

**April 21, 1954**

**Report, Hungarian Legation in North Korea to the  
Hungarian Foreign Ministry**

**Citation:**

"Report, Hungarian Legation in North Korea to the Hungarian Foreign Ministry", April 21, 1954, Wilson Center Digital Archive, Hungarian National Archives (MOL), XIX-J-1-k Korea, 1945-1964, 11. doboz, 27/a, 06765/1954. Translated for NKIDP by Balázs Szalontai.  
<https://digitalarchive.umd.edu/document/114965>

**Summary:**

The Hungarian Legation specifies the duties of the trade unions in North Korea following the Armistice Agreement.

**Credits:**

This document was made possible with support from Leon Levy Foundation

**Original Language:**

Hungarian

**Contents:**

Translation - English

The post-armistice duties of the trade unions were specified by Comrade Kim IL Sung at the 6th plenum of the party. According to [these guidelines], the trade unions faced the following main tasks:

1.) It had to be specified which factories and plants could be reconstructed after the conclusion of the armistice; which were the ones that had been completely destroyed; and which were the factories that had to be rebuilt in the shortest time possible. To accomplish that, commissions composed of the best technical experts and strike workers were established. The commissions had revised the entire national economy of Korea, and on the basis of their proposals, the party and the government prepared the draft of the first 3-year plan.

2.) Both before and after the conclusion of the armistice, many machines arrived from the Soviet Union and the people's democracies. During the war, their capacity could not be fully utilized because of the lack of technical expertise. In several cases, they were even damaged. For this reason, the trade unions organized various courses and schools of technical training, in which the correct utilization of the machines obtained from abroad is explained with the assistance of Soviet technical experts.

3.) The most difficult task that the party and the government, and also the trade unions, faced after the conclusion of the armistice was to raise the living standards of workers, on the basis of the experiences of the people's democracies. During the discussions of this question, very sharp debates occurred. Certain groups said that state rationing should be abolished, and wages be raised to a greater extent. Others advocated an increase in state rationing, without any wage raise. There were some who demanded that the price of consumer goods be reduced to a greater extent, arguing that following the armistice, industry and agriculture would produce far more consumer goods for the workers [than before], and thus one could satisfy demand, and there would be no inflation. After a long debate, the government passed the following resolution:

It will continue to provide state rationing, and reduce the price of certain consumer goods to a minor extent.

4.) The solving of the aforesaid question faced great obstacles, because at the same time the new production norms had to be resolved, too. The production norms that were set in 1947-48 have become out of date by now. While specifying the new production norms, one had to take into consideration the experiences of East Germany, Czechoslovakia, and Hungary.

During the discussion of this question, certain persons raised the issue that the introduction of the new norms would cause dissatisfaction among workers, because due to the low technical level, workers would earn far less [than under the old norms], and living standards would not increase at all. However, another issue was also raised, namely, that if the new norms were not introduced, production and productivity would not increase, and at the same time the development of industry would also come to a halt. Since the solving of the issue was of a political nature, the party and the government decided that they would solve this question through the involvement of the workers. It fell to the trade unions to define the new norms on the spot by involving the workers, technical experts, and theoretical scholars [in the process]. This way they achieved that wide strata of the workers got involved in the solving of this question. On the basis of these proposals, the Council of Ministers issued its Decree 32, in which it specified the new norms.

However, the introduction of the new norms hindered the raising of living standards. Thereupon the government increased the workers' wages by 25% on average. It enacted a wage increase of 50% for miners, 25% for workers in light industry, 40% for workers in metallurgy, and 22% for intellectual workers.

The government passed the aforesaid resolutions after having lent an ear to the workers. Of course, the aforementioned resolutions are but initial steps in the field of increasing the living standards of workers, and the Korean people essentially understand that.

While performing the aforesaid tasks, the trade unions also committed errors, which were pointed out by Comrade Kim Il Sung at the plenum held in March. The trade unions also handled some of the issues in a bureaucratic and formalistic way. Certain trade union leaders wanted to direct the solving of the aforesaid important questions solely from their offices, lost contact with the workers, and did not fight against the errors.

There are still differences of opinion among the trade union leaders, but these [differences] do not hinder the work of the trade unions to a substantial extent. In every disputed question, the Central Committee of the party shows the right way.

5.) Currently the trade unions face the following tasks:

- a) The workers must be informed about the first 3-year plan.
- b) One must continue to provide information about the most advanced technical measures.
- c) The workers must be mobilized for a faster accomplishment of reconstruction.
- d) The work competition launched in honor of May 1st must be increased.

My report was prepared on the basis of conversations with the leaders of the trade unions.

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Charge d'Affaires ad interim