland and socialism so as to help them realize that the present consumption norms are not as high as we would like not because we must spare part of our production to increase accumulation or to satisfy future needs, but because social labor output is too low. Therefore, it is necessary to resolutely develop production, strictly practice economy, and further develop love for the class, the spirit of sharing suffering, and the spirit of mutual assistance. It is necessary to do one's best to develop production, heighten the living standard, heighten solidarity and enthusiasm among the people, and eliminate great differences in the livelihood of workers and peasants, militarymen and civilian people, higher authorities and lower ones.

After 11 years of economic building and development, northern workers' life - though still encountering difficulties - has been improved gradually. The peasants' life especially has been clearly improved. The majority of formerly poor peasants now have the living standard of middle peasants, and about one-third of peasants have reached the living standard of former high-level middle peasants. The life of workers and civil servants has been stabilized.

Under our regime, the party and state are interested not only in the material life of the laboring people, but also in their cultural life in this field, we have made encouraging progress. When secondary vocational education, higher education, and post-graduate education are developing on a large scale unprecedented in our history. What is notable is that 80 to 85% of students of colleges and vocational schools are brothers and sons of workers and peasants. Culture and art with a socialist and nationalist content are developing daily and strongly, thus making the people's intellectual life richer and healthier.

For protecting the people's health, we have set up a medical network which extends everywhere from the central level to localities, from the delta to the mountainous region. We have stopped and eliminated many epidemics and diseases and improved the people's health step by step. The number of doctors and physicians have increased by 52 times compared to that under the French domination, and the number of hospitals by seven times. Almost all villages have medical centers and maternity hospitals run by physicians. As a result of the protection of mothers and children, the infants' mortality rate has decreased greatly. Workers' average longevity has gradually increased.

These achievements and progress in production and improvement of living conditions are primary, and very important. They prove that under the socialist system, the entire national income belongs to the laboring people and is used to serve their immediate and future interests. These interests are not controlled only by objective economic factors, but mainly depend upon the party's leading ability and the socialist state's ability to organize and manage finance and economy and correctly settle the major relations in the national economy.

Facts show that these relations - especially the relations between

production and needs, between accumulation and consumption - are a general problem: it is necessary to have concrete policies, methods, and measures for both production, construction, circulation, distribution, and consumption. By nature, resolving these relations is a fierce revolutionary struggle requiring the entire party and all our people to display enthusiasm and pride faced with our efforts to improve our living conditions and, at the same time, display a high revolutionary fighting spirit and endeavor to develop the traditions of self-reliance, of thriftily building the fatherland, of producing enthusiastically, and of strictly practicing economy. At the same time, we must accumulate more capital for the anti-U.S. national salvation task, for socialist industrialization, and for improving the people's living conditions in accordance with the present political situation and tasks.

3. To develop the achieved victories, to display efforts in production and combat, and to achieve greater victories.

The socialist revolution is the greatest, the most thorough and the deepest revolution in mankind's history. The completion of this revolution requires a relatively long time. In the north of our country, the socialist revolution has been undertaken for only 11 years. The victories achieved in the fields of socialist transformation and construction are very great and have a very important significance. They have opened for our people the correct path to socialism. These victories are first of all the victories of the self-reliance spirit of a people who know how to mainly rely on their own rich potentialities in manpower and natural resources to build their fatherland along the path laid by Lenin. At the same time, they are the victories of the friendship and precious aid of the fraternal socialist countries and the international proletariat. Naturally the victories, which we have achieved, are only the first steps on the miles-long path. We must exert greater efforts to pursue the liquidation of all the vestiges left behind by the old regime and pursue the completion of socialist transformation and construction.

During the process of building an independent, autonomous, and socialist economy in our country, the greatest obstacles are poverty and backwardness, and the greatest enemies of our people are the U.S. imperialist aggressors. The U.S. imperialists are actively intensifying their war of aggression in the south, extending their war of destruction to the north, and brazenly provoking the peoples in Indochina and the world.

Nowadays in the north, production and combat are two aspects of our people's anti-U.S. national salvation task and socialist construction. We can concretely serve combat only through producing satisfactorily. We can actively protect and develop production only through fighting satisfactorily.

