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The Economic and Political Situation of the DPRK

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Summary:

The memorandum elaborates on the rapid economic growth and development in domestic policies in the DPRK after the Korean War.

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THE ECONOMIC AND POLITICAL SITUATION OF THE DPRK

[handwriting in the left margin: "to [[G. M.]
Pushkin" and two other addressees partly off
the page.

"...within 10 days...report your opinion...
of this note...."

1. The economic situation

The Korean Worker's Party and DPRK government have achieved considerable successes in the development of socialism in the northern part of the country in the postwar period while consistently pursuing a policy of priority development of heavy industry with the simultaneous development of light industry and agriculture.

The economic condition of the republic in the postwar years is characterized by a rapid growth of industrial and agricultural production and, on this basis, an increase of the material welfare and cultural level of the people.

Having successfully completed a postwar three-year plan for the recovery and development of the economy in 1956 the Party and government mobilized all forces for the early fulfillment of the first five-year economic plan (1957-1961), whose chief task was the creation of a basis of socialist industrialization and the elimination of the colonial imbalance and technical backwardness in the area of industry, and the solution for the most part of the problem of clothing, food, and housing for the population.

The industry of the DPRK developed at a rapid pace after the 1950-1953 war. In 1959 the volume of industrial production increased by six times compared to the prewar year of 1949. The average annual growth of production for 1954-1959 was 45.4%, including 53% for group "A" and 35% for group "B". As a result of the high growth rate of industrial production the first five-year plan was fulfilled a little more than two years early in the level of gross industrial output.

At the present time the DPRK has been turned into an agroindustrial country. In 1959 the proportion of gross industrial production in the economy was 65% and 35% for agriculture.

It ought to be noted that the early fulfillment of the five-year plan in the level of gross industrial output was achieved as a result of excessive strain in the economy and ensured mainly thanks to bringing new and repaired production resources into operation and a considerable increase in the production output of local industry. If machinebuilding is not counted the five-year plan was not fulfilled from the primary

industrial sectors. The level of production of such very important sectors as electric power, metallurgy, mining, and the coal and chemical industries did not reach the targets set for the last year of the five-year plan by the end of 1959.

In the course of the struggle to fulfill the first five-year plan the Korean friends made huge miscalculations and mistakes in planning issues when establishing the target figures for 1959. Upon the advice of DPRK Gosplan, which was based on clearly unjustified and unrealistic assumptions and commitments from the grass roots, the KWP CC Presidium approved a plan to double the gross industrial output in a year. As a result in the very first months of work serious difficulties and strain arose in the economy, and disproportions formed between individual industrial sectors.

Striving to fulfill inflated planning targets ministries and enterprises unjustifiably increased the size of the workforce, and scattered men and resources throughout many construction facilities. During the year the number of personnel in the economy grew from 1,078,000 to 1,514,000, that is, by more than 400,000, or 40%.

The enormous influx of an unskilled workforce into industry and construction in a short period, chiefly at the expense of agriculture, exerted a negative influence on the growth of labor productivity, which rose by only 3.5% in industry against an annual growth of 16.5% in the previous years 1957-1958, and even declined in construction by 2% compared to the previous year. Serious additional difficulties were created with the supply of new workers with housing and food, and a workforce shortage began to be felt in agricultural production.

During 1959 the KWP CC Presidium was forced to repeatedly lower plan targets and, as Kim Il Sung said, "[we] essentially worked for a year without a plan".

The KWP CC December (1959) Plenum, which analyzed the 1959 results and set the tasks and main plan targets for 1960, played great importance in correcting these shortcomings. The growth of gross industrial production in the current year was set at 12.5% without an increase of the industrial workforce, and the growth of labor productivity was planned to be 5.6% in industry and 15.4% in construction.

As the past year showed, electric power is the bottleneck in industry. In 1959 the electric power industry produced 7.8 billion kilowatt-hours against the 9.7 billion kilowatt-hours planned for the next year of the five-year plan. The non-fulfillment of the plan was the result of a shortage of water in reservoirs in connection with the small rainfall between 1957 and 1959. This led to an underutilization of capacity of a number of industrial sectors and in particular to a 14% reduction in the production of chemical fertilizer compared to 1958.

