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## NORTH KOREA IN 1977: YEAR OF "READJUSTMENT"

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IN HIS NEW Year message, President Kim Il Sung of the Democratic People's Republic of Korea (DPRK) announced that the year 1977 had been designated as the "year of readjustment" (*wanch'ung ūi hae*) for the second consecutive time. The main tasks of the year, he said, would be to ease "temporary strains" in the North Korean economy and to pave the way for a new long-term economic plan.<sup>1</sup> As it turned out, North Korea eagerly but vainly sought to "readjust" a crucial dimension of its foreign relations as well—namely, its relations with the United States.

### *Strains in the Economy*

The "temporary strains" in the North Korean economy of which Kim spoke manifested themselves in five interrelated areas—transportation, mining, electric power, agriculture, and guidance and management. The crux of the transportation problem lay in the failure of North Korea's transportation capacity to keep up with the growing demands of industrialization. Since raw materials and other factors of production could not be transported in timely fashion from their places of origin to factories, the latter could not be run at full capacity. Compounding the situation was the failure of mining industries to keep abreast of processing industries. In other words, not only did the supply of iron and nonferrous ores fall short of the demands of North Korea's processing industries, but what was available was not being distributed promptly due to serious bottlenecks in North Korea's transportation network.

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<sup>1</sup> Unless indicated otherwise, information used in this article is based on *Pyongyang Times*, *Nodong Simmun*, *Korean Central News Agency (KCNA)* dispatches, and *Pyongyang Radio*. The last three sources are taken from *FBI's Daily Report*, Vol. IV: Asia and Pacific (Springfield, Va.: National Technical Information Service, U.S. Department of Commerce).

There was also a serious shortage of electric power. Here again, the available supply of electric power lagged considerably behind the demands of industrialization. A major contributing factor was a severe drought, which hampered the operation of hydroelectric power stations—believed to account for two-thirds of electricity generated in the country.<sup>2</sup> Additionally, the problems in mining and transportation noted above adversely affected the operation of thermal power (steam power) stations as well.

Another problem pertained to agricultural production. The drought meant a sharp decline in the supply of water, a vital ingredient of agricultural production, while the limited supply as well as topography of cultivable land impeded North Korea's efforts to "scale the height of ten million tons in grain production in the near future."

Finally, there were ample signs that the North Korean economy was plagued by poor guidance and management by cadres, that machinery and equipment were poorly maintained, and that measures to economize on fuel, raw and other materials were inadequate.

In tackling these problems, North Korea employed a mixture of normative and pragmatic approaches. President Kim Il Sung followed his established practice of providing "on-the-spot guidance" by periodically inspecting factories, cooperative farms, schools, and other facilities and by presiding over a series of national meetings of cadres in the various sectors of the economy. He also spelled out concrete measures for dealing with drought and transportation problems at the 13th Plenary Meeting of the Fifth Central Committee of the Korean Workers' Party (KWP) in April. For example, all cooperative farms were instructed to drill at least two wells, to locate new water sources, to lower water consumption level per *chongbo* (roughly one hectare) of rice paddy, and to improve the maintenance of waterways.

In the transportation field, Kim unveiled the policy of building "concentrated goods stations" in the railroad network, which involves, in effect, greatly modernizing selected railway stations with efficient loading and unloading facilities. This was to be accompanied by improving the railway lines, stepping up the electrification of railways, increasing the production of locomotives and wagons, and expanding the use of freight containers in transport. In addition, Kim urged the upgrading of road and maritime transport by increasing the production of trucks and ships and by introducing technological innovations. Pursuant to Kim's instructions, North Korea's transport workers waged a "200-day battle for transport revolution" beginning in May, reportedly exceeding production quotas in numerous fields.

A device which was extensively used was the dispatch of "three revolution" teams to selected sites. The teams consisted of "functionaries of Party, state and economic organs and working people's organizations,

<sup>2</sup> *Kita Chōsen kenkyū* (Tokyo), February 1977, pp. 57–58.

scientists and technicians and young intellectuals, each with 20–30 men and even 50 men.”<sup>3</sup> Such a concentration of technical and managerial expertise was calculated to produce tangible and, often, spectacular results, thereby serving as emulative models for others.

