

December 5, 1960

**Record of Conversation from Premier Zhou Enlai's
Reception of the Vietnamese Government Economic
and Trade Delegation led by Vice Premier Nguyen
Duy Trinh**

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Summary:

Zhou and Nguyen Duy Trinh exchanged views regarding agricultural and industrial development. Zhou made comments on Vietnam's first five-year plan.

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Record of Conversation from Premier Zhou's Reception of the Vietnamese
Government Economic and Trade Delegation Led by Deputy Prime Minister Nguyen
Duy Trinh

(Premier has yet to review)

Time: 6:00 p.m., 5 December 1960

Place: Xihua Hall, State Council

Visitors: Deputy Prime Minister Nguyen Duy Trinh, Ambassador Tran Tu Binh, Deputy
Delegation Leader Ly Ban, Deputy Delegation Leader Ngo Minh Loan, Commercial
Counsellor Dang Thanh Van.

Accompanying Persons: Vice Premier Bo Yibo, Minister Ye Jizhuang, Vice Minister Ji
Pengfei, Vice Minister Li Qiang, Representative Fang Yi, Department Director Chen
Shuliang, Deputy Director Ge Buhai

Interpreter: Chen Deming, Nguyen Huu Cao (Vietnamese side's interpreter)

Recorders: Hong Zuojun, Feng Kelan

Premier Zhou: Has it been two days since you came here?

Deputy Prime Minister Nguyen: Yes, we came here two days ago.

Premier Zhou: You are going to Moscow on the eighth, right?

Deputy Prime Minister Nguyen: That is right.

Premier Zhou: How long will you stay in Moscow?

Deputy Prime Minister Nguyen: Two weeks.

Premier Zhou: Afterwards, will you come back again?

Deputy Prime Minister Nguyen: After arriving in Moscow, we will take a look at the
situation and then decide. If the Eastern Europe preparatory work has all been done,
then we will go to Eastern Europe. We may also first go to China, then go to Eastern
Europe.

Premier Zhou: Are you also having talks in Eastern Europe?

Deputy Prime Minister Nguyen: In Moscow Comrade Minister of Heavy Industry
Nguyen Van Tran is engaged in talks. In Eastern Europe, too, there are some
comrades engaged in talks.

Premier Zhou: (asking the deputy delegation leaders Ly Ban and Ngo Minh Loan) Did you two come here together?

Deputy Prime Minister Nguyen: Yes. (Deputy Prime Minister Nguyen makes introductions to the Premier for the Vietnamese side's visitors.)

Department Director Ye: Comrade Ly Ban previously worked in the Central Soviet Areas.

Premier Zhou: Can you understand spoken Chinese?

Department Director Ye: He speaks Cantonese very well.

Premier Zhou: Have you determined the outline of your five-year plan?

Deputy Prime Minister Nguyen: We have determined the outline of the First Five-Year Plan.

Premier Zhou: This is your first five-year plan. The first five-year plan will not immediately be comprehensive and complete. The resources above and below ground are still not clearly understood. In the course of implementing it, you will unceasingly gain new experience and gradually flesh out the original plan. On the basis of our own experience and that of the Soviet Union, "The First Five-Year Plan's norms should be low, making it possible each year to exceed the plan. This would be better." Stalin said this, and it is correct. In 1952, we went to the Soviet Union for talks. At that time we were in our third year of economic recovery. At the time we planned in the period of the First Five-Year Plan annual growth of 20 percent. Stalin urged us to plan annual increases of 15 percent, which would permit us each year to exceed the plan." The result of our implementing it was an annual growth rate of 19 percent. As you can see, in setting it at 20 percent we would not have fulfilled the plan. At 15 percent, we exceeded the plan. In 1956 Chairman Mao envisioned the possibility of increasing the speed of our country's construction, but we did not have experience and did not pay attention to Chairman Mao's idea. In 1958, the Great Leap Forward proved that Chairman Mao's idea was correct. If at that time we had paid attention, perhaps it would have allowed for a better fulfillment of the First Five-Year Plan.

From this one can draw two experiences: First, one can set the norm low and fulfill the norm. But this does not mean setting it very low. Second, in the implementation process, one has to make frequent checks, every year checking it once. This would take place in the second year. From the third year onward, it is also possible to raise the plan's norm a bit. One thereby makes the plan's norm rise.

This has been our experience. I raise it for your reference. You are doing construction after us, so perhaps you will do it better than us.

Our socialist countries learn from one another, so we must learn from good experience and we must learn from bad experience as well. From bad experience one can gain lessons and avoid errors. You previously asked that Comrade Wang Guangwei go to Vietnam. This time you are having talks with the Ministry of Foreign Trade and are in contact with him. Other than hearing them present to you their good experiences, you also have the right to ask them to present their experiences of failure. If they do not present this aspect of their experience, then that would be less than a complete spirit of camaraderie.

