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CENTRAL INTELLIGENCE AGENCY

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A report on the organization of the Korean Consumers' Guild and the composition and periodicity of the meetings convened by the guild [Redacted]

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I. Details

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Korean Consumers' Guild
Mid-November 1956

1.

The KCG was created in May 1946 by a decision of the North Korean People's Committee (the former body of the Democratic People's Republic of Korea), and CHANG Si-u (NTA) was appointed its first chairman. At present, it is a commercial cooperative organization performing such functions as supplying farming and fishing areas with city industrial products and urban areas with farm and fishing products. It is now headed by KIM Tok-yong (NTA) who became the chairman of its Central Committee in June 1954.

The KCG Central Committee is using four single story buildings, three of which are located at YD 390247 in Kirim-ni, So-guyok, P'yongyang-si, and the remaining one, occupied by the Procurement Bureau, is situated at YD 382248 in the same district.

2. The top administrative body of the KCG is its Central Committee which is located in P'yongyang-si, under whose control are nine provincial committees, i.e., one in each province, and county committees organized in each county (Kun). Further down in each district (Ri), the consumers' cooperative management committee is organized. The commercial department of each provincial committee operates a side products store in the city where the provincial people's committee is seated. The commercial department of each county committee is allowed to run stores, restaurants, and shops (barber, laundry, and tailor), whereas each district consumers' cooperative management committee only, runs stores now. In the administrative organizational system, the district committee is required to have five divisions, i.e., the commercial department, the procurement department, the transportation, labor & staff instructor, the organizational instructor, and the planning instructor. However, at present, only about 60 percent of the existing district committees are organized of the above five divisions. Each county committee is said to be operating an average of 15 stores, dealing in industrial products. Consumers' guild restaurants, and shops are found only in towns (Up) where the county people's committee is located.

Functions, Central Committee, KCG

3. As shown in the attached sketch of the organizational structure of the KCG, its Central Committee is headed by a chairman, who is assisted by two vice-chairmen, and is divided into the following activities: The Bookkeeping Bureau, the Economic Planning Bureau, the Procurement Bureau, the Commercial Bureau, the Chief Clerk, the Staff Division, the Organizational Department, the Administrative Accounting Department, the Basic Construction Department, the Social Food Supply Department, and the Transportation Department.

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In addition, it has two collateral organs, the Board of Directors and the Plenary Session. The KCG Central Committee is required to convene the national meeting of guild members once every four years. The following are functions performed by individual elements of the KCG Central Committee:

- 1) Chairman: The chairman of the KCG Central Committee is ranked the same as a cabinet minister, officially represents the K G, has the prerogative of making his signature in any trade agreement with a foreign consumers' guild, and is required to convene the Board of Directors and the Plenary Session of the Central Committee. According to the KCG regulations, the chairman is to be elected every four years at the national meeting of guild members. In actuality, to do this, the Korean Labor Party Central Committee designates a candidate for the chairmanship, who is invariably elected by vote at the national meeting of guild members. At present, the chairmanship is occupied by KIM Tok-yong (NTA) [redacted] 50X1-HUM
- 2) Vice-Chairman: The Central Committee has two posts of vice-chairman, one of which is under the control of the chairman, and is specifically charged with matters concerning finance and commodity circulation. The other is charged with procurement. The vice-chairmen are graded the same as a cabinet vice-minister and elected in much the same manner as the chairman. At present, CH'OE Ho-min (NTA) [redacted] and HO Tong-p'il (NTA) [redacted] are seated in vice-chairmanship. 50X1-HUM 50X1-HUM
- 3) Bookkeeping Bureau: This bureau is headed by a chief and two deputy chiefs, and has four divisions: the Financial Department, the Bookkeeping Direction Department, the Balance Department, and the Inspection Department. The chief and deputy chiefs are appointed by the chairman of the Central Committee. The present chief is called O (fnu) [redacted] and the deputy chiefs; U (fnu) [redacted] and YUN (fnu) [redacted] 50X1-HUM 50X1-HUM
 - A) Financial Department: This department is comprised of a chief and two officers, and controls financial affairs of all consumers' guilds.
 - B) Bookkeeping Direction Department: Composed of a chief and two officers, this department is engaged in directing bookkeeping in subordinate organizations.
 - C) Balance Department: With a chief and two officers, this department is the center of the Bookkeeping Bureau, and is always busy with account settlements.
 - D) Inspection Department: This department consists of a chief, two senior inspectors, and two inspectors, and is charged with such matters as inspecting subordinate organizations for financial and accounting matters. The senior inspectors are treated the same as the chief. [redacted] In April 1956, the former Central Committee Inspection Department was detached to the Bookkeeping Department.) 50X1-HUM