Given all the efforts, what did North Korea accomplish? Aside from reports of great successes in selected fields, enterprises, and farms, North Korea announced (1) the electrification of the rail line between Ch’ongjin and Musan (about 100 kilometers long, the line links North Korea’s largest iron works with its largest ferrous mine); (2) the completion of Kiln No. 1 of Sunch’ŏn Cement Factory, the largest of its kind in North Korea; and (3) the launching (or completion) of a 20,000-ton freighter, which was reportedly completed in four months exclusively with North Korean technology and materials.<sup>4</sup>

On the other hand, there were signs that North Koreans were finding the task of easing strains in the economy singularly intractable. For one thing, the delay in convening a long-overdue Sixth KWP Congress was significant. Judging from past practice, a new economic plan is announced in and adopted by a national party congress. No Congress, however, had been called as of late November 1977, suggesting that the groundwork for a new plan remained to be completed.

In a notable departure from its previous practice, however, North Korea made known the principal targets of the new Seven-Year Plan (1978–1982). President Kim told the *Yomiuri Shimbun* of Japan in April that the new economic plan would aim at doubling North Korea’s industrial output. Specifically, he gave the following targets of annual industrial output by 1982: steel—7 to 8 million tons; coal—70 to 80 million tons; electricity—60,000 million kwh; and cement—12 to 13 million tons.<sup>5</sup> It is noteworthy that, with the exception of electricity, these targets fall considerably below those announced by North Korea in February 1974, thus suggesting the downward readjustment in Pyongyang’s projections of its economic growth in the years ahead in light of current difficulties.

Another indicator of North Korea’s continuing economic difficulties was the persistence of its international payment problems. In the latter half of 1977, North Korea was reported to have suspended payment of interest on its trade debts to Japan, totalling \$220 million.<sup>6</sup> In mid-November, Finland was reported to have failed for the fourth time to “extract payment from [Pyongyang] for a pulp and paper factory

<sup>3</sup> *Pyongyang Times*, January 22, 1977.

<sup>4</sup> *Nodong Sinmun*, September 2, 1977. Additionally, North Korea in mid-October saw “bright prospects [for] the production of 8.5 million tons of grain” in 1977. It should be noted that North Korea is referring to unpolished grain (*algok*). When polished, the tonnage drops by approximately 25 percent.

<sup>5</sup> *Yomiuri Shimbun* (Tokyo), April 28, 1977; *Nodong Sinmun*, April 30, 1977; and *Pyongyang Times*, May 7, 1977.

<sup>6</sup> *Agence France Presse*, Tokyo, as reported in *Korea Herald* (Seoul), August 26, 1977.

delivered in 1974." The mill, valued at \$19 million, "has never even reached the production stage."<sup>7</sup>

In an interview with André Fontaine of *Le Monde* on June 20, President Kim described "our trade deficit" as "a passing phenomenon." He attributed the "temporary difficulty" to "the economic difficulty of the advanced capitalist countries of the West caused by the fuel crisis." In his words, "they are unable to purchase our goods. . . . So we are taking economic measures to produce . . . goods [which] the Western countries can purchase even under the present conditions."<sup>8</sup> In an interview with NHK (Japan Broadcasting Corporation) on July 3, Kim stated: "If there is an economic difficulty with us, it has come from the extensive economic construction prompted by a desire to build more."<sup>9</sup>

### *In Quest of Dialogue with Washington*

Just as the alleviation of its economic difficulties loomed foremost in North Korea's domestic landscape, so a tenacious pursuit of direct contacts with Washington emerged as Pyongyang's top priority in the international arena. North Korea justifiably saw the best chance since the Korean Armistice for significant change in Washington's posture toward the Korean Peninsula. More than anything else, it had been greatly encouraged by the advent of the Carter Administration in Washington, which, in its view, was committed to the withdrawal of U.S. troops from South Korea. If this were indeed to materialize, it would radically enhance the prospects for Korean reunification on Pyongyang's terms. In any event, the interim goal of direct negotiations with the United States, without Seoul's participation, which North Korea had suggested in an open letter to the U.S. Congress in March 1974, appeared to Pyongyang to be within its grasp.