The existing capacity of DPRK electric power stations is insufficient to supply electrical power to the growing needs of the economy. The total capacity of electric power stations is 1.8 million kilowatts (of which 300,000 kilowatts operate for the PRC), including 1.7 million kilowatts from hydroelectric stations and 100,000 kilowatts from thermal power stations. The friends are taking steps to build new power stations. It is expected that with the introduction of new power stations in five to seven years the total capacity of all power stations will reach 3.7 million kilowatts, and by 1966 the production of electric power will grow to 15-18 billion kilowatt-hours. The capacity of the thermal stations will increase to 600,000 kilowatts during these years. In connection with the water shortage in the reservoirs the friends are striving to accelerate the construction of thermal power stations, primarily the Pyongyang Thermal Power Station with a capacity of 200,000 kilowatts, in the construction of which the Soviet Union is giving technical assistance and supplying the necessary equipment according to a 17 March 1959 agreement.

The metallurgical industry, especially ferrous metallurgy, is far from satisfying the country's needs in metal. In 1959 694,000 tons of cast iron and iron balls were produced; 451,000 tons of steel; and 331,000 tons of rolled products. The friends are counting on bringing the production of cast iron to four million tons and steel to 3-3.5 million tons during the seven-year plan.

According to the 17 March 1959 agreement the USSR performs work to design the expansion of the Kim Chak metallurgical plant and supplies the DPRK with the equipment for a capacity of one million tons of steel and 700,000 tons of rolled products a year.

The mining industry. The soil of the country is rich with various mineral resources: iron, copper, lead, zinc, tungsten, etc.

The total reserves of iron ore are 1.5 billion tons (35-40%), 28.7 million tons of copper ore, 73.5 million tons each of zinc and lead ore, and 700,000 tons of tungsten ore. However, in view of the insufficient development of ferrous and non-ferrous metallurgy the mining industry is developing slowly. At the same time the poor level of equipment of the majority of mining enterprises both for extracting ore and enriching it is also slowing the further growth of the mining industry to a considerable degree.

The existing deposits of non-ferrous and rare earth metal ore in the country are still being insufficiently used.

To further develop the mining industry it is necessary to devote considerably more attention to geological survey work and determining the exact reserves of mineral ores.

In recent years the DPRK machinebuilding industry has received much development. Now it produces equipment for the most diverse industrial sectors. In 1959 the production began of trucks, tractors, bulldozers, and hydraulic turbines with a capacity of up to 4,000 kilowatts, etc. In the five months of this year 740 tractors and 800 vehicles have been produced. In 1960 the Korean side addressed a request to the USSR about giving technical assistance in the organization of production of powerful thermal turbines, electric generators, and steam boilers.

In recent years the friends have displayed a tendency to basically produce all the necessary kinds of machines and equipment inside the country, although a shortage of the necessary equipment, the lack of sufficient experience, and also the production of machines and mechanisms in small quantities leads to the output product having low quality and a high prime cost.

In the future it would be desirable for the development of the DPRK machinebuilding industry to be accomplished taking broad collaboration with socialist countries into consideration.

Light industry, which was faced with the task of solving the problem of supplying the population with clothing and foodstuffs, has not yet coped with these problems. Therefore the DPRK government is taking steps to bring the production of textiles to 300 million meters a year in 1963 (it was 158 million meters in 1959). Great attention is being devoted to the development of the food industry. A prominent place in the production of consumer goods and food products is being given to local industry enterprises whose proportion in the production of these goods should rise from 39% in 1959 to 50-55% in 1960.

Seafood has great importance in the food of the DPRK population. However, the size of the fishing industry and the organization of seafood processing does not satisfy the needs of the country and do not match the great possibilities for the development of this sector of the economy. The development of the fishing industry is being held back by the inadequate equipment of current fishing ships, the fishing gear, and the lack of refrigeration ships. Cold storage facilities have not been developed and still do not ensure the storage of the fish catch. Therefore it would be advisable to help the Korean friends learn from the best practices in catching, processing, and storing seafood.

The Korean friends have recently carried out a number of measures to improve the management of industry. A system of local industry has been created along with centrally-subordinate industry. Enterprises producing consumer goods and food products have been mainly transferred to local industry. At the start of this year the KWP CC restructured the management of industry. Two Committees were created instead of the industrial ministries of the Cabinet of Ministers which previously existed: The Heavy Industry Committee and the Light Industry Committee. As Kim Il Sung reported in a conversation with the Soviet ambassador the restructuring of industrial management is already producing positive results.