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- 4) Economic Planning Bureau: Headed by a chief and a deputy chief (the actual complement for deputy chief is two), this bureau is closely connected with the National Planning Committee, and has the following three divisions: The Statistics Department, the Combined Planning Department, and the Labor Planning Department. The present chief is CHO Yong-haeng (6392/1369/5887) 50X1-HUM
- A) Statistics Department: With a chief and two officers, this department maintains statistics on sales and procurement activities by individual county committees on the basis of the "five-day report" on commodity sales and procurement from provincial committees, using those forms which are approved by the Central Statistics Bureau, with which it is connected very closely.
- B) Combined Planning Department: Composed of a chief and four officers, this department prepares such plans as the annual (by each quarter) sales and procurement plan, the basic construction plan, the commodity transportation plan, the financial plan, the basic labor plan, and others.
- C) Labor Planning Department: This department had a chief and two officers and is mainly concerned with such matters as preparing plans for labor force required for sales, support, and transportation activities.
- 5) Procurement Bureau: This bureau has a chief and a deputy chief (Actual Complement: 2), and is divided into the following elements: The Planning Department, the Food Stuffs Department, the General Department, the Bookkeeping Office, the Transportation Instructor, the Grains Department, the Accountant; and the Procurement Sources Instructor. It is further furnished with a sedan (for the chief) and a truck, whose drivers (2) are controlled by the accountant. The Procurement Bureau as well as the Commercial Bureau is the center of the KCG Central Committee. The present chief is PAK Tu-sun (2613/2629/7311) and the post of deputy chief is occupied by KIM Hong-to (6855/1738/6670) 50X1-HUM
- A) Planning Department: Headed by a chief, KIM Chong-ki (6855/6945/6386), the two officers of this department, in close connection with the Economic Planning Bureau, are mainly engaged in preparing the annual (by each quarter) procurement plan, the annual (by each quarter) inter-province commodity circulation plan, and the wage plan for the entire Procurement Bureau. 50X1-HUM
- B) Food Stuffs Department: Composed of a chief, KIM Chae-ch'ang (6855/0961/2490), and three officers, this department directs such activities as the examination of grains procurement sources, procurement, and the inter-province circulation of herb, vegetable, and fishing products. 50X1-HUM
- C) General Department: With a chief, KIM Tu-won (6855/2435/0337),

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- D) Bookkeeping Office: With a chief bookkeeper and two female and one male bookkeepers, this office appropriates all procurement funds, handles the quarterly account settlement, prepares the financial plan, and directs provincial bookkeeping and account settlements.
- E) Transportation Instructor: This instructor is treated the same as a department chief in the Procurement Bureau, and is chiefly concerned with such matters as 1) preparing the annual commodity transportation plan, 2) requesting the Ministry of Transportation to approve the monthly freight car assignment plan (he actually requests the above Ministry to assign freight cars for transportation), and 3) handling accidents in cargo transportation with the Ministry. To perform such functions, he spends more days at the Ministry than at the above Bureau. The form of a car assignment application to be submitted to the Ministry of Transportation appears as follows:

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- F) Grains Department: This department was created in April 1956 and should have been manned by late November or early December the same year. Its functions to direct grain procurement activities were carried on by the above Food Stuffs Department during the period. Its complement included a chief and two officers who had not been assigned as of mid-November 1956.
- G) Accountant: The Procurement Bureau has one accountant named SON To-sim (1327/6670/1800) [] who performs such functions as 1) handling rations for employees of the Bureau, 2) keeping and 50X1-HUM supplying stationery, 3) maintaining buildings and official residences, 4) providing fuel, 5) controlling vehicles and drivers, and 6) assigning duty officers.
- H) Procurement Sources Instructor: This officer is treated the same as a department chief, and is engaged in exploring all possible procurement sources by type. To do this, he frequently makes trips to provinces. At present, the post is filled by PAK Ch'ang-pae (2613/2490/1014) []. He also prepares the following 50X1-HUM "Procurement Sources Exploration List:"

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Procurement Sources Exploration ListApproved by the Central
Committee, KCG: No.

