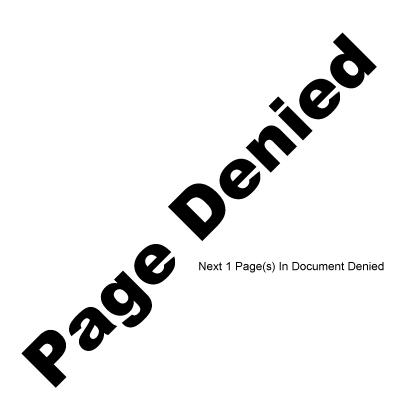
ENTRAL II	angermonante annoman annoma (g. 10 )					50X1-HUM
ENTRAL II	anggetiningssere, sincentinan angersere ja 11 - 2					
ENTRAL II		And the same of th	:	A SECTION OF THE PROPERTY OF T		2 m 1 g 1 m 1 m 2 m 1
	NTELLIGENC	EAGENCY		•	•	
				This Document contains inf tional Defense of the United	ormation affectir	ig the Na-
NFORMA	TION REPO	RT .		ing of Title 18, Sections 793 amended. Its transmission of to or receipt by an unauthor by law. The reproduction	and 794, of the U. or revelation of it orized person is a	S. Code, as s contents prohibited
			ENTIAL MFORMATION	•		50X1-HUN
OUNTRY	Korea			REPORT		
JBJECT	Translations	of North Korean		DATE DISTR.	2 Octo	ber 1953
	Newspapers			NO. OF PAGES	i	•
ATE OF INFO.		•		REQUIREMENT NO.	RD	
				• • •	KD.	50X1-HUM
ACE ACQUIRED				REFERENCES		22,(1,110141
•				14,	•	
						50X1-HUM

Declassified in Part - Sanitized Copy Approved for Release 2012/08/31 : CIA-RDP80S01540R002900100002-3

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

50X1-HUM



Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

RESTRICTED

Security Information

# MEASURES FOR REMEDYING NK STATE COM ERCE AND COOPERATIVE SOCIETIES

On 2 March, the Choson Central News Agency, Pyongyang, (covered in the 3 March 1953 edition of the Minchu Choson) reported the adoption on 18 February by the North Korean Government of Cabinet Decision No. 28, "Measures for Remedying State Commerce and Cooperative Societies."

According to the report, this decision advanced in detail the methods through which the weaknesses in the State Commerce and Cooperative Societies would be remedied. The organization and administration of the State Commerce and Cooperative Societies would undergo severe teration. No longer will stress be placed only on the distribution of consumer goods in the cities; in the past, emphasis was placed on cities in order to assure that the predetermined quantities would be distributed.

It is implied here that rural areas in the past had been neglected due, perhaps, to inaccessbility and to the fact that city populations are greater. -Ed.

Also to be eliminated is the delay in the flow of goods. Supply of labor with consumer items is to be stabilized, the quality of goods is to be improved, and a variety of essential consumer goods will be made available to the people. A system of control of weights and measures will be instituted. And all workers employed in these cooperatives will undergo political and practical training courses.

Of the new measures included in Cabinet Decision No. 28, one change is particularly noted: the areas in which the State Commerce and Cooperative Societies operate are to be divided.

The State Commerce and Cooperative Societies, formerly, had their respective stores in both the cities and villages. Under the new plan, however, State Commerce will supply cities and Ku's (Labor Districts) with consumer goods. Stores and restaurants in the villages are to be transferred to the control of the Cooperative Societies which will supply comsumer goods in the rural districts. Stores in the cities and Ku's which were formerly under one control of the Cooperative Societies, will be transferred to State Commerce (under the Ministry of Commerce). Further, State Commerce will supply the city outskirts, and the Cooperative Societies will enlarge the stores in the mountains and set up mobile store units.

The factories of the Cooperative Societies will be placed under the control of the Provinces in which they are located. Wholesale offices will be set up in the major cities, including Pyongyang, in order to facilitate the purchase and distribution of consumer goods.

<sup>2</sup> Labor is supplied with suits, shoes and other necessities.

These new measures were enacted in order to equalize the distribution of goods, to strengthen the economic ties between city and village, and to extend cooperative facilities into the mountainous areas.

Although there is no evidence in writing, it is believed that Cabinet Decision No. 28 has already been put into effect.

end .

RESTRICTED
Security Information

÷

**STAT** 



# ROLE OF THE NK PEOPLE'S SELF-DEFENSE CORPS IN THE ANTI-SECRET AGENT CAMPAIGN

The People's Self-Defense Corps has been assigned the major responsibility for carrying out the Anti-Secret Agent Campaign in North Korea. According to an article in the 5 February 1953 issue of the Minchu Choson (Democratic People's Newspaper) by PANG Hak-se, NK Minister of Home Affairs," . . . we must protect our native places from the secret agents invasion by strengthening the tasks of the People's Self-Defense Corps. Virtually all of the enemy agents are being detected in districts where the People's Self-Defense Corps is doing its best." PANG is a Soviet Russian citizen.

From 1 January 1953 to early April, 1953, the North Korean press, including the Minchu Choson, the No Dong Sin Mun (Labor Press), and the Kaesong Press, reported 46 cases of arrested secret agents, not counting those arrested near the battle-line by the NK People's

Army and the Chinese Communist Forces. These included:

28 arrested by the People's Self-Defense Corps
12 " civilian inhabitants
3 " local officials

2 " bolice

1 " the NK People s Army

The "Civilian inhabitants" who made 12 arrests were working in conjunction with the People's Self-Defense Corps. This emphasizes the important role of the Self-Defense Corps in the Anti-Secret Agent Campaign.

The purpose of the Self-Defense Corps has not always been to carry out the Anti-Secret Agent Campaign. When the Corps was organized in 1948-49, the NK Communists gave as its purpose "the protecting of rural communities and rural government offices from reactionary invasion." Gradually, the Corps members began to receive military training with wooden guns, thus providing the NK government with a large reserve of young military manpower for a two-fold purpose: for the future attack on South Korea, and for quelling civil disturbances by the NK populace.

At first, both of these purposes were carried out successfully by the Self-Defense Corps. But as the war continued beyond the expectations of the NK leaders, new tasks had to be assigned to the Corps in order to keep it occupied. These new assignments were the Anti-Secret agent Campaign.

Today Corps members are equipped with real instead of wooden guns, and the Corps has become a police force with the regular NK national police acting as officers for the Self-Defense

Corps. In rural areas, the chief of the local Self-Defense Corps has become as important and influential as the commissioner of the local Labor Party branch. As a rule, the branch commissioner also is chief of the local Self-Defense Corps unit. Even if he does not hold this additional post, however, he can usually control the Corps chief because the chief must belong to the local Labor Party branch. Some Self-Defense Corps units have the Labor Party branch committee as their own staff committee and are commanded by it. Labor Party members in the village watch the Corps members and guide them, either directly or indirectly.

All young men and women and youths in the rural villages are conscripted into the Self-Defense Corps. They are not all equally enthusiastic and devoted to Communism, however. The fact that PANG has found it necessary to strengthen the People's Self-Defense Corps indicates that a large proportion of the members are not loyal to their duties and that the Corps is not as successful as PANG would like it to be in arresting secret agents.

Coincident with the NK government's reorganization of the administrative divisions of North Korea on 22 December 1952 was an attempted reorganization and rejuvenation of the Self-Defense Corps. Recently North Korean newspapers reported that the Corps is being reorganized at the Ri level. Under the Ri headquarters, branch units of the Corps are being formed in every small village. As for staffing the Corps, reliable Labor Party members are being assigned to the posts of chief, deputy-chief, and other positions at the Ri and branch levels of the Corps.

According to a story in the Minchu Choson of 3 April 1953,

"... Hundreds of farmers whose families have been massacred and thousands of farmers whose property has been severely damaged by bombing are now forming People's Self-Defense Corps units (in Ham Nam province)." The NK Communists are endeavoring to exploit fully the hostility of those NK families whose homes have been damaged or families killed by U.N. planes. It is questionable whether these hostilities are really being turned against South Korea and the U.N. however. Many NK civilians undoubtedly curse the NK government for continuing the war.

The Communist leaders thus find it difficult to raise the "political consciousness" of the People's Self-Defense Corps to a level which will make its members participate vigorously in the Anti-Secret Agent Campaign. Like other NK agencies and organizations, the Self-Defense Corps has two parts: one composed of the leaders, who are mostly Labor Party members, and the other consisting of the ordinary members who are passive and inactive.

The weakest point in the Anti-Secret Agent Campaign is the routine manner in which Self-Defense Corps members are carrying out their duties. NK Communist leaders have frequently pointed out that Corps guards stand their watches mechanically, inspecting the villages without intending to arrest secret Agents. The NK leaders demand that the deadly routine of the Corps — standing guard, inspections, etc. — must be altered.