In order to serve combat satisfactorily and develop production, we must continue to correctly resolve the relations between economy and

national defense. During the last few years, while building our economy we paid improper attention to satisfying the requirements of the consolidation of national defense. Now in time of war, national defense forces must be strong. Economy must serve national defense in the most active way. On the other hand, it is necessary to develop economy in order to create firm bases for reinforcing national defense. Therefore, it is necessary to pay attention to maintaining correct relations between production and combat in order to develop production and increase economic potentialities and, at the same time, consolidate national defense and strengthen combativeness.

Now the north in the revolutionary base, the great rear for the entire country. Therefore, the task of building a firm rear has become a permanent and important factor for insuring the victory over the war waged by the U.S. imperialists, no matter under what form and scope they conduct it. We must look after the firmness of the rear in a comprehensive way - after its economy, hits national defense, as well as the solidarity and the determination to win of the entire party, people, and armed forces. The entire north must produce and, at the same time, militarize itself. Each production unit must also be a combat unit. Each worker must also be a combatant. Each military unit, the situation permits, must participate in production and in insuring the safety of communication. To pursue socialist construction is to aim at building the rear firmly, strengthening its economic and military potentials, and making it strong enough to protect the north; thoroughly to support the southern liberation revolution, making it able to satisfy the requirements of the anti-U.S. national salvation task, and, at the same time, prepare for constructing socialism in the future.

We thoroughly recognize that war is not only a fierce match between armed forces, but also a major challenge to the firmness of their political systems and economies. Facts relating to the 11 years - in which there has been one year of direct struggle against the war of destruction of the U.S. imperialists - of carrying out the socialist revolution prove that war is fierce, but our potential is inexhaustible and that unjust war brings about destruction, but our people's reconstruction ability is invincible. Although the U.S. imperialists' war of destruction has caused a number of difficulties for us, socialism continues to progress and our people's revolutionary work continues to develop. Faced with the new situation, first, we must mobilize all the forces in the country and, second, satisfactorily use the aid of the fraternal countries in order, on the one hand, to protect and reinforce the material and technical bases of socialism, firmly consolidate the new production relations, and insure positive development of production, while concurrently stepping up combat and combat readiness. On the other hand, we must actively take precautionary measures against any escalation of the war both in degree and size and at the same time continue to prepare for new and future steps in the development of socialist construction.

First of all, we must endeavor to develop agriculture and industry,

resolutely insure the safety of communications and transportation, intensify commercial activities, and so forth, with the aim of satisfying the urgent requirements of wartime. At the same time, we must actively carry on the basic investigations and surveys, draw up plans, train technical forces, set up schemes for the main branches, and make preparations for long range economic development plans. Now the duties of agriculture are very heavy. It must insure that sufficient food and foodstuffs are supplied to the armed forces, industry, and the people. It must supply an increasingly large labor force for satisfying combat and other requirements. At the same time, it must insure that light industry is supplied with raw materials and the export branch with agricultural produce and wares. Thus, to struggle hard to cause agricultural production to take a new step forward is an urgent requirement.

To make agriculture to continue to develop comprehensively, strongly, and firmly, we must strengthen leadership over the campaign for improving cooperative management and improving techniques and endeavor to consolidate agricultural cooperatives in the ideological, political, organizational, and managerial fields. We must launch a mass movement to apply intensive cultivation methods on all the cultivated areas and try to reach extensively the yearly norm of five tons of paddy per hectare. We must further step up the construction of the material and technical bases, introduce technology into agriculture, endeavor to satisfactorily apply new technical methods in cultivation and animal husbandry, endeavor to improve agricultural implements, develop the use of improved agricultural implements and small machines, and so forth. Satisfactory distribution, management, and use of manpower in agriculture have become urgent requirements for raising labor output and for supplying sufficient manpower to rural areas as well as to the economic and defense branches.

Here is a striking point at present: The demands which agriculture is expected to satisfy are great, and production tasks are undertaken while the enemy is intensifying its war of destruction against the north. This situation is causing us certain difficulties. Naturally, with the intensification of the war of destruction, these difficulties will increase, but thanks to our high determination and to the development of our existing experiences, we will surely continue to develop agriculture more strongly so that our people and troops can eat to their fill and defeat the enemy! We will pursue socialist industrialization under new conditions.

