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ECONOMIC REPORT ON NORTH KOREA  
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ECONOMIC REPORT ON NORTH KOREA

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Nongmin Sinmun, June 1960  
Sangop, No.5, May 1960  
Soktan Kongop; No. 4, April 1960; No.5, May 1960  
Sonjin Nongop, No.7, July 1960

All comments by the researchers have been enclosed in brackets.

## UNITS OF MEASUREMENT

<u>Korean Unit</u>	<u>British Equivalent</u>	<u>Metric Equivalent</u>
<b>Length:</b>		
cha or chok	0.994 ft	0.303 m
kan	5.965 ft	1.818 m
chong	357.906 ft	109.091 m
ri	2.440 mi	3.927 km
<b>Area:</b>		
pyong	3.954 sq yd	3.306 m <sup>2</sup>
myo	118.61 sq yd	99.174 m <sup>2</sup>
tan	1,186.101 sq yd	991.736 m <sup>2</sup>
chongbo	2.45 acre	99.174 are
<b>Capacity:</b>		
hop	0.158 qt	0.180 l
tu	0.397 gal	1.804 l
small mal	1.984 gal	9.020 l
large mal	3.968 gal	18.039 l
sok	39.682 gal	180.391 l
<b>Weight:</b>		
ton	57.871 gn	3.750 g
yang	578.713 gn	37.500 g
kun	21.162 oz	0.600 kg
kwan	8.267 lb	3.750 kg

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## I. GENERAL

### Relationship between Production Power and Production Relations

The following are excerpts from an article by Kim Sang-hak, "Interrelationship between Productive Power and Production Relations in Our Country," Kulloja, No. 5, May 60, pages 40-48.7

1

After the liberation [in 1945], the Party carried out various anti-imperialist and antifeudal democratic reforms, with a view to leading the country to socialism, while firmly adhering to the principle of adapting the relations of production to the characteristics of the means of production

The land reform program has not only resulted in a rapid increase in agricultural production but has also created conditions favorable to the development of our industrial productive power.

The nationalization of important industries was the most revolutionary of all the measures taken for the implementation of the antifeudal democratic revolution. This nationalization program was one of many democratic reforms and it was not particularly directed against capitalists as such (chabon ilban) but in essence the program constituted a species of socialist nationalization, and since the important industries were formerly owned by Japanese imperialists or subservient national capitalists, their nationalization meant the establishment of socialist production relations as the preponderant force in the principal sectors of the people's economy of our country.

The establishment of the almost universal hegemony of socialist production relations in most of the industrial sector, as well as in other important economic sectors, such as transportation, communications, and finance, prepared the way for the large-scale development of the productive power of our country.

The powerful impact of a domestic revolutionary class and the stationing of Soviet troops created conditions which

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were very favorable for the thorough execution of various democratic reforms, and this was highly significant for the subsequent victory of the socialist production relations.

From the initial stage of the transitional period to socialism, the socialist production relations determined the operation of socialist economic laws in the people's economy, the planned management of the people's economy, the rational utilization of labor and the means of production and the great zeal of the masses for labor. At the same time, the socialist production relations operated as a strong stimulant for the rapid rehabilitation and development of productive power in our country. The rapid growth of the productive power of socialist industry not only consolidated the socialist production relations -- of which it is itself a part -- but also further increased the importance of the socialist form of enterprise in industrial production. Thus, the socialist production relations were expanded and strengthened.

The commodity circulation sector also saw the emergence and development of socialist production relations.

By consolidating the economic links between industry and agriculture and the class alliance between the workers and peasants during the transitional period, our socialist commerce further stimulated the development of the productive power of private agricultural enterprise with the positive aid of socialist industry. Moreover, through the struggle against the capitalist elements in urban and rural areas, the small commodity producers were gradually integrated into the socialist economic sphere.

In the course of economic development during the transitional period, various contradictions inevitably arose between large-scale socialist industry and the manual labor base and scattered private agricultural enterprises. These contradictions were also manifest between the socialist form of enterprise and the small commodity enterprises.

The tempo of the development of socialist industry far surpassed that of agriculture, which was based on poverty stricken private farm enterprises. It was therefore inevitable that sooner or later, grave contradictions would emerge between these two sectors. Contradictions between these two great sectors of material production began to manifest themselves toward the end of the peaceful construction period [immediately prior to the Korean War.]

After the war, when socialist industry made phenomenal progress, these contradictions could no longer be left unchecked. Hampered by heavily damaged material-technical bases and by a shortage of labor and service animals, the poverty-stricken private farm enterprises could not keep up with the large-scale socialist industry. Moreover, the urgent food problem and poor farmer problem of the post war period could not have been solved if the private farm enterprises had been left unchanged. The only solution to these problems was the Leninist policy of agricultural cooperativization.

Although the agricultural enterprises were at that time still based on manual labor and rudimentary machinery and techniques, the establishment of socialist production relations in rural areas was fully compatible with the nature of the productive power that had been created in the entire people's economy as well as with the requirements of the development of this productive power. Although still based on manual labor and rudimentary techniques, the agricultural cooperativization movement not only realized a production increase, as compared with the output of private farm enterprises, but also opened a broad vista the development of the productive power of agriculture.

At the beginning of the transitional period to socialism, the proportion accounted for by private commerce and industry in the northern half of our country was by no means great. But guided by the principles of economic development appropriate to the transitional period and in accordance with the realistic requirements of economic development in our country, our Party adopted a policy of restraining and utilizing private commerce and industry while prudently transforming them into components of the socialist sector as conditions ripened.

In view of the fact that the leading role of the socialist productive force had already been established, the policy of simultaneously restraining and utilizing private commerce and industry to a certain extent helped to effect a rapid development of the backward and damaged productive power of our country. This policy became an important means of expanding and strengthening the socialist production relations by directing the working class to simultaneously struggle against and cooperate with the national bourgeoisie in order to transform it into a component of the socialist sector.

If the overwhelming supremacy of socialist industry created the decisive conditions for the socialist transformation of private enterprises, the complete victory of the socialist cooperativization of agriculture determined the complete socialist transformation of private commerce and industry.

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The victory of the socialist production relations was a decisive condition for the great upsurge in the productive power of our country.

When the socialist production relations had won a decisive victory in our country, Comrade Kim Il-sung stated: "Although socialist production relations have been basically established in our country, the material and productive bases of socialism are still weak."

The fact that the material-productive bases of socialism were still weak, despite the universal control exercised by the socialist production relations in both urban and rural areas, is of great theoretical and practical significance for any examination of the interrelationship between socialist production relations and productive power in our country.

After the socialist production relations had won a decisive victory in our country, only a partial improvement began to take place in the technology of our industrial sector, and the introduction of modern, mechanized techniques in the agricultural sector was still not very extensive. Moreover, the problem of technical personnel -- an important element of our productive power had yet to be solved. As a whole, the productive power of our country had not reached the level necessary to match the newly established socialist production methods.

As a result, there emerged a contradiction between the level of the victorious socialist relations of production and the relatively lower level of our productive power. This contradiction did not, of course, exist uniformly between all aspects of the production relations and all elements of our productive power; the variance was, rather, between the essential aspects of the socialist production relations (socialist ownership of means of production, comradesly cooperation and mutual aid among the workers emancipated from exploitation, distribution according to work performed, etc.) and the basic elements

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of our socialist productive power (material-technical bases of socialism and the cultural-technical levels of the workers.)

Accordingly, the most important task that confronts us at present is to eliminate the contradiction between the victorious socialist production relations and the relatively lower level of our productive power.

We can neither complete the building of socialism nor consolidate the foundations of the socialist economy without eliminating this contradiction. It is this contradiction that prevents us from fully demonstrating the supremacy of the socialist production relations.

The present contradiction between the socialist production relations and the productive power in our country should not, however, be taken to mean that the production relations established in our country are incompatible with either the nature of our productive or its level of development power. The socialist production relations were established to meet the realistic requirements of the development of our productive power, and the relations of production have opened broad vistas for the development of the forces of production.

Based on the victorious socialist production relations and supported by the revolutionary enthusiasm of the working masses, our productive power is at present developing at a rapid pace. During the Three-Year Plan period, our industrial production rose at an average annual rate of 42 percent, and during the Five-Year Plan period, it again increased at the rate of 44.6 percent per year. These figures clearly indicate the correctness of the policy of developing our productive power on the basis of socialist production relations.

In 1959, the gross value of industrial production was approximately 19 times the 1946 level, or about 6.5 times the pre-Liberation peak. Today, our country has already caught up with Japan in the per capita output of such principal products as electric power, coal, cement, and chemical fertilizers.

Our agricultural productive power has also developed rapidly. Irrigation has now been basically completed, and the rural electrification program has achieved decisive results. Moreover, the mechanization of agriculture will be basically completed within the next three or four years. The output of food-grain crops per unit land area has risen very rapidly, and the livestock industrial base has been considerably strengthened, resulting in diversified agricultural operations.

These remarkable achievements in the agricultural production sector are due not only to the success of agricultural cooperativization but also to the positive support given by our industry.

Notwithstanding these achievements, our productive power should be further developed if we are to complete the establishment of the socialist mode of production within the near future. Otherwise, the contradiction between the socialist production relations and the low level of our productive power will not be eliminated.

3

It is true that even prior to the amalgamation program, the agricultural cooperatives, in spite of their small scale, were characterized by advanced production relations, i.e., their means of production were socialized. At the same time, however, because of their small scale, the agricultural cooperatives presents certain difficulties to the execution of the technological revolution in agriculture -- modern mechanization, electrification, large-scale irrigation, etc. It was, therefore, necessary for the further development of agricultural productive power and for the successful execution of the technological revolution in agriculture that the Party carry out the amalgamation of agricultural cooperatives.

In addition, the establishment of local industry and the reorganization of the control system throughout the entire people's economy, including industry and commerce, have considerably enhanced the role of local governments and enterprises and have further stimulated the masses to participate in the management of the economy. This policy has created favorable conditions for the maximum mobilization of internal productive potentials and local resources. Moreover, the transfer of the trade of consumer cooperatives to agricultural cooperatives has further strengthened the link between cities and rural areas, as well as that between industry and agriculture, thus creating conditions favorable to a rapid development of productive power, especially in the agricultural sector.

In industry, the collective innovation movement and the "winged horse" work-team movement are being expanded, and the specialization and cooperativization of production are being further strengthened. Today, the various types of socialist competition in our country are being improved and expanded in

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accordance with the principle of adaptating the socialist production relations to the characteristics of the productive forces and the level of their development.

In agriculture, as well as in all the other economic sectors, the modes of realizing the principle of socialist distribution based on labor are being constantly improved, and the material incentives of the workers are being further enhanced. Thus, the development of the productive forces is being stimulated.

At present, various aspects of our production relations are being constantly modified in accordance with the requirements of the rapid development of the productive forces in our country; and this is accelerating the further development of our productive power. (Kulloja, No.5, May 1960, pages 40-48)

#### April 1960 Plan Fulfillment

The following are excerpts from a report by the Central News Agency on the fulfillment of the production plan for April 1960, appearing in Nodongja Sinmun, 11 May 1960, page 1.<sup>7</sup>

In April 1960, the plants and enterprises under the administration of the Heavy Industry Commission (Chunggong'op Wiwonhoe) and the Light Industry Commission (Kyonggong'op Wiwonhoe) attained new heights by overfulfilling their production plans.

The Heavy Industry Commission as a whole fulfilled the April production plan by 105.9 percent, and the gross production value for the month saw a 5.3 percent increase over the average monthly gross production value during the first quarter of the year. In the individual industrial sectors, the gross production value rose from the January 1960 level by 66.7 percent in the ferrous-mining sector, 20.2 percent in the nonferrous-mining sector, 10.7 percent in the lead-mining sector, 48.9 percent in the precision equipment industry, and more than 14.0 percent in the heavy machinery industry, the electrical equipment industry, and the ferrous metal industry.

