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PARTY'S SIXTH PLENUM RESOLUTION ON ECONOMY

The Vietnam Communist Party's Sixth Plenum Resolution - September 1979

Urgent Situation and Tasks: Guidelines and Tasks in Developing Consumer Goods Industry and Local Industry.

PART ONE: SITUATION AND GUIDELINES

In the recent past, despite the difficult situation facing the entire country as a result of the already poor economy being further ravaged by war and because of successive natural calamities, the consumer goods industry and local industry throughout the country have undergone initial development and have scored a number of notable achievements. Employing nearly 2 million workers, they have produced some kinds of essential goods for everyday use, for production, for use in war and for export. 10 7/6

Production, however, still shows numerous weaknesses and shortcomings. Consumer goods are in seriously short supply, variety is limited, quality poor and production cost high. Certain common kinds of goods such as earthenware, chinaware, crystalware, wooden goods, rattan and bamboo furniture, rush mats, common hardware, teaching aids, toys and so forth are still scarce despite our capability to produce them in large quantities.

The volume of goods for export is small and not enough to pay for the import of raw materials and equipment needed by the consumer goods and local industries themselves. Key export products have not yet been created to bring into full play our strengths in terms of natural resources, land and labor. The quality of many kinds of export goods is not up to world market standards.

Certain production materials such as ordinary and improved tools, lime, bricks, tiles, sand and gravel have been in short supply for many years although the local industry has the capability to produce them.

This situation is the result of many deep-seated objective causes.

Having regained complete independence and achieved national unification, our people have not yet been able to heal the wounds inflicted by more than 30 years of war, and have suffered from successive natural calamities while they had to fight against two new wars of aggression on the southwestern and northern borders and other cruel acts of sabotage by the reactionary Beijing authorities in collusion with imperialist forces. The national economy, including the consumer goods and local industries, have had to cope with big new difficulties.

It is necessary, however, to stress the subjective causes. The various sectors and levels have not correctly understood the role of the consumer goods industry and local industry, especially artisan industry and handicrafts, and still depend on the central level and on the import of consumer goods and raw materials for consumer goods production. The production of consumer goods has not been organized into a cohesive system encompassing the production of raw materials, processing and consumption of products, linking the central industry with local industry and the production installations. Efforts have not been made to closely coordinate industry with agriculture, light industry with heavy industry, and transformation with the building and reorganization of production.

The problem of raw materials, a matter of survival for the consumer goods industry and local industries, has not been satisfactorily resolved. Proper investment has not been made to create a steady source of raw materials from agriculture. The tasks of planning, formulating specific plans and organizing management have been sluggish and deficient, yielding poor results. The national and collective economies have not been properly strengthened and developed. Moreover, the potentials of individual economy, including national capitalists in the south, have not been correctly turned to account. The contingents of managerial cadres from central to grassroots levels are still weak. Scientific and technical cadres have not been rationally employed.

The development of the consumer goods industry and local industries are a very important mission of all sectors and echelons in the immediate and distant future and during peace as well as war in order to implement the fourth party congress resolution and the three general tasks of the new situation--to accelerate production and insure the people's livelihood, to strengthen national defense and security and to build the material and technical bases of socialism.

The consumer goods industry must contribute to making full use of social labor and accelerate the new division of labor. Through processing, it must increase the use value of agricultural, forestry and fishery products and contribute to quickly increasing social labor productivity and social products in order to insure the fulfillment of the people's living requirements and to increase the source of exports and accumulation. Together with agriculture, it must serve as a basis on which to develop heavy industry.

Local industries play an important role at the very beginning of combining agriculture, forestry and fishery into a structure to form the core of the local economy making full use of all local sources of labor and materials, developing various sectors and jobs producing many commodities to insure the fulfillment of all local production and people's living requirements and helping meet the nationwide demands and export requirements. Together with agriculture, local industries must insure the fulfillment of local national defense requirements.

Developing Consumer Goods Industry

The guidelines for developing the consumer goods industry must be based on the policy of consumption in the immediate future which prescribes that consumption in society must be based on the production bases in the country to oppose reliance on foreign aid. We must use just enough clothes and food, enhance the spirit of frugality and simplicity, encourage the use of domestically and locally produced goods, and reserve good commodities for export. Generally speaking, we should comprehensively develop all the key sectors of the consumer goods industry in order to establish an improved institution encompassing the processing of grain and food, the catching and processing of maritime products and the processing of tea, refreshment drinks and other products such as drugs, textiles, leather, paper, wood, ceramics, glassware, hardware, rubber, plastic and stationery. All of the people's demands for consumer goods--even the smallest items--must be produced locally if domestic conditions permit.