Report: 1st, November, 1956

No.	Item	Specifi- cation	Total Quantity	Possible Amount for Procurement				Others	Remarks
				1st quarter	2nd quarter	3rd quarter	4th quarter		
1	Rice								
2	Millet								
3	Bean								
4	Barley								
5	Red Bean								
6	Corn								
7	Garlic								
8	Hot Pepper								
9	Sesame								
10	Glutinous Rice								
21	Rope (hand- written)	0.6"	1,000 m	300 m			700 m		Local staple
22	Silk (hand- written)	15 Se*	10,000 m	5,000 m	3,000 m		2,000 m		"

* A Korean measurement unit indicating the number of wraps used in a section of cloth.

Note: The above list is printed on a form, about 40 cm x 28 cm, and about 50 types of commodities can be entered, of which 20 types are printed, and the rest are to be handwritten as shown above.

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- 6) Commercial Bureau: Headed by a chief, CHONG Sok-kil (6774/6932/0679) and two deputy chiefs, PAK (fnu) this bureau is divided into 1) the Commercial Organizations Department, 2) the Contract Department, 3) Commodities Department, 4) Labor Supply Department, 5) the Merchandise Specialists (2), and the Price Instructor (1).

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- A) Commercial Organizations Department: With a chief and two officers, this department organizes, manages, controls, and directs all stores and other convenience's installtions.
- B) Contract Department: Compsed of a chief and three officers, this department 1) concludes contracts with manufacturers and 2) handles accidents that may occur during the course of shipping non-industrial products. It is also closely connected with the Cabinet Mediation Board.
- C) Commodities Department: This department consists of a chief, two male and two female officers, and carries on such tasks as 1) directing national and cooperative factories in delivering their products and local guilds in receiving such products, 2) distributing commodities among local guild stores, through their respective guild committees.
- D) Labor Supply Department: Manned by a chief and two officers, this department is chiefly charged with the job of distributing ration materials for guild workers throughout the country.
- E) Merchandise Specialist: The Commercial Bureau has two merchandise specialists, one of whom is a graduates of the KIM Il-song University and the other has returned from study in the Soviet Union.
- F) Price Instructor: The major functions of the price instructor are to let provincial committees know the price of each manufactured commodity, to decide the sales price of each item by adding a profit margin to that which is shown in the list of industrial commodity prices (costs), and to answer all questions from the provincial committees regarding commodity prices.
- 7) Chief Clerk: With the help of three confidential documents officers and a mimeographer, the chief clerk functions to receive and dispatch official letters, to examine and change if necessary, drafted letters before approval by the chairman. He is ranked the same as a bureau chief, and his appointment is made in an unknown manner. The present chief clerk is named YI (fmu) 50X1-HUM
- 8) Staff Division: Manned by a chief, KWAK (fmu) , a deputy chief, a labor & staff instructor, and four officers, this division is mainly concerned with such matters as 1) managing the KCG Staff Training Center (located in Ch'ongjin-si), 2) Appointing county committee chairmen and above, and 3) Determining the pay schedule for the entire employees of the KCG. Provincial and county committee chairmen and vice-chairmen are initially recommended by the chairman of the Central Committee and appointed with the approval of the respective guild members' meeting nominally in the form of election. 50X1-HUM
- 9) Organizational Department: Headed by a chief and a deputy chief, this department is divided into two elements, the Organizational Department and the Cultural Department. The present chief is called CHU (fmu) 50X1-HUM