The plants and enterprises under the administration of the Light Industry Commission fulfilled the production plan for the first quarter by 105.1 percent. In April, they fulfilled the gross production value plan by 110.7 percent. The output of products in this sector has increased steadily, rising 8.7 percent above the average monthly output during the first quarter and 18.1 percent above the output in January.

In the light industrial sector, the textile industry has been fulfilling its monthly production plan by 110 to 115 percent. It fulfilled the April plan 115.3 percent, by producing about 300 tons of cotton thread and staple fiber thread and 1,700,000 meters of fabrics more than the average monthly output during the first quarter. (Nodongja Sinmun, 11 May 1960, page 1)

#### May 1960 Plan Fulfillment

[The following are excerpts from a report by the Central News Agency on the fulfillment of the production plan for May 1960, appearing in the Nodongja Sinmun, 8 June 1960.]

The plants and enterprises under the administration of the Heavy Industry Commission fulfilled the gross production value plan for the month of May 1960 by 106 percent. The power industry, the ferrous metal industry, the electrical equipment industry, the chemical industry, and the geological-prospecting sector fulfilled their plans by more than 110 percent. Moreover, the heavy machinery sector, the precision equipment sector, and other industrial sectors also fulfilled their plans successfully.

For the Heavy Industry Commission as a whole, the gross industrial production value in May rose 13 percent above the average monthly industrial production value during the first quarter of the year and six percent above the level of April.

The material-in-kind production plan was overfulfilled for almost all items, with an increase in output over April of more than 8,400 tons of steel, 79 tractors and trucks, and 11,000 tons of cement.

The production plans for several important products for the first half of 1960 were fulfilled during the month of May. These products included non-lump coal (pigoet'an), ordinary steel sheets, special steel materials, steel pipes, electrolytic zinc, transformers, rock drills, and superphosphorus lime fertilizer.

The Light Industry Commission fulfilled the State plan by 104.6 percent for the first quarter and by 110.7 percent for the month of April. It fulfilled the gross industrial production value plan for the month of May by 106 percent.

For the Light Industry Commission as a whole, the gross production value in May rose 11 percent above the average monthly production value during the first quarter. The textile industry in this sector fulfilled its production plan by 112.1 percent; its output in May exceeded that in April by about 100 tons of cotton and staple fiber thread, 150,000 meters of various fabrics, and about 100,000 units of underwear.

In the transportation sector, the workers under the administration of the Ministry of Transportation fulfilled the rail-cargo transport plan for the month of May by 101 percent. This constitutes a 13 percent increase over the average monthly record during the first quarter. The average daily cargo transport in May was 5,600 tons greater than at the end of last year and 6,800 tons greater than in April 1960.

The transport plans for principal products were also overfulfilled: 110.7 percent in metals, 103 percent in building materials, and 138.5 percent in grains. (Nodongja Sinmun, 8 June 1960)

### Improvements in Living Conditions

∟The following is a summary of an article by Yi Kyu-ch'ol, "The Tasks Set Forth by the Party for the Betterment of the People's Life," Nodongja, No. 5, May 1960, pages 12-13.∟

These tasks call for the following measures:

First, the output of foodstuffs, and especially that of supplementary foodstuffs, should be further increased. To

this end, rapid progress must be made in the agricultural field. In 1960, the per capita output of vegetables alone will reach 268 kilograms /or 2.68 million tons/ In addition, the output of meat, milk, and eggs should be increased. The 1960 plan calls for the production of 220,000 tons of meat, or 22 kilograms per capita. Fisheries will also undergo further development.

Second, the output of daily necessities will be increased. The output of fabrics, and especially of high-grade fabrics, will also increase.

Third, more houses and welfare facilities will be built in 1960. In cities and workers' settlements alone, 81,500 dwelling units will be built in 1960; this is more than twice the number built in 1959. Many additional dwelling units will be built in rural areas. Furthermore, such welfare facilities as nurseries, kindergartens, and bath houses will be built in large numbers. This year the number of schools constructed will increase by 250 percent above the number built in 1959; the construction of hospitals will increase by 260 percent over 1959, and that of theatres, motion-picture facilities, and clubs by 700 percent. (Nodongja, No.5, May 1960, pages 12-13)

### Implementation of Collective Contracts

/The following is a summary of an editorial "Let Us Promote the Implementation of Collective Contracts" by Yi Pyong-ch'ol, Nodongja Sinmun, 1 July 1960./

This year, collective contracts (tanch'e kyeyak) have again been concluded among many factories, enterprises, and Labor Federation (Chik Maeng) units, including the Hap'o Coal Mine and the P'yongyang Textile Machine Factory. These collective contracts are of great importance in defining the mutual obligations of enterprise management organs and Labor Federation units, in inducing the parties concerned to be a more responsible attitude, and in encouraging the masses to participate in the management of enterprises. In this way, the people's economic plans will be fulfilled qualitatively and quantitatively.

The Labor Federation Committee at the Songjin Steel Foundry has been working on a day-to-day basis to assure the correct implementation of the provisions of collective contracts. More than one thousand original suggestions, which were submitted by the masses of workers when the contract was concluded, have been put into effect, including proposals for Socialist competitions, subsidiary industries, and technical improvements in work connected in the production of steel. As a result, great innovations have been made in the production of special types of steel; these include the production of piano wires to be used as precision springs in auto vehicles, tractors, and other machines. Moreover, production plans have been overfulfilled month after month.

However, there are many serious deficiencies in the implementation of collective contracts that call for immediate corrective measures. For instance, the Labor Federation committees at the Ch'ongjin Railway Factory, as well as at many other enterprises, have done little to implement the provision of their collective contract since it was concluded. As a result, a great number of Labor Federation units have failed to carry out their duties in helping to improve the management of enterprises and in fulfilling production plans.

Another type of deficiency is to be found in the work of the Labor Federation Committee at the P'yongyang Central Auto Vehicle Repair Shop. This committee failed to submit the draft collective contract to the employees' general meeting after having it examined at the production consultation conference of the entire plant. As a result, the workers of the factory have yet to learn the terms of the contract. The blame rests with the central committee of the Industrial Federation of Labor (Sanbyol Chik Maeng), which has failed to provide the needed guidance.

It behooves the central committee of the Industrial Federation of Labor to provide pertinent guidance with regard to collective contracts. In the early part of this year, the central committee of the Transportation (Kyot'ong) Industrial Federation of Labor did its part in having its Labor Federation units conclude collective contracts; but no guidance has been provided with regard to the implementation of these contracts. This irresponsible attitude on the part of the central committee resulted in the deficiency we found in the work of the Labor Federation Committee at the Ch'ongjin Railway Factory. This state of affairs should be corrected immediately.

To achieve this end, the Labor Federation units that have concluded collective contracts should instruct the workers in the significance and the concrete terms of the contracts so that the masses as a whole can participate in the fulfillment of these agreements. It is up to Labor Federation units to review the implementation of the contracts at enlarged sessions of Labor Federation committees or in employees' general meetings at the factories or enterprises concerned. Measures should be worked out at these meetings to correct various deficiencies in carrying out contract provisions.

It behooves the Labor Federation units to cooperate with management in guiding and checking the implementation of contracts and to make it possible for the terms of contracts to be carried out. It is also important to supplement and revise contract obligations in the event of changes in the tasks to be fulfilled by the factories and enterprises concerned or in the event of other changes. In this way, contract terms will be kept on a practical basis.

The central committees of the Industrial Labor Federation should do their part in carrying out contract provisions by providing appropriate guidance and keeping Federation units informed of outstanding achievements of other units. Thus the number of factories and enterprises covered by collective contracts will be increased. (Nodongja Sinmun, 1 July 1960)

## II. INDUSTRY

### Results of the Machine Tool Reproduction Movement

The following is a summary of a report by the Central News Agency on the machine-tool reproduction movement, appearing in Nodongja Sinmun, 5 May 1960, page 1.

During the year following the May 1959 appeal of the standing committee of the Party Central Committee to all enterprises, plants, and shops possessing machine tools to produce one or more machine tools per each machine tool, approximately 14,000 machine tools have been produced in addition to those produced under the State production plan.

The plants and enterprises under the administration of the Heavy Industry Commission have produced more than 4,300 machine tools.

The machine-tool reproduction movement has gained momentum; this is shown by the fact that in September 1959, the Yongsong Machine Plant, for the first time in our country produced 8-meter turning lathes (t'aningban). This achievement also marked a turning point in the development of the machine industry and in the execution of the technological revolution in our nation.

At present, metal industrial enterprises, mines, coal mines, and chemical plants -- which are all under the Heavy Industry Commission -- are successfully meeting almost all of their machine parts requirements with machine tools which they themselves reproduced. At the same time, they are continuously making innovations in production and construction on the basis of mechanization and/or automation with these reproduced machine tools.

In particular, machine plants in various localities are currently successfully fulfilling their production plans for farm implements and various medium-size machinery and equipment, although these production goals are 16 times as high as those in 1959. This has been accomplished by installing reproduced machine tools in basic production sectors. As a result, the powerful machine industry is now endowed

with the material foundation necessary for completing the agricultural mechanization which has been a long-standing aspiration of the farmers.

The machine - tool reproduction movement has also been carried out on an extensive basis in plants and enterprises under the administration of the Light Industry Commission, and in the light industry sector.

Between the beginning of 1959 and March 1960, the plants and enterprises under the Light Industry Commission reproduced more than 1,700 machine tools. Today, these machine tools are producing various items of textile machinery, daily necessities production equipment, and foodstuffs processing facilities.

During the same period, light industry, which had emerged as a separate industrial sector in accordance with a decision of the June 1958 Plenum of the Party Central Committee, reproduced more than 3,400 machine tools, thereby considerably improving and strengthening its technical facilities. As a result, during the first quarter of 1960 the output of light industry of various daily necessities and foodstuffs was 13 percent greater than in the corresponding period of 1959.

The plants and enterprises under the administration of the Ministry of Transportation reproduced 1,100 machine tools, thereby expanding their facilities. This year, they improved transport equipment and increased the load and traction capacities of freight cars and locomotives entirely through their own efforts. During the last three months alone, they hauled 59,000,000 ton/kilometers of cargo beyond the State plan. (Nodongja Sinmun, 5 May 1960, page 1)

## Plan Fulfillment Data in the Coal Industry

The following is a translation of plan-fulfillment data presented by the Coal Industry Control Bureau, Heavy Industry Commission (Chung-gong'op Wiwonhoe Sekt'an Kongop Kwalliguk), Sekt'an Kongop, No. 5, May 60, page 45.

For the first quarter of 1960, the Coal Industry Control Bureau as a whole fulfilled the basic drilling plan by 104 percent, the coal production plan by 104.1 percent and the gallery perpetuation by plan 120 percent.

The following is a breakdown of those coal mines that fall into the 'excellent' category and those that fall into the 'backward' category:

### Basic Drilling Plan

#### Excellent Mines

Hamyong Vertical Pit...	337.5%
Yong'an Coal Mine.....	159.6
Namjon.....	122.8
Tonggwon.....	111.3
Tokch'on.....	110.4
Songnam Youth.....	109.0

#### Backward Mines

Koch'am Coal Mine...	86.3%
Ch'onsong Youth.....	87.2
Mujindae Youth.....	90.8
Samsin.....	97.8
Kaech'on.....	98.3
Choyang.....	98.8

### Coal Production Plan

Yuson Coal Mine.....	136.9%
Hamyon.....	112.7
Sinch'ang Youth.....	112.6
Aoji.....	111.9
Ch'onsong Youth.....	111.3

Songnam Youth.....	85.7%
Chonch'on.....	85.8
Choyang.....	86.9
Hakp'o.....	95.4
Tokch'on.....	99.5

### Gallery Perpetuation Plan

Pongch'on Coal Mine...	483.0%
Hamyong Vertical Pit...	402.0
Choyang Coal Mine.....	220.1
Tokch'on.....	171.1
Yongmun.....	137.8

Wun'gok Coal Mine...	81.9%
Samsin.....	87.0
Koch'am.....	96.8
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(Sekt'an Kongop, No 5, May 60, page 45)

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Koch'am.....	96.8
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(Sokt'an Kongop, No 5, May 60, page 45)

## Extraction Rates in the Coal Industry

The following are excerpts from an editorial, "Let Us Raise the Rate of Extraction (Ch'aech'wiyul) and Dig Out All Available Coal," Sokt'an Kongop, No. 4, April 1960, pages 1-27.

