

September 18, 1960 The Korean People's Democratic Republic (A Brief Memorandum)

Citation:

"The Korean People's Democratic Republic (A Brief Memorandum)", September 18, 1960, Wilson Center Digital Archive, AVPRF fond 0102, opis 16, papka 87, delo 27. Translated for NKIDP by Gary Goldberg.

https://wilson-center-digital-archive.dvincitest.com/document/116390

Summary:

Tugarinov discusses the division of the Korean Peninsula in 1945 and the political and economic situation in the DPRK and ROK respectively.

Credits:

This document was made possible with support from ROK Ministry of Unification

Original Language:

Russian

Contents:

Translation - English

[handwritten illegible addressee, possibly]]]]SECRET Copy N° 1 "V. Lisin" in the upper left-hand corner [] 18 September 1960 dated 1?7? October]

[Translator's note: as with another document, numbered 795/dv, "October" is handwritten above the typed word "September"]

THE KOREAN PEOPLE'S DEMOCRATIC REPUBLIC (a brief memorandum)

In August 1945 the Soviet Army expelled the Japanese from Korea, liberating the Korean people from 40 years of colonial dependence on Japan. The liberation of Korea caused a powerful upsurge of the democratic movement in the country and opened the way to the creation of an independent democratic state. People's committees began to be created everywhere which included representatives of workers, peasants, the petit and middle bourgeoisie, and intellectuals. However, after the arrival of American troops in South Korea in September 1945 the situation there radically changed. The American command dissolved the people's committees and established a harsh military occupation regime.

On 27 December 1945 the ministers of foreign affairs of the USSR, US, and Great Britain signed an agreement in Moscow which provided for the immediate formation of a provisional Korean democratic government "In order to restore Korea as an independent state, create conditions to develop the country on a democratic basis, and eliminate the ruinous consequences of Japanese domination in Korea as rapidly as possible". However, the US refused to comply with this decision, wrecked the work of the Joint Soviet-American Commission on Korea, which was charged with assisting the formation of this government. In September of 1947 they referred the Korean question to the UN and in May 1948 held separate elections to a National Assembly in South Korea, which proclaimed it a republic and elected as president an American stooge, Syngman Rhee. Thus the US took the road of dividing the country into two parts.

In the situation which developed in North Korea steps were taken to create a genuinely democratic Korean state. With this goal Korea-wide elections were held on 25 August 1948 to a Supreme National Assembly of Korea which at the first session in September proclaimed the Korean People's Democratic Republic, adopted a constitution, and created a government.

Korea ended up divided into two parts, the development of which went by different routes. A popular democratic system was established in North Korea, and the workers guided by the working class led by the Korean Worker's Party took power, but in South Korea the reactionary government of Syngman Rhee was created, relying on capitalists and landowners, entirely dependent on the US.

I. The political situation in the DPRK

A popular democratic system was approved as a result of the democratic transformations in North Korea in 1946. After the cooperation of agriculture and the conclusion of the socialist transformation of the private sector in 1958 socialist industrial relations began to dominate in the DPRK in industry and commerce.

The DPRK is a state of a socialist type. The highest organ of state power is the one-chamber Supreme People's Assembly elected for a term of four years on the basis of universal, equal, and direct suffrage with a secret ballot. The first elections were held on 25 August 1948; in the South they were held illegally. The second

elections were held on 27 August 1957 nine years after the first. They were held only on the territory of North Korea.

Local government bodies in the provinces, cities, districts, and ri - rural administrative units - are people's assemblies elected for a term of four years by the population on the basis of universal, equal, and direct suffrage with a secret ballot, and [in] the remaining [elections] for two years. Their executive bodies are the corresponding people's committees. The bodies of people's government are an embodiment of the dictatorship of the proletariat.

The United Democratic [Patriotic] Front of Korea, which at that time included more than 70 political parties and public organizations of the North and South of the country, was created in June 1949 in order to rally together all the forces of the Korean people to struggle for the peaceful reunification of the country and for the fastest possible withdrawal of American troops from South Korea. At the present time the YeDOF actually includes only the parties and organizations of North Korea: the Korean Worker's Party, the Democratic Party of North Korea, the Party of Young Friends (Chondoist), the Union of Democratic Youth, the Union of Democratic Women, and the Peasant's Union.

