

## Hungarian Embassy to North Vietnam, Report, 12 May 1964. [Summary]

The report notes that following the 8th plenum of the party, in early 1963 the National Assembly revised the plan for food production to 6,1 million tons (if everything is counted in paddy). The leadership tried to improve the situation by organizing new and new working contests among the peasants; articles exhorting the cultivators to fulfil the plan were published in "Nhan Dan" almost daily. In addition, investments in irrigation and the production of artificial fertilizer also rose. Still, the result was only 5,2 million tons (including 4,1 million tons of rice). The regime blamed the inefficiency of the apparatuses dealing with compulsory deliveries and food distribution for the failure, but it also criticized the insufficient political consciousness of the peasantry. According to Hanoi, a lot of peasants still failed to understand that sacrifices had to be made for socialist industrialization and the liberation of the South. The propaganda organs "encouraged" peasants to consume less food so as to boost exports. The report stated that material incentives were hardly used in the economy of the DRV. Speaking of industry, its development was partly hindered by the fact that the 1963 plan was accepted by the National Assembly as late as in April 1963. In order to avoid a trade deficit, imports were reduced, which badly affected many factories (the latter could not operate at full capacity due to shortages in materials). Transport problems were also serious. Coal was transported to the railway on lorries, but some 50% of the latter were broken down due to the absence of spare parts. According to official statistics, the total amount of wages paid to workers and employees rose by 1,5% in 1963 in relation to 1962. This was not due to wage increases but to the increase in the number of full-time workers by 28 000 (the increase in the number of casual laborers was 73 000). In 1962 a family had 1,7 working members; in 1963, 1,8. In relation to 1962, textile and meat rations decreased (previously textile rations had been 6 meters per capita per year). Living standards failed to improve, and not even the official texts predicted any improvement in the near future. In certain areas food supply was not guaranteed uninterruptedly, and this led to "an upsurge in speculation and the free market" (in such cases, the price of husked rice reached some 2-3 dong per kg, in contrast with the official 1,1 dong). Due to the all-encompassing shortage of goods and the low food rations, the black market was "thriving" and there prices were rather high. In order to guarantee the food supply of the cities, the government bought some 100,000 tons of corn and maize from "capitalist" countries. Of state investments, 86,3% were in the productive sectors (48% in industry, 16,6% in agriculture). Investments in agriculture did increase (particularly in the case of irrigation pumps). 200,000 hectares of land was made arable. The government laid great stress on the strengthening of the agricultural co-ops. In the course of 1963, the state increased prices paid to the peasants for their products: the price of unhusked rice was raised from 0,25 dong to 0,27, that of maize from 0,25 to 0,3, that of manioc 0,09 to 0,1. The population was encouraged to eat manioc and maize in addition (and instead of) rice. The report also noted the idea of economic "self-reliance" got stronger and stronger emphasis in North Vietnamese propaganda, with anti-Soviet overtones. Originally, this conception cropped up at the 3rd Congress of the VWP (held in 1960). At that time, the Soviets did not consider it as hostile, since it was Ho Chi Minh himself who emphasized it and its message was that "one should

not demand too much aid from the fraternal countries". Later, self-reliance was interpreted as economic independence, a way to avoid the danger of possible pressure from the "developed socialist countries". The author of the report attributed this new attitude to Chinese influence. On 11 April 1964, an editorial of "Nhan Dan" laid a particularly great emphasis on the idea of economic self-reliance. The article criticized those who said that the DRV was unable to produce machines and that North Vietnamese consumer goods were of a low quality. In the field of concrete policies, the government wanted to produce lorries and tractors (though it lacked the sufficient technical basis for that), and pumps, Diesel engines, etc. were produced without using standards and with outdated technology in order not to import these products. On the other hand, a certain Chau (the deputy chairman of the National Office for Planning) told the Hungarians that North Vietnam could not (and didn't want to) produce everything; according to Chau, emphasis was on electric energy and an anthracite-based chemical industry. The idea of self-reliance was expressed in, among others, the Vietnamese leaders' fear of indebtedness; therefore, a substantial part of the loans got from the Soviet bloc was actually not used. In other cases, raw materials for light industry were imported from "capitalist" countries and the products (shoes, textiles, paper) were exported to the Soviet bloc instead of meeting local demand. Skilled workers and technicians were too scarce in the DRV for self-reliance, the author of the report noted. Illustrating the level of education characteristic of low- and middle-level cadres, he described the following event: In recent days, Ho Chi Minh made a speech in which he said that for the building of socialism in the North and for the liberation of the South, "everybody should work as if he was two men." A lot of cadres and people obviously took this literally, since after Ho's speech, articles appeared in the newspapers every day stressing that Ho Chi Minh did not mean that from this date on, everybody would work 16 hours per day instead of 8.