Under any circumstance, industry - the main branch in the national economy - must continue to be developed along the line of stepping up the technical revolution: supplying agriculture, communications and transportation, and local industry with new techniques; and, at the same time, paying special attention to serving the people's life and serving export. It is necessary fully to understand that local industry not only exerts an important influence upon the development of the local economy, but also contributes to the development of the entire national economy. We must endeavor to develop local industry on a small scale as the main task and

very closely associate local industry with agriculture in order to increase the capacity of the locally managed economy so that each locality can by itself satisfy to the maximum its own needs in means of production in agriculture and communications and transportation, the needs of the task of serving combat, and the needs in usual consumer goods.

Industry at the central level must do its best to help the localities build and develop their economy. It is necessary to associate the development of industry managed at the central level closely with that of local industry.

Besides industry and agriculture, communications and transportation constitute an important material production branch, being the artery of the economy by linking branches and factories with one another, cities with rural areas, and the delta with the mountainous region into a unified economic bloc. It insures economic relations with foreign countries. In wartime, communications and transportation have a strategic significance in defense as well as in attack. For over a year, the U.S. imperialists have actively tried to destroy our communications and transportation network. We must resolutely counterattack them to insure safety of communications and transportation under any circumstance. We must exhaustively use and protect the existing lines, forces, and means of communications and transportation and at the same time do our best quickly to eliminate the present cases of lack of balance. Moreover, we must improve their organization; satisfactorily manage and use their labor force, means, and equipment; and cleverly associate the force at the central level with the lower levels, troops with people, railways with roads and waterways, and mechanized means with semi-mechanized and rudimentary means in order to increase the communications and transportation capacity and satisfy the great demands of production and combat.

Along with developing production, we must intensify the carrying out of tasks concerning trade and prices in order to serve actively production, combat, and the people's life. Especially, we must uphold the sense of saving, help the state keep a firm control over the sources of primary goods so that the state can satisfy the urgent needs and at the same time pay attention to increasing the means of production and important goods. The improvement of distribution organization and methods must be consistent with the new situation, especially in densely populated areas and areas affected by war. The consolidation and widening of the socialist market and the strengthening of marketing cooperatives so that they become more efficient assistants of the state-owned trade branch in rural markets must be carried out concurrently with the strengthening of market management and with the preservation and development of the results of socialist transformation in trade. Faced with the new situation, we must endeavor to insure exports, satisfactorily carry out management of imports, strive to stabilize price and monetary problems, and help satisfactorily settle the unbalanced aspects in the national economy. Price and monetary stabilization will be instrumental in stabilizing production and the life of the people.

During more than 11 years of national construction, our people have scored brilliant achievements under extremely difficult conditions and have perfected very great and deep revolutionary changes in the economy and social life. The results on the economic front have contributed to making the north steady and strong, serving as a base for our army and people to have enough strength to defeat the U.S. aggressors under any circumstances. As the U.S. imperialists are conducting a war of destruction against north Vietnam on a ever larger scale, we are encountering a number of unavoidable difficulties in war but the basic thing is that our production branches continue to develop and the market, prices, and people's life have been basically stabilized. Justly proud of the achievements scored, we must be all the more conscious of our revolutionary duties in the new stage. Under the increasingly experienced leadership of the party headed by beloved and respected president and with the political and moral unity of our people based on the increasingly steady and firm system of collective ownership of production means and with the extremely great assistance of the fraternal socialist countries and the warm assistance of the fraternal socialist countries and the warm support of the progressive people of the world.

We will certainly be able to achieve greater successes in the anti-U.S. national salvation struggle and to continue leading the social revolution in the north forward. Developing the heroic tradition of the people and displaying the vigor of a victor, our entire party and all of our people must strive to consolidate and develop the successes achieved, strengthen economic and national defense potentials, resolutely build and protect the north, thoroughly support the revolution to liberate south Vietnam, advance toward building a peaceful, independent, democratic, prosperous, and strong Vietnam, and contribute to safeguarding peace in southeast Asia and the world.

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