The Korean Worker's Party is the guiding force in the country. As of 1 January 1960 it numbered 1,170,000 members and candidate members, which is 12% of the entire population of the DPRK. Considering the great size of the Party, the KWP CC recently limited admission to the Party. The third KWP congress was held in April 1956. The Chairman of the CC is Kim II Sung and his deputies are Kim Chang-man, Pak Jeong-ae, Pak Geum-cheol, Choe Yong-geon, and Ri Hyo-sun. The KWP CC Presidium consists of 11 members and four candidate members, and the organization committee of five people.

The Korean Worker's Party wages a constant struggle to strengthen the unity of its ranks and uncompromisingly fights all sort of factional elements. Between 1956 and 1958 a factional anti-Party group which had set as its goal the overthrow of the KWP leadership, was exposed and defeated. In the course of the struggle to identify the supporters of the factional group there were cases of unjustified accusations against honest Party members. The campaign was stretched out for several years, which distracted the strength of the Party and state apparatus from practical work and created uncertainty and fear among part of the Party members.

At the present time the Party is monolithic and united around the KWP CC. The level of political and organizational work of the Party has risen and KWP CC plenums have begun to be convened more regularly to discuss the most important domestic political and foreign policy problems, and principles of collegial leadership have been developed. However radical steps to eliminate the cult of personality of Kim Il Sung have not been taken by the Party since the Korean friends think that in the conditions of the country's division into two parts this might undermine the authority of the KWP and the popularity of Kim Il Sung.

There are two non-proletarian parties in the DPRK: the Democratic Party of North Korea and the Chondoist Party. These parties are small and do not play a substantial role in the life of the country. At the end of 1958 the former leadership of these parties was arrested, accused of plotting to overthrow the popular democratic system. Afterwards many ordinary members left these parties and the majority of local organizations halted their activity. These parties right now essentially remain only in the form of their national leadership.

In the conditions of the country's division the development of socialism in the DPRK is being carried out in an atmosphere of class warfare. The Americans and Syngman Rhee supporters are trying in every way to interfere with socialist development in the

DPRK, making use of the hostile elements which remained in the North of the country and infiltrating their large agent network. In 1959 the DPRK MVD organs uncovered several sabotage groups which had tried to sabotage large industrial facilities of the country (the Suphun Hydroelectric Station, the non-ferrous metals plant in Nampho, and the Hungnam chemical combine).

In order to fight counterrevolution the Korean friends have unleashed a broad campaign to identify hostile and subversive elements inside the country. In just the period between October 1958 to May 1959 about 90,00 people confessed and 10,000 were exposed by the state security organs. The friends did not take repressive measures against those who confessed and expressed regret for their actions. Political education work is being conducted with them. Judicial measures of punishment are being employed against socially-dangerous elements who have not confessed.

On the whole the domestic political situation of the DPRK 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 working masses of the country.

The KWP CC pays constant attention to state development. In January of this year a new large measure to reorganize national management organizations was carried out: all industrial ministries were eliminated and two Cabinet of Ministers Committees were created based on them - a Heavy Industry Committee and a Light Industry Committee. In the provinces economic committees were created which are subordinate in their activity to the KWP provincial committees. These measures are directed at ensuring consolidated centralized management, the achievement of the best coordination, and the elimination of the narrow-departmental tendencies of industrial enterprises.

II. The economy of the DPRK

[Translator's note: Most of the remainder of this report appears in a 11 June 1960 report]

In the period of Japanese colonial domination Korea was turned into a raw material and military industrial appendage of Japan, into a market for the sale of goods of Japanese industry and a source of a cheap labor force. It was a backward agricultural country.

Industry. Japanese monopolies owned almost all the industrial enterprises and banks in Korea. In 1944 Japanese capital stock was 96% of the capital of all stock companies. When withdrawing from Korea in 1945 the Japanese took almost all the electric power stations out of commission, and flooded many mines. Consequently, in 1946 the value of gross industrial production was only 25.6% of the 1944 level.

After the liberation of the country by the end of 1949 industrial production in the DPRK had reached the maximum industrial production level of 1944 as a result of repair work and capital construction. However, during the three-year war (1950-1953) more than 8,700 enterprises were destroyed and gross industrial production fell by more than 40%. The metallurgical, chemical, coal, and energy sectors of industry suffered especially badly.

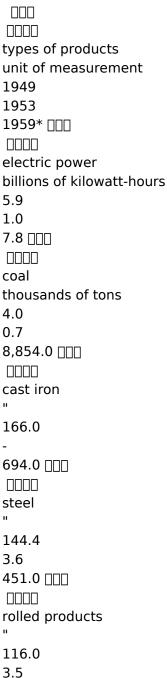
In the postwar period the Korean Worker's Party adopted a firm course of developing heavy industry with the simultaneous development of light industry and agriculture.