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- A) Organizational Department: Manned by a chief and two officers, this department maintains statistics on movements among guild members, including their coming and going, preparing for the National Guild Members' General Meeting, and receiving VIP's on such an occasion.
- B) Cultural Department: Organized of a chief and two officers, this department is engaged in obtaining and distributing various commercial publications from advanced countries and contributing articles to a magazine "Commerce" - a monthly organic of the Ministry of Commerce. It is said not to be so busy as other divisions within the KCG Central Committee.
- 10) Administrative Accounting Department: This department is composed of a chief, PAK (fnu) [redacted], a deputy (in vacancy), two officers, a driver, and four sedan drivers. It operates a truck and four sedans (one for the chairman, two for the vice-chairmen, and one for joint use). It is chiefly concerned with such matters as 1) salary payment, 2) rations, 3) benefits from the social insurance system, 4) stationery supply for the Central Committee, 5) automobile maintenance, 6) building maintenance, 7) duty officer assignment, 8) dormitory (1) management, 9) fuel supply, 10) subsidiary food procurement and distribution, and farm (1) management. The location and other features of the farm are unknown. 50X1-HUM
- 11) Basic Construction Department: This department is comprised of a chief, SØ (fnu) [redacted] and three officers (including two draftsmen), and is engaged in designing guild buildings, stores, warehouses, and restaurants and directing their construction. 50X1-HUM
- 12) Social Food Supply Department: Consisting of a chief, CH'OE (fnu) [redacted] (Female), and two officers, this department is mainly charged with such matters as 1) developing all cooks and salesmen employed by guild restaurants, 2) organizing and directing meetings to exchange experiences in running restaurants, and 3) controlling other problems concerning guild restaurants. The number of guild restaurants in operation over the country is estimated to be about 2000. 50X1-HUM
- 13) Transportation Department: Led by a chief, CHI To-hun (3069/6670/0534) [redacted], the two officers of this department are charged with 1) preparing the annual commodities movement plan, 2) obtaining freight car assignment (regular or extra) from the Ministry of Transportation and notifying provincial committees on the assignment, and 3) allocating automobile fuel and parts to local KCG organizations. 50X1-HUM
4. Board of Directors, Central Committee, KCG: (In June 1956, the Standing Committee of the KCG Central Committee was renamed the Board of Directors.) The Board of Directors is comprised of seven members in all, including the chairman and vice-chairmen of the KCG Central Committee. Except these three, the other four are appointed from among staff personnel of the Ministry of Light Industry and the Korean Production Cooperative Central Committee. It holds meetings between plenary sessions of the Central

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Committee, and the meetings are presided by the chairman of the Central Committee. Bureau, division, and department chiefs in the Central Committee and provincial committee chairmen (occasionally also county committee chairmen) allowed to attend the meeting of the Board of Directors as observers. Decisions reached at such meetings are brought to the plenary session of the Central Committee for approval. Meetings are usually held at the meeting hall of the Central Committee.

5. Plenary Session, Central Committee, KCG: In accordance with the regulations of the KCG, its Central Committee is required to hold its plenary session once every three months, but the plenary session is opened twice a year in actuality. The KCG Central Committee is composed of a total of 111 members, in which about 40 candidate members are included as well as provincial and county committee staff personnel. Each plenary session is attended by an average of 150 participants including observers, and it is usually held at the club of the Ministry of Transportation or at the Moranbong Theater, with one of the Central Committee vice-chairmen presiding it and the chairman giving the report. The candidate members are not authorized to vote, but may speak. The plenary session handles only such important matters of the KCG as an organizational reform.
6. National Guild Members' Meeting: The national guild members' meeting of the KCG is held once every four years at the club of the Ministry of Transportation or at the Moranbong Theater, and it is attended by an average of about 200 participants comprised of local committee chairmen and vice-chairmen and model workers. The meeting is presided over by one of the two Central Committee vice-chairmen and the chairman makes the resume to sum-up the four-year's activities of the KCG. On such an occasion, observers such as ministers, vice-ministers, and bureau chiefs of various ministries related with the KCG are also invited. The national meeting is designed to discuss and approve any revision of the KCG principles and regulations and the four-year summing-up, and elect the Central Committee and its chairman and vice-chairmen. Besides, the assignment of new members to the Board of Directors is approved at the national meeting.
7. The KCG Central Committee is at present in use of temporary buildings. A plan had been worked out to construct permanent buildings in the spring of 1956, but this was not carried out for financial reasons. The four buildings in use by the KCG Central Committee at present were built during the Korean War. They are all single story, one occupied by the Procurement Bureau and located at YD 382248 in Kirim-ni, Sŏ-guyŏk, P'yŏngyang-si, and the other three, including one used as a meeting hall, at YD 390247 in the same district. The meeting hall has a tile roof and brick walls, measuring about 20 meters long, eight meters wide, and three meters high. The other two buildings are of the same structure as the meeting hall, respectively measuring ten meters long, six meters wide, and three meters high, and nine meters long, six meters wide, and three meters high. The building used by the Procurement Bureau also has a tile roof and brick walls, with measurements of 20 meters in length, six meters in width, and four meters in height.

