

September 23, 1964

**Minutes of Conversation between Zhou Enlai and
the Chief of the DPRK Trade Delegation Bang
Tae-ryul**

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Summary:

Minutes of a trade negotiation between Premier Zhou Enlai and the Chief of the DPRK Trade Delegation Bang Tae-ryu. The representatives discuss the self-reliance of their economies, as well as trade policies between them and with the international market.

Credits:

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Chinese

Contents:

Translation - English

Premier [Zhou Enlai]: Have you been visiting places?

Delegation Chief (Bang Tae-ryul [Pang Thae Ryul]): Many places. How is the Premier's health? I heard the Premier's health is not very good.

Premier: It is all right now. Actually I stayed in the hospital for a few days during my vacation. How is the health of Vice Premier Ri Ju-yeon [Ri Ju Yon]? Premier Kim [Il Sung's] health is good.

Delegation Head: Vice Premier Ri's health is very good, and so is Premier Kim's.

Premier: I know. I met with Premier Kim recently. You are not planning to spend National Day here? Are you going back?

Delegation Head: I need to go to Vietnam.

Premier: Is everyone going? Earlier I had a long conversation with the parliamentary delegation from Ceylon, we made you wait.

Delegation Head: I am going [to Vietnam] by myself. We are very grateful that, despite the Premier's busy work, the Premier had set aside time to meet us.

Premier: Are you staying in Beijing for another two days?

Delegation Head: We plan to sign [the agreement] tomorrow.

Premier: There were three issues not resolved during trade negotiations, [but] are easy to resolve. There are no issues which cannot be resolved between our two countries. I once told Vice Premier Ri that if there are any issues which cannot be resolved, then he should call me; [after all] there is a direct phone line between Beijing and Pyongyang. Let us resolve those three issues right now. First, in terms of 10,000 tons of high quality steel, you can produce a lot and whatever you do not use, give it to us. This would be helpful and we [would] accept it. Second, in terms of tractors, you can export 1,000 to us and we will accept them. You also have automobiles, how many tons?

Delegation Head: 2.5-tons.

□

Premier: What about tractors?

Delegation Head: 28-horsepower.

Premier: We do not have enough automobiles-the Northeast is [North] Korea's rear area and the South [of China] has become Vietnam's rear area, [but] last night I saw a file which said that there are not enough automobiles. The Ministry of Foreign Trade has said that a portion of the order for tractors can be switched for automobiles. Apart from the original order for 500 automobiles, so for the order for 1,000 tractors, we want to switch 500 tractors for 500 more automobiles. If the order can be changed, great, if not, then that is all right too. It should depend on your situation, no need [for us] to force the issue. Third, seamless steel pipes. [They] can be included in the agreement [but we] will wait for you to produce them before signing a contract. Mainly just these three issues, right?

□

Delegation Head: The Premier has basically covered the issues. I will contact Vice

Minister Li Qiang again to discuss the directions provided by the Premier. Vice Minister Li Qiang already raised the issue of swapping tractors for automobiles, [but] if we cannot resolve it here, [I] will take it back home [to Korea where we] will earnestly study the opinions of the Chinese.

Premier: No need to force the issue. If the order can be changed, great. If the order cannot be changed due to your own production situation, then still provide 1,000 tractors.

□

Delegation Head: We will return and study the issue to see if there is any possibility for change.

□

Premier: Add the figure of 10,000 tons of steel and 1,000 tractors to the agreement, make it a gentlemen's agreement. If it is possible for you to change a portion of the order for tractors into automobiles, then during the signing process you should change the order from 500 tractors into 500 automobiles. If it is not possible then do not change the agreement.

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Delegation Head: I fully understand the Premier's meaning.

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Premier: Also add seamless steel pipes to the agreement. We will sign the agreement after you have produced [seamless steel pipes]. This way the three issues have basically been resolved, right?

□

Delegation Head: Our wishes have received full resolution.

□

Premier: Good, it is not necessary to call about these three issues. Please forward the message to Vice Premier Ri.

□

Delegation Head: We will work according to what the Premier has just said. If we need to study the issue, then we will go back [to Korea] and continue our study. We will negotiate [again] during the signing process. If the Premier's schedule allows, then I would like to mention an issue.

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Premier: All right.

□

Delegation Head: The delegation's time in China has been short, [but] everything has reached a full conclusion with the assistance of the Chinese [Communist] Party, the government, the Ministers, Vice Minister Li Qiang, and all relevant departments. I have already reported [this] to my country's government. [We] are very thankful.

□

Premier: Brothers do not talk about gratitude. If we were to talk about gratitude, then we have more to thank you for. You are at the front [lines], [carrying] a heavy burden. In building an independent national economy, you have made great achievements in only eleven years. The delegation from Ceylon visited [North] Korea for seven days and was very impressed. Your achievements are commendable. We feel honored to share praises with you. Do not mention gratitude anymore.

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Delegation Head: We are particularly satisfied with the complete resolution regarding the 20,000 tons of cotton. After reporting [this] to our leader, our leader has become very thankful.

□

Premier: When I was in [North] Korea, I spoke with Vice Premier Ri and said that if you need cotton, just mention it. He did not mention it, [so] it is very good that you mentioned it. Earlier I asked Comrade Li Qiang about this, and he said that the cotton

issue has been resolved and the Soviet Union does not provide you with cotton! Your vinylon is very good.

□

Delegation Head: The resolution of the cotton issue is excellent. The production of vinylon is presently very small.

□

Premier: Your textile industry has done very well. You have better techniques than us.

□

Delegation Head: No, according to my understanding, your textile industry is better than ours.

□

Premier: I saw the bright colored clothing of [North] Korean comrades on stage. Perhaps the [North] Korean comrades are good at choosing colors.