The volume of industrial production in the DPRK during the five postwar years grew at

an annual rate of 43%, and in 1959 by 53%. The first five-year plan (1957-1961) was fulfilled by July 1959 in the level of industrial production, that is, in 2.5 years. In 1959 the level of industrial production had risen by 6.1 times compared to the prewar year 1949 and exceeded the level set by the five-year plan for 1961 by 15%. However, in 1959 the targets of the five-year plan to produce electric power, extract coal, and produce cast iron, steel, rolled products, copper, zinc, cement, mineral fertilizer, and textiles were not fulfilled. Thus, the five-year plan was not fulfilled through the leading sectors of heavy industry.

The high growth rates and the early fulfillment of the five-year plan for gross industrial production was achieved to a considerable degree as a result of putting into operation new industrial capabilities created with the aid of socialist countries.

The production of the most important types of industrial products in the DPRK is described by the following data:



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331.0
ПППП
mineral fertilizer
401.2
391.0 □□□
cement
536.6
26.5
1,926.0 □□□
textiles (various)
millions of meters
12.8
21.6
158.0
fish catch
thousands of tons
273.0
122.0
466.0 🔲 🔲
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*The data for 1959 was given from a DPRK TsSU report except the data for electric power and the fish catch, which have been revised and are unpublished. According to the TsSU report the production of electric power was 7.8 billion kilowatt-hours in 1959.

In the DPRK the colonial imbalance of the economy was now eliminated. The metallurgical, chemical, and textile industries have been rebuilt, the construction materials industry has been considerable strengthened, and machinebuilding has essentially been built anew.

The proportion of machinebuilding and metalworking industry in the total volume of industrial production rose from 1.6% in 1944 to 20.6% in 1959.

During the postwar years DPRK industry mastered the production of lathes and milling tools, electric motors of varying power, trucks, tractors, 60-ton freight cars, and other modern products.

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

The fuel industry and electrical power are a bottleneck in DPRK industry. The existing capacity of power stations is (1.8 million kilowatts, of which 300 million kilowatts operates for the PRC) is insufficient to supply electrical power to the growing needs of

the economy. Last year the production of chemical fertilizer declined by 15% because of a lack of electric power. The friends are taking steps to build new power stations.

The mining industry is also lagging in its development in spite of the existence of diverse mineral resources: iron (1.5 billion tons), copper (28.7 million tons), lead, zinc, tungsten, etc. The majority of mining enterprises have old, worn-out equipment. The existing deposits of non-ferrous and rare earth metal ore in the country are still being insufficiently used.

Recently more attention has started to be paid to the development of the industry producing consumer goods, especially after the June (1958) plenum of the CC of the Worker's Party, which examined the question of increasing the production of consumer goods. Whereas in 1944 the textile industry constituted only 6% of gross production, in 1959 it had reached 17.4%. After the June plenum more than 1000 local industry enterprises were built in a year, as a result of which the volume of production of local industry during 1959 increased by 2.2 times, and its proportion in the production of consumer goods reached 39%. However light industry still is not coping with the task of supplying the population with clothing, consumer goods, and food.

The size of the fishing industry and the organization of the processing of seafood also does not meet the country's needs and is not in accord with the great opportunities 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 cold storage industry is not developed.

It ought to be noted that, having achieved high industrial growth rates the friends, however, still could not have achieved a serious improvement in such technical economic indicators as prime cost, production quality, and smooth production flow. Labor productivity in industry rose by only by three percent in industry in 1959, and in construction even declined by two percent. The number of manual laborers and office workers in the economy in the year increased by 40% and was 1,514,000 people. During the year the number of manual laborers and officer workers in the economy increased by 40%, and was 1,514,000.

In 1959 there were serious shortcomings in the field of planning in the DPRK. The economic plan for 1959, which envisioned a growth of industrial production of 2.1 times the 1958 level, was clearly inflated in view of the fact that the target figures were repeatedly reduced during the year. In 1959 the friends actually operated without a plan.