According to North Korean newspapers, many Corps members have become specialists at arresting secret agents. After arresting

RESTRICTED Security Information

L

scores of secret agents, they have been decorated and given enormous prizes by the NK government. NK newspapers also report that secret agents have as their aim the murder of major NK public officials. KK newspapers do not state whether or not any Sclf-Defense Corps leaders have been killed, however. When the newspapers announce the names of persons who have rendered great service to the Anti-Secret Agent Campaign, they usually do not give their home addresses, in order to prevent their being allegedly killed by secret agents.

The following persons were named in NK newspapers between 1 January 1953 and early April, 1953, as having rendered great service to the Anti-Secr t Agent Campaign: (The address is given in accordance with the name of the newly-organized NK administrative divisions, except that in most cases the name of the Ri has been omitted.):

# I. Prong An Nam Do province

Chung San County -

(1) PAK Il-yol, chief of the People's Self-Defense Corps. He made 12 secret agents give themselves up to the police in a short time. It is said he is a model of a Self-Defense Corps chief. His picture also was published. Minchu Choson, 22 Feb 53

## II. Byong An Puk Do province

Pak Chon county -

(2) PAK Il-yong, chief of the Self-Defense Corps. He arrested RI Yi-yong and two other secret agents who belonged to F.E.C.L.D. 8240th unit, and was rewarded with arms, wireless equipment, and 500,000 won.

Minchu Choson, 12 Mar 53

Chol San county -

(3) KIM Chong-su, chief of the Self-Defense Corps.

In the mountains he arrested 9 secret agents.

Minchu Choson, 30 Jan 53

Son Chon county -

(4) FAK Chi-wha, (female)
She detected a suspicious young man and informed the police who arrested him as a secret agent.

Minchy Choson, 30 Jan 53

(5) CHA Song-kan, (female), a farmer whose family is in the People's Army.

Two strangers came and asked for food.

She informed the police who arrested them as secret agents. She received 500,000 won reward from the Minister of Home Affairs.

Minchy Choson, 31 Mar 53

### III. Whang Hae Do province

Ong Chin county, Chong San ri -

(6) RI Song-shun, commissioner of Ri branch, Labor Party.

He followed a suspicious officer of the Feople's Army and arrested him; was identified as a secret agent.

Minchu Choson, 29 Jan 53

Un Pa county, Ro San Ri -

(7) KIM Chang-tu, chief of the Self-Defense Corps.

Arrested a secret agent disguised as a rice dealer. The agent's name was PYON Dok-cho, age 23, permanent address: Pong San county; present address: west division, Pyongyang. The agent had crawled into Whang Hae Do province on 14 September 1952. KIM was given the rice and clothes of the agent and 30,000 won as reward.

Minchy Choson, 19 Feb 53

Hae Chu county, Chong Pyung ri -

(8) KIM Pyong-chin, member of Self-Defense Corps.

He saw 5 strangers inside an empty house and informed police. They were identified as secret agents.

Kaesong Press, 12 Jan 53

Sin Chon county -

(9) AN Pong-son, member of Self-Defense Corps.
Arrested three secret agents disguised as middle-school boys. Received 10,-000 won as prize from Home Affairs Minister.

Minchy Choson, 31 Mar 53

Pyong San county -

(10) YUN Sun-hyon, chief of People's Self-Defense Corps.

His Self-Defense Corps unit arrested
or killed 166 secret agents and took 27 rifles and
2 submachine guns from them. Received National
Flag decoration, 2nd class.

Minchu Choson, 31 Mar 53

### IV. Kang Won Do province

Hoe Yang county -

(11) KIM Yong-myon, chief of Self-Defense Corps.

Arrested 48 secret agents or anticommunists. Took 4 pistols, 2 submachine guns,
2 rifles, and 4 carbines.

Minchu Choson, 7 Feb 53

An unnamed Ri on the coastline of Kang Won Do province (12) TAK In-ho, member of Self-Defense Corps.

Aprested 3 secret agents, took 1 light machine gun, 1 pistol, 12 grenades.

Minchy Choson, 11 Feb 53

# V. Ham Kyong Nam o province

Fuk Chong county -

(13) KIM Un-ok, member of Self-Defense Corps.
Arrested 8 secret agents.

Minchu Choson, 2 April 53.

Tan Chon county -

(14) SO Kum-sun, (female), member of Self-Defense Corps.
Arrested about 10 secret agents.

Minchu Choson, 15 Feb 53

He San county -

(15) KIM Song-nam (female)

She informed the police on a man who came to her at midnight. Identified as secret agent.

Minchu Choson, 15 Feb 53

(unnamed county) =

(16) CHONG Yun-mo, chief of Self-Defense Corps.

He killed two secret agents who landed on the coast at l.a.m. on 3 March 1953

Minchy Choson, 3 April 53

(17) HAN Hi-kyu, member of Self-Defense Corps.
(18) HAN Ke-won, member of Self-Defense Corps.
They arrested 12 secret agents of the 8240th Searching Unit of the U.S. Eighth Army who landed by parachute.

Minchu Choson, 3 April 53

(19) KIM Chang-mun, chief of the Self-Defense Corps.

He arrested 2 secret agents who crawled into North Korea on night of 18 March 53 after three months training at Yongdo in Pusan.

Minchu Choson, 3 April 53

### VI. Kaesong district.

Pan Moon county, Pyong Wha ri, Pal San Dong 
(20) PAK Che-chun, member of the Self-Defense Corps.

Arrested armed secret agents and anti
communists.

Kaesong Press, 11 Feb, 30 Mar 53

Pan Moon county, Hung Kyo ri 
(21) PAK Il-son (female), member of Self-Defense Corps.

Informed police and arrested a young secret agent.

Kaesong Press, 11 Feb 53

Kae Pung county, Kwang Tok myon, Sa Pun ri - (according to the former NK administrative division)

(22) KIM Kwan-ho, deputy chief of Self-Defense Corps.

He informed the branch police against

5 secret agents disguised as People's Army soldiers,
sent from the U.S. Marine Corps.

Kaesong Press, 3 Feb 53

(unnamed ri) -

(23) RI Chong-yol, member of the Self-Defense Corps.
Arrested a secret agent.

Kaesong Press, 30 Mar 531

(24) HAN Un-sik, member of the Self-Defense Corps.

Informed the branch police against '2 secret agents and arrested them.

Kaesong Press, 30 Mar 53

RESTRICTED
Security Information

8

Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

RESTRICTED

Security Information

Someplace around Kaesong -

(25) HAN Sangerok, member of the Self-Defense Corps.

Arrested a secret agent.

Minchy Choson, 30 Jan 53

(26) KANG won-chin, member of the Self-Defense Corps.
Followed a secret agent disguised as maiden and arrested her.

Minchu Choson, 30 Jan 53

Kae Pung county =

(27) RI Yong-re (female)

Arrested a secret agent.

Kaesong Press, 13 Feb 53

(another unnamed county) -

(28) RYU Kwong-ryol, a farmer.

Informed police against 5 secret agents who were arrested.

Kaesong Press, 19 Feb 53

(29) KIM Kil-nyo (female)

(30) KIM Chae-chung (female)

Informed the police against 3 secret agents who were arrested.

Kaesong Fress, 25 Feb 53

(31) KANG Tae-kyu, a landlord.

Informed the police against a strange lodger who was arrested as a secret agent.

Kaesong Press, 31 Mar 53

#### VII. City of Pyongyang

West Division, In Hung ri, 2 Ku 4 Pan, Whang Yong Chon (32) KANG Sok-u, chief of the Self-Defense Corps.
Arrested 5 secret agents and on 13 Feb
53, received prize of 10,000 won and 10 yards of cotton percale. Photographs were published.
Minchu Choson, 21 Feb 53

East Division, unnamed ri -

(33) KIM Chong-sam, a sales clerk in a Consumers Cooperative Society store, Pyongyang.

(34) CHONG Tok-su, chief of ri Self-Defense Corps, East Division, Pyongyang.

They arrested RI Won-sik and 28 other secret agents.

Minchy Choson, 31 Jan 53

In addition to the above 34 cases of arrested secret agents,
15 other cases reported in the NK press have been omitted from this
report because names and addresses were not given.

end

RESTRICTED Security Information

9

**STAT** 



Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

RESTRICTED

Security Information

### NK PROPAGANDA TOWARD THE FARMERS

After the outbreak of the Korean War, the NK Communists concentrated their propaganda efforts towards the farmers under their control for the following principal reasons:

1) The farmers role has become most important in the execution of the war.

