

Hungarian Embassy to North Vietnam, Report, 6 May 1963. **[Summary]**

The author of the report notes that the 1962 plan (like its predecessors) had to be modified in August 1962 as it became clear that the original targets would not be met. The modifications caused some disruptions (e.g., cancellation of industrial investments), and the chaotic conditions already existing in planning further worsened. In 1962 the DRV was unable to meet either the demands of its own population or that of its socialist commercial partners (it imported more than it could export), and, as a consequence, her debts generally increased. On the other hand, loans given by the "fraternal" countries for the year 1962 often remained unused. According to the original plan, in 1962 125,000 hectares of land should have made arable in the mountainous regions, but only 72,000 hectares were actually turned into arable land. Moreover, regions chosen for such projects were often badly selected, the food supply and clothing of the settlers was not always provided, etc., and, therefore, a part of the settlers left the new settlements. With the exception of irrigation pumps, the mechanization of agriculture made no headway. Investments in this field did not increase, partly because even the existing machines were underutilized (60%) due to the absence of skilled labor. Mechanization was too expensive as compared to work done without machines (1 hectare of land, if machine-ploughed, cost 30 dong to the peasants, while its cost was only 16 dong when ploughed by buffaloes), and cooperatives couldn't afford to maintain agricultural machinery (just one co-op had a tractor; all other tractors were owned by state farms). Due to the absence of investment (e.g. the necessary amount of fertilizer), the productivity of agricultural land decreased, harvests were yearly worse and worse. Although in the autumn of 1962 35,000 tons of artificial fertilizer was given free to the co-ops, much of it remained unused. Due to problems in rice growing, human consumption of maize was more and more encouraged, which hindered livestock (i.e., pig) raising. The number of animals tended to decrease, and consumption of meat declined significantly. The 7th plenum of the VWP CC (held in June 1962) again emphasized the importance of socialist industrialization (particularly in heavy industry). Nevertheless, problems emerged in this field as well, and industrial investments were later revised (from 334 million dong to 312,7 million). This was partly due to that increased investments in agriculture were made at the expense of the industrial sector. Since the regime became aware of the danger of sinking into debt, industrialization was cut back and some of the loans, as indicated earlier, not used. Industrialization was to serve agriculture; however, this was easier said than done. For instance, the type of artificial fertilizer produced in the DRV, the so-called superphosphate, was not very suitable for North Vietnamese soil and thus it had to be exported; nitrogenous artificial fertilizers, no matter how suitable they would have been in North Vietnam, were neither produced nor imported, and the peasants had to use the age-old methods of fertilizing the soil. The regime reacted to the problem by launching campaigns of "work competition" among the peasants. In 1961, exports amounted to 72,5 million new rubles, while in 1962, 80,553 million (in contrast, imports for 1962 were 134,618 million). On 19 February 1963, the VWP Political Bureau made a new resolution concerning the strengthening of agricultural co-ops, followed by the 8th plenum of the CC in April 1963 and the 6th session of the National Assembly (April 29-May 6) which declared

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that agriculture should be a basis for industry in the future (e.g., a greater emphasis on the growing of commercial crops). The food deliveries of co-ops were to be fixed according to the average of production in the last years, so as to increase the feeling of security among peasants. In addition, local leaders were obliged to allow the co-op members to use 5% of co-op land as private plots, and if peasants wanted to grow vegetables on these plots, the latter could amount even to 10-12% of co-op land. Peasants who had joined the co-ops with their animals could get them back temporarily "for looking after them". Animals raised this way were to be sold by the cooperative, but the peasant would get a certain percentage of the price. Cooperatives established in the new settlements got loans and tax exemptions from the state. For 1963, industrial targets remained basically the same as for 1962. Only the most important investments were to be continued in 1963, while investments in agriculture were to be increased.