We have been continuing the Great Leap Forward for three years. This has been the

experience of China's Party. In the Great Leap Forward we gained many achievements, but there were some shortcomings and errors as well. Korea, too, is doing Cheollima [Chollima]. When we presented to Korea our experience, we also told Comrade Kim Il sung of our shortcomings and errors. For example, one cannot overly concentrate the rural workforce in the cities. You perhaps do not have this point, but at present we have encountered this difficulty. We Asian and African countries are lagging in industry. Industry and agriculture have to develop at the same time and have to walk on two legs, because the rural villages must supply the cities with food, raw materials, and manpower, as well as provide the cities with markets. We are all backwards countries, inferior to such Western countries as the United States. Their degree of mechanization is high, they use few people in their agricultural production, and they produce a great deal of food. Of course, on the one hand, they produce a great deal of food. On the other hand, many people there have nothing to eat, and they dump a large amount of food into the sea. This is a systemic problem. We are lagging, with agricultural production requiring many people. What is your urban-rural population ratio?

Deputy Prime Minister Nguyen: We have an urban population of 1.7 million. Our total population is 16 million.

Premier Zhou: Ah, that is very good. It is less than 11-percent. Our urban-rural population ratio in 1949 was 10-percent urban and 90-percent rural. In 1957, the urban ratio grew to 15-percent, with the rural ratio at 85percent. At present 20-percent of the population is urban and 80-percent is rural. The growth in the urban population has been too rapid. The rapidity of the urban population's growth is not due to too many children being born in the cities but due to too many from the countryside coming to the cities. Rural mechanization has not kept pace, which affects agricultural production. You must pay attention to this problem. We paid attention to this problem in the past, but we did not pay enough attention. So the urban population has grown rapidly, particularly these last two or three years. This is a waste for the countryside and the cities. Waste appears in the following: 1) the decrease in persons taking part in agricultural production weakens the battle line of agricultural production; 2) we overdo capital construction, with industry, transport, and water works all occupying too much manpower or, to put it in everyday terms, the battle line of capital construction is overly long; 3) there is too much in the way of unproductive persons, training, and reserve manpower. Other areas, such as finance, commerce, trade, service industries, education, and science and research, also occupy a great deal of manpower. The organs are too large. Look, today have 11 persons accompanying you on your tour, and your group only has six persons, which shows that delegation leader Nguyen is very wise. All the waste in manpower ultimately is a waste of time spent working. At present what I am saying none of them say. Manpower waste, with two years of natural disasters added to it, affected the supply of food. Of course, this is part of the phenomenon. In short, it is not good, but it is also something to which we must pay attention. The people's communes in resisting the disaster made great achievements. This year agricultural production still can keep 1957's level; industrial production may be a little higher than the plan.

The talks this time do not necessarily settle all the projects. We could keep some money and use it again later. Later encountering a shortfall or wanting to increase something, it would be fine for you to leave aside a hundred million, or possibly even more. Of the original projects of 300 million yuan, we have only completed 51 until this year. The remaining 49 projects may only be completed in the next year or two. Certain projects have not yet been planned. Therefore, at present we have to discuss first these uncompleted projects. Of course we can also discuss at the same time new projects. But it would be inadvisable to settle on too many at one time. One cannot start projects at the same time. If you draw up everything all at once, when you discover later a need to build a new project, there will be no money for it, so you have to leave a little margin. One has to do all the basic things early, such as steel, nonferrous metals, building materials, water works, and transport. At the same time one has to consider factories for agricultural product processing and light industry.

Our country's paddy field tractors have yet to be finalized and still cannot be taken out, but it is not something that we are never going to do. Later we will still want to do it and will gain experience.

In the area of project design, you need not decide everything at once. Rank projects yet to be completed and complete the uncompleted projects first. Complete the new projects. For the new projects, first draw them up, conduct surveys, design them, and then you have to rank them. As for the remaining projects and doing them again later, you have to consider the state of your manpower, how much manpower you have and how many factories you can handle. One has to train the technical force, or a well-designed factory will still be incapable of production. We still have 49 projects for which we must supply equipment and designs. We must also rank them. At present what we are doing are factories, such as steel factories and nitrogen fertilizer factories, unlike what we were doing before, such as match factories, soap factories, and cigarette factories. Those were all small factories. In doing those small factories, even though there were shortcomings in design, technically we were confident. At present we supply what has become a great deal of equipment. If what we give you performs poorly, then so sorry for you, as this is not internationalism but capitalism.