The most challenging task confronting the coal-mining sector today is to raise the coal extraction rate.

The Hamyon Coal Mine devised a new extraction method, which it used to extract the entire coal deposit in the safety post (poan t'anju). As a result, the rate of coal extraction rose above 95 percent.

But the extraction rate at many other mines is still extremely low.

For example, in the bituminous coal sector, in which extraction is carried out according to the standardized extraction method (kyugyok ch'aegul), the rate of coal extraction was only 50 percent [average of the last four years' record] of the total coal made available for extraction. At the Koch'am Coal Mine, the extraction rate in 1959 was only 40 percent. In the anthracite coal sector, some coal mines gave evidence of very serious shortcomings by computing their extraction rate at as high as the 120 percent level.

How, then, can these shortcomings be eliminated and the coal-extraction rate raised?

First, extraction designs should be improved in order to realize a higher extraction rate.

In the bituminous coal sector, the loss of coal due to safety posts alone accounted for 72 percent of the total coal loss in the past -- 35 to 40 percent by permanent safety posts and 30 to 35 percent by temporary safety posts.

For this reason, we should reduce the number of permanent safety posts; this holds especially for inclined galleries and transport galleries where the loss is greatest.

In designing opening and drilling processes, galleries should be drilled along the lower bed (haban) unless otherwise indicated, except in thin-layer sections; and the height between coal beds and galleries should be between 15 and 30 meters.

The provision of safety posts for the maintenance of standard facilities and for the prevention of water and fire hazards, should not be carried out by rule-of-thumb methods as in the past but on the basis of scientific analyses. At the same time, no facilities should be erected in areas demarcated as extraction sections. In addition to fire-prevention measures, there is an urgent need for water prevention measures for submerged sections.

In the past, numerous cross-cuts and upward galleries were drilled, making it necessary to erect many temporary safety posts; this was the outcome of determining the scope of the extraction grounds without regard to the rate of extraction. This practice should be eliminated immediately.

Concrete calculations should be made in advance so that the length of the extraction grounds can be maximized, and the extraction sections should be expanded on the basis of such calculations.

The coal extraction method must be improved in order to increase the extraction rate.

In the past, some coal mines have extracted coal only along good coal beds, leaving thin layers (pakch'ung) and diverse layers (kunch'ung) untouched. They have used the excuse that these layers were difficult to extract or that there would be a decline in labor productivity if extraction work were carried out along these layers. This phenomenon must also be corrected.

Finally, if we are to raise the extraction rate, we must improve the management of extraction grounds.

But the movement for one-rotation-a-day (iril il sunhwan) in coal mines has not been satisfactorily carried out, and the proportion of the standard coal extraction method to the total coal extraction method was only 40 percent in the anthracite coal sector.

Some mines failed to set the height of the extracting ground at the level of the coal bed, and, by leaving some coal on the ceiling or on the ground, these mines incurred a loss of coal.

In evaluating the work in the coal-extraction grounds, the monthly frequency of rotation between coal extraction grounds, the monthly progress in extraction, and the monthly productivity and extraction rates should be correctly recorded. (Sokt'an Kongop, No. 4, April 1960, pages 1-2)

### Technical Terms in the Coal Industry

✓The following is a full translation of "Technical Terms" appearing in Sokt'an Kongop, No. 4, April 1960, p. 23.✓

#### Productivity of Coal Bed (T'anch'ung'ui Saengsansong): -

This term refers to the amount of coal extracted per square meter of bed surface area for the entire depth of the bed.

The productivity of a bed varies directly with the depth of the bed. The productivity is computed by multiplying the depth of the bed by the volume density (yongjok pijung) of the bed.

For example, if a bituminous coal bed is two meters deep, the productivity of this bed is  $2 \times 1.3 = 2.6$  tons per square meter ( $2.6 \text{ tons/m}^2$ ); and if an anthracite coal bed is 10 meters deep, its productivity is  $10 \times 1.7 = 17$  tons per square meter ( $17 \text{ tons/m}^2$ ). In this case, 1.3 and 1.7 represent the volume density of our domestic bituminous and anthracite coal, respectively.

#### Coal Reserve (Sokt'an Maejangnyang):-

The amount of coal deposited in an area is called the coal reserve.

The total reserve in an area, irrespective of the feasibility of mining, is called the geological reserve (chijil maejangnyang). Of this reserve, the coal which can be extracted at the present technical-economic level is called the balance reserve (pallansu maejangnyang) and that which cannot be extracted at the present time is called the nonbalance reserve (piballansu maejangnyang).

A portion of the balance reserve is lost (for example, as a result of the installation of safety posts along the basic galleries) and only the remaining portion can actually be extracted. This remaining portion of the balance reserve is called the industrial reserve (sahop maejangnyang).

In addition, the reserve is separated into several categories, according to the different levels of prospecting.

#### Coal Extraction Rate (Sokt'an Ch'aech'wiyul):-

We do not extract all the coal deposited underground; a portion of this coal is abandoned.

The coal extraction rate refers to the proportion (%) of the actual amount of coal extracted to the total balance reserve. The proportion (%) of coal which cannot be extracted to the total balance reserve is called the rate of loss.

That portion of the balance reserve which is extracted is also expressed by means of a coefficient. At this time, the total balance/reserve is regarded as one (1). In the above case, the extraction coefficient (ch'aech'wikyesu) is 0.9 and the loss coefficient is 0.1.

#### Rolling Stock Maintenance

The following are excerpts from an editorial, "To Improve and Strengthen the Technical Management of Rolling Stock, "Inmin Ch'olto, No. 4, April 1960, pages 2-4."/

If we are to meet the ever-increasing demand for transportation, we must utilize our rolling stock more rationally and increase its capacity by all available means.

The most important means of increasing the utilization rate of rolling stock is to improve and strengthen the technical management in this field.

What are the problems that should be given priority?

We must overfulfill the rolling-stock repair plan both quantitatively and qualitatively, by improving our repair work. But no revolutionary improvements have yet taken place.

Last year, our railroad plants, engine depots, and inspection stations failed to fulfill the qualitative and quantitative goals of plans. These shortcomings have still not been corrected -- not even during the past few months of 1960. For example, the locomotive repair plan for the month of January was not fulfilled, and the implementation of the February plan was still worse.

In addition, the poor quality of repair work has not yet been improved. In some cases, the locomotives coming out of the railroad plants had to be inspected or even repaired by engine depots.

To improve the quality of repair work, it is necessary to ensure the adequate advance production of required machine parts. This requirement was not adequately met in 1959, and there has been no improvement in 1960.

The main defect is the inadequate planning of machine-parts production. This is clearly indicated by the fact that production work is being carried out without meeting the necessary technical conditions, i.e., without meeting technical norms or consumption norms. As a result, useless parts are produced, some parts are overproduced, and other parts are not produced at all.

The technical documents of the parts of various types of locomotives should be gradually screened, and the production goals for various parts should be determined on the basis of scientific consumption norms. In carrying out this policy, each plant and depot should meet its machine-parts requirement by itself.

There is still a tendency toward lax discipline and irresponsibility in some repair work. Sometimes, freight cars which are grossly inadequate technically are transferred by one control bureau to another without remorse. Naturally, this kind of practice causes accidents. This phenomenon should be firmly dealt with.

Another important requirement for enhancing the quality of repair work is to observe the specifications of technical processes and standard operational procedures.

Railroad plants equipped with modern facilities have not yet established the rational technical processes required for proper repair work.

The proper operation of rolling stock is a necessary prerequisite for an adequate technical management program. Repair work is worthless unless the repaired rolling stock is properly operated.

Next, the role of inspectors should be further enhanced to ensure the proper maintenance of rolling stock.

Finally, the skill levels of workers and the organization of workers should be improved. The skill-training program currently in progress is not adequate, and the inadequate organization of the working force makes it impossible to ensure a clear-cut division of labor. As a result, labor is being wasted. (Inmin Ch'olto, No. 4, April 1960, pages 2-4)

#### Advantages of Heavy-Duty Rails

The following are excerpts from an article by Song Chae-hung, "Advantages of Heavy-Duty Rails," Inmin Ch'olto, No. 3, March 1960, p. 27.

In order to meet the increased transport requirements with the existing labor force and facilities, we must increase the load capacity of freight cars. This, however, requires heavy-duty rails; these rails have the following advantages:

(1) Depletion of the edges of rails at the joints is not as great as in light rails. The life of the rails depends on the degree to which the edge is depleted. The depletion of a 50-kilogram rail is approximately 10 percent less than that of a 43-kilogram rail;

(2) The life of the rail is longer. For example, when the annual total weight of the load carried is one million tons, the 50-kilogram rail is depleted two square millimeters. But for the 43-kilogram rail and the 37-kilogram rail, the corresponding depletion is 2.5 square millimeters and 2.7 square millimeters respectively.

Let us take the P'yongyang-Wonsan Line as an example. The life of the rails against its annual total weight of load carried, 14,000,000 tons, ranges from 12.3 years for the 43-kilogram rail to 14.2 years for the 50-kilogram rail (or 16 percent longer). Under the same conditions, the life of the 37-kilogram rail is only 7.5 years (or 33 percent less than the 43-kilogram rail).

(3) The life of the cross ties is longer. When the rail weighs more, there is less rotting of cross ties and skidding of trains. For example, the corrosion of the cross ties of the 43-kilogram rail is about 20 percent less than that of the 37-kilogram rail.

(4) Train resistance (yolch'a chohang) is smaller. When trains pass over rails, the rails make a wave-like movement. This is called the wave movement of rails, and this movement is less when the weight of the rail is greater.

Under the same weight, the 50-kilogram rail is pressed down 10 percent less than the 43-kilogram rail, and the wave resistance (p'adong chohang) is 18 percent smaller.

(5) The rolling-stock repair cost is lower.

The heavy-duty rail reduces damages to rolling stock, and the rolling-stock repair cost is 10 percent lower for the 50-kilogram rail than for the 43-kilogram rail.

(6) The track maintenance cost is lower.

The maintenance cost of tracks for the 50-kilogram rail is about 20 percent lower than for the 43-kilogram rail. The track maintenance cost for the 37-kilogram rail is 24 percent lower than that for the 30-kilogram rail, and that for the 50-kilogram rail is 40 percent lower.

For this reason, rails with an adequate weight should be used. The weight should be determined on the basis of the frequency of train passages, the running speed of trains, and the load being carried on the rails.

At the same time, efforts should be made to lay the same rails in the same railroad section, so that the joints of different types of rails can be reduced. (Inmin Ch'olto, No. 3, March 1960, page 27)

## Output in the Ferrous Metal Industry

The following are excerpts from a news item concerning the output of ferrous metals, especially in connection with the building of P'yongyang City, Kumsok Kongop, No. 4, April 1960, p.49.

The Hwanghae Iron Works, the Kangson Steel Works, the Songjin Steel Works, and other metallurgical plants are to supply 26,400 tons of ferrous metals for the construction of P'yongyang City by 15 August 1960, the fifteenth anniversary of the national liberation. This supply accounts for 80 percent of the total supply envisaged: 23,500 tons of iron bar, 2,800 tons of angle steel, and 6,700 tons of various steel materials.

