

January 03, 1968
Information Report Sent by Károly Fendler to Deputy Foreign Minister Erdélyi, 'Vietnamese and Romanian Views about the Korean-Chinese Trade Relations and the Situation of the DPRK'

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Summary:

A report on a military and economic assistance agreement between North Korea and the Democratic Republic of Vietnam, trade between North Korea and China, and the poor economic situation of North Korea.

Original Language:

Hungarian

Contents:

- English Translation

To Comrade Erdélyi, Comrade Zágor, Comrade Mrs. Szücs,
Comrade Ködmön (M[inistry of] F[oreign] T[rade]), Foreign
Affairs Department of the HSWP CC, Embassy (Pyongyang),
Department.

[...] On the way home from Pyongyang, as far as Beijing I travelled together with Comrade Phan, the leaving DRV trade counsellor to Pyongyang, who touched upon the following issues in the course of the informal conversation we had en route:

He confirmed that in 1968 the DPRK would give a nonrepayable military and economic assistance worth 25 million rubles to the DRV (12 and 13 million rubles respectively). He said that recently another 2-million-ruble aid agreement had been signed in Pyongyang.

Com. Phan told me that in 1967 the [planned] volume of Korean-Chinese trade was approx. 100 million rubles, but there were substantial underfulfillments. In his view, the figure of 135 million rubles that is known to the diplomatic corps in Pyongyang is based on Soviet estimates, and it is exaggerated. The Korean-Chinese negotiations about the 1968 clearings, carried on at the level of specialists, started in Pyongyang in early December 1967. To the knowledge of the Vietnamese, the DPRK intends to raise the issue of asking for credit.

[...]

With regard to the situation of the DPRK, Com. Phan remarked that in his opinion, Korean propaganda exaggerated the danger of war, at present an American-South Korean attack was not likely to happen. The „saber-rattling” that is going on in the DPRK serves only propaganda purposes, the DPRK is not going to take the risk of an adventurist action either, for the economic and military preconditions of [such a step] are lacking. He mentioned as an example that in the DPRK, particularly in the countryside, the economic situation is bad. Practically the annual per capita meat consumption is about 3 kilograms. Every year the DPRK purchases 100,000 metric tons of sugar from Cuba, gets 60,000 and 60,000 metric tons from the Soviet Union and China respectively, and obtains 30,000 metric tons from capitalist markets. Recently there have been problems with the Chinese sugar shipments, similarly to other Chinese shipments.

Com. Phan told me that at present about 2,000 Vietnamese students and trainees resided in the DPRK, and in February another 500 would arrive. The Vietnamese study or work in the capital and in a number of provincial towns and plants (according to the information we got from other sources, the DRV embassy has problems in this respect, for the students and trainees complain of the standard of education, of their isolation, and so on).

[...]

Károly Fendler