In an unusual gesture, President Kim Il Sung took pains in his New Year message to differentiate between the old and new administrations in Washington. In denouncing the "aggressive machinations" of "the U.S. imperialists" against North Korea, Kim specifically referred to the "Ford Administration of the United States" twice.<sup>10</sup>

It was not until April 23 that North Korea offered its comments on the Carter Administration. On that day, Kim Il Sung told Isatō Tsuneatsu of the *Yomiuri Shimbun* that, while North Korea was taking a "wait and see" attitude toward President Carter, it was nonetheless disturbed by what it perceived as a discrepancy between Carter's campaign pledges and his actions since taking office. Specifically, Kim expressed reservations about the slow pace of the proposed withdrawal of U.S. troops (for he saw the possibility that it might not be completed

<sup>7</sup> Associated Press, Helsinki, as reported in *ibid.*, November 17, 1977.

<sup>8</sup> *Pyongyang Times*, July 23, 1977.

<sup>9</sup> *Ibid.*, July 30, 1977.

<sup>10</sup> *Ibid.*, January 1, 1977.

during Carter's tenure of office), its incomplete nature (i.e., Carter's plan to keep the U.S. air force contingents in South Korea indefinitely), and Washington's intention to consult with both Seoul and Tokyo about the process. Finally, Kim accused Carter of failing to implement the latter's "campaign pledge" not to support "a regime [which suppresses] human rights" by continuing to provide military aid to Seoul.<sup>11</sup>

On June 20, Kim reiterated the preceding points to *Le Monde*, adding that whether Pyongyang's relations with Washington can be normalized "depends entirely on the U.S." Recalling that North Korea had long ago proposed to the U.S. to replace the Armistice Agreement with a peace treaty but that the U.S. had failed to give an answer, Kim stated: "We think that if the Carter Administration withdraws the U.S. troops from south Korea in accordance with its campaign pledges, renounces its unfriendly attitude and changes its hostile policy towards our country, we can establish good relations with it."<sup>12</sup>

In the following month, however, a potentially explosive situation developed in North Korean-U.S. relations. On July 14, a U.S. Army CH-47 helicopter was shot down by North Korean troops over the North Korean side of the demilitarized zone, with three crewmen being killed and a fourth wounded and captured. However, the convergence of mutual interests in avoiding a confrontation led to an unprecedentedly quick settlement. President Carter was quoted as having told a group of U.S. Senators: "We are trying to let [North Koreans] know that we realize the mistake was made by the crew in going into the demilitarized zone. Our primary interest is in having the incident not escalate into a confrontation, but also to account for the crew members."<sup>13</sup>

For its part, North Korea must have perceived a stake in not jeopardizing Carter's announced plan to withdraw U.S. ground troops from South Korea, although the plan fell short of North Korea's expectations. Not only was Pyongyang's official account of the incident low-keyed, but North Koreans displayed a business-like attitude in their negotiations with Americans in Panmunjom over the return of three bodies and the release of the wounded survivor. That an agreement was reached and implemented within three days of the incident marked a milestone of sorts in North Korean-American relations.<sup>14</sup>

Another milestone was reached on September 28 when Ho Dam, Vice-Premier and Foreign Minister of the DPRK, arrived in New York to attend an emergency meeting of foreign ministers of the nonaligned countries. He became the highest-ranking North Korean official ever to set foot in the U.S. Although the ostensible aim of his visit was to attend an international meeting and despite public disavowal of any ul-

<sup>11</sup> *Ibid.*, May 7, 1977.

<sup>12</sup> *Ibid.*, July 23, 1977.

<sup>13</sup> *New York Times*, July 15, 1977.

