

January 13, 1958

**Notes from a Conversation between the 1st
Secretary of the PRL Embassy in the DPRK with Go
Hui-man, Director of the Industry Department of the
CC, on 13.I.1958**

Citation:

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Summary:

Brzezinski Henryk and Go Hwiman discuss the economic situation in North Korea.

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Embassy of the Pyongyang, 13.I.1958

People's Republic of Poland

in Pyongyang [trans. note: stamp]

No. [illegible] /2421/58/tjn [trans. note: added by hand; tjn probably means tajne, secret]

SECRET[trans. note: tilted stamp]

N o t e

From a conversation with the dir[ector] of the industry dep[artment] of the CC Go Hui-man [Ko Hui Man] on 13.I.1958

The conversation aimed to gain information about the economic figures for 1957. Go Hui-man stated that at the end of February or beginning of March of this year a conference of the Workers' Party will take place with the goal of passing the 5-year plan (1957-1961).

In March a plenum of the CC will take place on the issue of internal trade. At this moment in Pyongyang and other cities numerous committees are working to collect the appropriate materials.

A CC plenum is being planned for June on the subject of broadening the assortment of production of goods of mass need. Go Hui-man stated that in the DPRK currently several thousand various types of goods are being produced. This situation is far from sufficient. This amount represents only a few % of the whole requirement. A range of elementary simple things is missing from the market today. The city and the country surely cannot constantly buy cotton, silk materials, linen and rubber shoes - which are being produced currently in relatively large numbers. The shortage of many goods may slow down interest in the growth of production in the countryside. Apart from this, already now the countryside possesses so much money that it does not quite know what to spend it on. Hence the broadening of the assortment of goods and the growth of production have a decisive significance for raising the standard of living in the city and in the countryside and generally for the further development of the DPRK. Against this background, the bad work of the ministry of foreign and domestic trade (a single ministry) emerged very sharply. Go Hui-man stated that in the course of the last year the raising of hogs developed significantly. In 1957 the number was reached that had been planned for the end of the 5-year plan (because of this, the goal in this sphere was doubled to 1,500,000 heads). The countryside possesses large numbers of domestic fowl, eggs and so on. Basically, the headage shows that the population of the DPRK can be given the proper amounts of meat. The bad work of trade stands as an obstacle to the realization of this possibility. Trade does not buy up goods from the countryside. The reasons are various. Apart from bad work, there are reasons such as the shortage of warehouses and means of transportation. It often happens that the purchased goods spoil from the lack of appropriate warehouses or also succumb to spoilage as a result of the shortage of means of transportation. This issue is very relevant with the sale of fresh fish (although recently, for a while, when private business existed one could buy fresh fish in Pyongyang). This year, for the first time, fish are being sold in unlimited quantities in port towns and surrounding areas, and their price is very low (10 won for a kilogram; this means that for the price of a packet of cigarettes one will be able to buy 5 kg. of fish). This is happening because in 1957 the catch of fish and sea products amounted to 590,000 t., i.e., almost as much as had been intended to be reached in 1959 (600,000 t.). Go Hui-man listed these figures from memory: I believe that they can be reliable and insignificant imprecisions [trans. note: this sentence is difficult to understand]. Therefore the issue of trade and broadening of assortment of products are the priority tasks which should find solutions in the DPRK's economic policy.

On the issue of fulfilling the plan for 1957, Go Hui-man stated that the plan had been fulfilled in 142% (additional commitments are already included in this). All the ministries have fulfilled the plan. All the ministries (except two) have also fulfilled additional production obligations. The year 1957 brought the state 17,600,000,000 won over the planned income (in this, the ministry of light industry 7,000,000 won). Of these 17,600,000,000 won, 3,000,000,000 are designated for an average 10% pay raise. The population will gain another 2,000,000,000 [won] from the lowering of the prices of meat and milk (the lowering of the prices of meat almost 30%, milk 50%). Therefore the state is entering a new economic year with an additional income of 12,600,000,000 won. This money will be much needed as a reserve, and some of it will be devoted to social-cultural goals. In Korea a large obstacle in the development of the whole of industry is the shortage of coking coal. Go Hui-man stated that the USSR is unable to deliver coking coal to the DPRK, China will lower the deliveries, so that coking coal represents a narrow place in the DPRK economy. The government has summoned a group of academics to [trans. note: extract?; the word is barely legible] from Korean coal. This issue has still not been resolved. There are certain achievements already, which have been relayed to the USSR recently during a scientific-technical session (it is a question of adding iron ore during the making of coke).

In Go Hui-man's opinion, taut production goals are not being assumed for 1958. The planned growth in production is to amount to 22.1% in relation to the actual level from 1957. Go Hui-man stated that it is better to go over the plan and give the workers the possibility of meeting the plan and obtaining bonuses than not to meet the plan's goals (the Chinese argument).

No construction of new factories in new branches of industry is assumed in 1958. The construction of factories that have already been started needs to be finished. The construction of a few cooling plants and two or three factories of corn processing into grits and corn flour is being planned. In January a reporting-electoral campaign is being conducted in enterprises in party organizations (in February in only two branches of industry). The campaign, in which the entire DPRK leadership and the central activists are taking part, has as its goal maintaining the same speed of production as December 1957. The Koreans do not want to allow the commonly known drop in production at the beginning of the year.

On the issue of the 5-year plan, Go Hui-man stated that if the tempo of work from 1957 is maintained, the plan will be achieved in 4 years and 2 months.

The year 1957 was very difficult in the financial sphere. But the economic results give good prospects for resolving difficulties also in this area.

Made 3 cop[ies]

2 cop[ies] M[inisterstwo] S[praw] Z[agranicznych-Ministry of Foreign Affairs]
Dep[artment] V

1 cop[y] a/a

Brzezi?ski Henryk

[trans. note: followed by signature]

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Embassy in the DPRK