

February 18, 1959
**Record of Conversation from Premier Zhou Enlai's
Reception of the Vietnamese Government and
Economic Delegation**

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Summary:

Zhou and Le Than Nghi review the economic situation in the DRV and Chinese economic assistance aid.

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Record of Conversation from Premier Zhou Enlai's Reception of the Vietnamese Government and Economic Delegation

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February 20, 1959

Record of Conversation from Premier Zhou Enlai's Reception of the Vietnamese Government and Economic Delegation

(Not reviewed by Premier Zhou Enlai)

Date and Time: February 19, 1959 from 2:00 to 3:05 PM

Place: West Flower Hall of the Zhongnanhai Leadership Compound

Persons received: All members of the Vietnam Government Economic Representative Delegation present in Beijing (name list appended) and Vietnam to the PRC Chargé d'Affaires Yuan-Ping

Escorts: Ye Lizhuang, Ji X Fei, Li Qiang, Bai Xiangyin, Chen Shuliang

Interpreter: Zhang Chuanwei

Notetaker: Kang Zhudun

Premier: Have you reached an agreement?

Le Thanh Nghi: Yes. Both sides are happy with it. Everything is ready. We can sign it today.

Premier: Were there any difficulties?

Le Thanh Nghi: There were some difficulties during the negotiations. That was mostly because we lack experience. With the help of the Chinese comrades all the problems were resolved.

Premier: I heard Chairman Ho Chi Minh speak yesterday. At a meeting of the National Assembly, he reported on the rate of growth of industrial production planned for the next three years.

Le Thanh Nghi: Yes, at last year's National Assembly meeting, he presented some numbers for the Three Year Plan, on the number of new enterprises and their production.

Premier: Did he cover all the national construction projects in his speech?

Le Thanh Nghi: He covered most of the construction projects being done by China in his report.

Premier: China dropped some projects and added some others. You originally proposed 67 projects. Now there are 49. Two projects were added. What happened with the other ones?

Le Thanh Nghi: The number of projects isn't important. Some projects got bigger while others got smaller.

Premier: How much do you expect industrial production to grow over the next three years?

Le Thanh Nghi: We expect an increase of over 50%.

Premier: To 1960?

Le Thanh Nghi: Yes. 1960 compared with 1957.

Premier: So the projects that we setting up now don't run from 1959 to 1962.

Le Thanh Nghi: Yes. When I was in Vietnam, we expected that most of the projects would be completed in 1960 and a small number of them to be completed in 1961.

Premier: Were you affected by our Great Leap Forward? Why do you want to complete everything in one or two years?

Li Qiangyi: Yes! We were influenced by that. But we also thought about it this way. What China can do in one year, we'll need a year-and-a-half or two years to do it.

Premier: Yes. This situation is different there. Some of your comrades visited Shanghai. Shanghai has some factories that can be built in just one year. But the comrades we introduced to you did not explain the situation to you clearly. If we take steel piping as an example, Shanghai has an excellent industrial infrastructure and many machine tool factories that can make equipment as well as technically trained workers. Therefore, building a steel pipe factory really is easier because of those things so it can be done in a year. Some factories in the Shanghai districts of Pudong and Yangshupu are being built relatively quickly. Last year you visited a cold drawn steel pipe plant. That plant was built in Longtang, The plant can be built quickly because Shanghai Steel can make the needed equipment and it has good technical personnel. If we didn't have those special conditions, it would take two or three years to build the steel plant. If we didn't have steel, we might not have been able to do it in three years.

Vietnam has a poor industrial infrastructure. It can't make steel. If you want to make steel, you need to prospect for minerals, mine minerals, and transport them. You also need to get coal, chose coking coal and make coke. You also need a machine plant to make equipment. Only then can you make steel. If you want to make cold drawn steel tubing, you will need three years or more. Therefore I say, if you don't have the industrial infrastructure, you cannot do things quickly. The people I mentioned only talked about doing things quickly. They did not talk about the necessary conditions.