DPRK agriculture. The socialist cooperation of peasant farms was completed in 1958 and a consolidation of agricultural cooperatives was carried out. As of the start of 1960 the republic had 3,843 agricultural cooperatives. Each cooperative has an average of 300 peasant households and 500 jeongbo of cultivated land. The implementation of the cooperation of agriculture promoted a further growth of agricultural production. Whereas in the prewar year of 1949 grain production was 2.650 million tons, 1958 it was 3.437 million tons, including 1,508 million tons of rice and 1.394 million tons of corn. The production of potatoes and vegetables and also industrial crops grew considerably. The DPRK sharply reduced the importation of grain in 1958-1959. Whereas in 1957 198,100 tons of grain were imported from other countries in 1958 only 27,000 tons were imported and 54,700 tons in 1959.

The DPRK government, relying on the successes achieved in agriculture in the last several years, has set the task of harvesting 5.170 million tons of grain in 1959. The area of irrigated fields was expanded from 500,000 jeongbo to 800,000 jeongbo (the entire cultivated area was about 1.8 million jeongbo in 1959). Much work has been done to raise the yield of agricultural crops. For example, the rice yield has risen from 30 to 37.8 centners per jeongbo.

In spite of this the grain production plan was sharply underfulfilled in 1959, and the actual harvest of grains even dropped compared to the previous year. The main reason for the shortfall was the 370,000 jeongbo (16%) reduction of the sowing of grains compared to 1958, especially for corn.

As a result an acute shortfall in the grain balance was formed in the country. The DPRK government has been forced to supply more than 550,000 tons of grain for food purposes this year.

Some successes in the development of animal husbandry have been achieved in the DPRK. Compared to the period before liberation the number of pigs, sheep, and goats has risen sharply, and the herd of Korean cattle has almost been restored. However, the productivity of animal husbandry still remains low, and the number of dairy cattle is extremely insufficient (5,300 head in 1959). When agriculture was mechanized new possibilities opened up for the development of productive stockbreeding. In the next two or three years the number of Korean cattle delivered to increase the milk yield might be raised to 300,000 instead of the 55,000 in 1959.

The KWP CC and government of the republic have taken a number of steps to

eliminate the mistakes made in agriculture last year. This year the most serious attention was directed to the development of agriculture in accordance with a decision of the KWP CC December 1959 Plenum. Much work is being done to strengthen Party work in the countryside and to raise the level of the management of agriculture by local government bodies. The chairmen of agricultural cooperatives are being augmented with experienced and proactive officials from among those active in the Party and the economy. According to a KWP CC Decree 4,000 agronomists and one thousand veterinarians and livestock experts were sent for work in the countryside (for no less than two years).

Serious attention was directed to questions of organizing work, and more consistently observing the socialist principle of the distribution of labor, and the principle of material interest. Accordingly, stricter order is being imposed in determining and counting the workdays and a bonus system by brigades is being introduced.

Much effort is being undertaken to implement the mechanization of agriculture. It is planned to send 4,000 tractors and 3,000 trucks to the countryside this year, and almost four times more agricultural machinery and various farm implements will be produced than in 1959. The December KWP CC Plenum set the task of basically completing the mechanization of agriculture in 1960 in the flatlands of the most populous provinces of the country: South Pyongan and South Hwanghae, where the output of agricultural production can be most sharply increased.

The 1960 plan is intended to bring the total planted area to 2.8 million jeongbo, including 2.1 million jeongbo for grain. As the friends have reported, this year the area for corn will be increased to 800,000 jeongbo. Seven hundred thousand jeongbo have already been sown and no less than another 100,00 will be sown after the harvest of the winter wheat.

The population's standard of living. The steady growth of the country's economy has provided a further increase of the population's standard of living. In 1959 the national income reached the level set for 1961 by the five-year plan. The wages of manual laborers and salaries of office workers rose by 2.3 times compared to 1956. Income in kind and the monetary income of members of agricultural cooperatives increased. The network of trade outlets in the cities and rural localities expanded. In 1959 the sales of textiles, household articles, shoes, etc. to the population increased somewhat.

While noting the increase of the standard of living of DPRK workers it ought to be pointed out that the population is still experiencing difficulties with food, clothing, and housing. The supply of one of the basic food products, grain, is still being rationed. Grain is issued by ration cards: manual laborers and office workers [get] 600-900 grams and dependents, 300-500 grams per day.

