

# December 10, 1965 Minutes of Conversation between Ri Ju-yeon and PRC Foreign Trade Vice Minister Li Qiang

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## **Summary:**

Ri Ju-yeon and PRC Foreign Trade Vice Minister Li Qiang exchanged views on bilateral trade between China and North Korea.

#### **Credits:**

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## **Original Language:**

Chinese

#### **Contents:**

Translation - English

Ri Ju-yeon [Ri Ju Yon] (to be abbreviated as Ri): How are Premier Zhou [Enlai] and Vice Premier Li Xiannian?

Li Qiang (to be abbreviated as Li): Presently neither of them are in Beijing.

Ri: How is Minister [of Foreign Trade] Ye [Jizhuang]?

Li: He is resting at home, still unable to move his body. You have been back from Beijing for a month already.

Ri: Exactly one month. Comrades from the delegation have come for quite a while. They are exhausted.

Li: They have been [here] for about fifty days.

Ri: After you arrived, how did you feel about the weather?

Li: [It is] slightly warmer than in Beijing. You and the others here have it better than we do. It snows [here].

Ri: Does it snow in Beijing?

Li: No.

Ambassador [presumably Chinese Ambassador Jiao Ruoyu]: It snows heavily here.

Li: Next year will definitely be a bumper harvest.

Ri: I hope so. Because of your active support, my last trip to Beijing had very good results.

Li: Your stay in Beijing was too short.

Ri: It was only two days. Upon my return, I reported the contents of our discussions in Beijing in their entirety to the Political Committee. Premier Kim Il Sung, as head of the Political Committee, was satisfied. We are waiting for Comrade Li Xiannian to come [to North Korea]. When will he come?

Li: He is in the midst of preparing. While I was in Beijing, the Central Committee gave me a mission to do preparatory work here. [When] the preparations are done, Comrade Li Xiannian will come. It should be quick and not take much time.

Ri: I hope Comrade Li Xiannian will come soon. Comrade Kim Il Sung has already asked me several times when Comrade Li Xiannian will arrive in Pyongyang.

Li: Comrade Li Xiannian is out in the field, not in Beijing. He will be away for around ten days, though he will go back to Beijing in just a few more. When I came, the Politburo of the Central Committee told me to prepare drafts for several document. [Before I] can set the [drafts], [we need] to exchange opinions on this issue in Pyongyang.

Ri: In my opinion this will not take much time.

Li: One day's time will be enough.

Ri: It seems that the trade negotiations should be concluded. My comrades say there is just one part in which has not been concluded. Now that you are here, [we] can solve [this issue].

Li: The trade negotiations have already been going on for more than fifty days. Most of the commodities have already been discussed. In Beijing, Premier Zhou and the Vice Premier [Ri Ju-yeon] discussed two points: first, China can demand less of the products that [North] Korea exports to capitalist markets and, second, there are some problems with the quality of the products [North] Korea exports to China and [China] hopes for [North Korea] to make improvements. The Korea General Machinery Trade Corp. has several personnel in China at present. We are prepared to study [the problems] with them and to see what [North Korean] products are suitable for China's use. If improvements can be made, China can accept more [products from North Korea].

Ri: I have already discussed some of the problems with Comrade Premier [Zhou Enlai] and have briefed Comrade Premier [Kim II Sung]. Additionally, I talked with the relevant departments about how [we] must try to resolve the problems discussed by Premier [Zhou]. We can say that there are no products which [North Korea] exports to China that are exported to capitalist [countries].

Li: If it is necessary, you can export less [of these products] to China.

Ri: That is not necessary.

Li: Then I suppose the trade negotiations can be concluded. Is there anything else [North] Korea would like? Is there anything else we would like? After we sign, we can still proceed [with discussions].

Ri: I agree. There are a couple problems that have yet to be resolved, which we can resolve with the head of the North Korean delegation. His demands are very high (pointing at Yu Seong-ui [Yu Song Ui]).

Yu Seong-ui: It's not a big problem.

Ri: I have said it before, and Premier Zhou has said it to me, if there is need we can go visit the vinylon production technology. We are preparing to send personnel early next year.

Li: There is a situation regarding this matter. Because the Japanese have not left [the vinylon factory] yet, it would be better if you delayed the visit by two months. If they [the Japanese] discovered [North Koreans at the vinylon factory], they would raise their objections with us.

Ri: Okay.

Li: Two days ago, Vietnamese comrades visited [the vinylon factory]. We had to think about how to get the Japanese out of the way. But that was only for half of a day.

Ri: Premier Zhou also discussed with me gas problems [at fertilizer factories]. We also plan to send people to have a look in Shanghai.

Li: We are not planning to write these two matters in the document.

Ri: We think the same.

Li: There is a lot of vinylon factory equipment which we already have designs for. The factory has started up well. Contact the Foreign Economic and Trade Committee about the issue over 200 million/kWh of electricity. This also does not need to be written into the document.

Ambassador: Comrade Cheng Mingsheng is presently in Pyongyang.

Li: We can put together another document.