<sup>14</sup> *Ibid.*, July 16 and 17, 1977. For North Korean accounts, see *Pyongyang Times*, July 23, 1977.

terior motives, it was clear that he had hopes of meeting with officials of the U.S. government, for Ho's visit coincided with receipt by President Carter of two "indirect requests from North Korea for a meeting with U.S. officials." The first such request was contained in a letter to Carter from President Bongo of Gabon, who had earlier paid a state visit to the DPRK. The idea was broached again in a "letter from President Tito of Yugoslavia, delivered to Carter personally by Yugoslav Vice-President Edvard Kardelj." Tito, too, had visited North Korea earlier in the year. President Carter and his aides expressed "willingness to meet [with North Koreans], provided that South Korea is present as an equal participant," describing the position as "unshakable."<sup>15</sup> In a series of interviews with foreign (particularly Japanese) newsmen in New York, Ho Dam reiterated North Korea's proposals for direct negotiations with the U.S. and specifically suggested that the two countries hold "a preliminary meeting in which . . . the question of including South Korean representatives in U.S.-North Korean talks could be discussed."<sup>16</sup>

Shortly after his return to North Korea, Ho Dam told the Yugoslav News Agency TANJUG that, although North Korea had not received a direct answer to its proposal for direct talks with the U.S., a statement by Carter's press secretary to the effect that the U.S. would not negotiate with North Korea without South Korean participation was tantamount to America's rejection of "our proposals for direct negotiations." Ho stressed that the proposed "peace treaty and reunification are two separate questions." North Korea, he insisted, wanted to negotiate with the U.S. for the former only "while the central problem, Korea's reunification, would be settled subsequently 'by peaceful means, on the basis of democracy, after the withdrawal of foreign troops and without external interference in our internal affairs.' That would be the theme of the talks between north and south."<sup>17</sup>

As it became clear that Washington's policy toward Korea did not and would not change in the direction desired by Pyongyang, the latter resumed its attacks on the former. Thereafter North Korea seldom lost an opportunity to denounce what it viewed as hostile and threatening moves by the U.S. on the Korean Peninsula—such as joint military exercises with South Korea and announcements of plans to beef up Seoul's defense capability. By October, North Korea was charging that the "U.S. imperialists are preparing for a nuclear war in Korea."<sup>18</sup>

What, one may ask, did Pyongyang hope to gain by direct negotiations with Washington? The ultimate objective, it may be surmised, is to hasten the complete withdrawal of U.S. troops from South Korea.

<sup>15</sup> Associated Press, Washington, as reported in *Korea Herald*, October 2, 1977.

<sup>16</sup> See KYODO News Agency, New York, September 30, 1977; *Asahi Shimbun* (Tokyo), October 1, 1977; and *Korea Herald*, October 8, 1977.

<sup>17</sup> TANJUG, Belgrade, October 22, 1977.

<sup>18</sup> *Nodong Sinmun*, October 4, 1977.

In the interim, however, North Korea may hope to enhance its international prestige at the expense of South Korea as well as to undermine the bonds of friendship and alliance between Seoul and Washington. Not to be overlooked, however, is the distinct possibility that North Korea is genuinely convinced that the U.S. is the real power behind the Seoul government.

### *Continuity and Change*

The most resilient aspect of North Korean behavior both at home and abroad in 1977 was its iron-clad commitment to the goal of national reunification. Both its efforts to ease the strains in the economy and its persistent attempts to open up channels of communication with Washington were part and parcel of its long-standing strategy of triple revolutions: (1) building a powerful revolutionary base in the North underpinned by economic power, military might, and ideological unity; (2) fostering revolutionary forces in the South with a view to overthrowing the Park regime and accelerating America's military disengagement; and (3) consolidating international revolutionary forces with a view to generating a world-wide sentiment against the U.S. military presence in Korea.

North Korea's relations with Peking and Moscow clearly reflected the imperatives of economic and defense construction. Although Pyongyang continued to place top priority on its ties with Peking, it markedly increased interactions with Moscow. Premier Pak Sung Chul visited Moscow in January, accompanied by Kye Ung Tae (Vice Premier and Minister of Foreign Trade), Kim Chol Man (First Deputy Chief of the General Staff of the Korean People's Army), and other aides. This was followed by the visit to North Korea of a Soviet government trade delegation headed by I. T. Grishin, Vice-Minister of Foreign Trade, in February. The remainder of the year saw a continuous two-way traffic between the two countries involving government, party, and nongovernmental delegations. As usual, the Soviet press made the point of underscoring the extent of Soviet economic and technical assistance to North Korea. In September, for example, a Soviet party publication disclosed that North Korea would repay a part of its debts to the Soviet Union with products of factories which were being built with Soviet aid.<sup>19</sup>

The primary instrument for ideological indoctrination in North Korea remained the "immortal words and deeds" of the "respected and beloved leader Comrade Kim Il Sung."<sup>20</sup> A milestone in the deification of Kim was the production of a film dealing with his and his family's revolutionary feats in which "the great figure of the respected and be-

<sup>19</sup> *Kita Chōsen henkyū*, October, 1977, pp. 65-69.

