

## **August 05, 1958**

# **Reference Materials for the Sino-Korean Negotiations on Supplying Equipment and Constructing Power Plants**

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### **Summary:**

A report on the quantity and types of industrial equipment being provided to North Korea by China, as well as the types of factories being constructed in North Korea with Chinese assistance.

### **Credits:**

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### **Original Language:**

Chinese

### **Contents:**

- English Translation

- These negotiations involve a total of three parts.
- The first part concerns the supply of equipment for six projects.
- The second part concerns the supply of eight kinds of specialized equipment and machinery.
- The third part concerns the Chinese-[North] Korean joint construction of the Unbong [Yunfeng] and Sinuiju Power Plants.

### **(1) Complete Sets of Equipment**

[North] Korea has proposed six projects (not including the already confirmed 60,000 spindles and the two cement paper bag factories):

#### 1. Silk spinning factories:

Three factories. Each factory will have 10,000 spindles:

- One factory will be built each year from 1960 until 1962.
- The raw materials to be used for production are castor silk and a small amount of silk waste from bombyx and tussah.

The preliminary views of the two sides are as follows:

China will help to develop the standard designs, supply the primary equipment, train technical personnel, and dispatch a small number of technical personnel to help guide construction.

[North] Korea will produce secondary equipment and carry out civil engineering design and installation work.

[North] Korea will study whether bleaching and printing equipment is needed.

However, whether or not all three factories need to be on the scale of 10,000 spindles can also be studied.

#### 2. Sugar factory

- The Korean side originally mentioned that 30,000 tons of sugar would be produced annually, [but] later changed it to between 15,000 and 30,000 tons annually. Construction will be complete in 1960.

After negotiations, the recommendations of our personnel were accepted by the [North] Korean side. Our personnel provided the following preliminary recommendations:

- a. [North] Korea's beet resources are dispersed. It is not appropriate to build large factories;
- b. In areas close to the raw materials, [we] can consider constructing a number of small factories to process 5 tons of beets daily;
- c. If necessary, medium-sized factories which process 500 tons of beets daily can be established;
- d. In addition to serving local needs, small production plants, when necessary, can also use the non-production periods of medium-sized factories to process and refine a portion of the needed refined sugar.

The [North] Korean comrades believe that these views are very helpful for them. They

asked to hold detailed discussions [on these points] following their visit.

### 3. Flour mill.

he [North] Korean side originally proposed to produce 100,000 tons of flour annually. [The flour factory] will be completed in 1960.

Our personnel introduced our experiences [to the North Koreans] and believe that it is not appropriate for flour mills to be too large. Otherwise, [this] will create transportation problems, raise costs, and byproducts [of the flour] cannot be totally utilized.

he [North] Korean comrades believe that they themselves are inexperienced. [They] asked to hold detailed discussions following their visit.

### 4. Papermaking equipment

- The [North] Korean side proposed to have one set of paper production equipment and two sets of paperboard production equipment delivered in 1959. Both types of equipment are to be capable of producing 30 tons per day. [They also requested that] two sets of paper board production equipment (capable of producing 30 tons per day) and another set of paper board production equipment ( capable of producing 50 tons per day) be delivered in 1960.

- Our side informed them that, generally speaking, we can provide this equipment, but detailed discussions are still needed for the model of the paper board production equipment.

### 5. Shaft Pump factory

Annual output is 1 million units. [The factory] will be completed in 1959.

Our side stated that this can be provided.

### 6. Boilers and storage battery

he [North] Korean side requested that we provide two sets of 50 tons/hour equipment in both 1960 and 1961.

Our initial thought is that we can provide this equipment, but we have not responded yet.

## **(2) Eight Categories of Specialized Equipment and Machine Tools**

### 1. 17 types of equipment for metallurgical plants—29 sets.

- A total of 7 sets of six types [of equipment]. Delivery [requested] in 1960. We estimate this can be done. The equipment includes: an electrical overhead crane, a crane for teeming steel ingots, a crane for pouring molten iron, a crane for ingot stripping, a mechanical feeder, and a stripping machine.

- A total of 8 sets of two types [of equipment]. Delivery [requested] in 1959 and 1960. Detailed discussions will be held after the Korean comrades' visit. The equipment includes a forced draft fan and an automatic control panel for a windlass. (Mainly it is the specifications and models which are unclear.)

- A total of 4 sets of four types [of equipment]. Delivery [requested] prior to the first quarter of 1959. The timing is very tight, [so we] need to hold more detailed discussions [on this issue]. The [equipment] includes a 2,500 horsepower electric motor for steel rolling, an electric motor reducer, and a case for rotating machines. Plus a direct current motor.