In spite of some expansion of the range of consumer goods and food products the network of trade outlets is experiencing an acute shortage of them. The population of the cities is irregularly supplied with fish and vegetables, and also such products as milk, butter, meat, and sugar are practically not in the food ration.

Per capita sales of the main food and manufactured foods are described by the following data:

□□□
□□□□

unit of measurement
1956

1958

1959

per the 1961 plan □□□

□□□□

1

2

3

4

5

6 □□□

□□□□

fats

grams

100

400

684

1300 □□□

□□□□

meat

kg

0.2

1.9

no data

3.2 □□□

□□□□

seafood

kg

13.3

17.1

18.6

18.6 □□□

□□□□

textiles

meters

7

7.5

8.3

13.3 □□□

□□□□

underwear

units

0.3

0.9

1.1

1.1 □□□

□□□□

footwear

pairs

1.3

1.5
1.9
2.0 □□□
□□□□
shoes
"
1.4
1.7
2.1
2.0 □□□
□□□□
soap
kg
0.3
0.6
0.8
1.0 □□ □□

With an average wage for manual laborers and office workers of 40-45 per month many goods and food products are not very affordable for them because of the high prices. The price of one meter of silk is 12-25 won, of a wool suit 300-350 won, of leather shoes 15-25 won, of household soap - one won, of meat 3.2-3.5 won, and of sugar 3.8 won.

A restructuring of the purchasing system, which includes an expansion and regularization of the purchase of a number of agricultural products through a network of purchasing stores and also the reestablishment of peasant markets, is being carried out by the DPRK government at the present time in order to mobilize every source and to expand the volume of procurement in order to best satisfy the needs of the population for food and manufactured products.

At the same time the restructuring of purchases does not affect the existing state monopoly on grain which, in the opinion of the Embassy, does not seem justified.

The five-year plan's program to provide the population with housing is far from accomplished. Between 1957 and 1959 5,678,000 m² were built. Thus, the target of the five-year plan, the construction of 10,280,000 m² of housing, will evidently only be accomplished in 1961.

In planning a wide-scale program to improve the material welfare of the population at the present time the Korean friends are counting on getting aid from the Soviet Union and PRC in the next few years in the accomplishment of this program. The DPRK government intends to ask the Soviet Union: to write off 673 million rubles of credits (without interest), extend the repayment of 196 million rubles of credit by seven years, and to supply 100,000 tons of wheat and 10,000 tons of cotton annually between 1961 and 1967.

II. The DPRK domestic political situation

The domestic political situation of the Korean People's Democratic Republic is stable and strong. The policy and practical activity of the Korean Worker's Party and DPRK government find understanding and complete support from the broad working masses of the country.

This year the KWP managed to ensure and organize a further labor upsurge and the development of creative initiative by the workers in fulfillment of the 1960 plan for the development of the economy. The expanded plenums of provincial KWP committees held in January of this year played a great role in mobilizing Party organizations, KWP members, and all workers to successfully accomplish the tasks of 1960. At the plenums, in which KWP CC Presidium members took part, the mistakes and shortcomings in the work of local Party and government bodies were subjected to sharp criticism.

Special attention has been devoted in the Party in recent months to improving and perfecting the style and methods of Party leadership, and to rooting out formalism, bureaucratism, officiousness, and abuse of administrative authority in Party work, and in bringing it directly to industry [k proizvodstvu]. These issues were raised by Kim Il Sung in a speech at the plenum of the Party committee of the district of [Kanso] in February of this year.

In light of the decisions of the December CC Plenum, considerable work has been done this year to reinforce Party members' and all workers' education in political ideology. In this connection the restructuring of the system of Party education which was done in the direction of a deeper study of Marxist-Leninist theory, bringing Party propaganda closer to life, and increasing its effectiveness in solving the problems of socialist development. Special attention was paid to Marxist-Leninist education, and the ideological and theoretical training of senior officials of Party and government bodies. It ought to be noted that the poor study of the classic works of Marxism-Leninism remains a significant shortcoming of the ideological and theoretical training of KWP members.

Events which were broadly held throughout the entire country this year in connection with the 90th birthday of V. I. Lenin occupied an important place in the ideological work of the Party. For three months lectures, reports, and evenings were held at enterprises, agricultural cooperatives, educational institutions, and establishments. Theoretical conferences were held on questions of Leninism among the Party activists of cities, students and instructors of higher educational institutions, and also literary and arts officials. During the Lenin days the publication of the collected works of V. I. Lenin in Korean in 38 volumes was completed (from the fourth Soviet edition).

