Ministry of Commerce
-----To respected and beloved *Bang Hèm* (ហែម)

No. 0494-77

I would like to report to you on the meeting with Korean friends on 12 August 1977
from 3 p.m. to 4.15 p.m. at the Ministry of Commerce.

Cambodian side: Comrades Rit (រិត), Chheng (ឡង់) and Lmut (លុត)
“interpreter”

Korean side: Comrades second and third secretaries

Korean friend's opinion:

Request to meet with Cambodian friends today to discuss the following issues:

1. Related to 500 tons of I-beam steel (ថែបស្តែក) the Cambodian friends have recently requested to purchase, our company would like to inform that we are able to provide only 60 tons for 1977. Therefore, we would like to prepare a contract to sell only 60 tons and request the Cambodian friends to review and sign and kindly accept our profound apologies.

2. We would like to propose selling the following strip steel (ថែបបន្ទុះ) with following sizes, quantities and prices:

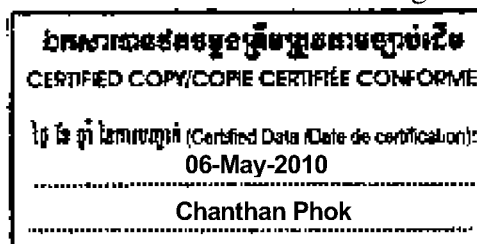
<u>Strip steel in roll:</u>	thickness of	3 m.m.	23.300 tons
		4 m.m.	20.200 tons
		5 m.m.	150.300 tons
		6 m.m.	457.500 tons
		7 m.m.	76.700 tons
	Total	728.000 tons
	One ton costs	140.00 pounds sterling

Tin strip steel: thickness from 5 to 7 m.m. for 800 tons

One ton costs	142.00 pounds sterling
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If the above conditions are acceptable to the Cambodian friends accept, we can provide them in late August or early next month this year.

3. Related to 5 hundred thousand bottles of penicillin the Cambodian friends have requested to purchase, we have already reported to our country. Now the reported cost is 60.24 pound sterling per one thousand bottles. We are not sure if there is confusion in number while the figure was being



typewritten but we saw 1 million bottles were requested. Therefore, we would like

to know from the Cambodian friends whether the Cambodian friend would like now to purchase only 5 hundred thousand bottles as requested to purchase or take the figure on the telegram. A bottle of this penicillin contains one million elements.

4. Related to 100 tons of coal (ថ្មស្លឹក) requested to buy by the Cambodian friends, the offered price is 139 pound sterling per ton and we can supply up to 270 tons. We would like to know if the Cambodian friend will take all the 270 tons.
5. Related to water pump, our company has informed us that the water pump cannot be supplied further for 1977. However, they would like to know if the Cambodian friends need to buy it for 1978. If so, please inform us in advance about sizes and quantities so that our company will arrange for manufacturing to avoid delay in supplying like the case of 145 units that we have supplied for this year.
6. For water pumps that are on “Chhav Yang” (ឆាវយ៉ាង) ship as mentioned in our letter previously, we have already informed about the details of models, quantities and prices as the following:
 - Diesel engine: 75 horse power,..... 35 units costing 88,340 pounds sterling
 - Water pump: 300 m.m. 5 units costing 8,075 pounds sterling
 - Electrical motor: 55 kilowatts 5 units costing 2,205 pounds sterling
 - Air compressor (ម៉ាស៊ីនបូមខ្យល់):..... 5 units costing 2,545 pounds sterling
 - Electrical motors, 7.5 kilowatts 5 units costing 265 pounds sterling

And 22,400 flat chisels which cost 6,720 pounds sterling are also sent on this ship.

7. Related to 60 tons of light diesel requested by Mieng Sin (មឿងស៊ីន) ship last year, we have already reported to our country. The company in our country would like to request the Cambodian friends to prepare invoice for us to pay for the diesel. We should have dealt with this issue immediately at that time; however, since we forgot to do it, this issue is still yet addressed. Please, the Cambodian friends accept our apologies. When the Cambodian friends finish preparing the invoice of this diesel, please send it to KOREA SHIPPING COMPANY that controls this Mieng Sin ship or

send it to us so that we will forward through the Embassy to the Ministry of Commerce in our country.