□

Delegation Head: That is the lighting doing its work.

□

Premier: Your trade policy is one of balancing imports and exports. This is absolutely correct; we agree with this policy. It is a policy of self-reliance, [and] large and small countries should all follow it. That is the way to develop industry and agriculture. This way, you can also make up for the trade difference.

□

Delegation Head: Our trade policy is not to incur debts. We always ask for more from China and we often owe debts, [and] we are very sorry [for this]. The comrades at the Ministry of Foreign Trade said it is all right if there is no balance, but we always try to achieve balance. We always ask for more and provide less.

□

Premier: The policy of your party and our party is the same-to not owe debts. This further explains the superiority of socialism. You have obtained such great achievements within only a few years since the war, which is a miracle and speaks to the world's people and the socialist camp. We fully support your independent and self-reliant national economy. We congratulate your Ministry of Foreign Trade for maintaining this policy, [and] we are willing to help you move forward. The trade between our two countries needs to increase. We also want to trade with various countries throughout the world. This way we can exchange items that we need. After signing agreements, certain departments will not completely [meet their quotas] and will owe a little [money]. This is very normal, [so] do not feel sorry [about this]. We need to open up trade between our two countries and with the international market. Our two countries need to help each other. I have a suggestion that I am asking you to consider. We hold trade fairs twice a year in Guangzhou, [and] we hope you will send some trade experts to visit the fair. You can see what products and specifications are needed by foreign companies at the fair. You can then use this information to produce some products and raise your standards. Would you be willing to send some people?

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Delegation Head: The Premier has made a very good suggestion. I personally think visiting the Guangzhou Trade Fair is excellent [and] I will report [the idea] to my government.

□

Premier: Good, send a few experts to visit [the trade fair]. Also ask the Vietnamese comrades to send some people as well. This is the first step. The second step is that you can send products [to the trade fair]. We can give you a spot to display your products and you can directly introduce and sell your products to businessmen. This way you can have an opportunity to make contacts with foreigners and know their needs. After a few times, you will have a relationship and you will be able to invite businessmen to travel to Pyongyang or Hanoi to observe your accomplishments, [then] you can also hold your own fairs. It is a three step process: the first step is to

send your experts to visit [the Guangzhou trade fair], the second step is to send products to the fair and contact businessmen and the third step is bringing the matter back to Pyongyang. If you feel that this matter can be considered, then please report back to your government. This is my recommendation.

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Delegation Head: I will report the Premier's valuable advice back to my government in its original form.

□

Premier: You can find out from foreign businessmen what kinds of colors, types, and specifications are desired for industrial products, agricultural products, and handicrafts. This way you can increase your production and raise standards. It is not easy to raise quality and quantity, but we are learning. The comrades that you have sent over to learn metallurgy, chemistry, and machinery even brought over their work uniforms. They are working very hard. The two groups in Beijing that are learning acrobatics and film are immersed in learning; they do not come out and play, very good [students]. The comrades that we sent over [to Korea] to learn only want to play. We should strengthen technical exchanges, for this would help to raise the quantity and quality of our products. We have provided you with all the new techniques that we have developed and imported; we do not withhold anything from you. Your production techniques for vinylon and nitrogen fertilizers are quite excellent. We have sent people to learn those techniques. How are they doing?

□

Delegation Head: I am listening to the Premier very earnestly. Our trade personnel have received quite a lot of help. The Premier's discussion has made us fully appreciate the assistance that China has given to us in [our] socialist development. China's assistance is comprehensive.

□

Premier: [North] Korea has established an independent and self-reliant national economy. Your assistance to us is ever greater. Your burden is heavier than ours. You have obtained great victories in development after the war created a scorched earth [in Korea]. Not only did you consolidate [North] Korea, you have also consolidated our China. Your assistance to us far surpasses our assistance to you. Since the American imperialists want to contest with China, without the Korean battlefield, the war would have been fought in China's Northeast! Therefore I say that your burden is the greatest. In economic development, your self-reliant policy has achieved great progress. It has not only provided encouragement for us, but also for all of the people in Asia and Africa. If we obtain achievements, then others will attribute it to the large size of our country; if they fail to obtain achievements then they will attribute it to the small size of their countries. We said that even small countries can make achievements. For those that do not believe [in us], we tell them to travel to [North] Korea. Your independent self-reliant economic development is quite encouraging and gives them confidence. Our two countries and parties firmly insist upon Marxism-Leninism. Not only do we share the same fate, life or death, in war, we also develop, progress, assist and learn together. In the diplomatic arena, we also assist each other and engage in combat together. The Second Afro-Asian conference will be held very soon. While I was in Pyongyang, I spoke with Premier Kim and the Premier said that he will attend the conference. The conference this time will not only discuss political issues but also economic issues. We have already made preparations; we will send the materials to you. Not only will diplomatic personnel attend the conference, economic and trade personnel will also be present. Every country needs to conduct trade. The countries of Asia and Africa must assist each other and develop together. It is the only way to defeat the superstition that reliance on imperialism is a necessity. The development experience of [North] Korea is the best model.

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Delegation Head: The Premier's words encourage us to conduct better work.

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Premier: It should be this way; you have also encouraged us.

□

Delegation Head: Premier Zhou has discussed many aspects and we have been very encouraged [by his remarks]. From today onwards, we will conduct work in the spirit of the Premier's words. Earlier the Premier was worried about the [Chinese] technical personnel who are studying in [North] Korea. Based on my understanding, they are working very hard in [North] Korea [and] we will do everything we can to help them. They even study at night. The Premier does not have to worry.

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Premier: It would be excellent if that is the [truth]. I am concerned that they do not study very well.

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Delegation Head: We are very thankful that the Premier found time to receive us.

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Premier: Let us take a picture.