The farmers constitute the great majority of the NK population, but this is not the only reason for their importance. "In the environment of the cruel war, accompanied by the enemy's barbarous acts (bombings) which burned and destroyed our cities and all of our industrial facilities, the burden of our farming community has an exceedingly important meaning in strengthening the home front. In other words, the farmer plays an important role in the production of more food, which is an essential element in promoting victory

and in supplying the various raw materials necessary in the production of consumer goods...."

2) Nevertheless, in the eyes of the Communists, the farmers are backward and have shown their nostility towards the Communist regime by collaborating with agents of the UN armed forces; they will probably become more hostile in the future. At the present stage of communist development in Now the Korca, the farmers are producing very little on the land which was distributed to them by the State. This is due perhaps, as Lenin said, to the fact that "ownership of these small areas gradually result in capitalitic and bourgeois thoughts."

The farmers, however, harbor antagonistic feelings towards communism, which aims at the eventual liquidation of individ al farm-holdings, the collect-ivization of agriculture, and the establishment of the dictatorship of industrial proleteriat. The farmers of North Korea supported communism until they received their land; they do not desire to advance any farther toward communism.

The long war has increased the burden of the farmers and their disatisfaction and antipathy toward the Communist regime. With the continuance of
the war, the farmers will experience greater difficulties, a fact which the
Communists admit themselves:

"Before the farmers lie a tremendous berrier and narrow paths, and following the long war these pains will be overlapped to an astounding degree".2

This anti-Communist atmosphere, thus fermented emong the farmers, is a danger to the Communist regime. As KIM II-sung said, "The spies of the American imperialists and traitor-gangs of Syngman Rhee attempt to utilize, in their sabotage, the unsound elements who are already agitated by the many difficulties arising from the war."

For these reasons, the NK Communist leaders have strengthened their propaganda toward the farmers.

Communist propaganda in North Korea may be roughly divided into two types: Propaganda with permanent themes and propaganda with short-term themes.

All propaganda contains the following five points which the NK Communist leaders accentuate as their basic directing force:

"First, every farming community and every individual farmer should be kept thoroughly informed of the military, political and and economic situations prevailing in our father-land."

Simply, this means that the Communists are going to imbue the farmers with Communist ideas on what the Korean War is, why it broke out, and how to fight it.

The Communist interpretation of the Korean War was clearly defined in the declaration, "The systematic intellectual reinforcement of the Labor Party is the base of our victory", which was made by KIM Il-sung in his speech at the Fifth Plenary Conference of the Korean Labor Party Presidium. At this conference KIM Il-sung discussed the character of the Korean War in the following words:

"This struggle, in its historical context, has a double significance and one is our revolt against imperialist aggression, in order to safeguard our national independence; and the other is our people's democratic revolution aimed at destroying pro-Japanese elements, imperialists' running dogs, national traitors, landowners, subservient capitalists (such as traitor Syngman Rhee and his gangs), in order to safeguard the People's Republic and to achieve a complete readjustment of our Homeland under the flag of the People's Republic .... Thus, at the present time, our revolutionary mission has as its object the liberation and unification of Korea through the annihilation of our enemies at home and and abroad."5

"Second, make the farmers confident of victory."

The NK Communist leaders, as the guaranters of victory, bring up two points; the superiority of the People's democratic system, and the assistance

RESTRICTED

of "all progressive mankind, all peace-defenders and... all nations in the Democratic Camp."

"The people's democratic system, which we, the Korean people, have established in the northern half of our Republic, have clearly proven that it is a superior organization which possesses a strong vitality and is able to organize and mobilize all domestic capabilities during periods of both peace and war. Our system will be further developed in the future, and its energy is inexhaustible; no aggressive reactionary force can ever conquer this system which is so firmly guarded... by the Korean people.

"The final victory of the Korean people lies not only in the capacity of the Korean People to defend itself, but in the assistance rendered by all progressive mankind, all peace-defenders and the combined efforts of all nations in the Democratic Camp." (KIM II-sung)

As regards the aid of the Soviet Camp, he spoke as follows:

"The righteous struggle of our Korean people is receiving positive political, moral and material aid from the world's peace-loving democratic camp and all the peoples of the People's Democracies, headed by the great Soviet Union.

"Especially from our friendly neighbor, the People's Republic of China, whose supporting army has directly participated in the Korean front, has given us its assistance in the destruction of our common enemy. In this manner, the struggle of the Korean people is morally encouraged from abroad, and the struggle of the Korean people, with such assistance, shall not be in vain."

The above propaganda, declaring that the Communists are waging a war of justice and that justice shall necessarily win, is a characteristic of propaganda. History shows that in all ages, warring nations have always propagandized their people with "Our war is a war of justice and we are sure to win."

The third basic propagands theme is simed at convincing the farmers that serving the People's Army will lead to an early victory. Under the slogan "Serve the People's Army", the farmers are made to prepare for all sacrifices in behalf of the soldiers at the front.

"Supplying the requirements of war serves to encourage our soldiers' morele, to stabilize the living standards of all soldiers' families on the home front.... and to offer social protection to our honored (wounded and disabled)

soldiers. Therefore, it is the noble mission of our fermers to guarantee all commodities that may be required by the Korean People's Army, whose members are sacrificing their lives in this sacred war. It is our duty to emphasize this noble mission.

The fourth basic propaganda aim is "to develop a class-culture among the farmers so as to create antagonism and hatred toward the enemy. This is propaganda to develop the struggle against all class enemies, enemies "hidden among the people", and "bourgeois" thoughts.

"On our home front, there are potential class enemies who have been eliminated but have not yet been destroyed. Some of these enemies are usurping the farmers; others are infiltrating into our political parties and national organizations and are falsely interpreting Party and government policies.

Moreover, these corrupt officials are causing waste; they steal and misappropriate State funds and property. Through their actions they are interfering with the advancement of our cause. Therefore to engage in a merciless struggle against the anti-revolutionary and anti-people elements, and to increase our vigilance against class enemies, must be the objectives of our propaganda efforts."

The fifth basic aim of Communist propaganda is to "indoctrinate the farming messes with a class-culture in order to bring about the purge of remnants of Japanese imperialistic thought, to eliminate the ancient feudalistic mode of life and conservatism, and to pave the read towards establishing scientific thought. At the same time, we will arm the farmers with "proletarian internationalism" which further strengthens our unity with the world's democratic peace-lowing peoples who morally support our Korean people."

This propaganda means that "the teachings of the Party and Government and of our most honorable and beloved leader, KIM Il-sung, point out the only road to victory. Farmers must be thoroughly indoctrinated in this direction."

This propaganda demands that farmers follow the Communists unconditionally.

The above five points are the basic objectives of the propaganda directed at the NK Farmers. Propaganda field workers are instructed to co-ordinate this propaganda chiefly with the need for increased production of fold.

The NK Communist leaders proudly claim that if they develop political, intellectual, and cultural projects among the forming measses, they will promote a thought-consciousness among the farmers which will lead to a display, on the part of the farmers, of a more patriotic spirit in the struggle for the unification and independence of Korea.

end

Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

Security Information

#### Notes

- 1 Inmin (The People) 1953 No. 1, Page 95
- <sup>2</sup> <u>Inmin</u> 1953 No. 1. Page 95
- 3 Inmin 1953 No. 1. Page 19 (KIM Il-sung's address, 5th Plenary Conference of the Korean Labor Party Presidium.)
- Inmin 1953 No. 1 (YI Sok's article, "For the Betterment and Reinforcement of Popular Political and Gultural Work in Rural Communities.")
- 5 Inmin 1953 No. 1. Page 24

STAT



### COMMENIST ECONOMIC POLICIES IN NORTH KONEA

Between February and April, 1952, the Communist government of North Korea initiated a series of drastic economic measures. The purpose of these measures was:

- (1) to stamp out the "free market" which had been flourishing in North Korea since the Communist retreat in 1950.
- (2) to eliminate bureaucracy, corruption, and inefficiency from the administration of economic regulations.
- (3) to suppress consumer demand by restricting consumer purchasing power.

- (4) to increase the production of socis needed in the war effort,
- (5) to facilitate the flow of coors into the hands of the rove upont for use in the war effort.
- (6) to control currency depreciation by reducing the amount of currency in circulation.
- (7) to finance the war effort and certain zovernment-sporse ed

It is evilent that the North Korean econ my in general hall ered serious difficulties as a result of the protraction and intersification of the war. The destruction of production, transportation, and communication facilities and the general destriction of government and private property, have created unprecedented economic problems.

The principle that inflation accompanies war applies also to the Communist economic system. The increase is the cost of war is primarily responsible for the inflation of North Korean currency, while, on the other hand, the war has caused a serious relaction in the supply of consumer goods since almost all North Korean injustry has been convirted to the production of war material.