\* \* \* \*

To commemorate the fifteenth anniversary of the national liberation, the An Sang-jo "winged-horse work team" of the steel shop of the Songjin Steel Works has entered into a production contest with the Hwang Tae-hyon "winged-horse youth work team" of the furnace shop of the Kimch'aek Iron Works.

In order to complete the fulfillment of the 1960 production plan one month ahead of schedule and to produce the additional 1,100 tons of steel necessary for the production of farm implements, the An team has decided to reduce the smelting time provided for in State specifications by 20 minutes to tap 14.5 tons of molten iron from the 10-ton furnaces.

In response to this challenge, the Hwang team has decided to produce an additional 2,000 tons of pig iron beyond its production plan goal by 15 August 1960. Ultimately, this team is to fulfill the 1960 production plan by 106.3 percent, while the plan itself calls for a 40-percent production increase over the actual output in 1959.

\* \* \* \*

The workers at the Hwanghae Iron Works are currently striving to raise their daily productivity to 900 tons of steel, 800 tons of pig iron, and 600 tons of steel materials. They have already discovered production potentials which would enable them to produce 40,000 tons of steel, 30,000 tons of pig iron, and 59,000 tons of rolled steel materials beyond the State plan. Thus, they expect to fulfill the State plan by 137.5 percent. They have already fulfilled the production plan for the first quarter ahead of schedule. (Kumsok Kongop, No. 4, Apr. 60, p. 49)

### Plan Fulfillment in the Ferrous Metal Industry

The following are excerpts from a report by the Central News Agency which appeared in Nodongja Sinmun, 26 June 1960, page 1.7

The ferrous-metal industry sector under the administration of the Heavy Industry Commission fulfilled its production plan for the first half of 1960 by 100 percent as of 15 June and by 104 percent as of 20 June 1960.

The production plan for rolled steel materials was fulfilled by 20 June and that for pig iron by 23 June 1960.

As of 20 June, the output of pig iron and steel was 60,000 tons greater than in the first half of 1959, and that of rolled steel materials was 50,000 tons greater. The output of pig iron, steel, and steel materials greatly exceeded the corresponding output for the entire year of 1957.

The most outstanding results in the implementation of the first half of the plan were achieved by the Songjin Steel Works, which fulfilled the plan by 100 percent by the end of May and by 117 percent by the 20th of June. The electric furnace workers of the steel shop of the Songjin Steel Works produced 1,400 tons of steel more than called for by the plan by 20 June.

By the end of May, the Songjin Steel Works had fulfilled the special steel materials production plan, including high-speed steel, spring round-bar steel, silicone steel sheet, spring steel sheet, and carbon tool steel; and by the 20th of June, the Songjin Steel Works had produced an additional 2,000 tons of special steel materials beyond its production

plan quota for the first half of the year. As of 20 June, the output of special steel materials was 7,500 tons greater than the corresponding output in the first half of 1959.

The Hwanghae Iron Works had fulfilled its pig iron and steel production plans by the 23rd of June. The Hwanghae Iron Works produced more pig iron in the same unit time period by improving the preliminary ore dressing and heat air valve and by increasing both the temperature and the volume of the heated air. The open-hearth workers in the steel shop of the Iron Works are actively engaged in an attempt to tap steel twice a day while simultaneously carrying out maintenance work on open hearths.

The Kimch'aek Iron Works, which increased the temperature of heated air from 700°C to the current 800°C, fulfilled its pig-iron production plan for the first half of the year as of 23 June. The Kangson Steel Works, which has been producing good-quality iron and steel materials, had fulfilled its gross industrial production value plan for the first half of the year by 101 percent by the 20th of June.

Furthermore, the Puryong Metallurgical Plant and the Namp'o Electrode Plant fulfilled their production plan by the 15th of June. (Nodongja Sinmun, 26 June 1960)

#### Iron Ore Dressing at the Musan Iron Mine

According to an explanatory note to a picture reproduced in Nodongja Sinmun, 20 May 1960, page 1, reconstruction of the No. 1 System of the dressing shop of the Musan Mine is expected to be completed by the end of May. Participating in this reconstruction work are the construction workers of the Musan Mine, and workers from the Kimch'aek Iron Works, the Hwanghae Iron Works, the Kangson Steel Works, and the Songjin Steel Works. With the completion of reconstruction work, the annual output of concentrate by the Musan Mine will increase by 360,000 to 400,000 tons.]

### Pig Iron Output at the Kimch'aek Iron Works

✓The following is a summary of a report by the Central News Agency which appeared in Nodongja Sinmun, 1 May 1960, page 1.✓

The average output of pig iron by the No. 1 blast furnace of the Kimch'aek Iron Works ranged around 905.5 tons a day between the 23rd and 28th of April 1960. On the 26th and 27th of April, the output of pig iron by this furnace reached a peak of 1,020 tons a day.

At present, the No. 1 blast furnace is producing 370.5 tons daily more than in 1959 and 159 tons more than last March. The Kimch'aek Iron Works as a whole had fulfilled its pig iron production plan for the month of April by 104.5 percent as of 27 April. (Nodongja Sinmun, 1 May 1960)

### New Coke Ovens at the Hwanghae Iron Works

✓The following is a summary of a news report by the Central News Agency appearing in the Nodongja Sinmun, 1 June 1960, page 1.✓

Construction on the No. 2 coke oven of the Hwanghae Iron Works has been in full swing since 1959. The oven was completed, and began operations on 30 May 1960. The annual production capacity of this oven which has 65 carbonization chambers, is 400,000 tons.

This production capacity is more than 18 percent greater than that of the No. 1 coke oven and about 50 percent greater than the production capacity under the Japanese regime.

The oven is designed to be adapted to the current introduction of metallurgical coke, and approximately 90 percent of its production processes are either mechanized or automated.

The completion of this coke oven is of significance not only for increasing the production of iron but also for accelerating the completion of the gas supply system in the capital city of P'yongyang. (Nodongja Sinmun, 1 June 1960, page 1)

## New Products in the Cement Industry

[The following is a summary of a report by the Central News Agency which appeared in Nodongja Sinmun, 5 June 1960, page 1.]

Our success in the pilot production of "white cement" was hailed as a big step toward making further technological innovations in the building-materials industry.

The workers and technicians at the Sunghori Cement Plant have been working on this cement and succeeding in its pilot production in order to meet the demand for "white cement" which has had to be improved.

Since the early part of April of this year, the Plant has been producing white cement at the rate of about two tons a day. One of the special cements, white cement can be colored by the addition of pigment. Through further improvement of the composition of raw materials and the cement-crushing process, the workers and technicians hope to produce larger amounts of this cement and to improve its quality. (Nodongja Sinmun, 5 June 1960, page 1)

## Rehabilitation of Power Industry Facilities

[The following are excerpts from an editorial, "Let Us Make Further Improvements in Quality in Completely Rehabilitating Power Industry Facilities in this Final Stage," Chollyok, No.5, May 1960, p.1.]

Work on the complete rehabilitation of power plants, transformer stations, and transmission and distribution lines is now in its final stage. Our power industry is being equipped with highly reliable equipment.

Although they have talked a great deal about complete rehabilitation of facilities, some enterprises have not yet taken concrete measures to that end and are not making vigorous enough efforts.

As a result, work on the complete rehabilitation of facilities has been delayed, and even where rehabilitation work has been completed, the poor quality of the work is now causing numerous difficulties.

During the first quarter, for example, 71.4 percent of the instances of difficulties encountered were caused by the poor quality of the facilities and parts used. This is an indication that the most important requirement is to improve the quality of future rehabilitation work.

In addition, this situation calls for a thorough re-examination of all the facilities of the power industry; at the same time, it is necessary to undertake the comprehensive classification of the objects of rehabilitation work on the basis of their order of priority.

To ensure the required quality and the completion of the work on schedule, it is essential that there be an adequate, timely supply of the necessary machinery, equipment, and supplies. Our failure to meet this requirement was one of the primary reasons for the unsatisfactory quality of the work and for our inability to complete the work on schedule.

But even where an adequate supply of machine tools existed, they were not fully utilized; as a result, various machine parts which could otherwise have been made with these machine tools for the enterprises' use were not produced.

All of these defects should be eliminated as soon as possible; this is especially urgent in view of the fact that work on the complete rehabilitation of facilities is in its final stage. (Chollyok, No. 5, May 1960, page 1)

## Electricity Economization Measures

The following is a translation of an article by Kim Myong-sung, "Economization of Electricity and Fees," Chollyok, No. 5, May 1960, pages 30-31.7

The following material deals with the principal provisions of new law on the electricity supply and the law on the charges levied for electricity and the bonus system. Both of these laws have been revised in accordance with Cabinet Decision No. 72 (30 December 1959) and Premier's Decree No. 49 (26 January 1960).

(1) How are the fees for electricity to be computed when the consumption norm of electricity per unit product has been lowered?

The expenditure for electricity purchases (fees paid by enterprises for the use of electricity) is a component of the production cost; It is divided into two categories: fees based on the amount of electricity (chollyok'yang Yogum) computed on the basis of the amount of electricity consumed, and basic fees (kibon yogum) computed on the basis of the capacity of the transformers installed in individual enterprises (in the latter, fixed monthly fees are paid unless the capacity of transformers has been changed).

According to the revised law dealing with the electricity supply, the fees charged per KWH of electricity are about four times as high for the electricity consumed beyond the consumption norm per unit product.

If both the consumption norm and the use norm (sayong kijun) are exceeded, the fees per KWH of electricity consumed beyond the norm are about seven times as high.

According to these provisions, the fees payable by enterprises for electricity consumed unit product are computed as follows:

Actual consumption of electricity per unit product (%)	Below the Norm		Norm		Above the Norm		
	80	90	100	110	120	130	140
Fees payable for the amount of electricity consumed per unit product (%)	80	90	100	170	240	310	380

As the above table indicates, if the electricity consumption norm is lowered by one percent, the fees are reduced by the same proportion. However, the total fees, including the basic fees, are reduced by 0.6 to 0.7 percent for every one-percent reduction in the consumption norm.

For enterprises paying the fixed basic fees, the electricity fees per unit product are paid at either a high or a low rate depending on whether or not these enterprises have lowered their consumption norm or overfulfilled their production plan; this is determined as follows:

Production plan implementation (%)	<u>Underfulfilled</u>					<u>Normal</u>	<u>Overfulfilled</u>		
	50	60	70	80	90	100	110	120	130
Basic fees (cost) payable per unit product (%)	200	167	148	125	111	100	91	83	77

The relations obtaining among electricity fees per unit product, the electricity consumption norm, and the production plan implementation are as follows:

Electricity fees per unit product	Electricity Con- sumption norm		Production plan
Decrease if:	Lowered	and	Overfulfilled
	Lowered	and	Fulfilled as planned
	As planned	and	Overfulfilled
Increase if:	Exceeded	and	Underfulfilled
	Exceeded	and	Fulfilled as planned
	As planned	and	Underfulfilled

Whenever electricity is wasted in enterprises and there is an abnormal fluctuation in production, the load factor and the power factor are lowered, which, in turn, increases the electricity fees per unit product.

If enterprises fail to achieve the load factor and power factor levels which are provided for in contracts, according to the law concerning the electricity supply they must pay their electricity fees at the following rates:

Rate whereby failed (%)		Up to 5%	Up to 10%	Above 10%
Rate at which additional fees are charged in addition to the monthly fees (basic fees plus fees for the amount of electricity consumed) for every one percent of failure	Power factor	0.4%	0.7	1.0
	Load factor	0.3%	0.4	0.6

According to these provisions, if, for example, an enterprise fails to achieve the contracted power factor by six percent, for that month, it must pay the regular monthly electricity fees plus an additional charge equivalent to 4.2 percent of the monthly fees.

For this reason, it is very important for enterprises to ensure the strict observance of electricity supply contracts concluded with power transmission and distribution divisions.