Let us speak with regard to the issue of trade. We first must do everything we can to ensure that we supply you with what you most need, such as cotton, steel, and iron. On the other hand, however, we have had in the last two years famine due to crop failure. With reduced crop yields, the increased export of agricultural products is difficult, and we must reduce them somewhat. This will make it difficult to increase the volume of trade. This year's trade volume will be 140 million yuan; next year it may be reduced. In short, we will do everything possible to satisfy you, but we also inform you that we have had famine due to crop failure these past two years. If you absolutely need some product we can squeeze out some. The same goes for Korea. I have only spoken in general terms. For details, you will talk with the Ministry of Foreign Trade.

Deputy Prime Minister Nguyen: We will examine in our work henceforth the guidelines and ideas that the Premier has put forth.

Premier Zhou: The first part is for your reference.

Deputy Prime Minister Nguyen: We have already put forth Vietnam's First Five-Year Plan's control figures but will only be able to put forth the detailed plan in 1961. Following the inspection in 1960, there are some circumstances that merit our attention. Because of this, the issues that you have put forth merit our examination. We have basically fulfilled the year's plan for 1960, which means that we have basically fulfilled a three-year plan. There remains some of the capital construction to complete, and we are ready to switch to the First Five-Year Plan's initial stage fulfillment. We think that there are three areas to which we must pay attention.

We have basically completed socialist transformation. We have also established socialist and semi-socialist production relations. But there has not been great development in production. Some products have increased, but the quality remains poor.

Premier Zhou: How much of the socialist transformation of agriculture have you completed?

Deputy Prime Minister Nguyen: Eighty-six percent.

Premier Zhou: How much of the socialist transformation of handicrafts have you completed?

Deputy Prime Minister Nguyen: Over 90-percent.

Premier Zhou: How about the socialist transformation of small traders?

Deputy Prime Minister Nguyen: For approximately 50-percent we have established some cooperatives and joint small teams for buying and selling goods. In 1961 we will continue the transformation of small traders.

Premier Zhou: How many small traders are there?

Deputy Prime Minister Nguyen: Approximately 200,000. We have already collectivized 50percent of them. The second issue: The development of work in industrial production, capital construction□cultural education, and cadre cultivation is rather balanced, with some over fulfillment. Only in the area of agriculture is it a bit poor.

Premier Zhou: Vietnam has how many persons earning a wage?

Deputy Prime Minister Nguyen: The figure for 1960 is over 350,000.

Premier Zhou: Workers account for how much of that?

Deputy Prime Minister Nguyen: There are over 100,000 in industry and 78,000 in transport, of whom 40,000 are in the railways.

Premier Zhou: All together, that is less than 350,000.

Deputy Prime Minister Nguyen: There are 60,000 workers on state farms, over 20,000 teachers, 50,000 office workers, and over 20,000 workers in capital construction.

Premier Zhou: There are not many capital construction workers.

Fang Yi: Many of Vietnam's capital construction workers are temporary workers, so they are not counted.

Premier Zhou: Is your agricultural production this year also not so good?

Deputy Prime Minister Nguyen: Yes, this year's harvest was not good. There was a reduction of 18 percent relative to the plan.

Premier Zhou: How much was total output□

Deputy Prime Minister Nguyen: The paddy plan is 5.5 million tons. This year we only were able to fulfill 4.4 to 4.5 million tons. The coarse grains plan is 800 to 900 thousand tons, but we only were able to fulfill half of it.

Premier Zhou: That is not bad. Your total food production is over 5 million tons, which is 600 jin on average per person.

Deputy Prime Minister Nguyen: In short, rice and coarse grains fell 1.3 million tons short of the original plan. Our situation and that of China are not the same. We have not completed socialist transformation, the state does not control much food, management work is not good, there are gaps, and there is wastage, so the issue of

food is also tense.

Premier Zhou: How much does the state purchase?

Deputy Prime Minister Nguyen: The state each year purchases 400,000 tons. Including agricultural taxes and other measures, it takes in a total of 800,000 tons. The 1961 plan will purchase 550,000 tons, and with agricultural taxes it will be 1.2 million tons.

Premier Zhou: Do you acquire unprocessed food grains or processed food grains?

Deputy Prime Minister Nguyen: We acquire rice crops.

Premier Zhou: Next year's rice crop total production plan is how much?

Deputy Prime Minister Nguyen: Next year's rice crop plan is for 5.5 million tons, and we will also vigorously develop the production of coarse grains.

Premier Zhou: Output of 5.5 million tons and state acquisition of 1.2 million tons, this is more than our country. How much is the grain ration per person?

Deputy Prime Minister Nguyen: For the rural non-grain-producing districts, we supply 10 kilograms.

Vice Premier Bo: And the grain-producing districts?

Deputy Prime Minister Nguyen: Twenty-one kilograms.

Premier Zhou: What do the non-grain-producing districts produce?