8. Our technician has arrived in Cambodia for one month and a half; however, up to now, the technician has still not had anything to do while some of all kinds of engines/machines we supplied to the Cambodian friends are operating. Therefore, please the Cambodian friends find work for the technician to do. If the technician is still free like this, we would also like to ask the Cambodian friends if we should request to our Ministry of Commerce to take him back to our country. Our purpose was that we wanted all engines/machines to operate smoothly, that is, why we sent down the technician immediately. Now if the engines/machines do not have any problem, the technician must be sent back. We would like to honestly inform the Cambodian friends that: sending the technician back is much easier than sending the technician here because we have to go through various procedures including selection of capable technician and so on.

Our opinion:

We would like to inform the Korean friends that related to “Chhav Yang” ship. We’ve learnt from the Chinese friends that it will arrive in a very near future.

We would like to respond to all above-mentioned issues as follow:

1. Related to the contract of I-beam steel, we will review this and if we do not find any problem, we will sign and supply a copy of the document back to the Korean friends.
2. Related to the request to sell strip steel by the Korea friends, we will discuss with competent ministries and inform the Korean friends immediately after having the decision in this regard.
3. Related to the penicillin, we would receive if it is only 5 hundred thousand bottles; however, if it is up to 5 million bottles, we have to get opinion from the competent ministries, so that we could make the decision. Therefore, we will request for opinion from the competent ministries and inform the Korean friend later.
4. Related to the 270 tons of coke (ផ្កាស្ករ) the Korean friends were about to supply them to us, we will also need to get opinion from the competent ministries.
5. Related to the water pump as well as the plan to import other items from Korea, we would like to state as follows:

- At the present time, we have enough water pumps and other engines/machines. So we will not buy any more for 1978 because 1976-77 we bought many of them. We will stop buying not only the products from the Korean friends' market but also those from other countries. For later year(s) when we implement the new plan we will discuss this issue according to our need.
 - Related to the plan to import from Korea, we would like to preliminarily inform as follows: 30,000 tons of all kinds of construction steel and 3,000 tons of top quality cast iron (ដែកស្អិត). Therefore, we request the Korean friends to provide us the quotation so that we will prepare a list of purchase items.
6. Related to the information on water pump transported by "Chhav Yang" ship, we would like to express our thankfulness to the Korean friends and look forward to getting them.
 7. Related to the 60 tons of diesel requested by Mieng Sin ship last year as raised by us previously; we just conveyed the message from the Kompong Som (កំពង់សោម) seaport to the Korean friends only. So related to the Korean friends' request for invoice, we will inform the Kompong Som seaport. We will inform the Korean friends accordingly.
 8. Related to the Korean friends' technician, we would like to apologize for not inviting the technician to work. We will communicate with the competent ministries to deal with this issue because we are just spokepersons. If the technician should be sent back, we will need to get opinion from the competent ministries and will inform the Korean friends accordingly.

Korean friends' opinion:

Related to the plan to import for 1978, personally we think that we will be able to supply up to 33,000 tons of all metal without any problem. However, our company has not prepared any quotation on steel for the Cambodian friends. We would like to request the Cambodian friends to prepare a list of purchase items based on the pervious list we provided last time. Will the Cambodian friends need coke (ថ្មស្ពឺ), talc powder (ម្សៅតាល់) and other items for 1978?

Our opinion:

For coke (ថ្មក្រហម), we have requested to buy 100 tons for 1978 while we have imported 152 tons of talc powder already from the Korean friends which we still have some left. Therefore, related to these and other items, we will inform the Korean friends next time if we would like to buy more.

This conversation with the Korean friends today is in a friendly and pleasant atmosphere.

Please, *Bang*, be informed and provide advice.

Please accept my respect with revolutionary fraternity.

Sent to:

- *Bang Hèm* 1 copy
- *Bang Vorn* (វ៉ន)..... 1 copy
- 51 1 copy
- Documentation..... 2 copies

Made on 12 August 1977

Commerce Committee