

TELEGRAM 066700

To: the Romanian Ministry of Foreign Affairs, to comrade Constantin Oancea and Ion Ciubotaru

From: the Romanian Embassy in Pyongyang

Subject: Bilateral relations between the Democratic People's Republic of Korea and the German Democratic Republic

Date: August 15, 1977

Classification: Secret

Referring to the current state of GDR-DPRK relations, the GDR Ambassador to Pyongyang Franz Everharz recently recounted the following to Ambassador Dumitru Popa:

The East German government attaches particular attention to its relations with the DPRK. This includes the planned visit to Pyongyang of the party and government delegation led by E. Honecker.

On this occasion, the GDR would like to have a high-level discussion regarding the development of socialism in the two countries and their foreign policies.

The East Germans want to present in detail its position regarding relations with the FRG and West Berlin, and regarding German reunification. Something is currently preventing the GDR from placing the issue of reunification at the heart of its foreign policy.

Although in certain aspects of foreign policy [in East Germany], the GDR and the DPRK have divergent views, the GDR believes a high-level meeting would strengthen the friendly and collaborative relations between the two countries.

We [would like to] mention that so far the exact date of the visit has not been established.

Although the DPRK is also preoccupied with and interested in developing its relations with the GDR, it is not active enough in fulfilling its obligations, particularly on the economic [front].

What is notable, mentioned F. Everharz, is the fact that the DPRK had not used the credits granted by the GDR approximately 10 years ago, and would now wish to make use of them but according to the initial conditions included at the time. For example, in 1968, the two countries agreed to build an automation elements factory worth 16 million rubles. Part of the equipment, currently outdated, had been delivered, yet the construction did not begin. Currently, the DPRK requested that the GDR review the project, with up-to-date equipment, but at the prices agreed upon 10 years prior. The GDR responded that a request on such conditions cannot even be taken into consideration.

On the other hand, the DPRK has a series of debts towards the GDR. For example, the debt for the transportation of Korean commodities using East German vessels amounts to 12 million Swiss francs. The GDR was compelled to reduce the trade frequency from a monthly basis to a bimonthly basis.

The East German official claims that the DPRK currently pays more attention to fulfilling its obligations towards certain capitalist countries. For example, in 1976, the DPRK imported 15,000 US dollars' worth of commodities from Finland and exported a total value of 250,000 US dollars, the difference counting towards paying a part of its debt to Finland.

The 1977 commercial protocol between the GDR and the DPRK stipulates 13.5 million rubles worth of trade in commodities on both sides. An additional 5.4 million rubles will be added to the Korean side as overdue debt from 1976. Until July 31<sup>st</sup> 1977, the DPRK will deliver commodities worth 21% of its obligations for 1977 and 43% of its outstanding obligations for 1976. By June 30<sup>th</sup> 1977, the GDR exports to the DPRK are at 75% completion.

Hitherto, the DPRK has not delivered any amount of lead, talc or electrolytic silver. The GDR is encountering several difficulties in fulfilling its assignments and obligations within the CMEA due to the DPRK's unreliable delivery of electrolytic zinc.

Nevertheless, the GDR is sympathetic towards the current economic hardships [in the DPRK] and expresses its conviction that the situation will normalize in a few years' time.

Everharz mentioned that the East Germans consider this visit should yield positive outcomes in all areas, contribute to overcoming current economic difficulties, strengthen the friendship and collaboration between the GDR and the DPRK, and, as such, the definitive date of the visit has not been yet agreed upon.

Everharz further mentioned that E. Honecker will make an official visit to the Socialist Republic of Vietnam in December this year.

Signed: D. Popa