In the coming years, efforts must be concentrated on developing those sectors with such urgent requirements as the processing of grain and food and the manufacturing of consumer goods made of local materials including furniture, paper, textiles and leather goods, soap, ceramics, glassware, wickerwork and rush mats and so on, and some main export items including coffee, tea, rubber, silk, tobacco, pineapples, shrimp, cuttlefish, re-exported textile goods and fine art articles, and so forth.

It is mandatory to make full use of all state-run, joint state-private, collectively and privately-run economic elements including the bourgeois element which is now allowed to engage in legal trade; to combine the handicraft, partially-mechanized and fully-mechanized industrial technologies on a large, medium or small scale; and to achieve coordination between the center and localities, between provinces and cities and between districts and grassroots-level organizations.

It is necessary to make full use of all manpower potential, natural resources and production capabilities in the economic, national defense and cultural sectors so as to produce more consumer goods. Processing industry development must be carried out in such a way as to correspond to the availability of raw materials and must first of all be linked with the development of agriculture, forestry and fishery in accordance with a uniform program so as to quickly overcome all existing shortcomings such as overlapping each other's duties and failing to coordinate between these sectors.

It is necessary to satisfactorily utilize all existing establishments and to pay attention to making in-depth capital investment to reequip and expand these establishments. Setting up new establishments must take into account the source of capital and the availability of raw materials [words indistinct]. It is necessary to pay attention to both quantity and quality and to try to achieve as much a quantity and quality as actual capabilities permit. We should not recklessly do anything that may cause a wastage of raw materials and create bad habits in production and management. It is necessary to step up international cooperation by importing equipment and raw materials, exporting products, and participating in various programs of cooperation on the production of consumer goods in accordance with CEMA work division.

The Direction of Local Industry

The primary task of the locally-run industrial sector is to serve the local people's livelihood and to cater to the production and national defense of the localities concerned so as to contribute to meeting the needs of the country and its export demands.

Locally-run industry must, right from the start, be linked with other economic sectors of the localities concerned, especially the agricultural sector, so as to develop a provincial- and district-level agro-industrial structure. In addition, from among these sectors, locally-run industry must be linked with centrally-run industry so as to develop a technical-economic sector on a national scale. The development of locally-run industry must depend chiefly on the development of agriculture, forestry and fishery and on the distribution of manpower in the localities concerned on the basis of the raw materials supplied and the source of capital accumulated by the localities and their credit loans. The center will only grant localities initial capital and provide them with other necessary assistance.

Locally-run industry must develop widely throughout the country so as to help make full use of manpower and the natural resources of all localities. It is necessary to develop locally-run industry in the southern, central highland and northern mountainous provinces. In developing the locally-run economy in general and locally-run industry in particular, it is necessary to struggle against the practice of voluntary parochialism and to expand the division of cooperation between localities in order to develop the advantages of each locality for the sake of achieving high economic results.

Hanoi capital and Ho Chi Minh City--the two big industrial cities with abundant technical capabilities and many skilled workers--must surge forward to develop their own industrial capabilities and provide active economic assistance to other localities to establish enriched relations in production and circulation with all provinces throughout the country in accordance with a rational work division as decided by the center. Meanwhile, all other provinces in the country, especially those adjoining these two cities, must provide these two cities with raw materials, grain and food in accordance with state plan norms or on the basis of achieving cooperation in production and exchanging products and technology.

As for the locally-run industrial structure, every province and city must develop the following popular trade and professions: repairing machines and manufacturing simple machinery, equipment, spare parts and transportation means; processing food and animal feed; producing commonly-used consumer goods, cultural articles, handicraft and art objects; exploiting and processing forest and marine products; producing construction materials suitable to the conditions of the provinces and cities concerned; processing medicinal products and essences; and providing support and repair services.

Moreover, construction, transportation and communications, and postal forces exist in all provinces and cities. Each locality must refer to its vantage points in terms of natural resources and labor to determine the vigorous development of appropriate sectors and jobs.