In an article in the <u>Minchu Chason</u> (Democratic People's News area) of 20 August 1952, CMO Hyon-che, president of the UK Peasants Bank, at Lott

"Mince the outbreak of the Fatherland Liberation War, much "crurency has flowed into the hands of civilians, . . It is very diffic it to finance the war with the present limited revenues."

Thus C40 hinted at the tremendous is crease in the amount of UK currency in circulation. This increase is likely to continue unless.

increase in the amount of currency in circulation is "currency expansion, which is used hereinafter, --Ed.) With this currency expansion accompanied by no proportionate increase in production of consumer goods, the NK government is helpless to control inflation. Here lies the basic economic problem facing the NK Communists: how to finance the war and suppress inflation at the same time.

Their policies in attempting to solve this problem have been two-fold: (1) increase the supply of goods, and (2) suppress consumer demand. With nearly all large production facilities in North Korea destroyed, the increase in supply of goods is necessarily limited. Hence their efforts thus far have been primarily in agricultural production. Food production, especially rice, dominates the North Korean economy and the price of rice is the barometer of North Korea's economic health. Defore the war, the price of rice, which is the only uniform standard of value in North Korea, was 200 won per 7 kilograms. At present, the price is 2,000 won per 7 kilograms and in the spring of 1952 when food was most scarce, it rose to between 5,000 and 6,000 won.

Chief among the measures to increase agricultural production has been a series of government investments to improve farm methods and equipment. In 1951, these investments accounted for 78.5 per cent of all the loans by the NK Peasants Bank. Of this 78.5 per cent, 30.5 per cent went to state-owned agriculture and 48 per cent went to private peasants. In 1952, these amounts were even greater. According to CHO's article in the Mirchu Chosen, ". . 100 million won were loaned to peasants for

for stock-breeding," Other loans went to the Producers Cooperative Toill which, despite wartime difficulties, is producing small amounts of wars. The money loaned to peasants for stock-breeding, according to CHO, was used to purchase 10,114 head of cattle, 10,532 pins, and machines maring straw-cack and straw rope.

From Jaruary to June 1952, 24,331 farms without iomestic animals were given domestic animals and 3,752 pies were on chased, 000 said.

In Komen, where arable land is limited and the soil is very poor, the only way farmers can survive is by diversifying their farm activity. Stock-breeding is a subsidiary activity for many Komen farmers. Much of Accepts poverty has been caused by too much emphasis on grain farming and not emough on stock-breeding.

State loans in North Korea for stock-breeding means that castle and pigs are literally loaned to farmers for stock-breeding. The farmer has no right of disposing of the loaned animals in any way he chooses. Then cattle, for example, have grown large ground for plowing, they must be organized into "Gattle Plowing Groups" and assigned to plowing or transportation jobs. Thus the loaned cattle not only to the farmer no good but are a burden on him since he, as the lessed of the cattle, must be mobilized with them. This is why North Korean farmers often secretly slaughter their cattle, even at the risk of severe punishment. Happy is the farmer who can slaughter his cow secretly and got away with it. Indery cow is registered at the local People's Committee and de th or disease

must be reported and confirmed by officials. Manablering cattle without authority is even regarded as a political crime occasionally. There have been cases where a farmer has been sentenced to leath and executed for secretly slaughtering his cattle.

Then a local People's Committee receives an order for an allotient of most under the forced purchasing system, which is described later in this report, it will sentence old cattle to death. This is a happy occasion for owners of old cattle, but soon they must breed new cattle to replace the slaughtered ones. Then the vicious circle starts over again.

The same system applies to pigs. Suppose a farmer buys two voins ties for 1,000 won each, either with his own money or with a lost from the Peasants lank. After six months of fattering the pigs, he sells then under the force! purchasing system for 3,000 won each. This venture is so unprofitable for the farmers that few of then undertake to try 15, Young pigs are very expensive in North Lorda. This causes free market how prices to be much higher than government places under the force! purchasing program.

Under the slower, "Fighting for food is fighting for victory,"

NK Communist leaders have mobilized urban dwellers and office workers to

overcome the shortage of farm labor, dairy labor, and farm implements,

ith the bik fertilizer plant at dungnam destroyed, the Communists have

bad become mow grass during the summer and make compost out of it to

supplement the fertilizer shortage. The "Grass Mowing Movement" in A

farm villages during the summer of 1952 was an important farm activity;

every from household was responsible for a contain assumt of grass-contains even office workers were ordered to most approximately 400 kilograms of walse.

School students are mobilized for the palvage of scrap iron and bricks. Forap is experted to China and the Soviet Union and the bricks are re-used in constructions

tensifying forced purchasing, a device which followed the establishment of "Turchasing Agencies" and "Theological and Durchasing Hance" in April 1952. This forced purchasing is a Communist method of unproductive production. Prior to April, 1952, the North Korean government established a "Turchasing Agency" in each of the sounty branches of the Consumers' Cooperative Cociety. Each Purchasing Agency was reconsible for the sollection of surplus agricultural products (i.e., foods not consumed by the farm population) for distribution in the cities.

ercles from the Consumars' Cooperative Cocieties in Lestablished and in 'eperient but more controlled and controlled purchasing erates. Unlar upla new arates, Purchasing Agencies were astablished in the satilizet halt of each country, with the Cabinet Purchasing Sursan in the central inverse into the highest organ. Through these agencies, "surplus" armic'lt yell office was purchased by the central government for distribution to the sities.

In addition to these County Parchasing Agencies, the government established in every provincial capital of North Morea a Cholegale of a wrotesing Base," responsible for purchasing industrial goods and water than available for sale to passants in the form greas.

In actuality, however, the people to not sell their "surplus" moduce at all. Officials of the Purchasing Agencies and the inclease Purchasing Mase designate a spacific amount of goods which passents aget sell at prices designated by the government. Concrete instances have been reported in North Korean newspapers where peasents have had to purchase a portion of the required projects on the retail open market at high prices in order to meet the desants of the Purchasing Agencies.

In some cases, brusever, the percents receive no women at all but a set promise by the rowerment to but then at some future time. This risk forced warchase system thus so wer the purpose of retting tone or or into the market without a king any money to the currency already in circulation. It is certainly one of the most important economic moves the MK Communists have make since their regime was established.

The more problem to be analysed from the standpoint of surgly is the matter of economic aid to North Keren from the Soviet Union and the Soviet satellites. Naturally, the LK Communists have not revealed example have much aid they have received, but it is reasonable to suppose that make of the much publicized aid is sheer propagands. That the Soviets are supposed maximum prices from the North Koreans for the war materials being supplied can be inferred from the mining efforts of the North Korean. BK furth tempers are even selling rabbit, fox and squirrel pelts to the Soviets in order to obtain foreign currencies for the NK government's war material purchases. As for the basic necessities of life, most of such goods available on the market are imported from China and Enrope or sampled from South Korea and Japan, but prices are so high that most consumers cannot buy then. However, in this connection, the president of the Peasents Tank stated in his article in the Mincha Choson:

"Since the outbreak of the . . . war, the peoples of the great Sowiet Union, China, and the people's democracies have given us great aid. However, we cannot rely solely on the oid of brother countries. Our every effort should be bent toward overcoming our economic difficulties independently, mobilizing all strength inside our country".

The real meaning of the above quotation is that foreign aid cannot be counted on. The Soviet Union is not concerned with the plicht of the Sorth Korean people and is interested only in getting maximum prices from the sale of war material.

Being unable to increase the supply of consumer goods, the NA Communists are trying desperately to suppress demand. Lith an infinite variety of measures, they are trying to reduce government expenditures and increase government revenue. It is well-known, for example, that even before

the manufacture of capital goods (i.e., goods such as lather there is increased the manufacture of capital goods (i.e., goods such as lather there is increased the production of consumer goods and it.), this is indicated consumer demand. With the coming of the war, provide on was a fact that to war goods, thus orolonging the shortage of consumer great. It is not a fact that he had been a fact that he had been a fact that he had a fact that goes for a production and salaries for a reversement and the rest remains for a gricultural production and salaries of reversement amployes.

Tovernment salaries are fixed at pre-way levels, despite the dast that prices are nearly 10 times higher now than beforethe war. This shows now fire the Communists are in not expanding the mount of our ency in circulation.

Expenses of government departments where no budget is allotted are borne directly by the people. These are imposed on them as direct taxes, labor mobilization, and materials donations. Uncompensated labor is mobilized for all kinds of reconstruction. Forced materials donation is required, for example, for the construction or orphanages, grain were-houses etc., according to the Kinchy Chosun for Theorem 1952.

There are several types of government expenditures for "public welfare". There is a social security system and a free medical service.

