

On May 17th, I was received as an official guest by Kim Il, the first Vice-President of the Cabinet of Ministers of the DPRK.

During our conversation, Kim Il made a brief presentation on the internal situation for me, insisting on the hardship experienced by the North Korean economy, and on the causes for which the deadline set for completing the 7-year plan was extended by three years.

Regarding the current state of the economy, Kim Il said that both the DPRK industry and the agriculture were developing normally and that both sectors presented the likelihood to meet the planned standards. Serious difficulties are encountered in the field of transportation, especially railway transportation.

Invoking the threat from the South, Kim Il showed that a great share of North Korea's material, physical, and human efforts were aimed at strengthening its defense capacity. My interlocutor mentioned that the budget allocated to the military sector was much greater than the 31.2% envisaged in the financial planning for this year, and it was impossible for this situation to not to have a negative impact on the overall economy and the population's standard of living.

Without making any references to the domestic or foreign policies of our country, Kim Il asked about the health of our party and state leaders.

More details about this conversation which lasted for one hour and a half are to be found in the minutes of conversation.

Signed: N. Popa

17.V./14