District industry, as a component part of the district economy and the provincial and city industry, must be developed in accordance with the general plan of provincial industry and must be closely linked to the agricultural and other economic sectors in districts in order to form an agro-industrial structure in districts. Depending on its characteristics in terms of resources, workforce and requirements, each district will establish a rational structure. Generally speaking, the popular structure of district industry involves tractor teams and small and medium agricultural implement repair stations, production of ordinary and improved tools, feed processing and animal raising installations, water conservancy project construction teams and water pump stations, food processing, exploitation and processing of forest and maritime products, and production of construction materials in conformity with conditions of districts.

Processing mainly involves preliminary preparation of medicinal agents and products and essential oil. District industry must produce ordinary consumer goods, school aids and stationery made of local materials; fine art articles for export; and provide for repair services. Moreover, there are also teams to build transportation and communications and postal installations.

All localities must pay great attention to handicrafts and the artisan industry by strenuously maintaining and expanding various jobs of this sector in provinces, cities and districts, and even in cooperatives. They must institute satisfactory plans, policies and systems to organize production, procure raw materials and consume products in order to stimulate the development of handicrafts and artisan industry and to rationally distribute work to various state-run factories and cooperatives or production cells. Emphasis must be placed on formulating satisfactory policies toward individual handicrafts so as to best use these forces.

Consumer Goods/Local Industry Objectives: 1980-85

Production of consumer goods:

Food: We must insure adequate individual food rations, including well-processed subsidiary food crops, to increase animal and vegetable protein, and must produce sufficient refreshment.

Clothing: We must secure the state-prescribed ration of material to meet the demand for mats, blankets, mosquito nets, footwear and headgear made of local materials.

Housing and household articles: We must locally produce sufficient common building materials to resolve the people's housing problems and to guarantee supplies of essential articles made of local materials such as ceramics, glassware, furniture, and wicker work; and partial supplies of electric fans, alarm clocks and radios.

Transportation: We must increase public means of conveyance in urban areas and industrial centers, and accelerate the manufacture of bicycles, especially bicycle parts.

Culture and education: We must insure the supply of writing paper and other common school articles for students, strive to provide more teaching and testing facilities for schools, and partially meet the demands of equipment for physical education and sports, and of children's toys and other cultural goods.

Pharmaceuticals: We will accelerate herb culture and the production of pharmaceutical materials and drugs to insure the supply of common drugs and certain kinds of tonics.

Production materials: We must strive to insure the supply of tools and some machinery, equipment and usual transportation facilities and construction materials; to repair machinery and equipment in localities and to participate in locally providing logistical support for the army.

Export: We must step up exports to insure adequate imports of raw materials and equipment necessary for the consumer goods industry and local industries, and to partially meet the national economy's needs for imports.

In the coming years we must resolve the problem of processing subsidiary food crops and insure supplies of sauce, furniture, wicker work, textiles and leather goods, rush mats, ceramics, glassware, soap, tools, school articles and children's toys.

PART TWO: MEASURES AND POLICIES

Raw Materials, Fuel and Equipment Production

It is necessary to actively step up the production of raw materials and fuel available in the country and to export them to allow the import of those essential raw materials which we have not yet been able to produce; and to use in a rational and economical manner all sources of raw materials and make full use of all kinds of discarded materials and rejected products.

a. The agricultural sector must try at all costs to set up a number of integrated industrial crop areas where specialized and intensive cultivation can be carried out to attain high yields and to produce great quantities of goods. These industrial crops include sugarcane, tea, coffee, rubber, coconut, tobacco, mulberry, kenaf, reed, cotton and fruits, especially pineapple, and medicinal herbs, etc.

