

To the First Directorate – Relations

With respect to the second session of the DPRK Supreme People's Assembly which took place between April 5 -10, we would like to inform you about the following matters:

At the session, in addition to matters related to the unification of the country, which were comprised in a letter addressed to all legislatures and governments in the world, including the Congress of the United States (the aforementioned letter was sent to the MFA HQ), several other issues related to the economic and social development of the country were on the agenda. Therefore, the recent session of the Supreme People's Assembly passed a law regarding the extension of the mandatory 10-year educational system which includes one year in preschool to the national level; this law will be enforced starting with the 1972-1973 academic year. Preschool education will be enforced at the national level until the beginning of the 1976-1977 academic year.

With respect to the state budget for 1973, estimated at 8.543.510.000 won, this figure shows an increase by 16.9 percent compared to last year's budget (which was 7.4 billion won, approximately \$3.3 billion). For the year 1973, a crucial year for the accomplishment of the entire 6-year plan of the DPRK, it is planned to allocate increased shares of the budget for heavy industry, machine building industry, extraction industry and energy industry. Additional investments will be made in the chemical industry, light industry and consumer goods industry, with the specific purpose of raising the standard of living of the population.

If military expenses amounted to 17 percent of the 1972 budget, for 1973, the military budget will be 15 percent of the total (1.282.000.000 won, the equivalent of \$577 million).

While taking part in the Supreme People's Assembly session, we gathered that because of the open nature of this session, the event had a praising purpose, less critical of the existing shortcomings, displaying a weak disposition towards making criticisms and self-criticisms [for current problems]. Only after the repeated interventions of Comrade Kim Il Sung did they manage to overcome this situation, stimulating criticism and self-criticism, [summoning] the courage to tackle deficiencies and to find solutions to remedy or overcome hardships.

Throughout the discussions we noticed the existence of certain deficiencies in the planning system, a weak activity of the economic and financial control bodies, etc., which, as Comrade Kim Il Sung mentioned in his short speech ending the session, lead to a certain state of stagnation, weak rhythm and poor correlation of economic sectors, which in turn, had negative repercussions on the entire national economy.

During the session various shy references were made to the persistence of routine, fear to innovate—all of which are generated by the deficient technical and scientific training [of the workers].

We also noticed that in budget report and throughout the discussions on it no mention had been made regarding the issue of collaborating or cooperating on economic and technological-scientific matters with outside [partners].

Signed:

Dumitru Popa