

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

From: the Romanian Embassy in Pyongyang

Subject: Bilateral relations between the Democratic People's Republic of Korea and the Socialist Federal Republic of Yugoslavia

Date: April 13, 1977

Classification: Secret

i. During March 29th and April 5th this year, the Yugoslav governmental delegation led by Mara Radic – member of Government, President of the Yugoslav team in the advisory commission on intergovernmental economic, technological and scientific relations between the DPRK and the SFRY – was in Pyongyang. Given this opportunity, the first session of the aforementioned commission took place and the following [documents] have been [signed]: the first protocol of the session, a long-term trade agreement for 1977-1980, and a trade protocol for 1977.

During its stay in the DPRK, the Yugoslav delegation enjoyed special attention from Korean officials, was received by Korean Premier Pak Seong-cheol [Pak Song Chol] and visited various economic and social-cultural sites in Pyongyang and Hamheung.

Although the delegation's mission was primarily economic, Korean officials sought to imprint a pronounced political character on it, and discuss not only economic matters but also aspects related to a long-term development of political bilateral relations and other issues.

During the official and unofficial discussions, the Korean side emphasized the need to intensify activity within the Non-Aligned Movement in order to solve major current issues.

On this occasion, Pak Seong-cheol showed that currently the main problem within the Non-Aligned Movement is maintaining unity amongst its member states, this being highly important especially given that the imperial powers are carrying out an intense activity to divide these states and undermine the movement.

The Yugoslav delegation remarked that its Korean counterpart did not make any reference to either Third World or developing countries.

Discussing issues related to a new world economic and political order, the Yugoslav delegation wanted to know the DPRK's stance in regards to Pakistani Prime Minister Zulfikar Ali Bhutto's initiative of a high-level Third World countries conference. The Korean delegation avoided the answer, only mentioning that, presently, it is necessary to meet the conditions agreed upon in 1976 at Colombo.

On receiving the Yugoslav delegation by Premier Pak Seong-cheol and, particularly, during official discussions with Kong Jin-tae [Kong Jin Tae], both parties emphasized that bilateral economic relations are not commensurate with political ones. It was pointed out that neither party had made sufficient efforts to accomplish the tasks and agreements reached during Kim Il Sung's visit to Belgrade. It is necessary for the appropriate bodies in both countries to actively work towards developing trade and technological and scientific cooperation, thus also enacting the decisions agreed upon at Colombo in 1976.

The Korean delegation expressed its conviction that the Yugoslav delegation's visit to the DPRK will contribute to the substantial improvement of economic bilateral relations.

The Yugoslav delegation appreciates that the visit has been extremely helpful. The first session of the intergovernmental commission established the judicial framework of the commercial, technological and scientific relations between the two countries.

The Yugoslav party manifested an interest in substantially enlarging cooperation in terms of production with the DPRK. In turn, the DPRK was particularly interested in the matter.

ii. During discussions for signing the first protocol of the intergovernmental commission, the following issues have been discussed:

a) The DPRK wishes to obtain from the SFRY, or via the SFRY from the German Democratic Republic, the technology of coke production using anthracite coal. The Yugoslav delegation claims there is no such technology in the SFRY. However, in cooperation with the Korean specialists who are about to arrive in Belgrade, all possibilities will be examined.

b) Cooperation between the two countries in the production of diesel locomotives – each will produce certain components and will trade specialists;

c) Technical cooperation in naval construction. The DPRK will import ship engines from SFRY. We remind that several years ago the DPRK had imported from Yugoslavia 20 such engines, of a total worth of 5,500,000 pounds sterling, without reimbursement. The Yugoslav delegation required a payment of one million pounds sterling this year, with the remainder to be reimbursed in a five-year installment plan after a period of 18 months from the first payment. The proposal is under review.

d) The DPRK wishes to obtain technical documentation for the production of ships employed in deep-water oil extraction. The Yugoslav delegation explained that SFRY does not dispose of its own vessels and uses highly expensive Swedish ships for these purposes. Recommendations will be made for an appropriate Yugoslav organization to assist DPRK in the matter.

iii. The long-term agreement stipulates:

a) DPRK exports: machinery and other equipment worth a total of 1,000,000 pounds sterling; 44,000 tons of iron and steel products; 25,000 tons of electrolytic zinc; 140 tons of cadmium; 66,000 pounds sterling worth of chemical products; 460,000 pounds sterling worth of commercial goods; 40,000 tons of rice; 26,000 tons of freshly frozen fish; 950 tons of the common hop.

b) DPRK imports: machinery and other equipment – no final figures have been established; 20,000 tons of iron and steel products; 5,700 tons of aluminum and aluminum products; 450 tons of brass; 10,800 tons of chemical substances – insecticides, herbicides, etc.; 450 tons of concentrate feeds; 640,000 pounds sterling worth of chemical fertilizers; 2,000 tons of various types of paper, including rolling paper.

iv. The trade protocol for 1977 stipulates an extra hundred tons of tobacco and feathers in the Korean export to Yugoslavia, in addition to the long-term agreement.

Information based on V. Nanu's discussion with I. Dinic, First Secretary of the Yugoslav Embassy in Pyongyang.

Signed: D. Popa