It is necessary to launch a popular movement to make full use of land and manpower to carry out sericulture so as to become partially self-sufficient in clothing. It is also necessary to strongly develop animal husbandry and promptly balance it with cultivation in order to provide increasingly more meat, milk, eggs, leather, cattle and pigs for the processing industry.

b. The Forestry Service must devise specific plans and measures to afforest land and provide timber for various paper and textile mills. We must exploit and grow reeds or other appropriate plants in Minh Hai, Dong Thap and Long An provinces for raw materials to supply paper mills in the south; provide sufficient lumber for the fishing sector; annually reserve from 300,000 to 400,000 cubic meters of timber and fully use slabs and logs for furniture manufacture; procure sufficient resin for the paper industry and tannin for the tanning industry; and supply rattan, bamboo and palm fronds to the industries processing and manufacturing consumer and export goods by organizing the exploitation of materials or by guiding and helping handicraft and artisan industries in such exploitation.

c. Heavy industries must exploit, produce and supply raw materials, ores and metals to the consumer goods industry and local industries. It is necessary to urgently build and develop the synthetic textile industry, to devise plans to produce chemicals to substitute for imported raw materials, and to urgently resolve the problem of chemicals used in producing soap powder.

d. All localities and production units must seek measures to exploit and use locally available raw materials and stockpiled materials and to recycle and use all types of discarded materials and substandard products, letting absolutely nothing to be stockpiled or destroyed. Chairmen of the provincial and city people's committee and factory directors should be assigned sufficient responsibility and authority to satisfactorily deal with this problem.

e. All sectors, localities and production units having the need for imported raw materials should take care of their exports to compensate for their imports. The state must reserve some foreign exchange for importing some essential raw materials and accessories which cannot be domestically produced. Raw materials should be boldly imported to produce export goods, create more job opportunities for workers, and expand more forms of foreign investment in order to partially overcome difficulties in raw materials and advance toward signing long-term contracts on importing raw materials with those countries having such materials.

g. [Vietnamese alphabetical order] We must improve and strengthen the management of raw and other materials, transport materials and safeguard them against damage and loss, closely administer the issuance of materials according to norms, improve domestic product design, apply advanced technology to save material consumption per unit product and generally use materials without stockpiling any of them.

h. The Coal and Power Ministry must provide sufficient coal for the consumer goods industry and local industries. Along with accelerating production at major mines, it is necessary to fully use low-energy coal, exploit minor mines and use peat in some localities. All types of logs which cannot be used in manufacturing furniture must be used as fuel in the production of ceramics and glassware.

i. To resolve the problem of equipment, the consumer goods industry and local industries must possess a relatively strong engineering force involving various engineering teams and shops at factories and various engineering plants of joint corporations and localities in order to insure the production of necessary molds and spare parts, to repair and improve existing equipment, and to manufacture usual items of equipment, odd equipment and some sets of equipment of small and medium sizes such as those used in mills, sugar refineries, tea factories and brick kilns.

The Metal and Engineering Ministry is responsible for manufacturing and providing usual equipment and large equipment and parts of high technical requirements which the utility engineering forces of various sectors and localities cannot manufacture.

k. We must correctly combine investment in depth with investment in breadth with immediate emphasis placed on investment in depth, in order to homogenize and balance all links of production, so as to fully utilize the output of existing equipment. We must improve loan procedures and lessen trouble for production units in order to broadly encourage investment by extending credit.

Organization of Production

We must depend on each sector and job and each type of goods and must proceed from economic results to organize suitable forms of production--state-run, collective or individual. What is being satisfactorily produced by cooperatives will not be hastily taken over by the state and what is being fruitfully done by localities will be continued by them. As regards individual production, repair and services, those individuals who are performing good jobs and services and are turning out good products will be helped to continue their work under state management policies.

a. Policy on raw materials: The state must make proper and uniform investment in various concentrated industrial crop zones so as to build the material and technical bases, especially the water conservancy networks and the plant seed and fertilizer production installations; stabilize the cultivated area and quickly increase crop productivity; and insure grain supply to those who grow industrial crops in the concentrated and specialized cultivation zones in accordance with the two-way economic contracts.

In some concentrated industrial crop zones which specialize in providing raw materials and agricultural products for some specific processing factories, these factories must be appointed to sign two-way contracts directly with agricultural cooperatives for the supply of grain, fertilizer, insecticide and industrial goods, and on the collection and purchasing of raw materials and agricultural products.

We must implement a proper policy on the collection and purchase of each type of product to stabilize the norms for selling raw materials and agricultural products to the state in accordance with the two-way economic contracts. The state can purchase surplus products at agreed prices and cooperatives can also trade these surplus products in markets. Profits must be rationally distributed between units producing raw materials and industrial processing units and between central and local budgets in such forms as satisfactorily increase the purchase prices of agricultural products to insure that producers can cover production costs with some gain.