(2) If the power factor and the load factor are raised, the electricity fees payable for the month are reduced.

As for the motive force (electric energy) facilities, the basic fees are paid according to the capacity of the transformers (including the capacity of high-voltage electric motors in the case of 3-kv users), irrespective of the amount of electricity consumed.

According to the new revised law, when the power factor and the load factor are raised, there is a considerable reduction in electricity fees. For example, if the power factor and the load factor are increased by one percent, the basic fees for each are reduced by about one percent.

### (3) Electricity Economization and the Bonus System

When enterprises economize electricity, either by lowering the electricity consumption norm or by raising the power factor and the load factor, they receive an appropriate bonus calculated on the basis of the provisions of the bonus system. This bonus is divided among the workers, shops, or work teams in the enterprises which scored an excellent record in the economization of electricity.

The bonuses which enterprises receive from electricity supply organs amount to 50 percent of the otherwise payable fees for the amount of electricity economized, if this economization is effected by lowering the consumption norm. However, if this economization is achieved by raising the power factor and the load factor, the bonus is computed at the following rates:

Rate of rise (%)		Up to 5%	Up to 10%	Above 10%
Bonus (%)				
For every one percent of the rate of rise above the contracted power factor and load factor; and of the total monthly electricity fees (basic fees plus fees for the amount of electricity consumed)	Power factor	0.1%	0.2	0.5
	Load factor	0.05%	0.1	0.25

(1) If awarded to individuals, this bonus may not amount to more than 70 percent of the basic wages of these workers for the month; however, in exceptional cases this bonus may rise to as much as 100 percent of the basic wages.

(2) When awarded to shops or work teams for their collective efforts, this bonus may consist of as much as 70 won a month.

The above description clearly demonstrates that the systematic lowering of the electricity consumption norm and the systematic enhancement of the power and load factors would not only create additional electricity reserves without additional State investments but would also reduce the cost of products and increase the return of enterprises and the incomes of the workers. (Chollyok, No. 5, May 1960, pages 30-31)

### Defects in Farm Implements Production

The following are excerpts from an editorial, "Let US Produce More Adequate Farm Implements," Kigye Kongop, No. 4, April 1960, pages 2-3.

As of 20 March 1960, the machine industry in our nation had produced 154 tractors, 221 trucks, 299 tractor supplements (posup), 1100 trailers, and motorized and animal-drawn hoes and weeding machines (for midseason).

But compared with the dimensions of the task entrusted to the machine industry by the Party overall 1960 supply plan of farm implements calls for 3,000 trucks and 4,000 tractors, of which 1,000 tractors are to be imported, this is merely a beginning.

This situation calls for the elimination of various defects currently manifest in machine plants. Only in this way can the necessary farm implements be produced on time.

To this end, it is necessary to strengthen cooperative production. This task is of primary importance in view of the fact that all the plants are now participating in cooperative production.

At present, however, some machine plants do not observe the regulations of cooperative production, and this has greatly impeded the production of farm implements.

For example, the Nagwon Machine Plant attempted to avoid the conclusion of the cooperative production contract; the Pukchung Machine Plant abandoned the production of some farm implements with the excuse that various difficulties were being encountered; and the Kanggye Textile Machine Plant delayed its production of machinery, and its final products were defective. The struggle against such egocentric tendencies should be further intensified.

Next, the adequate, timely production of farm implements calls for thorough technical management.

In the absence of proper management, the machine plants showed many defects in the production of farm implements. Despite this bitter experience, the Pukchung Machine Plant and several other machine plants have still not established adequate engineering schedules or provided adequate technical facilities required for the production of farm implements. All these defects should be eliminated as rapidly as possible.

At the same time, there are some plants that have not even attempted to solve relatively simple problems. Their pretext has been that "cooperative production impedes production work" or that they "have no materials to be processed." These plants should rapidly correct their complacent attitude and organize production in a more responsible manner.

In this connection, it is particularly important for plants to produce various parts required for their own repair or production of farm implements. The production of parts and standardized tools is of great importance and should be further expanded. In this way, the output and supply of farm implements should reach several tens of thousands of tractors and trucks within the next two to three years.

Finally, the quality of farm implements should be decisively improved. The production of useless farm implements not only results in a great waste of labor, facilities, and supplies, but also greatly impedes the execution of the Party's agricultural mechanization program. (Kigye Kongop, No. 4, Apr. 60, pages 2-3)

### III. AGRICULTURE AND FISHING

#### Progress in the Mechanization of Agriculture

The following is a summary of an unsigned article "Let Us Support the Mechanization of Agriculture," Nodongja Sinmun, 3 July 1960.<sup>7</sup>

During the first quarter of this year, the working people of Korea were successful in their efforts to promote the mechanization of agriculture in support of the decision adopted at the December enlarged plenary session of the Party Central Committee. Efforts have been made to extend mechanization from plains regions to hilly regions, to switch over from the mechanization of difficult and time-consuming work to all-around mechanization, and to execute the Party line of combining the use of major farm machines with that of medium and small farm machines as well as combining the use of modern type farm machines with that of small machines and tools.

During the first quarter of this year alone, a large number of major farm machines, such as tractors, auto-trucks, sowers, harvesters, as well as a great many simple and efficient medium and small farm machines, were produced and supplied to rural areas.

In the past half-year, the machine-building factories and enterprises of the Heavy Industry Commission (Chunggongop Wiwonhoe) have had great success in producing large motorized and tractor-operated farm machines. During the second quarter of this year, the output of these machines amounted to over 180 percent of that during the first quarter; and the total output during the first half of this year was over 48 times that of the corresponding period of last year. The output of tractors, auto-trucks, trailers (yon'gyolch'a), and tractor-operated farm machines and implements (yon'gyolnonggigye) in June of this year was four to eight times that of the output in January.

In their efforts to promote the mechanization of agriculture, the workers at farm-machine shops have instituted a great many technical innovations. In the course of discussions on methods of carrying out the decisions adopted at the December 1959 enlarged plenary session of the Party Central Committee, these workers brought to light the existence of enormous

reserves of labor supply and equipment. Thus, they succeeded in normalizing the production of farm machines by intensifying cooperative production among more than 40 factories and enterprises mobilized for the production of farm machines.

Since the Party general meeting at Ch'ongsanni, the working people in our rural areas have been making great strides by exerting themselves to the utmost. In response to a proposal to provide larger quantities of major motorized farm machines and tractor-drawn farm implements for rural areas, the workers at machine shops launched a "my own machine and my own tool" movement in order to raise the utility rates of existing equipment. In a short period of four or five months, these workers put into effect over 1,400 original devices and rationalization proposals which had been submitted early this year. As a result, their work has been further mechanized. These workers through their own efforts produced approximately 26,700 new tools and maintenance tools (chigu) needed in manufacturing 42 different types of medium machines. They were thus able to expand the production capacity of their workshops by specializing their work and by working their equipment on a normal basis.

Backed by the material and technical assistance of our powerful central industry, the workers in local industry are consolidating their production foundations and technical provisions and concentrating their efforts on producing various medium-and small-size farm machines and instruments, including efficient and long-lasting tractor-drawn implements and weeders that are suited to plains and hilly areas. In the past five months, the workers in local industry have produced more than two times the number of medium-and small-size farm machines, including sowers and all-purpose threshers, produced in the corresponding period of last year. Moreover, the output of some farm machines and farm implements, such as weeders and ox-and horse-drawn carts, exceeded the total output of last year. The number of types of farm machines produced by local industry has also increased; in the past five months, ten new items, including all-purpose threshers, have been turned out.

Farm-machine shops with modern facilities have been established in provincial capitals; farm-machine shops have also been set up in kun seats. The workers in these factories are utilizing all locally available materials, raw materials, and other resources; they have raised their labor productivity by 120 to 150 percent through the mechanization of difficult and time-consuming work, the adoption of advanced work methods, and the continual enhancement of their skills.

During the first half of this year, our rural areas have been supplied with a great many modern-type major farm machines. During this period, more than 1,500 tractors, more than 3,500 trailers, and a great many tractor-drawn farm machines and implements of various types were sent to the countryside (agricultural-livestock farms excluded).

The number of medium-and small-size farm machines produced by central and local industry has increased to over 130,000.

With the increase in the supply of farm machines, the networks of farm-machine service stations have also expanded; and more than 1,700 tractor drivers and many other trained technicians are working in our rural areas. At present an average of 1.2 tractors is used by each agricultural cooperative. In such agricultural centers as Hwanghae-Namdo and P'yongan-Namdo, an average of two to three tractors are used by each agricultural cooperative. There are a total of more than three thousand agricultural cooperatives in Korea. Until quite recently, the Korean peasants used only primitive farm tools; but the picture has changed radically, and modern-type farm machinery is playing a very important role.

This last statement is borne out by the increased use of machinery at farm-machine service stations scattered all over the country. As of 20 June of this year, the amount of mechanized work at the farm-machine service stations showed a gain of 130 percent over the first half of last year. A total area of 2,385,000 chongbo was plowed by the stations, representing a gain of 229,000 chongbo over the total amount worked in 1958. As of 10 May of this year, the amount of work per tractor (at the rate of 15 h.p. per machine) showed an increase of 21 percent over the corresponding period of last year.

To improve the efficiency of the farm-machine service stations, their management structure has been drastically reduced, with 670 workteams reorganized into 187. As a result, 1,100 tractor drivers who had been diverted to other tasks have been assigned to drive tractors. Early this year, these drivers participated in the process of drawing up the production plans of agricultural cooperatives. The drivers have also formulated plans to work their tractors the year-round without a break together with the agricultural cooperative members. The drivers have been exerting themselves for the end of accomplishing great results. (Nodongja Sinmun, 3 July 1960)

## Significance of the Farmers' Market

[The following is a summary of an article  
"Let Us Make the Farmers' Market More Active"  
by To Chae-hyon, Sangop, No. 5, May 1960,  
pages 4-7.]

Premier Kim Il-song has said: "Measures should be taken to ensure the maintenance of the farmers' market as a trading center for farm products. However, almost nothing is being done to achieve this end. A large amount of products is taken to the farmers' markets by peasants, but there is no guarantee that their merchandise will be sold directly to consumers." Recently, the Premier again declared that steps should be taken to make the farmers' market more active.

The farmers' market plays a vital role in the construction of the people's economy and in the circulation of commodities. It is the function of the farmers' market to supply farm products to urban areas and to workers' districts and to ensure the exchange of goods between areas. Thus, it is the role of the farmers' market to stimulate production by making it possible for producers and consumers to meet each other directly.

If it were not for this kind of contact between producers and consumers, the purchasing programs for farm products would not be able to provide sufficient encouragement to producers to meet the growing demand for farm products and farm byproducts.

The farmers' market constitutes a supplementary channel for the circulation of commodities, thus rendering assistance to State commerce and cooperative commerce. The farmers' market also supplies consumers with farm products, farm byproducts, and necessities. Thus, the farmers' market fulfills its function by meeting the needs of consumers and encouraging peasants to raise their output.

With the cooperativization of agriculture and the transformation of capitalist commerce and industry along socialist lines, the farmers' market in Korea has taken on great significance as a socialist market. It is for this reason that the Party has taken an active interest in this form of market and has expended large sums of money and a large amount of materials every year in setting up farmers' markets.

However, since many farmers' markets are not doing very well, Premier Kim Il-song recently issued detailed instructions with regard to this type of market. As a result, some improvements have been made in this field. However, many farmers' markets are still not properly managed. Some markets have even been discontinued deliberately, and nothing is being done to reopen them. To a great extent, this phenomenon can be accounted for by the fact that many leading workers in this field are not aware of the nature of the farmers' markets or the role to be played by them.

As a result, some workers take the erroneous position that, since private commerce and industry have been completely transformed along socialist lines, the farmers' markets are no longer required, and that there is little or no difference between private tradesmen and peasants who want to sell their merchandise on the farmers' market.