Let's take another example from light industry. If we talk about a sugar mill, the equipment needed is simple. However the raw materials - the sugarcane - how do you make it, how do you transport it. So it is not that simple. Building a sugarcane plant will also take a year or more. Sometimes simpler industries can be built more quickly but it still depends upon the heavy industrial infrastructure.

China was able to advance quickly because first, historically there was already something of an infrastructure for heavy industry and, secondly, construction during the First Five Year Plan built up the infrastructure for heavy industry. The Soviet Union gave us a great deal of assistance in that area. If it were not for that infrastructure, we could not have had the Great Leap Forward of today.

Therefore it is said, when you are building industry you need to first build an industrial infrastructure. The goal was set to build a joint company that will produce 100,000 tons of steel annually that will be able to begin production in 1961. You will be able to produce iron in 1960. That way you will have built an infrastructure for steel production. Moreover, I heard that the Soviet Union will help you build a machine parts for repairing medium size machinery. How much will you produce each year?

Le Thanh Nghi: That will be a medium-size plant. It will mostly manufacture tools. The production capacity can be further improved. Some other products can also be made there.

Premier: Is this factory for making machine tools?

Le Thanh Nghi: It can make both steel bed frames and machine tools.

Premier: How much will it be able to produce each year?

Le Thanh Nghi: Three thousand tons.

Premier: That is not small-scale production. It will be much easier once you are producing your own steel. Is this a machine tool factory?

Le Thanh Nghi: In addition to that, there are also some factories that manufacture machinery.

Premier: Are there some locomotive repair plants?

Le Thanh Nghi: Yes.

Premier: Is there a ferry boat repair plant?

Le Thanh Nghi: There was originally, but it was small and it could only repair small steam engines. In there negotiations, there is a shipbuilding plant under discussion.

Premier: Is there an electrical equipment repair plant?

Le Thanh Nghi: There is that as well, but not a big one. We learned a lot during our visit to China. The Chinese comrades proposed that we build some heavy industry. There are some subjective things in our plan. The most important problem is that we did not consider our domestic situation carefully enough. We didn't understand well enough how difficult economic construction is.

Premier: Of course you cannot say that you don't have some subjectivism. We too have subjectivism. Both our countries are relatively new to industrialization. Last year we made a Great Leap Forward. This year too we will leap ahead but there are still some answers that we are still groping towards and some issues that we need to study. Increasing your production by 50% in three years will be no small

achievement. That would be an annual growth rate of 15%.

You will need to lay a foundation for heavy industry during your First Three Year Plan. Moreover, you must master technology. Vietnam had little industry and so you do not have experienced people in that area. The most important thing for industrialization is to have political confidence. The Soviet Union succeeded in its industrialization. China is doing it, the DPRK is doing it and the Democratic Republic of Vietnam can do it too. You need to learn from our elder brother the Soviet Union.

The Vietnamese people are very hard-working. Be confident and master technology. Industrialization is very difficult and is highly technology-dependent. Moreover, agriculture will soon mechanize. Therefore, mastering technology is essential. Are Vietnamese technicians trained in special courses set up at the plants or are they sent to a middle level technical training school.

Le Thanh Nghi: We have many different ways to train workers. Some are trained in schools and some in factories. We have an industrial university. That is a five-year course. The various departments are setting up some technical middle schools. Some workers are trained at technical training schools. Some are trained as apprentices in factories. There are in addition some cadres sent to study with experts who studied in China or in the Soviet Union. We don't have many cadres so not many of them are studying with foreign experts now. Moreover, we are also sending some cadres to China and to the Soviet Union for graduate training or practical study.

Premier: Do your students also take part in practical work?

Le Thanh Nghi: Some. That started last year. The students do some practical work. Work and study are combined.

Premier: If you have middle schools for outstanding personnel, you will be able to find talented people more quickly.

Le Thanh Nghi: We have only just begun that. We are learning from China's experience.

Premier: You will need to resolve those problems based on Vietnam's own experience. Are there some people who have returned and gone to work in the factories?