A portion of processed industrial commodities which exceed the generally prescribed quota will be sold to raw material producers and localities for consumption. Those localities which produce well and deliver a higher proportion of raw materials and agricultural products will be entitled to a higher consumption rate than those localities which deliver less raw materials and agricultural products. The central level will allocate some funds to local budgets to stimulate the delivery of raw materials and agricultural products to the state equal to a suitable percentage of taxes levied on collected agricultural products.

The policy toward discarded materials and substandard products and toward those items produced from these materials and products must be applied in a very broad and flexible manner by directly purchasing them at agreed prices with either a tax exemption or reduction. Production units are entitled wholly or largely to the profits therefrom, which will be included in the funds for their factories.

Those who economize on raw materials and succeed in using substitute materials must be promptly and properly commended and rewarded. At the same time, all cases of pilferage and waste of raw materials must be appropriately dealt with by economic punitive and administrative disciplinary measures.

b. Incentive policy toward export: The procurement prices of export commodities must agree with the general system of domestic prices including state taxes. Those export commodities of high quality or high foreign exchange profitability, especially for foreign currencies of high value, will be collected and purchased at higher prices as an incentive for producers.

Factories must be allowed to earn more profits from commodities produced for export than for those turned out for domestic sale. We must gradually implement the policy of covering imports with exports. For the time being, all sectors, localities and

production units may use about 10 percent of their export funds for those commodities produced within plans and about 50 percent of the export funds for those goods turned out beyond plans, to import essential raw and other materials.

As for supplying goods, as a general rule this must be carried out through the trade sector, but efforts must be made to reduce middleman activities so as to enable goods to flow from the place of production to the place of consumption in the shortest possible way. In addition, production establishments have the right to set up shops to introduce and promote the experimental sales of their sample goods. With regard to those goods produced beyond plan, they must first be offered to the trade sector. If refused by the trade sector, production establishments, enterprises, cooperatives, production teams and private handicraft workers have the authority to consume these goods.

Southern Socialist Transformation

To continue to carry out the socialist transformation of industry and artisan industry and handicrafts in a satisfactory manner. We must thoroughly understand that the objective of this task is to accelerate production by firmly adhering to the precept of combining the transformation task with the development and reorganization of production without haste and without resort to drastic administrative measures. Due to the existence of the five economic elements--state-run, joint state-private, collectively- and individually-run, and capitalist-owned--in industry, particularly in light industry, in the south, it is necessary to outline correct policies for each of these elements.

We must continue to consolidate those industrial and transport establishments which have already become state-run or joint state-private enterprises and to reorganize their production as well as to provide them with more competent leading and managerial cadres. It is necessary to intensively educate the working class on socialism and to utilize those bourgeoisie who have participated in socialist transformation in a correct manner.

As for those establishments which have been forcibly transformed into joint state-private enterprises, we must specifically evaluate their status by depending on their production profit to adopt appropriate measures to put them in shape in an effort to consolidate them. If necessary, we must boldly resort to correcting them so they conform with the policies.

While carrying out cooperativization of the artisan industry and handicrafts, we must firmly adhere to the three principles--voluntariness, mutual benefit and democratic management.

We must depend on the requirements of production and techniques to employ suitable organizational forms--such as cooperative, production team, individual manual work and supplementary family occupation--in order to increase production and insure an abundant source of goods to meet the people's needs. The transformation of fishery and of the processing of fish sauce among the fishermen must be carried out on the basis of voluntariness and self-consciousness so they will be motivated to join such suitable production organizations from low to high levels as production solidarity team, production cooperation team and fishing cooperative. It must also be carried out gradually and steadily in order to develop production.

Science and Technology

It is necessary to intensify research activities and the application of science and techniques to production in order to create a new source of raw materials for the country. It is also necessary to reasonably use and economize on raw and discarded materials, to manufacture new items of and improve the quality of products and to provide new equipment and satisfactorily utilize all existing equipment by combining the use of rudimentary equipment with modern equipment and machinery with manual labor.

Local industry must not be placed under the main management of a single ministry. All the ministries concerned must satisfactorily manage the industrial division of their own sectors in the localities. The Premier's Office must set up a component to follow problems concerning several sectors and localities so as to assist the premier in resolving them.