Since the people's market constituted the arena of activity for capitalist tradesmen, the people's market has been deprived of all its *raison d'être* with the complete transformation of the capitalist commerce and industry of Korea along socialist lines. On the other hand, the farmers' market has taken on greater significance. For the farmer's market is a socialist market, and the increase in the amount of farm products brought to it is in direct proportion to the increase in agricultural output and in the peasants' share thereof.

As a result of the expansion and solidification of agricultural cooperatives, the peasants' shares in the distribution of agricultural output have increased, and they are selling more than in the past; at the same time, there has also been an increase in the crops from their vegetable plots and the products of their subsidiary industries. Moreover, with the increase in the farm output of agricultural cooperatives, there has also been an increase in the amount of products retained by cooperatives after they have sold their crops to purchasing agents. This increase has been sufficient to allow them to sell more than in the past on the free market. Thus, the need for the farmers' market has increased for both the peasants and for agricultural cooperatives.

The reorganization of the purchasing system has also enhanced the role of the farmers' market. As a result of this reorganization, the producers of farm products are authorized to sell their products on the free market after the stipulated amount has been sold to the purchasing agencies.

[In the original text this paragraph reads as follows: The reorganization of the purchasing system has also increased the significance of the farmers' market. It is necessary that farm products be circulated; the larger part of the farm products, after a part of them has been sold under purchasing programs, will be actively, or without hindrance, interchanged through direct selling.]

We shall next consider the problem of price. The prices of products sold by peasants or agricultural cooperatives directly at farmers' markets are determined by the relationship between demand and supply, subject to the influence of organized market prices.\*

\*The organized market consists of State commerce and cooperative commerce. (Sangop, No. 5, May 1956, p.24)

If the prices established at the farmers' market are ignored, the output of farm products and the circulation of farm products will be adversely affected. Therefore, the prices at the farmers' markets can not and should not be placed under control. Nevertheless, some workers are of the opinion that if the prices of the farmers' markets are not planned, like those of the organized market, prices in general will increase. This is not correct, for the people's economy is operated under the unified socialist economic system that reigns in Korea, and our dependable State commerce and cooperative commerce are founded on powerful heavy and light industries and on a cooperativized agriculture. Under these circumstances, over-all prices will never be raised or lowered to the extent that the nation's economic life can be affected by the prices of the farmers' market. The prices of the farmers' market will rather render valuable assistance to the construction of Socialism and to the enhancement of the people's livelihood by stimulating agricultural production and the circulation of products at the farmers' markets.

Another consideration is that the farmers' market is an institution of long-standing in Korea. The market has been in operation on a daily basis in urban areas, and in rural areas it has functioned at regular intervals. This historic institution can not be abolished overnight. Some provincial workers have adopted the mistaken view that the farmers' market should be done away with by administrative measures. Even if all farm products could be bought up by purchasing agencies and the needs for industrial goods could be met in rural areas, the peasants would still make trips

to the farmers' market to obtain first-hand information on the market situation or to obtain superior industrial goods. This is evident from past experiences and from current practices among the peasants.

There is therefore no reason why the farmers' market should be abolished; on the contrary, it should be made more active. What then are the measures that should be taken to improve the operation of the farmers' markets?

The workers in this field should become familiar with the role to be played by the farmers' market, its socialist nature, and its significance. This will enable the workers to more efficiently organize the sale of farm products and the supply of industrial goods through the instrumentality of the farmers' market.

It is also important that barber shops and repair shops of various types be operated in the farmers' market so that visiting peasants can use these facilities. The expenses for maintaining such shops are to be met with part of the market rents. If such service facilities are not available, the visiting peasants will be subjected to a great deal of inconvenience.

There are two types of farmers' markets: one is in operation on a permanent basis; the other functions at regular intervals, e.g., every five days, seven days, or ten days. The permanent market is operated by the management office, and the other type by the manager. Both the management office and the manager are under the control of the market management committees (sijang kwanri wiwonhoe) of cities or kun.

Since a large amount of merchandise is taken to the market by agricultural cooperatives, merchandise must be kept at the market in the interval between the end of the day and the next morning. Such merchandise should be taken care of by either the management office or the manager.

There is a tendency among some agricultural cooperatives to keep their members from going to the farmers' market. However, it is impossible to use force to prevent peasants from going there. The best approach is to take appropriate measures to prevent too much time from being spent in visiting the market, especially at those times when there is a great demand for labor on the farm. The work of the cooperative's store should be improved so that the needs of the members can be satisfactorily met by efficient purchasing of

their products and by supplying them with industrial goods. In addition, arrangements should be made for a small number of persons to make trips to the market in behalf of others, so that only a limited amount of labor will be diverted from urgent farm work. (Sangop, No. 5, May 1960, pages 4-7)

### Advance Distribution of Crops

✓The following is a translation of an informative article "How to Carry Out the Advance Distribution of Wheat and Barley, and the Preferential Treatment System" issued by the Bureau of Technology, Ministry of Agriculture, and published in Nongmin Sinmun, 29 June 1960.7

Agricultural cooperatives should carry out the advance distribution of this year's output of early crops, including wheat and barley, and the preferential treatment system by means of the following precedures.

To carry out the advance distribution of wheat and barley and other crops, the management committees of agricultural cooperatives should determine the output of these crops produced by each work team by measuring their crops and by entering the measured weights in the production register before turning the crops over to the chief storehouse keeper.

After setting aside taxes-in-kind and seeds from the total output, the balance is to be distributed among the cooperative members.

As for improved varieties of wheat, buckwheat, and barley, the total output should be kept to be used as seed. When the portion of these crops to be used by the cooperatives as seed has been put aside, the remainder should be put into the State grain storehouse and substitute grains should be distributed.

To properly carry out the advance distribution of crops, the cooperative management committee must calculate the number of workdays earned by each cooperative member and publish these figures in advance. The inspection committee should make a special point of examining the record of the workdays earned by each cooperative member to ensure that nothing has been omitted and that there are no miscalculations in the record.

All cooperative members, including store keepers, seamstresses, and barbers, are to receive their shares of the advance distribution in accordance with the number of workdays earned by them.

The cooperatives' management committees must prepare the advance distribution register for each cooperative member.

When a work team has exceeded the production plan for early crops or the preference treatment norm, the entire excess is to be distributed in the form of a bonus; on the other hand, if the norm has not been fulfilled, the deficit should be compensated for at the year-end distribution. The fulfillment of the preferential treatment norm is to be determined by the cooperatives' management committees on the basis of the weight of the threshed grains, with 15 percent subtracted as moisture content. The final determination is subject to the ratification of the cooperative membership general meeting or the membership representatives' meeting.

When the preferential treatment norm has been exceeded, the bonus will be distributed among the team members and the tractor drivers who have been assigned to the team since the beginning of the year. Their share will be determined on the basis of the number of work days earned by them. If the per capita bonus is 20 kilograms or less, the entire amount will be distributed. In the event the per capita bonus surpasses 20 kilograms, 70 percent of the total bonus will be distributed, and 30 percent will be withheld until the year-end distribution. At this time, the 30 percent will be given to the recipients if they have exceeded their annual preferential treatment norm; otherwise, the 30 percent will be disposed of in an appropriate manner.

Bonuses for individual team members (the withheld amount excluded) will be computed by means of the following procedure. The total amount produced by the work team in excess of the preferential treatment norm is divided by the number of work days earned by the team members and tractor drivers as of 15 June; the result will represent the bonus per work day. This quotient is then multiplied by the number of work days earned by individual recipients, and the result will indicate their respective shares.

Bonuses will be given to team members in kind and to tractor drivers in cash by selling the grain due to them to the State. (Nongmin Sinmun, 29 June 1960)

## Payment of Technicians in Agricultural Cooperatives

The following is a summary of a question raised by Tal-ok, a junior horticultural technician at Chang-hung Agricultural Cooperative, Oro-Gun, and of the answer by Kim Ch'on-il, whose official position is not identified, Sonjin Nongop, No. 7, July 1960, pages 46-47.

How many technicians and junior technicians should there be in an agricultural cooperative, and what is the compensation they are to receive?

It is stipulated in the "Tentative Standard Regulations Concerning the Management, Compensation, and Material Favored Treatment of Agricultural Cooperatives" that an agricultural cooperative may have one or two agricultural (including pomicultural and sericultural) technicians or junior technicians, depending upon the number of farm households included in the cooperative.

The technicians and junior technicians who work with an agricultural cooperative on a permanent basis are considered to be members of the cooperative. The number of work days for technicians and junior technicians varies with the size of the cooperative or the number of farm households included in the cooperative. Technicians are to be credited with the same number of workdays as the vice chairman of the management committee or the general secretary (sagijang) and junior technicians are to be credited with the same number of work days as the chief bookkeeper.

The basic duties of technicians and junior technicians are to formulate the production plans of the cooperative and to provide technical guidance. They will receive the following work-day credits per day when they have done a day's work for the cooperative:

No. of Households	Technicians	Junior Technicians
Up to 200	1.00 workday	0.95 workday
201 -400	1.03 workdays	1.00 workdays
401 -600	1.07 workdays	1.05 workdays
601 and Up	1.12 workdays	1.10 workdays

Technicians and junior technicians, like other managerial personnel, are obligated to earn 70 workdays per year by actually taking part in production labor when important seasonal farm work is in progress. The technicians and junior technicians should be credited with the number of workdays they have earned by actually participating in productive labor in addition to the number of workdays they are entitled to receive per day in their capacity as technicians or junior technicians.

In case a technician or junior technician fails to earn 70 workdays per year by participating in productive labor, 200 percent of the deficit will be subtracted from the workdays he has earned.

In the event that State economic plans -- especially the production plans for food grains, industrial crops, silkworm cocoons, and fruits are overfulfilled, technicians and junior technicians will receive cash rewards from the State. The size of the cash reward will be determined at the cooperative membership general meeting or at the cooperative membership delegates' meeting in accordance with the number of farm households in the cooperative. It will be determined by taking into account the extent of the overfulfillment on the basis of the provisions of the Tentative Standard Regulations and in accordance with the attitude of the recipients. The recommendations of the cooperative membership concerning the cash rewards for technicians or junior technicians will be sent to the city or kun Party committee and the city or kun people's council for examination and final decision.  
(Sonjin Nongop, No. 7, July 1960, pages 46-47)

Expansion of West Coast Fisheries

The following is a summary of a resolution adopted by the Conference of Activists of the West Coast Fisheries which was held in Namp'o from 15 to 16 June 1960, Nodongja Sinmun, 17 June 1960, page 1.

(1) The West Coast Fisheries shall exceed the 1960 State fish-catch plan by 29,000 tons of fish. To that end, they shall strive to increase the number of fishing-expedition days of each fishing boat to more than 300 days a year and

(2) By improving the marine-product processing industry, they shall fulfill their fish-product export plan by 123 percent. Base figures not available. (Nodongja Sinmun, 17 June 1960, page 1)

#### IV. LABOR

##### Labor Under Socialism

["Socialism, Labor, and Life," by Sin Tok, Kulloja, No. 5, May 60, pages 49-55, describes in general terms the difference between labor (work) and life under socialism and under capitalism. The following are extracts of figures from the article.]

The cash wages of the workers were raised on four occasions during the postwar period alone. In 1959, wages were 270 percent above the prewar 1949 level, and real wages increased by 90 percent during the same period.

Workers and office employees are supplied food at a nominal cost to themselves. They pay only 3.4 percent of their average monthly budget for rent, and 2.3 percent for fuel and electricity.

In addition, the children of the workers are receiving a free education in our country. The workers are enjoying many benefits in addition to their wages. For example, State expenditures for social and cultural affairs per family amount to about 70 percent of the average monthly wage of workers and office employees.