Now many disabled veterans benefits there are is not known. Considering the salary levels and a considering the could not be very great. The secondled free medical service extends only to the dispensing of merthiplate at the Deople's Misnensaries. Other medicines must be purchased by rutients of high market prices and taken

to the dispensaries where they get a crude, careless sort of care. Few doctors are available in rural areas. This free medical Service" costs the government practically nothing.

The Communists are also trying to increase government revenue as much as possible in order to remove money from circulation and suppress demand. The largest source of government revenue are the direct taxes on goods, income taxes, and miscellaneous taxes. Before the war, local Communists officials frequently levied more direct taxes than were required by the central government, pocketing the excess. This was one of the main causes of popular dissatisfaction before the war. There are other special taxes such as the "Fund for Military Equipment" and the "Fund for Support of the Front".

The Economizing Movement" enables the Communists to kill two birds with one stone. The local Standing Committee for Savings Cooperation will allow 20 kilograms of food economizing per month to a peasant's family, for example. This means he must offer 20 kilograms of grain for sale to the government under the forced purchasing program. The money he receives for the grain he must deposit in a Peasants Bank under the forced savings program. Thus the Communists get his grain, thus theoretically raising supply, and keep his money, thus suppressing demand, according to the hwanghae Ilbo (Hwanghae People's Newspaper) for 23 August 1952.

Along with the instensification of forced purchasing, the intensification of forced savings constituted the most important economic move by the NK government in 1952.

Before the war, every bank and post office in North Korea handled savings accounts for the people, and all the savings were controlled

by the Survan of Savines Control in the Ministry of Finance.

GHO, Evon-Che, president of the Peasunts Bank, in his Minchu

is a Ir Cabinet Vecision No. 35 of 21 February 1952, the retional government sought to absorb all of the currency poured Into sire lation since the outbreak of the war. The chief method was by assorblishing a savings system convenient to the people. Up to that time, so mas organs had been located only in the urban areas. Is a result of Cabinet Decision No. 35, the work of the Bureau of Savings Control to the Ministry of Finance was transferred to the Peasants Control to the Ministry of Finance was transferred to the Peasants lanks were time as the same time, the net savings of the Peasants Bank for every two more affect the stabilishing one branch of the Peasants Bank for every two more affect the ri, were abolished by the NK Administrative Reorganization of CR Teachber 1952 —Ed.) Thus the Resants Bank has taken charge of saving the People's Baving Program and, as a result, the People's Baving Isotrom is being intensified and introduced to the masses.

Mims of the intensification of the Savings Program are:

- "1. to provide the management of state financial matters with systematic, consolidated system of loaning the people's savings to agencies not neceiving funds from the government budget.
- "2. The People's Savings Program provides funds to invest in every type of production activity;
- The People's Cavines Program helps to stablize the economy by preventing the expansion of corrency and controlling the rise of market prices.
- "A. The People's Savings Program is an important measure in belying the people to accumulate and save money".

The above quotation makes it a mear that the purpose of the People's Savings Program is to benefit the people. It is an open secret, however, that the real purpose of the fund is to provide money for fighting the way.

Ascerbing to U. Managone, which is to provide money loaned in 195.

Was leaned to state agriculture and 48 per cent to private peasants. This

leaves 72.4 per cent of the money loaned which be does not account for. You note he state how what percentage of the total money deposited was lanned.

Terhaps the most hypocritical facet of statement is Point No. 4 in which he says the NK People's Savings Program helps the people to save where Tible the value of money constantly depreciating, no North No. can thirds that Banks are a good place to save money. Money in the hand means means money abandoned for the North Koreans.

CED said further in his Minchy Choson article:

route significance of the Feople's Cavings Program to the people and make them participate voluntarily in the saving plane. . There are some burganeratic officials among those handling the saving program who attempt to a whote the program by allotment. . They allot unconditional savings seeks to individual people and then collect the savings as if it were a tex, isocribe the wishes of savers. They convert ordinary savings into lowesterm savings like the imperialist Japanese did. The tendency of the afficials concerned is to ignore the principle of voluntary participation of the meable, to main our rights as savings a agreet which is using carried on in behalf of the welface of the fatheriand and the people, thus weakening the relations between the description of the people. . . Some finance officials attempt to justify their vrong-joins by blaning the difficulties of wartire living.

These conflicting instructions of the Peasants Sank-president embarrass lower officials who are in direct contact wish the people. The

lower officials thus are trapped, being see sed either of bureaucracy or in-

In the Questions and increase solume of the Minche Chosen of 13 September 1952 appeared the following:

#### our alet bis

There have been many cases of dissatisfaction among the people and of its corl between the di People's loweither officials and the massess because of forced allottment to individuals or groups of a certain amount of forced savings, donations for military equipment, etc. . . How is a chairman of a li People's Committee supposed to handle this?

YI County-kel, chair an of A People's rownittee of Hangy our Lyon, Ch ngson county.

### 

"... There should be no allowent. One should promote these works solely on the basis of the voluntity political enthusiasm of the secole... One must be aware that the allowant method is the ispanse method which paralyzes the political anthusiasm of the people... Is there, then no fixed fixed plan... which can be organized and as mied out in conformity with the patriotic enthusiasm of the people? Tes, there is... There must be a sestematic direction of officials... Therefore, whenever a it chairman receives orders from his supprise which must be carried out voluntarily by the people; he must make a concrete plan... and secure the its achievement by explaining and promagandizing continual its significance and importance to the people.

Thus the formula seems to ber one who does not deposit a certain sum which he has been allotted has no political enthusiasm or patriotism.

Accordingly, he is a reactionary, a traitor, and prison and forced labor await him.

**STAT** 



Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

# POLICIONS THE L.C. L. ADD TO LOT TIVE THE COCARTERT N

In the early part of 1953, certain structural changes were made in the organization of the NK Labor Parky. The purpose of these changes was to wake the Parky structure coincide with the new local administrative changes enacted on 22 December 1952.

The outline of the Party organization change is as follows:

First of all, is Party Committees have been formed in all of
the new ,659 villeges of the established by the local administrative organization. Under these it Party Committees, new branch-cells of the
Party have been formed.

Bafors the war the smalless Party Committees were organized in spron. (The local a binistrative reorganization abolished the myon. It

3

value (ri) — Ed.) There were no Party Committees in villages because a Party Committee required at least 100 members for its formation, and in small villages there were not enough members. Between January 1951 and June 1752, a change was announced in the Party regulations. As a result, even in ri's of less than 100 members but with two or more Party cells, it reople's Committees could be formed by decisions of the City or County People's Committees duly ratified by the Provincial People's Committees. (Note the distinction between Party Committees, which are mits of the NT Labor Party, and People's Committees, which are units of local government. — Ed.)

The original Party cells belonging to the Ri People's Committees are now called branch-cells to distinguish them from other cells affiliated with city and county People's Committees. Cells and branch-cells are identical in their functions, but the branch-cell under the village.

People's Committee is a kind of elementary cell in the mystem of Party organization and, of course, is a grade lower than the cell under direct control of the City or County People's Committee.

Committees were formed in some ries, in accordance with the ri committee or anization regulations, while in other ries only Party cells existed. Some ries had no Ri Party Committee even though they had two emore cells. As a result of the change in administrative districts, the origina. 10,120 ries or villages were combined into 3,659 ries, some of

20、20、20°20年,第2日中的大学文化的企业的

which were formed by the merger of three or four former ri's. Thus it is easy to tell which ri's contained two or more Party cells and thus contained for a Ri Party Committee.

The <u>Swanghae Ilbo</u> (Swanghae People's Newspaper for 27 February 253 explained that the purpose was " to strengthen the activities and Party life of the ri Party organizations and their members as well as to givenumiform guidance to the activities of the ri administrative organs and social organizations."

Parallel to each level of Local government are the Party organizations. For example, behind the Provincial People's Committee is the Provincial Party Committee, and behind the County People's Committee is the County Party Committee. But behind the it People's Committee there was only one, two, or three Party Cells. When there was only one Party Cell, it was easy to direct and control the Ri People's Committee. But when several Party Cells were involved, a single direction and control has impossible. In such cases, the Labor Party leaders called a joint conference of all the members of the several Party Cells in order that they could ado the unified policy of action toward the Ri People's Committee.

wave way to the formation of the Party Committees. The Organization

Consisted of the A Party Committee temporarily is fulfilling the functions of the i Party Committee pending the writing of constitutions for the i Party Committees by the Ti Party General Assembly, according to the Hyarane Ilbo for 27 Pebruary 1953. In the present report, the Mi Party Committee thus means the Organization Committee of the village Party Committee.

The second important Party change is the abolition of the Myon Party Committee. Originally the Myon Party Committees acted as auxiliary Party organizations. The new M. Party Committee is an independent party organ in itself, quite different from the Former Myon Party Committee.