The federations of artisan industrial and handicraft cooperatives at the central and local levels must be strengthened so that they may satisfactorily fulfill their functions as organizations of collective economy and manual workers.

It is the duty of the federations of cooperatives at all levels to continue socialist transformation and perfect the new production relationships in the artisan industrial and handicraft sector; to guide cooperatives in their economic management; to make suggestions to the party and state concerning policies and procedures on artisan industry and handicrafts and to inspect implementation of these policies and procedures; to train cadres and skilled workers for cooperatives; and to join with the various ministries and general departments in formulating projects and plans for artisan industry and handicrafts.

The federations of cooperatives can be assigned by the state to manage certain essential sectors, trades and commodities not yet under the management of any economic-technical sector.

Cadres and Workers

Projects and plans for the training of cadres and skilled workers for light industry, food industry and local industry must be expeditiously drafted. Material and technical bases of various schools must be strengthened.

With regard to cadres, training economic management cadres, scientific and technical cadres and professional cadres must be carried out in a well-coordinated manner, and teams of capable cadres and groups of experienced specialists must be formed. In the immediate future, a plan must be formulated for urgent training of a body of management cadres for enterprises and federations of enterprises. Utmost importance must be attached to training technical workers in order to quickly form a body of skilled workers for the various branches of light industries. Policies must be formulated to grant appropriate preferential treatment to capable workers.

Aside from technical workers, it is necessary to pay attention to training electrical engineering workers. Special attention must be given to training foremen, production team chiefs, leading workers and skilled handicraftsmen.

Procedures for selection, assignment and training of cadres must be brought up to date. They should be based mainly on the present qualities and capabilities of cadres instead of their age or their past salaries and positions. In the immediate future, attention must be paid to assigning more cadres to local industry, light industry and artisan industry. A number of capable and promising cadres with managerial skills must be selected at once to take charge of corporations and federations of enterprises engaged in the production of important commodities.

PARTY THREE: PARTY LEADERSHIP AND STATE MANAGEMENT

Intensifying Party Leadership and the State's Managerial Role, Developing the Proletarian's Right to Collective Mastery.

1. Party committees from central to grassroots levels must strive to make cadres at all levels and in all sectors thoroughly understand the line and policies of the party and resolution of the party Central Committee on developing the consumer goods industry and local industry, on the relationship between the central-level economy and local economy and between agriculture and industry, and on the role of local, handicrafts and artisan industries. They must pay special attention to leadership over implementation of policies and improvement of managerial work, as well as to the struggle against bureaucracy and conservatism, and must boldly make changes in order to achieve efficiency.

It is necessary to provide local industry and the association of interbranch cooperatives at various levels with more qualified and competent cadres and to pay attention to the task of building the party, trade union and Ho Chi Minh Communist Youth Union among industrial establishments. Provinces and cities with many industrial establishments, both at central and local levels, must set up industrial committees to assist district and city party committees in guiding and controlling production and managing industry.

2. The Council of Ministers must guide various ministries and general departments and provincial and municipal people's committees in urgently transforming the guideline and tasks for developing the consumer goods industry and local industry referred to in this resolution into economic and technical projects, and transforming specific programs and plans into the state's policies, systems and laws.

It is necessary to quickly implement all decisions on improving managerial organization and consolidating managerial apparatus, with priority given to the improvement of planning and consolidation of the system of joint enterprises, specialized business corporations and combined artisan-industrial and handicraft enterprises and cooperatives at various levels.

All sectors and echelons, based on their positions and functions, must formulate specific plans of action in order to implement this resolution of the party Central Committee. They must first of all concentrate on completely finishing the most important and urgent tasks without delay. Close coordination must be achieved among all sectors and between the central level and localities, as well as between higher echelons and grassroots units, in order to simultaneously solve all problems.

It is necessary to enhance the sense of responsibility of all individuals and organizations. Every job must be handled by personnel and organs with specific power and responsibility, and the good and poor results of each job must be correctly evaluated and determined in a clear-cut manner for appropriate reward and punishment.

3. To develop the right to collective mastery of the masses, all our tasks of organization and planning production, reorganizing management and drafting and improving policies and the managerial system must be thoroughly imbued with the spirit of expanding the powers and increasing the responsibilities of enterprises and localities in production, circulation and consumption of goods.

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