Furthermore, the 1960 expenditures for the people's economy and for social and cultural affairs account for 93.5 percent of the total budgetary expenditures, with the remaining 6.5 percent accounted for by national defense and administrative costs.

As the people's standard of living has improved, their longevity has increased. During the 15 years since the national liberation in 1945, the mortality rate in the northern half of the Republic fell by 42 percent and the average life expectancy increased by 15 years. (Kulloja, No.5, May 60, pages 49-55)

## Labor Productivity in the Construction Sector

The following is a summary of an editorial,  
"Let Us Constantly Increase Labor Productivity,"  
Konsolcha, No. 3, March 1960, pages 8-9.]

The decision of the December 1959 Plenum of the Party Central Committee calls for a 15.4 percent increase in labor productivity in the basic construction sector during 1960.

In addition to the use of prefabricated building materials, the mechanization of construction work, and a higher utilization rate for construction equipment are required to increase labor productivity.

However, these requirements have not been satisfactorily met in the past. For example, in 1959 the utilization rate for construction equipment in construction enterprises in the city of P'yongyang was only 54 percent for tower cranes, 21 percent for concrete mixers, and 30 percent for excavators. Moreover, the mechanization level of wall-filling operations (mijang) was a mere 7.5 percent.

This low utilization rate is mainly accounted for by the failure of these enterprises to carry out repair work on a regular basis and to keep a reserve stock of the machine parts required for such repair work. This situation calls for a radical improvement in the work of the maintenance shops, so that they can produce and provide the required machine parts on time. At the same time, equipment operators should be made to realize that they are the owners of the equipment and that they should handle it with care.

Another way to raise the level of labor productivity is to raise the skill levels of the construction workers. Every available channel of learning should be utilized for the teaching of skills: technical study, technical specialization, evening technical schools, correspondence schools, technical propaganda halls, etc.

An additional problem is to improve the quality of construction work. Workers mistakenly tend to think that this problem is not directly related to their labor productivity, although defective work naturally tends to lower the level of labor productivity. This shortcoming must be corrected immediately. (Konsolcha, No.3, March 1960, pages 8-9)

## Labor Administration in the Machine Industry

The following are excerpts from an editorial, "Let Us Further Improve Labor Administration," Kigye Kongop, No. 3, March 1960, pages 1-2.

One of the most important prerequisites for the successful fulfillment of the tasks of the machine industry during the adjustment period is the correct administration of labor.

It is well known that the correct administration of labor makes it possible to increase output with less labor force and less equipment and machinery.

But, the Pukchung Machine Plant, the Taean Electric Plant, as well as some other plants and enterprises are still attempting to facilitate their work by increasing the absolute number of workers rather than by increasing labor productivity.

Rather than making more labor available through an adequate organization of production and labor, these plants have created numerous intermediary "steps," thus slowing down the work. Moreover, by calling meeting during work periods and by transferring workers from their assigned task to other tasks, these plants have wasted a great deal of labor.

Notwithstanding this situation, the managerial officials of some plants and enterprises mobilized labor administrators for other tasks and thus prevented them from exercising their proper functions; consequently, the administration of labor at these plants and enterprises became disorganized.

All these shortcomings should no longer be left unchecked, and all plants and enterprises should ensure an adequate organization of labor.

This task calls for a re-examination of current appraisals of the quality of individual workers' work, wage payments, the level of mechanization, etc. In addition, the frequent shifting of workers from one shop to another should be discontinued; this applies especially to those plants and enterprises which often transfer skilled workers from the basic sector to the indirect, or auxiliary sector.

The economization of labor also calls for the simplification of administrative organs and adequate coordination among the individual shops of the plants. In particular, the work of the work teams of casting shops and pipe-forging shops should be re-examined, and adequate working provisions should be made for them.

Next, the mechanization and automation programs, which constitute the basic prerequisite for higher labor productivity, should be executed with a greater sense of responsibility. If our machine plants mechanize their casting shops, establish a comprehensive transport system within the plants, mechanize transport media, eliminate the present separate dual transport of raw materials and finished products, the labor force currently engaged in these sectors can be cut 20 to 40 percent.

It is also important to enhance the skill levels of the workers in the machine industry.

Although the machine plants and enterprises are equipped with modern facilities, the workers using these facilities for the most part consist of those inducted after the war. Moreover, a considerable number of these workers were brought into industry only last year.

Another important aspect of the administration of labor is to ensure an accurate appraisal of work performed, for this appraisal is the basis of adequate organization of labor and an adequate organization of wages. A correct and accurate organization of wages is essential not only for arousing the workers' incentive but also for enhancing labor productivity in plants and enterprises as a whole.

Since the implementation of these tasks is wholly dependent upon the class consciousness of the people entrusted with their execution, the labor administrators and especially those engaged in the appraisal of work should be selected from among the officials who not only have political and practical knowledge, but also a certain amount of economic knowledge and who are trusted by the workers. (Kigye Kongop, No.3 March 1960, pages 1-2)

## Income Distribution in the Fishing Sector

The following is a translation of a commentary "Let Us Correctly Carry Out the Tentative Regulations Concerning the Distribution of Income among the Workers in the Fishing Field," Choson Susan, No. 6, June 1960, pages 28-29. The author is not identified.

At the Party General Meeting in Ch'ongsan-ni Premier Kim Il-song stated that the management of labor should be re-organized in accordance with the new environment in order to avoid the waste of labor and to concentrate all efforts on the major production fields. The Premier also explained that all workteams should adopt the piecework system and bonus system on an extensive basis.

In accordance with the instructions of the Premier, the management of labor in the fishing field has been re-organized, and the wage system for workers has been revised to correspond to the prevailing conditions. The wage system formerly applied to the fishing workers has been abolished in favor of a system of distributing earnings by accurately applying the socialist principle of distribution on the basis of the quality and quantity of the work done by the workers. As a result, the struggle to increase output and economize costs will be intensified and the material and cultural levels of the workers will be raised.

Under the new regulations applied to the distribution of earnings, the income of the workers will increase in proportion to their output; if profits are increased by exceeding production plans and economizing production costs, including fishing materials and fuels, the total surplus profit will be distributed among the workers concerned. On the other hand, if losses are incurred, the workers are to pay damages.

These regulations apply to the workers in the State fishing industry: workers engaged in catching fish at sea, cultivating aquatic products in shallow seas, and processing fish products.

Earnings are to be distributed among the workers of workteams. The workteam is to operate on a permanent basis throughout the year in accordance with the people's economic plan; it is to use the same boats, the same fishing instruments,

and the same personnel. Workteams should be so organized that a balance can be maintained between the income of the individual workteams and the per capita income by appropriately combining mechanized fishing, medium-and small-scale fishing, and various types of fishing that earn different amounts of profit. However, if the situation of a fishing enterprise necessitates it, or if a group of workers are engaged in a type of fishing which makes it impossible for them to be associated with other workteams, then a workteam may be organized on board a boat or a group of boats.

The production plans and the production cost plans for a workteam will be formulated in accordance with the people's production plan for each enterprise concerned on the basis of a year, a period (bun'gi), and a month, as well as on the basis of a work unit (chakop tanwi), such as a boat or a fishing instrument. The following types of indices will be issued:

1. The production plan: output of commodities and the total amount of products. (These should be classified under fish, shellfish, weeds; and subclassified under species.)
2. The production cost plan: all fishing cost items should be included, except wages.
3. The standard table of fishing instruments depreciation and the table for the planned consumption of materials.
4. The table for the planned number of days devoted to fishing at sea and the table for the planned times of casting fishing nets.

In addition to the production plan and the production cost plan, processing work teams are to be issued. The standard table of grades for various goods and the standard table for the amount of finished goods per unit of raw materials (silsuryul kijun p'yo).

The level of skill and the work conditions of teams should be taken into consideration in issuing the production plan to work teams.

When the production cost and the planned profits have been subtracted from the wholesale price of fish, the total balance is to be distributed each month among the members of work teams. However, since the production costs cannot be computed each month, only 90 percent of the estimated shares of the team members will be distributed each month, until the

end of the period (bun'gi) when the correct amount of money will finally be distributed. The computation will be made according to the following formula:

Income from production = output of fish by kinds x wholesale price of fish by kinds.

Income for a work team = income from production - (production cost + planned profit)

Our goal is to encourage work team members to raise their output so that the total output of the fishing enterprise concerned may be increased. Thus, even if some boats or fishing projects of a work team have failed to fulfill their projects or if a work team has failed to fulfill its production plans, the workers concerned are to receive their share of the earnings of the work team as a whole, provided the work team has made a profit by exceeding its production plan and has lowered its production cost. However, this does not mean that every member of the work team is to receive the same share of the team's earnings. The share of a work team member should be determined by taking into consideration the extent to which his production plan has been exceeded, the number of days he has reported to work, his grade of skill, and the extent to which his cost plan has been fulfilled. Thus, his share will be computed according to the following formulas:

The coefficient of the share for a worker = coefficient of his skill level x number of days he has reported to work x the extent to which his production plan has been fulfilled x the extent to which his cost plan has been fulfilled.

The share of cash income for a worker = the profits of the work team after settlement of accounts x the coefficient of the total shares for the work team x the coefficient of the shares for individual workers.

In applying the extent to which the cost plan has been fulfilled, the coefficient of the shares for individual workers will be in proportion to the planned cost.

If a worker is to receive less than 25 won for his share of a month's earnings, the sum may be raised to 25 won so that he can earn the minimum living expenditures for the month; however, the excess should be charged to him as a debit to be paid back by him later on.

To ensure that both the quantitative and qualitative goals of the production plan are fulfilled, those workers who have fulfilled the commodity output plan but have failed to fulfill the index of the amounts of the output of different fishes will receive five percent less than their usual share of earnings.

When the workers engaged in the cultivation of aquatic products in shallow seas and those engaged in processing fishing products have made profits by improving the standard grades of their products and by increasing their output per unit of raw materials, the entire profits will be given to the workers concerned as bonus.

It is very important to set aside on a priority basis the planned profit from the earnings of work teams before they are distributed among the team members. This reduction should be made without taking into consideration the extent to which the production plan has been executed. Thus, a part of the year's planned profits can be set aside.

When a work team has exceeded its production plan, one percent of the excess profit will be divided among the captain of the fishing boat, the chief engineer, and the officer in charge of sea fishing. If the work plan of the entire enterprise is exceeded, bonuses will also be given to the managerial personnel.

We have now considered the basic principles and substance of the tentative regulations concerning the distribution of earnings among workers in the fishing field.

It is up to all the workers in the fishing field to be alive to the political and economic significance of these regulations, and to further study them, so that historic progress can be made in increasing production and economization. (Choson Susan, No. 6, June 1960, pages 28-29)

## V. COMMERCE

### Errors in the Wholesale Trade Field

The following is a summary of an article  
"For a Further Strengthening of Wholesale Trade"  
by Kim Ch'ol-su, Sangop, No. 5, May 1960, pages  
8-12.7

The December plenary session of the Party Central Committee emphasized the fact that commercial systems must be improved and strengthened in order to enhance the livelihood of the people in this period of adjustment. To this end, an important role is to be played by the wholesale trade system. Regardless of the amount of necessities produced, if the wholesale trade system fails to do its part, it will be impossible for consumers to get urgently needed items in time, and thus the demand of the Party that the livelihood of the people be further improved will not be implemented.

The Party has therefore made intensive efforts to improve and strengthen the wholesale trade system. Early in 1958, the Party put the commerce ministry in charge of the wholesale trade system with regard to those goods distributed by central government agencies. In early 1959, a unified wholesale trade system, including goods distributed by provincial or local agencies was set up.