- A total of 10 sets of five types [of equipment]. Delivery [requested] in 1959. If the specifications and models can be appropriately changed to fit our production, then [we] can also consider providing this equipment. [The equipment] includes three types of electric motors and two types of mercury rectifiers.

2. 11 types of mineral processing equipment—97 sets. [Requested] delivery in 1959 and 1960.

It is estimated that after clarifying some specifications and models that we can generally provide this equipment.

These eleven types of equipment include a rod mill, an electric oscillation screen, an electromagnetic ore separator, a conical mill, sorter (two types), an oscillation brush, a dry magnetic separator, a vacuum pump, a bridge crane, and a forge welding machine.

3. 15 types of large machine tools—20 sets. [Requested] delivery in 1958 and 1959.

- A total of 9 sets of five types [of equipment] with a requested delivery of by the end of this year. The timing is tight and there need to be discussions [on this issue]. [We] also need to discuss the specific models [requested]. [The equipment] includes two types of lathe and three types of boring machines.

- A total of 6 sets of five types [of equipment] with a requested delivery during 1959. [We] estimate that [we] can resolve [this issue]. [The equipment] includes a cam grinder, a crankshaft grinder, a steel boring machine, a fine grinder, and a single arm planer.

- A total of 5 sets of five types [equipment] with a requested delivery during 1959. Further discussions are needed on the model specifications.

4. Knitting machines. [We are] to deliver 20 sets of 170m<sup>2</sup>/day equipment in 1959. [Requested] delivery of 30 sets of 170m<sup>2</sup>/day equipment in 1960.

We believe that the scale [of the request] is too large. The [North] Korean comrades agreed to discuss this again following their visit.

5. Automatic bottle making machine. [Requested] delivery of 2 sets of machines in 1959 which are capable of producing 10 million bottles/year. Another 3 sets of equipment capable of producing 10 million bottles/year [are requested] for 1960.

We also believe that the scale [of this request] is too large. The [North] Korean comrades also plan to discuss this following their visit.

6. Spherical steam cooker for pulp production.

[Equipment] will produce 40 thousand tons/year of pulp. [Requested] delivery in 1959 and 1960.

During negotiations, the [North] Korean comrades explained that this will be used as equipment to produce synthetic fiber. The talks were not clear and [we] still need to continue to negotiate.

7. Broad gauged small cars.

A total of 7 cars [requested] to be delivered in 1959.

This can be produced domestically. [We] will respond after calculating domestic supply and demand.

8. Broad gauged mining cars.

Each car has a carrying capacity of 60 tons. [Requested] delivery of 100 cars in 1959 and 1960.

[We] can produce this domestically, but there will be a shortage next year. According to the preliminary estimates of the First Ministry of Machine Building, we will need 2,000 cars next year, but we can only produce 800. Whether or not we should provide [mine cars] to [North] Korea will depend on the decision of higher level [leaders].

**(3) Joint Construction of Power Plants in Unbong and Sinuiju.**

We request further instruction from the Premier [Zhou Enlai] on this issue.

1. There are two central issues related to the Unbong Dam:

First, should the [North] Korean side be responsible for the design and construction of the dam? This point was mentioned by the [North] Korean comrades. The Ministry of Water Conservancy and Electric Power believes that [we] can agree [to this]. However, we do not know if Premier [Zhou Enlai] has discussed this issue with the [North] Korean comrades. How should we respond?

Second, the pace of construction. The Ministry of Water Conservancy and Electric Power hopes [for the dam] to be completed by 1960. The [North] Korean comrades have said that it will be completed in 1962. [We] must have further negotiations on how to speed up the pace of construction.

2. There are also two issues related to the Sinuiju Power Station:

First, are China and [North] Korea going to adhere to principles similar to the joint construction of the Unbong Dam[?] The [North] Korean side has requested this. We do not have instructions from the leadership, [so we] have not expressed a clear opinion [on this issue].

Second, are the Koreans responsible for the civil engineering design and construction[?] The [North] Korean side has requested this. But Andong [Dandong] City has already organized the manpower and wants them to participate in the construction. The Ministry of Water Conservancy and Electric Power's opinion is that it would be best for both sides to be jointly responsible for the civil engineering.

Note: These questions have not been sent to Vice Premier Li Fuchun for instructions.

This information is therefore also for reference purposes. After further talks and once the planning committee Party leading group had studied [the issue], [we] will make a formal report to Premier [Zhou Enlai].