The celebration of the 90th birthday of V. I. Lenin in the DPRK was marked by an illustration and comprehensive revelation of the triumph of the great Leninist ideas, their brilliant embodiment in Communist development in the Soviet Union, in the life and success of socialist development in Korea and all the socialist countries, and in the great successes of the national liberation movement.

Intra-Party democracy and the restoration of the Leninist norms of Party life are receiving further development in the KWP under the constant influence of the 20th and especially the 21st CPSU congresses.

The Leninist principle of appointment by election and accountability in the Party has been restored. The third KWP congress was held in 1956 after an eight-year hiatus. Report and election provincial, city, and district Party conferences and report and election meetings in primary Party organizations have started to be held more regularly. The collective nature of Party leadership is receiving further reinforcement and development, Plenums and meetings of the KWP CC Presidium are held regularly, as are plenums of provincial, city, and district Party committees. Nine KWP CC Plenums have been held in three years (1957-1959) at which the most important issues of Party, state, and economic development were examined.

The KWP CC leadership has begun to consult more often and more widely with Party activists and the broad masses of the workers about many issues of socialist

development. A broad group of Party and administrative activists are enlisted to take part in the work of plenums and KWP CC Presidium meetings and also the plenums of provincial, city, and district Party committees. Officials of the KWP CC and government of the republic take part in the work of republic-wide and provincial meetings of officials of various sectors of the economy which are held regularly. The leaders of national and local Party and government bodies often go to the field, visit enterprises, construction sites, and agricultural cooperatives, familiarize themselves with working conditions and the workers' lives, and report to them and provide information. However, as the Korean friends admit, such visits still often have a formal nature.

However, serious shortcomings continue to take place in the strengthening and development of intra-Party democracy with which the Korean friends are faced with much work to eliminate.

Deviations are permitted from the Party charter with respect to the periods for holding provincial, city, and district Party conferences and report and election meetings of primary Party organizations. The deadline for convening the next, fourth, KWP congress passed in April 1960. It is to be convened in April 1961. Evidently report and election Party conferences and Party meetings of Party organizations are not being held in connection with this, although the deadline for holding them passed in March 1960.

A considerable turnover of members of Party governing bodies is being observed in the KWP after their election at a congress and conferences. Of the total number of 133 people elected as CC members and candidate members and members of the Central Auditing Commission at the 3rd KWP congress 49 had been forced out by the beginning of 1960, that is, 36.8%, and 39 of them were expelled.

The continuing glorification of the personality of Kim Il Sung in the press, literature, and speeches of a number of Party and government leaders, especially senior officials of local Party and government bodies, exerts a negative influence on the strengthening and development of the collective nature of Party leadership and intra-Party democracy. In rooms to study the history of the KWP organized at enterprises and institutions the biography of Kim Il Sung is actually studied. In squares of cities, inside many public buildings sculptures have been set up [Translator's note: two pages are missing at this point]

...It is known that during the time which has passed since the liberation of Korea two states were actually formed on the Korean peninsula with their own governmental and legislative bodies, each of which has completely different economic and political systems. Both states have received international recognition through the establishment of diplomatic relations and trade ties with a number of countries.

Soviet representatives speaking at the UN invariably stress the fact of the existence of two independent states in Korea. Such a position by Soviet representatives helps to more correctly approach a solution of the Korean question in the international arena, stressing the deciding role in this of the Korean people themselves and their governments without any outside interference.

However, according to some unofficial information available to the Embassy the DPRK leadership holds to a somewhat different opinion on this issue, taking an ambivalent position. In some cases and statements the Korean friends sort of recognize the existence of two states on the Korean peninsula, in others they deny it.

Such an ambivalent position can hardly help to contribute to a correct approach to a solution of the Korean question.

Possibly it would be advisable to recommend to the Korean friends in a suitable and tactful form to proceed from the fact of the existence of two independent states on the Korean peninsula, which would contribute to a more realistic approach to a solution of the Korean question as a whole.

Based on the immediate tasks in the political struggle about the Korean question, the Embassy considers it necessary to submit a proposal to additionally include in the agenda of the 15th UN General Assembly session the question of the withdrawal of all foreign troops from South Korea and the elimination of all types of foreign military bases and depots.

The discussion of this question will allow world public opinion to concentrate attention on the aggressive ambitions of American imperialism, which continues to keep its troops in South Korea.

