

December 14, 1965

Minutes of Conversation between Ri Ju-yeon and PRC Foreign Trade Minister Li Qiang

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Summary:

An exchange of views between Ri Ju-yeon and PRC Foreign Trade Minister Li Qiang on trade between China and North Korea. They discussed about timber, automobiles, gold and rubles.

Credits:

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Original Language:

Chinese

Contents:

Translation - English

[...]

Ri Ju-yeon [Ri Ju Yon]: Is the 500,000 tons of wheat over three years going to be shipped by sea or over land?

Li Qiang: By sea. The imported [wheat] from Australia, Canada, Argentina and France will be delivered directly to [North] Korea.

Ri Ju-yeon: That is fine. All three ports in [North] Korea-Nampo, Cheongjin [Chongjin], and Heungnam [Hungnam]-can receive the [wheat]. But during the winter, only the ports on the East Coast stay open. How [should we] arrange for the delivery of the 500,000 tons of wheat?

Li Qiang: Equal amounts [over three years] or slightly more during the first year will both work.

Ri Ju-yeon: [I would prefer] delivering more during the first year.

Li Qiang: We can deliver 200,000 tons during the first year. And then 150,000 tons each year for the following two years.

Ri Ju-yeon: That is fine, but [I] hope that [we] can receive more than 100,000 tons during the first six months. Concerning the specific issues with petroleum products, before you leave Pyongyang, Ryu Seong-ui [Ryu Song Ui] will tell you about product variety, specifications, quantities, and annual installments. How large was the trade volume between China and the Soviet Union in 1965?

Li Qiang: In 1965, the value of imports and exports was about 400 million rubles. As long as the Soviet Union does not set any barriers, we are willing to do business. There is a need on both sides to do business. The main imports are timber and automobiles. There were 7,000 automobiles imported. Later on, the Soviet Union increased the number by another 800 automobiles. Except for four snowplows, [we] accepted all of these. [We] also bought a number of planes, as the price was fairly cheap. This year we signed a long-term contract with the Soviet Union to exchange pork for timber. Next year there will be 1.5 million steres [of timber] and then 3 million steres in 1968.

Ri Ju-yeon: And the price?

Li Qiang: One stere is about 17 rubles. We use pork to exchange for timber. In 1965, we have given the Soviet Union about 90,000 tons of pork. I said that next year we can give 200,000 tons [of pork]. Although the Soviet Union said they do not want that much [pork], in reality they really want it. On the one hand, the Soviet Union is selling gold to resolve the lack of foreign exchanges, and, on the other, to help the United States ease the economic crisis. If American gold reserves fall below 18 billion U.S. dollars, and other Western European countries have more gold than the U.S. dollar will become unstable. Devaluation left only 13 billion dollars. West Germany, France, reserves than the United States. China has also purchased some gold. [We] are primarily afraid that the British pound will devalue, but we have not yet restocked the gold we sold.

Ri Ju-yeon: China purchased around 200 tons of gold in London.

Li Qiang: That is the report from foreign news, but in reality it is not that much. It is closer to 68 tons.

Ri Ju-yeon: In 1965, [North] Korea exported 80 million rubles to the Soviet Union and imported 50 million rubles.

Li Qiang: Is the difference debt?

Ri Ju-yeon: Yes. It is to repay the Soviet Union for the interest on loans. [North] Korea also purchased planes from the Soviet Union. The price of an Ilyushin-18 is 1.4 million rubles.

Li Qiang: I purchased an Ilyushin-18 for 1.3 million rubles.

Ri Ju-yeon: [North] Korea mostly imports petroleum products, alloy steel, and cotton from the Soviet Union.

Li Qiang: In addition to giving the Soviets free foreign exchanges, [we] also gave them 50 tons of gold.

Ri Ju-yeon: Over the past several years, [we] provided the Soviet Union with a total of 40 tons of gold. What are you purchasing from the Soviet Union with so much free foreign exchanges and gold?

Li Qiang: Old fire arms, old artillery-all weapons from before World War II. You gave the Soviet Union 40 tons of gold. Based on population, that's much more than we gave.