Thirdly, following the division of Ol NK counties (guns) into 168 counties, the new Sounty Party Committees transferred part of their authority to the Di Party Committees and Party Cells under their direct control.

Platricts have been changed. The towns and Labor Districts are new units that were created by the administrative reorganization. At present no written materials are available concerning their Party organizations. But presumably in towns, the new town cells will be placed under the direct control of the County Party Committee; and in the Labor Districts, the new Mistrict Party Committees will control the factory and rural cells.

The Noiong Singun (Labor Press) in its issue of 5 February

1953 started a special column to answer questions about the changes in

Party organizations.

legs are some of the questions and answers:

members of the Ai People's Committee?

Feerle's Committee, such members may form an independent branch-cell affiliated with the hi People's Committee, When that is impossible, the Party members on the hi People's Committee may become affiliated with branch-cells within their residing areas. The chairman of the history Committee and the chief of the Office of Democratic Propagrands should be affiliated with the branch-cell within their residing areas.

members in work shops, agricultural farms, dairy-farms, factories, schools, hospitals (clinics), cooperative stores, etc., where the formation of separate cells is impossible on account of having less than five Party members?

AMSTER: A cell may not be formed by such combination, but guidance may be given for their Party life by affiliating the individual members to branch-cells in the greas wherein they reside.

Convene the General Assembly of Party members ?

ANS ED: Yes.

of the Ri Party Committee?

ANSIE: The Organization Committee of the Ri Party Committee is directed to fulfill the functions and roles of the Ri Party Committee until the formation of the Ri Party Committee by the Ri Party General Assembly.

Committee to the Ri Party Committee?

ANSWER: All applicable written decisions may be forwarded to the Ri-

OUS TION: Where can one or two Party members in the labor unions in cities or counties become affiliated with the Party?

The Party members in the labor unions in cities or counties way join the cells of their City or County Party Committees.

Agitation Department of the Central Committee of the Na Labor Party, was a primary reference in preparing this paper, in addition to the newspapers already cited.

end

**STAT** 



#### COMMUNITIES CHAIR ROBER

The January 1953 issue of INMIN (People) contains an artistic entitled "Proper Operation of The Land Administration" written by the North Korean Minister of Agriculture, PAK Mun-kyu. The article indicates the future prospects of land administration by the MK Communist government and denounces the strong backward tendences and chaotic status of the present wartime land administration. It discusses in detail the state laws and regulations governings (1) land reform; (2) land reclamation; and (3) the survey and registration of arable land acreages.

Here are the highlights of each of the article's three main points:

(1) Article 7% of the NK constitution provides for an " arable land survey and its reasonable utility" as an important task

J

be perfected by all levels of Psoble's Committees requiring the proper prevation to land eministration. Cabinet Decision No. 2, date (7 anuary 10 set up the regulations governing land administration. In the case of these regulations, the NK Agricultural Department issued Agriculture and Forestry Department Regulations No. 8 dated 16 May 1950 governing land administration enforcement plans. (The NK Department of Agriculture and Forestry is now called the Department of Agriculture -- Ed.) These two sets of regulations are the Reystone of the NK land administration system.

Article 6 of the NK constitution abolished the fautalistic towners system of land tenure. Farmlands can be owned only by farmers who till the land themselves. It provided further that the maximum expership of land should be 5 "chongbo" or 20 "chongbo". This fundamental spirit of the constitution was fully supressed in the Land Reform Law. Article 5 of the land Reform Law provided for "the permanent transfer without compensation" of all lands confiscated from the Japanese government, private Japanese citizens or organizations, national traitors and Korean landlords to tenant farmers and farmers with small landholdings. For the protection of farmers to whom these lands were teded, the NK capinet in Decision No. 2, article ", ruled that the lands may not be confiscated without due process of law.

In practice, however, these beaufiful-sounding laws have little meaning. For instance, far from protecting farm-ownership, Communist officials are threatening to confistate the lands at will because of "inférior" management or delayed seed-planting by the

conomical poor farmers. Legally "guaranteet" farm dismay be confidented by W. NK government and restransferred by decidency of the Sanding of the Sanding of the Provincial People's Cormittees, according a Cability ciston No. 2, article S. This action is permissible only under "inevitable of reumstances necessary to meet "national requirements". Under no circumstances is this authority to be exarcised by the local People's Committees.

Another provision in the Land Reform Law, arbicle 10, states, the lands chard among farmers in accommon with the present ordinance which became dijects of sales, behancier or mortgages. In Coomet became dijects of sales, behancier or mortgages. In Coomet became dijects of sales, behancier or mortgages. In Coomet became dijects of sales and principle to make resoles impossible for the express purpose of platecting the farmers. Revertheless, in some localities there are sales of state lands and estributed far clauds by secret dealings. Some manufacts and sourceois commers of moneyed class, for example, taking advantage of the hardships of poor farmers, have been given some of the distributed anable lards at the prices. Others illegally subtinues fertile lands in place of their sembarrer fields by search deals with government officials.

These tendencies speak elegiently of the gathering strongth of the remnants of Japanese imperialism and foundalism which have not get meen completely whose out. Article 9 of Cabinet Decision No. 2 provides genalties for all cersons who rent their Lamis to tenants, or sell, buy of transfer state lands and redistributed lands. Cultivated lands only be sold, provided that the buyer or productive elements how to cultivate instantion of the provincial People's Committee is decessing an all sales of cultivated lands.

replaced Decision No. 2, article 11, provides that in the event of death of in concret distributed or reclaimed land, one of his any ving family who knows how to cultivate shell receive the title-deed of the land in order-to guarantee the acquisition of the land by an abase working farmer. It rules that in cases of sarrendering one's right wholly or in part because of inability to maintain the farmlands, to lands that revert to the Provincial People's Committee. However, have national laws, ordinances and instructions are not properly executed a present, and no guidance is being given to return the unused or idlabands to the Recvincial People's Committees. On the contrary, there is a "laissez-fare" in the sales of owner-cultivated lar is without part.

Next, Article 14 of the esse Cabinet Desision miled that all confiscated lands and idla-lands that are uncultivated should be grant d, with their cultivation rights, to farmers of small acroase on a priority basis to that there should not be even one square incl. of land unsuitivated. In the disposition of confiscated and idle tands, however, there have been mitdealings in some rural districts. For instance, it some villages persons of influence such answered and cultivate good lands for their own use while giving their bad lands to other people. These conditions are fairly whisepread and are laying waste some tracts of barron lands, thereby causing dissatisfaction among the famors. Must importance is attached to labor efficiency in all areas of the Mortic Korean economy, on the theory that the less inefficiency there is in the economy the higher the living standard can be for those who work. Big farms employing terant farmers are inefficient, reason the Communistra, and thus contradict the purpose of labor efficiency.

Articles 18 and 19 of Cabinet Decision No. 2 provide that the chairman of the Provincial People's Committee must obtain the consent of the Land-owner before utilizing the owner's land in order to comply with state requirements. In other words, a land-owner must be given some other land representing to his own land or cash compensation before the government can use it.

Article 20 rules that, in the absence of an agreement between the interested parties, a decision by the Standing Committee of the Privincial People's Committee should be called for, and when the land accease is large, the Agriculture Minister should make the decision by and with the approval of the cabinet, with a view to giving the utmost co-sideration to the private land-owner.

In the execution of this regulation, some local officials committing grave errors. For instance, certain local People's Committees, in the name of making arrangements for some vocational farms or some provincial dairy farms, illegally take away the farmers' lands whout any approval by the superior authorities.

Article 22 states that, when the land-owner wishes to cease the cultivation of his land, he is required to obtain permission of the chairman of the city, county or the district People's Committee with a new toward preventing the arbitrary abandement of cultivation due to be remass of the soil without working out some aggressive countermanaires for increasing the amount of crops.

Article 16 states that when there is a change of classification of land or a partition or annexation of farmlands, or a change of owner by transfer, or change of his abode, name, or title, the owner is required to report within 30 days to the chairman of the Provincial People's Committee for the delivery or correction of new title-deeds and the certificate of cultivation rights, and for the auditing of the cultivator's ledger and land investigation book. In many localities where changes are made in land-classifications, the processing of such reports, applications and corrections is very slow. As a result, the land investigation book does not tally with the actual cultivation acreages,

and Forestry Department, Regulation No. 8 which was mentioned on page 2.

In this regulation clear descriptions have been made about the land administration and all procedures and farms necessary for land transfer.

Land-classification change, land exchange and sale, land-ownership certificate, state-land cultivation certificate, and delivery forms.

