

January 9, 1974

Conversation between Comrade V. V. Samoilov and Comrade Stark

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Summary:

Comrade Samoilov informs Second Secretary Stark about the DPRK's foreign trade, particularly about the development of economic relations and the trade volume between the DPRK and the PRC.

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Contents:

Translation - English

GDR Embassy to the DPRK
- Political Department -
Pyongyang, 9 January 1974

N o t e

about a Conversation between

Comrade V. V. Samoilov, 2nd Secretary of the USSR Embassy, and Comrade Stark on
4 January 1974

Colleague Uta Robitz participated in this meeting as interpreter.

During the course of the conversation, Comrade Samoilov mentioned discussions in the diplomatic corps that Kim Il Sung is said to have visited the PRC about a month ago. So far those rumors are not yet confirmed.

Furthermore, Comrade Samoilov informed us about the upcoming visit by Comrade Im Jepn-ju, Secretary of the DPRK Central People's Committee, to the USSR. As the Soviet Embassy has only insufficient data about Comrade Im Jeon-ju, he asked for according information from our embassy.

Comrade Samoilov then extensively reported about the development of economic relations between the DPRK and the PR China. He disclosed that those relations continuously expanded in recent years. Trade exchanges have increased significantly. In the DPRK's foreign trade volume the PRC ranks second behind the USSR. China's share of the DPRK's trade volume amounts to 20 percent. In contrast, the Soviet Union's is at 45 percent. For 1973, the DPRK and the PRC have agreed on a plan to exchange goods in the amount of 800 million Swiss francs. He noted how over the last two to three years trade exchanges between DPRK and PRC were continuously increasing, which is mostly due to the stabilization of the domestic situation in China. Goods imported from China are of utmost importance to the DPRK as they contain such important items like oil, aluminum, soy, cotton, and manganese ores. Despite these facts, the DPRK has basically ceased its exports of non-ferrous metals to the PRC since it sells those mainly to Western European capitalist states. Due to such non-deliveries of non-ferrous metals the DPRK has racked up a debt of about 200 million rubles toward China. This tendency of growing debts towards the PRC continues to increase, which is of high political relevance.

Apparently it was agreed, during the recent stay of the Chinese Foreign Minister in the DPRK, that the DPRK would repay those debts at a later stage.

The Comecon states used to have, for a long time, a share of 85 percent in trade with the DPRK. By 1972, however, this share has fallen to 60 percent. Some reasons behind this development are as outlined below.

Trade with Western European countries, Japan, and China is growing. For instance, in 1972 trade between the DPRK and Japan reached a volume of 150 million U.S. Dollars, what is twice the amount of the 1971 volume. In 1972, DPRK exports and imports grew by 13.3 percent.

Trade between PRC and DPRK in Millions of Ruble:

□□□

□□□□

1971
1972
1973 (plan)

□□□
□□□□
Aggregate trade volume
160
174.8
194

□□□
□□□□
Exports
100
84.6
97

□□□
□□□□
Imports
60
90.2
97
□□ □□

According to the bilateral trade agreement, the following exports were shipped to the DPRK by the PR China in 1973:

□□□
□□□□

Coal
2 million tons

□□□
□□□□
Coke
100,000 tons

□□□
□□□□
Crude Oil
300,000 tons

□□□
□□□□
Oil Products

300,000 tons

□□□
□□□□

Manganese Ores

203,000 tons

□□□
□□□□

Ferro-Manganese Ores

3,000 tons

□□□
□□□□

Tracks

40,000 tons

□□□
□□□□

Soy

100,000 tons

□□□
□□□□

Salt

100,000 tons

□□□
□□□□

Tin

1,000 tons

□□ □□

According to the plan, the following goods were exported by the DPRK to China in 1973: □□□

□□□□

Metal Cutters

3,000 pieces

□□□
□□□□

Iron Ores

1,150,000 tons

□□□
□□□□

Rice
6,000 tons

□□□
□□□□
Lead
6,000 tons

□□□
□□□□
Magnetite Clinker
100,000 tons

□□□
□□□□
Cement
150,000 tons

□□□
□□□□
Cast Iron
60,000 tons

□□□
□□□□
Special Steels
80,000 tons

□□□
□□□□
Apples
10,000 tons

□□□
□□□□
Ginseng
30 tons

□□□
□□□□
Transformers
80,000 KW/A

□□□
□□□□
Electric Engines
60,000 KW

□□□

□□□□

Various Tools

1,2 Million Ruble

□□ □□

The PRC has aided the DPRK in the establishment of diplomatic relations with the Scandinavian states. Furthermore, the PRC is said to actively support the establishment of economic and political relations between the DPRK and Japan.

In addition, Comrade Samoilov informed us that Soviet comrades have noticed some specialists from West Germany staying in the DPRK to build power plants. Two energy cascades were already started up and the construction of four additional plants is planned. Those electrical power plants are supposedly in Northern DPRK. Comrade Samoilov promised to provide more detailed information on this issue at a later occasion.

[Signed Stark]

2nd Secretary

CC:

1x Ministry of Foreign Affairs, Far East, Section Korea

1x Ministry of Foreign Affairs, Central Information

1x Embassy, Political Division

1x Embassy, Trade Division