Consequently the Embassy considers it advisable to now entrust the Soviet mission to the UN and our embassies in neutral and some other countries with pursuing work with the governments of these countries about the issue of submitting the question of the withdrawal of foreign troops from South Korea and a draft resolution about this question for consideration by the 15th UN General Assembly session.

The bonds of unbreakable friendship between the Soviet and Korean peoples based on the principles of proletarian internationalism have recently become still stronger, personal contacts between the leaders of fraternal Communist Party of the Soviet Union and the Korean Worker's Party and the governments of the USSR and DPRK were further developed, and the close economic and cultural cooperation between the peoples of both countries expanded.

In 1959 the DPRK government achieved a favorable solution of the problem of repatriating Korean citizens from Japan (as of 10 June of this year 24,826 people had arrived). The Korean friends received active support from the USSR when holding talks with Japan about this issue and while carrying out the mass repatriation. The executive committee of the SOKK [Red Cross] and CP offered the Korean side two ships, the Tobol'sk and Kril'on, to transport the repatriates. Kim Il Sung and other senior officials have repeatedly expressed deep appreciation to the Soviet government for this aid in conversations with Embassy officials.

The very important foreign policy steps and the peaceloving proposals of the Soviet government constantly and invariably meet with the complete approval and support of the DPRK government.

The proposal advanced by Cde. N. S. Khrushchev in a report at the 21st extraordinary CPSU congress to create a zone of peace and first of all a nuclear-free zone in the Far East and the entire Pacific basin met with warm approval and support in the DPRK.

Cde. N. S. Khrushchev's visit to the US met with a very broad response in the DPRK. The DPRK public assesses the results of the visit as a remarkable new victory of the peaceloving Soviet foreign policy.

The Korean press widely covered the visit of Chairman of the USSR Council of Ministers Cde. N. S. Khrushchev's visit to France, stressing its importance for the improvement of international relations and ensuring peace in the entire world.

The aggressive acts of American ruling circles with respect to the Soviet Union have provoked a powerful wave of protest in the DPRK. The DPRK public vigorously approved and supported Cde. N. S. Khrushchev's statements in Paris on 16 and 18

May of this year. The DPRK press published the full text of the statements and the commented on them in lead articles and editorials, condemning the aggressive policy of the American ruling circles.

The new Soviet proposals about general and complete disarmament presented by Cde. N. S. Khrushchev in corresponding documents at a 3 June 1960 press conference have received the complete support and approval from the DPRK government and public. On 7 June 1960 the DPRK government published a special statement which supported the Soviet proposals about general and complete disarmament.

The organization in Pyongyang of the first Soviet industrial and agricultural exhibition, the opening of which is timed to the 15th anniversary of the liberation of Korea, is an important event of great political significance for the strengthening of the friendship of the Soviet and Korean peoples. The Korean friends attach great importance to this exhibition and intend to organize the very broadest familiarization of not only the residents of Pyongyang but also the Party and administrative activists and production leaders from all of the country's provinces with the exhibits of this exhibition.

A considerable improvement has come in relations between the DPRK and the PRC in the past two years after a period of tension and some distrust.

After Mao Zedong's meeting with Kim Il Sung in Moscow in November 1957 a lively period of mutual country visits by high-level delegations, and the conclusion of treaties and agreements began which provided for the granting of considerable economic aid to the DPRK from China, an expansion of trade, and also the solution of many unsettled issues between the two countries.

A whole series of political and economic measures between the DPRK and China were also accomplished in 1959. The most important of them was a trip to Peking by a Korean government delegation headed by Kim Il Sung in connection with the celebration of the 10th anniversary of the formation of the PRC. In addition, two DPRK government delegations visited China during 1959. As a result of this an agreement was concluded about granting the DPRK government 300 million rubles of aid free of charge to outfit the Korean People's Army and also additional deliveries of cotton and rubber to the DPRK.

In the Embassy's opinion, in recent years the Chinese friends have displayed a definite interest in increasing economic aid to the DPRK and strengthening PRC influence on the DPRK.

The Embassy knows that in May of this year a group of senior DPRK officials headed by Kim Il Sung made an unofficial visit to the PRC. However, to date the Korean friends have been silent about this visit.

The DPRK trades with all the countries of the socialist camp, whose share is 98% of the country's foreign trade turnover.

[Translator's note: the available text ends at this point]