~00a~

lands in North Korea is encouraged by bringing to cultivation wastelands, salt-markles, will-fields, swamps, jungles, and steppes as
provided for in article 2 of the Land declaration law. According to
this law, reclamable lands are to be offered to farmers without cost, and
when they are completely reclaimed ownership certificates are given to the
reclaimer. The new owners are then entitled to an exemption of all
taxes over a period of three years beginning from the year of cultivation

regardless of their social status.

Article 4 of this same lightness that for land reclarations an application rust be sent to the Mairman of the Provincial People! Committee through the County People's Committee to got his committee to got his committee a view to guaranteeing the reelamation undertakings. It some localities these rules are not observed, however. For instance, in Chaming province the Chaking County People's Committee abandoned reclamation exmits. 's a result, IV cases covering a total of 33.3 (chongebot of brimed land are a being reclaimed without any permit. And it is the County Papple's County be iteals and the various government organs which have and realism these and emations. Not only in Challeng Country, but in lany mounts hour districts in other commiss such cases are plant that. The replantation of bunned to a has increased sensiderable exquared to former years are so replay that . burned lead in the mountainous districted Many velucity calculation to have been Laid to waste in favor of farmland and the fertile lands in the plains are being washed area by floor or buried under sends mashing into from the barron nountains,

= 000-

lands - During the Communion retreat on 1950, almost all basis don and anothers of the NK land administration were lost union threw the attraction were lost union threw the attraction where into confusion. The NK Department of agriculture, on the basis of Paragraph 7 of the Cabinet Decision No. 186 hand all May 1951 governing speciation in 1951, set up new embracement methods for the survey and regionation of arable hand agreeges. In many localities, nowever this work has now carried to only as a formality. To be specific, in many localities of

surveyors have failed to make correct surveyo by measuring the arable lands from end to end. Village People's Committee have written up survey records merely by questioning farmers. In many rural communities the people aid the struggling farmers by doctoring the survey records to show a decresse in the arable land acreage in their villages so that the arable land acreages will tally with the sowing acreages. This makes for an easy attainment of the state agricultural plans. For example, the farmers of Yongpyon county, Tyonganpukto province, pleaded with their county officials to decrease the arable land acreare. The officials responded by delegiting the survey responsibility to the villages. As a result, a total of 178.2 "chong-bo" of arable land were dropped and the action justified due to non-existing stone walls and marshy jungles. In So-chang ri, Parwon county, in the same province, the people eliminated excellent pieces of arable lands, already sown with seeds, on the ground that they planned to plant chestaut-trees there in the future. In Ewanghae province there were improper deductions of arable land acrosses because of rivers and forests. Other arable land was deducted on grounds it was an or shard because there were several fruit trees standing on it. Another tendency is to deduct the already deducted wastelands again and again every year.

On the other hand, in some localities, despite the decrease in arable acreages due to land reclassification, officials insist on using the former land classification. Thus, when farmers submit their annual farm records, the officials insist on the former acreages and place non-existing acreages on the registration records. Then they levy taxed in-kind on the basis of their records, thus adding much to the burden of the farmers.

end

**STAT** 



#### CHAPACTER OF THE PURGE IN NORTH KOREA

The Fifth Plenary Conference of the Korean Labor Party Presidium was convened in December of 1952. At this Conference, KIM Il-sung declared that a systematic reinforcement of thought is the base of victory for the North Koreans. This speech planted the seed for the recent purge in the North Korean communist camp.

This purge was carried out under the banner of "Purify Party Character -- Fight Liberalism and Sectorianism!"

In brief, KIM Il-sung called "liberal" or "sectarian" anyone who dered demonstrate non-confidence, dissatisfaction, or disobedience, individually or collectively, against the Party center, KIM Il-sung, the Party, the Soviet lineage, the Party Line, or Party policies. This tendency dates back to the time of the North Korean retreat, when the U. N. Forces advanced Northward to the Yalu River.

RIESTRICTED Security Information

Among the factions of the Korean Labor Party, those who were original members of the South Korean Labor Party lineage are believed always to have been the most likely to be singled out as "liberals" and "sectarians". Hence, KIM Il-sung and his (Soviet) faction set their target of struggle against the South Korean Labor Party lineage. That the members of this faction were predetermined victims of the recent purge was made evident by KIM Il-sung's December speech and becomes more obvious when one examines the backgrounds of the high-ranking persons affected by the purge.

An examination of the individuals purged indicates that PAK Hon-yong (2613/2009/3057) and YI Sung-yop (2621/2110/9756) were the principal targets of the KIM Il-sung Soviet faction. Both of these men are leading members of the South Korean faction. RIM Hwa (2651/0735), KIM Nam-chon (6855/0589/1131) and YI Won-cho (2621/3293/2600), all men of letters, are also leading figures of the South Korean faction. It is almost certain that CHO Il-myong and YI Chai-wu also belong to the mainstay of the Staff of the former South Korean Labor Party. YI Tae-chun (2621/3141/0193), although not originally a member of the South Korea Labor Party, hails from South Korea, belongs to the Super-North Korean faction, and is associated with intellectual circles, along with RIM Hwa and KIM Nam-chon. CHOI Myong-ik (1508/2494/5042), also a man of letters, is an Independent, a close friend of YI Tae-chun, and belongs to the semi-Super North Korean faction.

A E S T R I C T E D -Security Information

The word "Super" in this case means aloof from or above the factional strife within the Korean Labor Party. — Ed.

As for CHU Yong-ha (2612/1380/3109), he had won the confidence of the Soviet faction and enjoyed high-ranking positions in the Party and government. In spite of these circumstances, however, he is a domestic communist and not of the Soviet lineage. At the time of the liberation, CHU was in North Korea and was maintaing close connection with the South Korean Labor Party, due to his former underground activities. He is a clever man and in spite of his former associations, was able to win high-level appointments through a show of allegiance to KIM Il-sung. Since the liberation, he has served the Party faithfully. The Sobuk Sinmun (North West News), published in South Korea, reported that while he was ambassador in Moscow CHU Yong-ha was charged with having made an anti-Soviet speech to Korean students in the Soviet Union and that as a result he had been relieved from his position as ambaseador and was relegated to the post of Deputy Minister of Communications. The authenticity of this report is very doubtful, but if CHU's reduction was based on the above charge, it was probably trumped up as a part of an over-all plot of the Soviet faction.

In the eyes of KIM Il-sung and his entourage of the Soviet second generation, the post of ambassador to Moscow is a glerious and honored position; they were ambitious and desired to monopolize this position for themselves and their faction; hence, it is quite natural for the Soviet faction to have staged foul play vis-a-vis CHU Yong-ha. Since CHU was removed from the position of ambassador to Moscow only to be reduced to a lesser post, it is likely that KIM Il-sung and his faction predicted that CHU consequently would be discontented and would have slandered the Party center, moving farther toward the South Korean faction. This would be their opportunity justifiably to purge

RESTRICTED
Security Information

Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

RESTRICTED

Security Information

CHU entirely from the Party.

Apart from all the motives underlying the purge of individuals, it is safe to conclude that the recent purge was meant to deliver a mortal blow to the South Korean faction of the Labor Party.

But this is not sufficient to understand the character of the purge. In order to have real insight into this matter, the past relationship between the Soviet and South Korean factions must be studied. The rivalry of these two lineages is by no means new. These factions have been pitted against each other since the liberation, sometimes in open conflict and sometimes in unnoticeable undercurrents, but always in a never-ending quarrel.

The following are passages from KIM Il-sung's speech, delivered at the Second Convention of the North Korean Labor Party, which opened in March, 1948:

Bureau of the Chosun Communist Party was established. In those days, the importance of this Bureau was very clear to all, but certain comrades within the Party, being captives of ancient sectarianism, did not subordinate themselves either to Party life or to orders from the higher organs. They led a life of I am Lord and Master of my own! . . . The chieftains of this group are like the frogs at the bottom of a well — proud with individual heroism and ignorant of the political situation in Korea. Under the banner of supporting the Party Center, they opposed the establishment of the North Korean Central Bureau.

RESTRICTED
Security Information

Moreover, each of these chieftains wielded power in his own locality and attempted to prolong his decayed life of sectarianism. Worse to say, these sectarians and glory-seekers, in an effort to cover their deeds, asserted that if a Branch Bureau is established in North Korea, it will split the Party. Thus, they shouted as if they were the protectors of Party unity.

Bureed, there were many mixed elements which inclined towards liberalism, individual heroism and sectarianism among the various guidance organs of the Party. And there was the tendency that sectarian groups would be nurtured through the promoting of office quarrels and local heroes within the Party organs. . . At that time, certain elements who were ignorant of the Party organization and Party activities and knew nothing about the theory of Party organization, had occupied high Party offices, thus obstructing the appointment of loyal persons who were capable of making the necessary adjustments to the Party organization. . . .