Ri: We recognize that there has been a negative response from your people towards the cars which we exported to you. So I would like to propose that you give us help. When you leave, report the following to Premier Zhou and Vice Premier Li Xiannian: we have a small scale automobile factory. An automobile repair plant was established with the help of Czechoslovakia during the [Korean] War, [but] in 1959, in order to become self-reliant, [the plant] started producing cars. It has a production capacity of 5,000 units. It is an underground factory in the mountains near Deokcheon [Tokchon]. Our technicians have been abroad, including the Changchun Automobile Factory. They said that, compared with these factories, the Deokcheon Motor Plant [i.e., the Sungri Motor Plant] cannot even be called an automotive factory. But should we build another factory? No. We only want to build on this foundation. When I was in Beijing, Premier Zhou said [China] can give us some help and I already reported this to our cabinet. I would like to ask for your support in this area. Our Machinery Department gave me a report asking that twenty-eight [Chinese] expert technicians work in [North] Korea for one year. If it is better, then six months is also okay. We will be responsible for the room and board for the twenty-eight experts. Premier Zhou once asked where our automotive plan is. It is in Deokcheon, 400 li from Pyongyang, in the mountains. Our technicians and I also discussed that we need twenty or so more machines tools.

Li: [We] have to see if China can manufacture [these machine tools].

Ri: They said China has [these machine tools]. What I am thinking is that your specialists can come for a year and see what machines [we] need. Ask them to provide [recommendations], and then you can export these machines [to us]. Here I have a great wish that, after we manufacture automobiles, [we will] export them to you.

Li: Yes. As you know, this year we have imported many automobiles.

Ri: When your specialists come, we must communicate this mission clearly. (That the automobiles which are manufactured can be exported to China.)

Li: There is also the problem of raw materials in this regard. Some parts are alloy metals. There are also quality problems with the transformers.

Ri: We have already sent technicians for transformers, tractors, and motors [to China]. When they come back, they will definitely bring back your views. We will improve based on your comments.

Li: This way China's consumers will want [your automobiles].

Ri: I would also like to ask for an exchange of your 4-ton truck for our 2-ton trucks.

Li: No problem.

Ri: In 1961, Premier Zhou and Premier Kim talked and agreed that we will produce extra 4-ton cars in exchange for your excess 2-ton cars. However, it has been two years and this plan has not been realized. We can export some this year but there are still problems.

Li: We have recently bought patents for automobile manufacturing technology from France. They are all for automobiles which are 8-tons and larger. The biggest is 40-tons, which is an automobile for special purposes.

Ri: This year we bought forty-five of these 45-ton automobiles and 25-ton automobiles from France. They are being paid for in installments.

Li: We bought blueprint patents and equipment.

Ri: Regarding the automobile problems, [we] hope to have your assistance. I am asking for support not just from you, but from the ambassador too.

Ambassador: No problem. I will also voice [this issue].

Ri: I prefer not to have any more documents for this problem. We will make preparations for your technicians and they can come next year in January or February. You just need to list what kind and how many experts.

Li: Your people in Beijing, such as Counselor Kim II-hyeop [Kim II Hyop], can feel free to mention [assistance].

Ri: When I met Premier Zhou, Premier Zhou said that the Guangzhou Trade Fair had prepared two Friendship Product Exhibitions, one for Vietnam and the other for [North] Korea. The Vietnamese comrades have already started their exhibition. We have not. In fact, we only sent three people. We are preparing to start the display next April. Originally we prepared to have an exhibit in Indonesia, but because of the situation [i.e., the failed coup d'état and subsequent anti-communist purge in Indonesia] we were not able to. We have decided to move everything we have prepared to export to the Guangzhou Trade Fair. Of course, we will exhibit only the items we can export and will not exhibit those used for propaganda. Therefore, [we] have to choose [which products]. In the future, we will continue to do this. I reported that [you] prepared an exhibition hall for us to our Comrade Premier. He was extremely pleased. We will put it to good use.

Li: You [North Korea] and Vietnam both need foreign exchange. So both countries can go [to the Guangzhou Trade Fair].

Ri: There are still a lot of opportunities to exchange views in the future, but I want to raise the soybean problem again. I believe he (referring to Yu Seong-ui) will also discuss it with you tomorrow.

Li: Do you grow soybeans?

Ri: Yes, and our crops are quite successful. However, due to limited arable land, [we] can only plant one jeongbo (one hectare) in between corn and produce 400 to 600

kilograms. The harvest is not big.

Li: Ours is also not big.

Ri: [If we] do not interplant and instead specifically plant soybeans, then each jeongbo could yield one ton.

Li: About the same here.

Ri: If we plant it like this, then on a good year we can harvest 300,000 to 400,000 tons. For a bad harvest, it would be 150,000 tons. This year's harvest is bad. Our crops only yielded 170,000 tons. In 1964, the state purchased all soybean crops. The peasants had a very small share of it. This year, in order to motivate the peasants, we meant to purchase less and ask the peasants to keep more for themselves. Otherwise they might not grow soybeans anymore. This way, the state would not be able to receive much.

Li: During 1964 and 1965, you asked us for around 20,000 tons.

Ri: Next year we want 60,000 tons, but we actually need (Yu Seong-ui cuts in [and says] 150,000 tons) 150,000 tons. We will exchange our rice for your soybeans.

Li: So after a successful harvest, you will not need as much?

Ri: Yes. We are thinking if we do not have to import, then we will not import. We want to supply ourselves. (Asking Ming Ke) You and the others have stayed for a long time. There must be many inconveniences, right?

Ming [Ke]: It has been very good. Yu Seong-ui and Director Choe have made good arrangements for us.

Ambassador: Over the past few days, Deputy Head of the Delegation Ming has had high blood pressure, but he is fine at present.

Li: He is fat, and not as healthy as I am.

Ri: Vice Minister Li is indeed healthy.

Ambassador: Li Qiang is a strong individual. Very strong.

Ri: It was a pleasure to meet you today.

[Chinese] Government Trade Delegation in [North] Korea 10 December 1965