Nineteen-sixty is viewed by the friends as the year of tightening of those industrial sectors for which there was a lag in meeting the targets of the five-year plan (the friends call this a year of "adjustment [regulirovanie]"). The plan for 1960 provides for a 12.5% increase of gross industrial output. It is proposed to eliminate the lag of the mining and energy industries this year, and to also considerably improve the operation of transport. In the first half of 1960 the gross industrial output increased by 12% compared to 1959.

Agriculture. In the period of Japanese rule in Korea 80% of the peasant homes either did not have land at all or owned tiny plots.

As a result of the land reform carried out in North Korea in the spring of 1946 725,000 farms of farmhands and peasants with no or little land received the use of about one million jeongbo* of land free of charge. The reform put an end to the feudal and serf relations in the countryside. In 1948 the gross harvest of the main agricultural crops was already higher than in 1944. However, beginning in 1950 the war inflicted great

damage on agriculture: more than 370,000 jeongbo of cultivated land suffered; 250,000 head of cattle died (14% of the herd), and 380,000 pigs (23% of the total number).

* one jeongbo is 0.99 hectare.

Immediately after the war the CC of the Worker's Party of Korea adopted a policy of cooperation of the countryside, which was fully completed in August 1958. In autumn of that year a consolidation of agricultural cooperatives was carried out with the expectation that all the agricultural cooperatives would be combined into one on the scale of each rural administrative-territorial unit, the ri. The functions of the chairman of the board of the agricultural cooperative and chairman of the people's committee became combined in one person. At the present time there are 3,740 agricultural cooperatives in the DPRK uniting more than one million peasant farms and 196 state farms. Each cooperative has an average of 300 peasant households and 500 jeongbo of cultivated land. The DPRK has 196 state farms, and the land worked by them is 74,000 jeongbo.

Grain farming is the basis of agriculture in the DPRK. The [total] land being worked in 1959 is 1,800,000 [jeongbo] and the total planted area taking into consideration reseeding and intercropping is 2,429,000 jeongbo, including 1,656,000 for grain. The irrigated land area has been brought up to 800,000 jeongbo.

[Translator's note: The table in the "Agriculture" section which follows contains is identical but a footnote has been added. Much agricultural material is subsequently omitted in this version.]

In 1959 the planted area for corn was reduced to 370,000 jeongbo by 348,000 jeongbo as a result of a miscalculation by planning organizations. The gross grain harvest was 3.4 million tons last year (versus the planned 5.177 million tons.

The gross harvest of the main cereal and industrial crops in 1959 is described by the following data:

raw cotton

*the figure has been revised and is unpublished. According to the DPRK TsSU report the 1958 harvest was 3,700,000 tons".

The 1960 plan provides for a grain harvest of 3.8 million tons (3.761 million tons was expected for the last year of the five-year plan). The friends think that the plan will be fulfilled.

A growth in the cattle herd is expected: cattle to 850,000, pigs, [to] 2.589 million, sheep and goats, [to] 237,000 head.

The living standards of the population.

The living standards of the workers DPRK rose on the basis of the successes achieved in the development of agriculture. In 1959 wages rose by 43% in 1959. According to a Korean press report the real wages of the manual laborers and office workers approximately doubled the prewar level.

The material welfare of the peasants has also improved. As Kim II Sung noted at a congress of agricultural cooperatives (January 1959) in the DPRK there are no more poor peasants, who in 1953 after the war were 40% of all peasant farms. In 1958 each peasant household received an average of 1,742 kg of grain, 434 kg of potatoes, and 137 won in money (the average monthly wage of manual laborers and office workers is 43 won). On 8 February 1959 the agricultural tax in kind was reduced. For rice it is now is 11-14% of the harvest instead of 27%.

However the lives of the population are still at a low level. The population is still experiencing difficulty with food, clothing, and housing. The supply of one of the main products, grain, is still being rationed. Meat and meat products are almost never for sale. The overwhelming majority of the population does not use butter, milk, and sugar in food. The urban population is irregularly supplied with even fish and vegetables. The remaining consumer goods, although they are for sale, are of low quality and the prices for them are quite high. The cost of one meter of silk fabric is 12-25 won, of a wool suit, 300-350 won when an average worker's or office worker's wage is 40-45 won per month.

The prewar housing stock has still not been fully restored. During the 1950-1953 war 28 million m2 of housing were destroyed and 22 million m2 of housing have been built in the six postwar years, including 10,640 m2 in the cities. In the first six months of 1960 the workers of the DPRK received only 613,000 m2 of housing. The housing construction target of the five-year plan will not be met before 1961.