Deputy Prime Minister Nguyen: The non-grain-producing districts mainly are handicraft areas.

Premier Zhou: Other than handicrafts, do the non-grain-producing districts also produce non-staple foodstuffs?

Deputy Prime Minister Nguyen: These handicraft districts also engage in the production of non-staple foodstuffs, such as catching fish and raising livestock.

Premier Zhou: (asks Fang Yi) You spent time in Vietnam's mountain districts. What does the mountain districts produce?

Fang Yi: They produce sweet potatoes and cassava.

Premier Zhou: Is food supplied by the state or not?

Deputy Prime Minister Nguyen: The figures mentioned above are what the state supplies to the peasants.

Premier Zhou: Those are grain-producing districts. What about the non-grain-producing districts?

Deputy Prime Minister Nguyen: The state supplies the non-grain-producing districts, supplying staff and workers each month with 13kilograms of rice□

Premier Zhou: Is 13 kilograms enough for workers?

Deputy Prime Minister Nguyen: Workers receive 18 or 19 kilograms, and troops 21kilograms.

Ambassador Tran Tu Binh: The troops were receiving 24 kilograms, but we have now reduced it, changing it to 21kilograms.

Deputy Prime Minister Nguyen: At present we are prepared to carry out the Party's food policy movement. Our estimate after the autumn harvest is equivalent to the 1959 level. But the peasants have reported less.

Premier Zhou: It is the same for us. Food left in the hands of the peasants is good, while that in the hands of cadres will be a waste.

Deputy Prime Minister Nguyen: Production in other sectors of our Vietnam is also not good enough, but it is agriculture that is worse, which affects the food supply, exports, and fiscal revenue

Premier Zhou: Your conditions are good. This year we had a reduction in production of 30percent, with a national average per person of 500 jin of unprocessed food grains, including rice, coarse grains, and sweet potatoes. Because of this, we did not achieve this year's task for food exports and fell behind in our bills. This also affected production of oilseed, sugar, cotton, cloth, yarn, paper, knitwear, tobacco, salt, alcohol, meat, and livestock feed. I am 62 years old this year and have never seen such a great famine. Eighty years ago, in the time of Guangxu (1877), there was this kind of great famine. But we now have people's communes, are concentrating our forces, and overcoming the famine, which otherwise would be even greater. We will see next year whether or not we recover.

Deputy Prime Minister Nguyen: You have spoken to us of complete equipment and the general direction of trade, which we very much welcome. In respect to capital construction, in the first few years of the five-year plan are projects not completed in the three-year plan, and we also are thinking to put forth changes to some projects.

Premier Zhou: Very well. We can supply according to your needs.

Deputy Prime Minister Nguyen: We also are thinking of doing some new key projects, such as a steel factory, a nitrogen fertilizer factory, railway improvements, and an airport.

Premier Zhou: In Hanoi, I agreed to the airport project. Is the site in Hanoi or not? Is it new construction or is it an expansion?

Deputy Prime Minister Nguyen: It is new construction, 25 kilometers from Hanoi. We are also thinking of some new construction and expansion projects for light industry, producing more products, satisfying the needs in the lives of the people, and quickly recovering the funds. There are also some projects that have been introduced and, from the viewpoint of the plan, are backup projects. Among these backup projects are some that may not be necessary in the future, some that did not make it into the plan and in the future could be necessary. We are setting aside a part of the 600 million for such situations. In respect to trade, we also agree with the Premier's thinking.

Premier Zhou: If this time you have not settled, then come back and we will discuss it then. Prime Minister Pham Van Dong, is that good?

Deputy Prime Minister Nguyen: Very good, thank you.

Premier Zhou: Madam Pham is still in Beijing convalescing. Is she all right?

Ambassador Tran: She is fine. She can now speak and have fun.

Premier Zhou: Ah, that is great. Prime Minister Pham must be very pleased. The previous time the hospital was a mess. We invited him here for treatment, and the hospital charged her, which was a real mix-up. All right, let's go take some pictures.

Carbon copies: Premier [Mao Zedong], [Liu] Shaoqi, [Zhou] Enlai, Zhu De, Chen Yun, Lin Biao, [Deng] Xiaoping, Peng Zhen, [Li] Fuchun, He Long, [Li] Xiannian, [Bo] Yibo, [Wang] Jiaxiang, [Yang] Shangkun, [Hu] Qiaomu, [Illegible][Xi] Zhongxun, [Ye] Jizhuang, Office of Foreign Affairs (5), International Liaison Department (5), State Planning Commission, Foreign Trade, Chen, Zhang, Luo, Ji, Zeng, Geng, Meng, Liu, General Office (3), 2nd Asian Affairs Department (2), Information Department, Protocol Department, Ambassador, 5 copies retained

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