Le Thanh Nghi: Yes. Some have transferred to industry. Some work on the construction of infrastructure. Others still work on agricultural issues.

Premier: Are you opening up new areas to agriculture in northwestern Vietnam?

Le Thanh Nghi: Some went to open up virgin areas. Others went to work in the villages.

Premier: When did you start to open up the virgin lands?

Le Thanh Nghi: We started last year.

Premier: Did some people from the south take part in opening up virgin lands?

Le Thanh Nghi: That is difficult. We haven't figured out a good way to solve that problem. Some individuals came. Those that came had to cross the barrier fence.

Most people still aren't able to come.

Premier: Are some able to come by sea?

Le Thanh Nghi: That is very difficult. A strict blockade has been imposed.

Premier: Have some people come on fishing boats?

Le Thanh Nghi: They can't come. Some get close, and some are able to come, but the southern Vietnam controls are very strict. During these negotiations we were able to resolve some serious difficulties. This is the first time we sign an agreement with China covering commercial trade during a defined period. Moreover, China has supplied us with considerable industrial equipment, 49 projects plus two more makes 51 projects. Many projects are for building a foundation for industry such as steel plants and shipbuilding plants. For light industry there are textile mills, paper-making mills, and gunny sack plants. This has laid the foundation for the construction of socialism in Vietnam.

The assistance that the Chinese comrades are giving to our country, just as our country is actively completing its Three Year Plan and carrying out socialist revolution is highly significant. This assistance will be very helpful as we complete the Third Three Year Plan and our socialist revolutionary tasks. We feel that the Chinese comrades have helped us very much during these negotiations. In particular the Central Committee of the Chinese Communist Party has given us a great deal of help. The comrade Premier has personally given us his guidance and help. The Minister and other comrades from the Ministry of Foreign Trade along with the comrades from the Planning Commission have given us a great deal of help. Therefore, both sides were able to reach complete agreement during these negotiations.

Premier: We have only just begun to leap forward. Our economy is not yet strong so we cannot give you much help. In five or ten years, we will be stronger and so may be in a position then to give you somewhat more help. Moreover, we hope that the Vietnam comrades will be able to master the art of choosing the right personnel and develop industry by yourself.

Le Thanh Nghi: We are ready to sign the agreement now. In the future there will be more construction and production. We feel that there are many difficulties in that area. Just as the comrade Premier said, we are still young and don't have very much experience. We hope that China will be able to give us more assistance and will be able to send us more experts.

Premier: We will certainly do everything we promised in the agreement. I hope that the Vietnam comrades will also be thinking hard about the various ways to resolve your own difficulties.

Le Thanh Nghi: Just as the comrade Premier has said, the most important thing is that we have self confidence. We are confident that we will be able to industrialize. We will certainly overcome difficulties and complete the projects that China is helping us to build. We are confident that with the hard work of our country's people and with the help of the Chinese comrades, we will be able to build our industry very quickly.

Premier: The most important thing is to be self-reliant.

Le Thanh Nghi: On the occasion of this meeting with the comrade Premier, allow me, on behalf of the Party and Government of Vietnam, to express our gratitude to the Chinese Party and Government, and in particular to the comrade Premier. China's

assistance to us at this time has special significance. We also want to express our gratitude for the great deal of help we got from the Minister and comrades of the Ministry of Foreign Trade and from the comrades of the Planning Commission.

Premier: You are too kind. We will sign the agreement this evening at 7 PM.

Name list of the Vietnam Government Economic Representative Delegation:

Head of Delegation: Le Thanh Nghi, Chief of the Industry Office in the Office of the Prime Minister of the Democratic Republic of Vietnam and Minister of Industry.

Deputy Head of Delegation: Ly Ban Deputy Minister of Foreign Trade

Delegates: Deng Qingyun Trade Counselor, Embassy of the DRVN in China
Huang Cheng Head of the Planning Bureau of the Ministry of Industry
Zeng Sanjing Head of the Supply Bureau of the Ministry of Construction
Yuan Yuzhen Head of the Supply Bureau of the Ministry of Industry

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