DPRK workers enjoy free medical aid and free education. Beginning in the fall of 1958 a seven-year education is mandatory. Preparations are being made to introduce a system of mandatory technical education in 1962. At the present time there are 70 higher educational institutions in the DPRK (there was not a single higher educational institution in North Korea under the Japanese) and about 8,000 schools and various educational institutions, in which 2.5 million people study, that is, every fourth person. Since liberation 130,000 engineers, technicians, and other specialists have been trained in the republic.

The prospects for the development of the DPRK. A complete dominance of socialist industrial relations has been established in the city and countryside as a result of the fulfillment of the first five-year plan in the DPRK (the end of 1958); the DPRK has been turned into a socialist agroindustrial state. The proportion of industrial production in the economy is 70%.

At the present time the Korean friends are working on drawing up a seven-year plan for the development of the DPRK for 1961-1967, which will be a decisive period in the socialist development of the DPRK.

According to a preliminary draft of the seven-year plan it is proposed that the gross industrial production will grow by more than 2.5 times during the seven-year plan and the grain harvest will increase by more than one and a half times.

For three years of the seven-year plan it is intended to concentrate efforts on the rapid development of light industry and agriculture and substantially improve the welfare of the people. In the next two or three years the production of fabric will be brought to 300 million meters and grain to four million tons.

In the second half of the seven-year plan the leading sectors of heavy industry will be expanded more and strengthened. It is expected that in 1967, the last year of the seven-year plan, the DPRK will produce 17 billion kilowatt-hours of electricity; more than 23 million tons of coal; 2.5 million tons of steel; 4.3 million tons of cement; 1.5 million tons of chemical fertilizer; 500 million meters of fabric; and that the seafood catch will reach 1.4 million tons*.

* Kim II Sung's report at a festive meeting on the occasion of the anniversary of the liberation of Korea. TASS. 14 August 1960, pp. 127-128-0...

[Translator's note: three pages are missing from the document at this point]

...by Syngman Rhee was increasingly turned into a fascist organization under the control of which was the entire apparatus of government and all political and public organizations. The Democratic Party, which was in opposition, opposed the personal dictatorship of Syngman Rhee, was essentially no different from the Liberal [Party]. Progressive and nationalist elements were repressed by the authorities and [there was] terror from fascist organizations led by the ruling Liberal Party.

The open falsification of the 15 March 1960 presidential elections in favor of Syngman Rhee and his henchman Ri Ki-poong were the reason for the mass actions [vystupleniya] by the South Korean population against the Syngman Rhee regime, which took on the nature of a mass uprising. Syngman Rhee and his government were forced to resign. The provisional government, formed by a henchman of Syngman Rhee, Heo Jeong, changed the South Korean constitution and completely transferred executive power to the prime minister and cabinet, which is responsible to the lower house of the National Assembly.

As a result of the elections held on 29 July 1960 members of the Democratic Party gathered an absolute majority of the seats in the lower and upper houses of the National Assembly.

In August 1960 the National Assembly elected a Democratic Party leading figure, Yun Bo-seon, President and confirmed the leader of this party, former Vice President Chang Myon, as Prime Minister of the Republic of Korea.

Thus, another conservative party representing the interests of the comprador bourgeoisie and landowners on which the United States relied during the April uprising, came to power in South Korea instead of the Liberal Party of Syngman Rhee, which actually collapsed after the April anti-Syngman Rhee actions.

The Democratic Party confirmed fidelity to the military-political alliance with the US and on the issue of the reunification of Korea advocated "anti-Communist elections under UN observation".

US economic aid, which in the period since liberation has been \$2.8 billion, has had decisive importance in support of the economy of South Korea. The import of consumer goods (about 70% of the amount of the aid) takes first priority in US economic aid.

Although in recent years the economic situation of South Korea has somewhat worsened, South Korea still cannot even minimally supply its needs in manufactured goods and food from domestic production. Inflation continues in the country, there is not enough food, and all the leading South Korean industrial sectors - textiles, food, and mining, and also transportation depend completely on getting raw material and equipment from American aid funds. South Korea lags considerably behind the DPRK in the production of all kinds of industrial products and especially per capita production. Whereas in 1959 451,000 tons of steel, 694,000 tons of cast iron, and 8.8 million tons of coal were produced in the DPRK, in South Korea only 38,200 tons of steel, 83,000 tons of cast iron, and 4,400 tons of coal were produced. In the DPRK 6.4 billion kilowatt-hours of electricity were produced in 1959, but in South Korea only 1.7 billion kilowatt-hours.