As a result, there has been a great increase in the number of wholesale agencies. In the past, there were only a few agencies in the seats of provincial governments; now, we have more than 220 district, city, and kun agencies. Thus, the wholesale trade networks have been brought closer to the retail trade networks. With the establishment of the wholesale trade system and its greater proximity to the retail trade system, the role to be played by the former has taken on greater significance. However, our wholesale trade system has failed to meet the ever-growing needs of retail trade. This is one of the major reasons for the failure to further expand the work of the commodity circulation sector. It is this failure that accounts for the demand made at the December enlarged plenary session of the Party Central Committee that "the distribution and regulation of commodities between

urban and rural areas be efficiently organized in order to meet the steadily growing purchasing power of inhabitants and to keep commodities supplied in an orderly manner."

What then are the problems that must be solved before the wholesale trade systems can be improved and strengthened?

First, it is necessary that all workers in the wholesale trade field be armed with the Party ideology; this will enable them to loyally and selflessly serve the Party and the people. Many of the problems which have arisen in this field can be ascribed to the deficiency of workers in the realm of Party ideology. For example, Comrade Kim Yong-ch'ol at the Tanch'on District Wholesale Trade Center has been very successful in his work, for he was amply armed with Party ideology. As a result, he was prepared to solve any problem in discharging his duties. Upon the arrival of urgently needed commodities, Comrade Kim made it a point to transport the goods immediately, and worked all night without sleep. When no straw ropes were available for packing purposes, Comrade Kim twisted straws into ropes himself. When he learned that hand mirrors were out of stock at stores, he supplied glass factories with raw material by collecting discarded glass articles himself. Thus, Comrade Kim solved all kinds of problems that arose in the course of his duties.

On the other hand, there are still many workers in the wholesale trade field who try to deal only in items that are easy to handle or that are expensive. These workers are concerned with fulfilling their work plans in terms of amounts of money, regardless of the needs of the people. These workers show interest only in the goods distributed by the central Government agencies, and pay little or no attention to securing minor items (seso sangp'um) that are badly needed by consumers. A number of wholesale trade centers have failed to plan their work and have secured too much merchandise. As a result, their warehouses were filled with twice as many goods as the required amount of goods.

Many commodities therefore piled up in some localities, when they were badly needed in other areas; at the same time a large quantity of funds were frozen and it was impossible to secure and distribute new goods. In some wholesale sectors, state merchandise which had been produced at the cost of the blood and sweat of the working people was left to decay, to deteriorate, or to be stolen.

This state of affairs has resulted from the failure of the workers concerned to arm themselves with the Party ideology. These workers are not at all disturbed when their producers fail to deliver goods as stipulated in the contracts between the producers and their wholesale centers; as a result, the needs of inhabitants are not met. These workers are content to collect breach-of-contract damages from the delinquent producers. They blame other people for every deficiency in their own work. Thus, if commodities pile up, it is because the retail agencies have failed to receive them; if some goods are not available in time, the blame rests with the producers who have failed to produce the goods on schedule. Moreover, these irresponsible workers failed to receive the necessities which have already been produced, thus preventing producers from turning out other goods in accordance with the schedule. As a result, in Hamgyong-Pukto alone, there have been 220 fewer kinds of goods included in contracts concluded between wholesale trade centers and local industry, as compared with last year.

The workers in the wholesale trade field should not be content with delivering the produced goods to retail agencies. They should go out to the retail workers to obtain orders from them and consult with consumers about their needs. In this way, the wholesale centers will be able to meet the needs of various areas and various categories of consumers in time. It is also important to induce the producers to increase the number of kinds of goods they turn out and to improve their quality. This will enable us to meet the needs of consumers, which have already been surveyed methodically.

Secondly, measures should be taken to improve the methods of distributing commodities to retail agencies. It goes without saying that in order to satisfactorily meet the needs of local consumers the wholesale trade centers must supply the retail agencies with an adequate amount of commodities on a regular basis. In the past, some wholesale centers distributed commodities without taking into consideration the needs of various areas, the categories of consumers in each area, or the amount of stock in each locality. Instead, goods were shipped to retail centers simply on the basis of distribution plans. There are still some trade centers that do not provide goods to the retail agencies until towards the end of the distribution period, when they begin to ship goods that are not wanted at all. Some wholesale workers provide goods that are in short supply to retail agencies operated by their personal friends and force other agencies to receive goods they do not want together with the goods they need. Such practices should be abolished.

To improve the distribution of commodities, arrangements should be made to exchange goods between areas by sending surplus commodities to other areas and receiving goods in short supply from other areas. Producers will thus be encouraged to raise their output and consumers will be provided with the goods they need. To achieve this end, arrangements should be made for city, kun, and district wholesale-trade centers to hold a wholesale market at least twice each period (pun'gi). The central wholesale-trade centers should hold a wholesale market at least once each period.

To promote the mechanization of agriculture, it is important to improve the distribution of farm machinery. To this end, the wholesale trade workers should get into direct contact with the peasants in order to determine what types of machines are needed in different areas; and this information should be passed on to the producers. Items already produced should be received by wholesale centers on time so that farmers can be supplied with goods as soon as possible. Measures should be taken to ensure the prompt reconstruction or improvement of farm machines which do not fit the requirements of peasants.

Thirdly, wholesale trade centers should see to it that commodities are stored and managed properly; everything should be done methodically and no item should be wasted. A number of city and kun centers, including the Haeju District Wholesale Trade Center, have been moving goods into and out of warehouses without keeping records, thus giving rise to confusion. These centers also secure goods for which there is little demand, just to keep the required amount of goods in their warehouses. As a result, they have too much merchandise on their hands. Inventories should be taken of all the goods in their warehouses. Items for which there is little or no demand should be returned to the producers, sent to other areas where they are needed, or sold to local consumers at reduced prices.

Measures should be taken to cut down on operation costs by securing the necessary containers in advance, returning empty containers to producers, and keeping goods from being destroyed or deteriorating.

It also behooves the wholesale trade centers to raise the utility rate of their warehouses and keep the cost of transportation down to the minimum by sending their merchandise directly to its destination.

It is also important to enlist in this field the surviving families of patriots and heroes who have laid down their lives for the nation, as well as women who are active in serving the community. In this way, the core bases (haeksim kiji) of the Party can be consolidated. (Sangop, No. 5, May 1960, pages 8-12)

### Wholesale Trade in Local Industry

The following is a summary of an article "Let Us Decisively Improve and Strengthen the Securing and Supplying of Local Industry Products" by Kim U-hyon, Sangop, No. 5, May 1960, pages 19-21.

The local industry of Korea, along with its central industry, has been rapidly expanded and strengthened. As of 1960, local industry produced as much as 54 percent of consumer goods including foodstuffs and daily necessities. There is therefore a great need to decisively enhance the role played by the wholesale trade organs in relation to local industry.

The wholesale trade organs and enterprises should accurately assess the demand for various commodities, more effectively organize and mobilize their production sources to insure their sources of supply, and flexibly organize the supply of commodities to various areas. To this end, it is important that the wholesale trade organs and enterprises, both local and central, keep themselves well informed of the production situation and the consumer demand for various commodities; at the same time, effective plans should be formulated to ensure a correct and prompt distribution of goods.

The distribution of commodities involves more than the transportation of goods. Day-to-day studies must be made of the amount of each item needed by consumers, of the changes in the composition of consumer demand (suyo kujo), and of the opinion of the people about the quality of commodities; only in this way can the supply of goods be properly organized.

The wholesale trade workers should therefore learn to the opinions and suggestions of retail agencies that are indicated in their orders for merchandise with an open mind and to meet their demands; it also behooves the wholesale workers

to analyze their past experiences and to derive lessons from them.

It is also important that the wholesale trade workers keep themselves informed of the situation of their producers. Many local-industry factories have been set up quite recently, and there are differences in their material and technical foundations. It is therefore necessary for the wholesale workers to familiarize themselves with the conditions of each factory and to estimate the prospects of these factories. The wholesale workers should then estimate the amount of goods to be supplied to retail agencies and induce the producers to meet these requirements. It must be added that the wholesale workers should not be concerned with local demands alone but also with those of the whole nation.

A major deficiency in the work of wholesale organs and enterprises is that their workers devote much of their time to making trips to the national capital or to cities and towns of other provinces to obtain commodities distributed by central agencies and goods produced in other provinces. Instead, they should take measures to obtain local products to meet local needs as well as the needs of other provinces. During the first quarter of this year, some of the wholesale workers in Hangyong-Namdo concentrated their efforts on securing the products of other localities rather than taking steps to meet local needs with local products; Some workers concluded contracts for an amount of goods in excess of that required to meet the demand of local consumers. and when local needs had been satisfied, these workers acted as if they had not pledged themselves to accept all the goods stipulated in the contracts. The correct policy would have been to supply the surplus merchandise to wholesale agencies of other localities. If such deficiencies are not corrected, the growing demand for local products will not be satisfied, and the expansion of local industry will be hampered.

It is also important that wholesale trade organs and enterprises enhance contract discipline by inducing production organs to deliver their goods on time. This approach will spur producers to organize their work properly, and, as a result, commodities will be provided to consumers on a normal and systematic basis. Wholesale organs and enterprises should make a point of concluding commodity delivery and receipt contracts and force producers to strictly abide by contract provisions. There are many deficiencies to be found in this area.

Some wholesale workers have yet to learn the significance of the institution of contracts; they are not prepared to enforce the terms of contracts and do not know how to make preparations for the conclusion of contracts. As a result, they fail to conclude contracts in time and to indicate the amount of each item to be produced. Alternatively, they stipulate the quality of goods and the date for their delivery on a rather unrealistic basis. In extreme cases, commodity delivery and receipt contracts have failed to be concluded on account of the unilateral judgements of some leading workers of local government agencies or local economic organs. In other instances, the terms of concluded contracts have been altered arbitrarily.

Wholesale trade organs and enterprises have been slack in inducing local-industry factories to deliver their goods promptly on the dates stipulated in contracts. These organs and enterprises should examine the material and technical foundations of local-industry factories and the implementation of their production plans in order to ensure that the factories meet their contract obligations. Many wholesale trade workers have failed to take these measures and are content to collect breach-of-contract damages when the producers fail to deliver their goods on time or when the delivered products turn out to be below the standards provided for in contracts.

It is one of the most important tasks of the wholesale trade workers to enhance discipline in supplying commodities and to intensify their contacts with producing agencies in order to meet the demands of retail networks. Wholesale trade organs and enterprises should encourage the producers to improve the quality of their products and to increase the number of types of goods they turn out. To achieve this end, the wholesale trade workers should improve their knowledge of commodities and study the opinion of all categories of consumers on the quality and design of commodities. In this way, they will be able to provide pertinent guidance to producers.

In the past, many wholesale-trade workers have failed to improve their qualifications. Thus, when certain commodities were in short supply for a short period of time, these workers assumed a haughty attitude toward retail trade workers in the course of supplying the latter with the merchandise provided by the State. The wholesale workers made no efforts to learn the opinions of the consumers from the retail workers. Thus, in many cases, wholesale workers imposed their own views upon producers on how to improve the quality of their goods.

It is important that wholesale workers participate in setting up technical standards for commodities prior to their production. To this end, the wholesale workers should learn what consumers think of the goods they are using; this information will enable them to adopt constructive views and reject negative ones. Moreover, in drawing up commodity receipt and supply contracts, it behooves the wholesale workers to refer to the number of State standards or technical conditions in order to ensure that the goods measure up to standards in their quality. If it is impossible to refer to these numbers, samples should be utilized in a definite manner.

Wholesale workers should make a point of inspecting the goods before they are accepted so that the interests of consumers can be effectively protected. It is also important that the wholesale workers sponsor conferences between representatives of producers and consumers to work out measures for improving the quality of goods and increasing the number of types of goods. Exhibits of commodities should be held at regular intervals either at the national capital or at provincial capitals. This will enable us to judge the quality of the goods of different producers of the same items; at the same time, experiences can be exchanged among the representatives of different producing agencies. Thus, deficiencies in production will be eliminated and the quality of goods will be improved. (Sangop, No. 5, May 1960, pages 19-21)

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