"Because of these sectarian elements, no superior staff of labor-class origin nor any progressive individuals were promoted to migher posts. Instead, all responsible positions were filled by individual favorites. In some organs, the entire staff was made up of Hwanghae-do or Kyonggi-do people: thus, unqualified persons occupied important positions and impeded the appointment of able and qualified persons. . . .

RESTRICTED Security Information Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

RESTRICTED Security Information

"In the face of this grave situation, our Party resolved to take corrective measures and, in December 1945, we convened the Third Enlargement Committee of the North Korean Communist Party. Here, we were determined to struggle against wrong political, intellectual and organizational thinking within our camp. . . .

The above shows, in part, the development of the power struggle of KIM Il-sung and the Soviet faction against O Ki-sop (0702/3825/3610), YUN Sangmam (1438/4161/0539), CHUNG Dal-hyon, YI Chu-ha (2621/5297/3109), all of whom exalted PAK Hun-yong and supported the Secul Party Headquarters under PAK's leadership. This struggle started with KIM Il-sung's establishment of the North Korean Central Bureau, through which he and his faction gradually seized supreme power. The passages of KIM Il-sung's speech quoted above were directed

BESTRICTED. Security Information

<sup>2</sup> This is a re-translation from the Japanese edition of Selected Speeches of KIM Il-sung, published by Sanil Sopang in Japan.

chiefly against O Ki-sop, whom he attacked with an open hatred, and C's faction.

After the establishment of the North Korean Central Burean, O Ki-sop and his group were completely buried in the political struggles that followed. The Party leadership was transferred from Seoul to Pyongyang while, at the same time, the North and South Korean Labor Parties were amalgamated into the single Korean Labor Party with supreme command in the hands of KIM Il-sung and company.

In the meantime, the members of the South Korean lineage were dissatistied with the tyranny of KIM Il-sung and his faction, and they complained about the Party line and Party policies. After the migration of the members of the South Korean lineage into North Korea, moreover, their lives were made miserable, for they were looked upon with apathy and contempt by the Soviet lineage, not to speak of the insignificance of the social status to which they had been reduced. But they were comforted by the leadership of PAK Hun-yong and abided with the KIM Il-sung faction with patience and longsuffering.

For the members of the South Korean lineage who had already experienced many hardships in their underground struggles in South Korea, it was impossible to stand face to face with the Soviet lineage which was strongly supported by the Soviet Union. The domestic (South Korean) faction found itself in a position where it had to "borrow" from the power of the Soviet faction, a circumstance which bred a reluctance, on the part of the South Koreans, to adhere to central Party direction. As a result, the inherent rivalry increased between these factions and hatreds grew deeper until, at length, the conditions of war aggravated this strife to the point of explosion. These recurring disputes culminated in the recent sweeping purge of the South Korean lineage,

the Soviet faction condemning the former as "liberals" and "sectarians".

In this manner, the KIM Il-sung group struck a death blow at the South Korean faction, which represented the power of the domestic communists, and rid the Korean Labor Party of an arch-rival which, from the day of its entry into North Korea, was regarded by KIM Il-sung and company as an incompatible influence and an impediment to the continued power of the Soviet lineage.

Of the members of the South Korean lineage, there remains but one, KWON O-chik (2938/0063/4402), in the favor of KIM Il-sung. There has been no recent news on KWON.

Although the principal target of the recent purge in North Korea was the annihilation of the South Korean lineage, it was not, by any means, limited only to the members of this group. A wide scope of local Party and government officials have also been purged for their liberalism and sectarianism. With one blow, the South Korean faction and other "disloyal" elements were eliminated.

This purge may properly be gegarded as a positive move to consolidate the power in North Korea of KIM Il-sung and the Soviet faction. Doubtless, non-confidence and dissatisfaction towards and complaints against the policies of the Party increased considerably within the Party during the war period. This lack of confidence and dissatisfaction may be regarded as the rise of a new nationalism in North Korea, particularly when seen from the point of view that the policies of the North Korean communists are but a reflection of the policies of the Soviet Union. There is, however, insufficient reason to believe that this purge was a struggle against such a rising nationalism.

RESTRICTED
Security Information

¢

#### REMARKS:

1. The Chokuk Chonson (The Fatherland Front), dated 2 May 1953, reprinted a report of the Chosun Central Press, Pyongyang dispatch, 1 May, entitled "The Great May Day Celebration in Pyongyang City". This article listed the names of the principal persons present at this celebration, which was held on 30 April. The following names were included:

KIM Tu-pong (6855/2122/1144) - Chairman, Presidium of the Supreme People's Council

PAK Chung-ae (2613/6297/1947) - Secretary, Korean Labor Party Centre... Committee

HO Ka-1 (6079/ ? / ? ) - Deputy Premier

PAK Chang-ok (2613/2490/3766) - Secretary, Central Committee

CHOI Chang-ik

- Deputy Premier

CHUNG Il-yong

- Deputy Premier

The following names did not appears

PAK Hun-yong

YI Sung-yop

HONG Myong-hi (3163/0730/8408) - Deputy Premier

2. In the <u>Cho-so Munhwa</u> (Korea-Soviet Culture), the name of RIM Hwa used to appear as its Chief Editor and Publisher, but in the issue of 15 Apri; 1953, his name faded out and in its place there is now printed "Editing Department".

end

RESTRICTED
Security Information

a

**STAT** 



#### SECTARIAN ACTIONS OF NKLP OFFICIALS

An article entitled "Plenary Meeting of Pyongyang Party Committee, Fifth General Meeting of Party Central Committee, written by O Hak-kyun, appeared in the Notong Sinmun (Labor Newspaper), datelined 17 February 1953. The article read as follows:

"Sectarian members, having the power to interfere with the iron unity of our Party, have continually committed anti-Party and sectarian crimes within some of our central organs.

"As Comrade KIM Il-sung pointed out at the Fifth General Meeting of the Party Central Committee, such members are forgetting our revolutionary cause during this critical period of our history."

"The sectarians are mustering those who have sectarian trends, those who are discontented with their positions, and those who have been punished by the Party. Sectarians are busy blackmailing and enticing Party members with dubious backgrounds to join the sectarians

#### RESTRICTED

by telling them that they are not trusted by the Party. These men are only outwardly supporting the Party Line, while they harbor anti-Party thoughts.

"CHU Yong-ha (2612/1360/3109), RIM Hwa (2651/0735), CHO Il-myong, YI Chae-u and a few others have been committing these reactionary crimes.

"Having held important posts in both the Party and government for many years, CHU Yong-ha has, from the start, done everything possible to destroy the unity of will and action of our Party. He tried to spread discontent toward Party principles by massing those who had been punished by the Party, his friends, and his provincial comrades. He also acted cowardly, disturbing and loosening the Party organization, by expressing his doubt about the Party line and policies.

Party and sectarian actions again and again. The Party offered him many opportunities to cleanse himself of his past crimes. Despite KIM Il—sung®s directive that sectarians must frankly confess their crimes before the Party and that they cease their anti-Party actions, CHU never candidly confessed but chose, rather, to conceal his crimes....

"Several members of the Mum-Ye Chong (2429/5669/4920) (Association of Men of Literature), headed by RIM Hwa, are also guilty of committing shameful crimes against the Party.

"Far from mending their ways, the sectarian members of this Association, an important organ in the Party ideological field, mustered their friends behind the false differentiation of North and South in order to achieve their anti-Party and anti-democratic purposes. They conspired to expel the conscientious members of this Association and

Declassified in Part - Sanitized Copy Approved for Release 2012/08/31: CIA-RDP80S01540R002900100002-3

to oppress the others.

"...From Comrade HWANG Tae-song's report, which cannot be refuted, it is clear that the sectarian crimes of RIM Hwa and Company are not a phenomenon of a temporary and incidental nature.... These men acted to disintegrate and dissolve the core of our Party at a time when Party construction and development is most important to the history of our people and country.

"The Plenary Meeting gave RIM Hwa the floor at his own request, in order that he may criticize himself. But avoiding frank confession of his crimes and refusing to beg forgiveness, he attempted to hide his sectarian thoughts, claiming only that he was "guilty of Rightist actions" and that "the results turned out badly."

"YI Chac-u is an individualist and glory-seeker, neglecting to place his trust in the Party and refusing to recognize the wisdom of the Party line, its policies, and organization.

"He claimed he was "fair" and "principled" in the performance of his duties, all the while hiding his sectarian attempts to achieve a higher post.

"The Plenary Meeting was determined to follow KIM Il-sung's directive. 'Fight to prevent the advance of sectarianism within the Party with increased revolutionary alertness and Party loyalty....'"

end