South Korea, which was the entire country's granary before the liberation of Korea, has been forced at the present time to import grain from American aid funds. The gross grain harvest in South Korea in the best harvest year of 1958 was 3.75 million tons, that is 170 kg per capita, against the 370 kg produced in the DPRK.

The foreign policy of the South Korean authorities is completely subordinate to US foreign policy. On the issue of the reunification of Korea the South Korean authorities favor a solution of the Korean question in the spirit of the resolution annually adopted by the UN General Assembly under US pressure.

The "Mutual Defense Treaty between the US and the Republic of Korea" signed on 1 October 1953 occupies an important place in relations between South Korea and the US. The US has absolved itself of the responsibility "to defend" South Korea, but South Korea has granted the US the right to deploy ground, naval, and air forces on its territory. The 28 November 1956 Korean-American "Treaty of Friendship, Commerce, and Navigation" between the US and South Korea was signed on 28 November 1956, which granted broad opportunities for investment of American private capital into the South Korean economy.

In view of the growth of discontent of the South Korean population at the behavior of American servicemen the South Korean authorities proposed that the US conclude an administrative agreement about the status of American forces. However, the US

refused to even discuss this issue, which provoked criticism of the US even from pro-American Koreans.

The South Korean authorities are striving to normalize relations with Japan. The definition of the fishing zone and the establishment of a "Syngman Rhee line", and also mutual property claims are contentious issues between them. The South Korean authorities are striving to expand international relations. The repatriation to the DPRK of Koreans living in Japan has contributed to a worsening of relations between South Korea and Japan.

The South Korean authorities are striving to expand international relations. South Korea has been recognized by about 40 capitalist countries. However, South Korea only has Embassies of the US, Britain, France, the FRG, Italy, Turkey, South Vietnam, Taiwan, and the Philippines, and missions of Denmark, Sweden, and Norway.

V. The problem of the reunification of Korea

The issue of the reunification of Korea is one of the acute international problems. For 15 years it has not left the agenda of international conferences and the UN General Assembly. However, it has not yet found its favorable solution.

The US government, convinced that it will not be able to create a servile reactionary government of a united Korea, broke off talks in the Joint Soviet-American Commission in September 1947 and submitted the Korean question for discussion by the UN General Assembly session. Since that time the issue about the reunification of Korea has figured in the UN agenda. the US proposes reuniting Korea by holding Korea-wide elections under UN observation every time. The DPRK, Soviet Union, People's Republic of China, and the other socialist countries oppose such a method of reunification, considering that the restoration of the two parts of Korea is an internal matter of the Korean people themselves. Here the Soviet Union proceeds from the position that two independent states have actually formed on the Korean Peninsula., the DPRK and the Republic of Korea, which have their own governments and their own legislative bodies.

The Korean friends, both before and after the war, have repeatedly offered specific plans for the reunification of Korea which were based on the principle that the Korean people themselves should take the matter of the peaceful reunification of the two parts of the country into their own hands.

The DPRK proposals include the most diverse measures promoting the achievement of the reunification of the country on a democratic basis and firstly the holding of free Korea-wide elections. The DPRK government also proposed establishing an economic and cultural exchange between the North and the South, giving material aid to the suffering population of South Korea, etc. Rejecting all these proposals, the South Korean authorities do not submit any constructive proposals of their own, thereby obstructing close relations between both parts of Korea. The newly-created government of South Korea favors holding national elections in the South and North of the country under UN observation.

The DPRK proposal advanced in August of this year to create a federation of South and North Korea as a transitional measure to solve immediate problems of a national nature deserves attention. It takes into consideration the actual existence of two states on the Korean Peninsula and provides for the creation of a supreme national committee of representatives of both governments which would mainly deal with the coordination of the economic and cultural development of the country while temporarily maintaining the existing political systems in South and North Korea.

In the event that at this stage the South Korean authorities are not yet ready to accept the proposal for a confederation then the DPRK government proposes creating an economic committee of representatives of the business circles of the South and North in order to hold an exchange of commodities and economic cooperation between both parts of Korea. A broad cultural exchange and assurance of free movement from one part of Korea to another is also envisioned.

This new initiative of the DPRK government has found a warm response in all countries interested in a peaceful resolution of the Korean question.

CHIEF OF THE USSR MFA FAR EAST DEPARTMENT

[][][][][](I. TUGARINOV)