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8. The KCG exclusively uses railroad to transport its industrial commodities, procured goods, and other items. [redacted] The number of freight cars used by the Procurement Bureau to transport its procured goods each month varies from the maximum of 250 to the minimum of 180, of which 60 percent is used for shipping grains, 30 percent for sea products, and the remaining 10 percent for miscellaneous items. 50X1-HUM
9. The KLP Junior Committee of the KCG Central Committee has a total of about 50 KLP members, including its chairman, two vice-chairmen, and four committee members. Their names and administrative positions are as follows:

Chairman: CHONG Sok-kil (6774/6932/0679), Chief, Commercial Bureau.

Vice-Chairman: KIM Chae-ch'ang (6855/0961/2490), Chief, Food Stuffs Department, Procurement Bureau, Name unknown, Chief, Basic Construction Department,

Member: YI Ch'un-hyi (NTA), Officer, Chief Clerk's Office,
CHONG Hak-il (NTA), Officer, Labor Planning Department,
Economic Planning Bureau,
CHIN (fnu), Officer, Administrative Accounting Department,
NO Chin-sok (NTA), Officer, Balance Department, Bookkeeping Bureau.

Organizational Structure

10. The Korean Consumers' Guild (KCG) is organized as follows:

- 1) Central Committee - Board of Directors (former Standing Committee)
Plenary Session

Chairman

Vice-Chairman - 2

A) Bookkeeping Bureau

- a) Financial Department
- b) Bookkeeping Direction Department
- c) Balance Department
- c) Inspection Department

B) Economic Planning Bureau

- a) Statistics Department
- b) Combined Planning Department
- c) Labor Planning Department

C) Procurement Bureau

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- a) Planning Department
 - b) Food Stuffs Department
 - c) General Department
 - d) Bookkeeping Office
 - e) Grains Department
 - f) Accountant - 1
 - g) Transportation Instructor - 1
 - h) Procurement Sources Instructor - 1
- D) Commercial Bureau
- a) Commercial Organizations Department
 - b) Contract Department
 - c) Commodities Department
 - d) Labor Supply Department
 - e) Merchandise Specialist - 2
 - f) Price Instructor - 1
- E) Chief Clerk
- F) Staff Division
- a) Korean Consumers' Guild Staff Training Center
- G) Organizational Department
- a) Organizational Department
 - b) Cultural Department
- H) Administrative Accounting Department - Farm - 1
- I) Basic Construction Department
- J) Social Food Supply Department
- K) Transportation Department
- 2) Provincial Committee
- | | |
|--------------------------|--------------------|
| <u>Chairman</u> | Standing Committee |
| | Plenary Session |
| <u>Vice-Chairman - 2</u> | |
- A) Staff Department
 - B) Commercial Department - Side Products Store (in the provincial seat)
 - C) Procurement Department
 - D) Bookkeeping Department

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- E) Economic Planning Department
 - F) Transportation Department
 - G) Organizational Department
 - H) Administrative Accounting Sub-Section
 - I) Basic Construction Instructor
- 3) County Committee
- | | | |
|----------------------|---------|----------------------|
| <u>Chairman</u> | - - - - | Standing Committee |
| | | Inspection Committee |
| <u>Vice-Chairman</u> | - 2 | Plenary Session |
- A) Commercial Department - Stores, Restaurants, & Shops (Barber, Laundry, & Tailor)
 - B) Procurement Department
 - C) Bookkeeping Department
 - D) Planning Department
 - E) Transportation Instructor
 - F) Organizational Instructor
 - G) Staff Instructor
- 4) District Consumers' Cooperative Management Committee
- | | |
|-----------------|--|
| <u>Chairman</u> | Inspection Committee (7 members, including the chairman) |
|-----------------|--|
- Vice-Chairman
- A) Commercial Department - Stores in Rural Areas
 - B) Procurement Department
 - C) Transportation, Labor, & Staff Instructor
 - D) Organizational Instructor
 - E) Planning Instructor

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