<sup>20</sup> To cite but one example, a *Nodong Sinmun* editorial commemorating the 32nd anniversary of the founding of the KWP on October 10, 1977 mentioned Kim Il Sung 40 times.

loved leader [appears] on the screen" for the first time in North Korea.<sup>21</sup>

Another noteworthy, albeit puzzling, development was the rampant rumor early in the year that the Central Committee of the KWP had finally recommended the designation of Kim Chong Il, Kim Il Sung's son by a previous marriage, as "the only successor" to his father. The rumor was based on a news story originating in a KYODO news agency dispatch from Tokyo that the North Korea-oriented Korean residents' association, *Ch'ongnyŏn* (*Chōsōren* in Japanese), had held a special lecture meeting for its cadres conveying instructions from Pyongyang concerning the alleged selection of Kim Chong Il as his father's heir apparent.<sup>22</sup> The complete silence of North Korea's official media on the matter, however, called into question the reliability of the rumor, although the possibility that an effort might be under way to groom Kim Chong Il could not be ruled out.<sup>23</sup>

In the arena of the southern "revolution," Pyongyang's apparent, if temporary, moderation vis-à-vis Washington has been accompanied by an unmistakable stiffening of its bellicose posture toward Seoul. North Korea no longer seemed to entertain any hopes of resuming the dialogue with South Korea in any serious fashion. Kim Il Sung told the *Yomiuri Shimbun* in April: "The lessons of history show that a tyrant cannot stay long. . . . All of them met their doom in face of the resistance of the popular masses. Therefore, we think that if the South Korean people awaken and the entire people in north and south Korea fight in unity, Korea can surely be unified independently."<sup>24</sup>

North Korea's proclamation of a "military boundary" within its 200-mile economic zone in August appeared to be aimed in part at inducing both the U.S. and Japan to enter into direct negotiations with it.<sup>25</sup> However, both countries were quick to denounce the North Korean action, refusing to recognize the boundary. The only positive development was an informal, interim agreement with the Dietmen's League for the Promotion of Japan-Korea Friendship whereby North Korea gave its provisional permission to Japanese fishermen to fish within North Korea's economic zone *outside* the military boundary. Twice

<sup>21</sup> The film is entitled "*Nuri e putnŏn pul*" (officially translated as "Fire Spreading All Over the Land"). See *Kŭlloja* (Pyongyang), No. 8, 1977, pp. 28-35 and *Pyongyang Times*, May 28, 1977.

<sup>22</sup> For the news accounts as well as the text of the document allegedly used by *Ch'ongnyŏn*, see *Kita Chōsen kenkyū*, March 1977, pp. 5-9 and 56-73 and *ibid.*, June/July, 1977, pp. 50-55.

<sup>23</sup> Other noteworthy political developments included the election of deputies to the provincial, city, and county people's assemblies on March 4 and the election of 579 deputies to the Supreme People's Assembly (SPA), North Korea's parliament, on November 11. As usual, North Korea reported 100% turnout (with the exception of persons on foreign travel) and 100% support of official candidates in both elections. Kim Il Sung was among those elected to the SPA. In connection with the SPA election, it was revealed that North Korea's population as of late 1977 stood at 17,370,000.

<sup>24</sup> *Pyongyang Times*, May 7, 1977.

<sup>25</sup> The military boundary extends 50 nautical miles from North Korea's coastline in the East Sea (the Sea of Japan) and is coterminous with its 200-mile economic zone in the West Sea (the Yellow Sea). *Ibid.*, August 6, 1977.



in November, North Korea captured and then released “for humanitarian reasons” Japanese fishing vessels which had allegedly intruded across its military boundary.<sup>26</sup>

Finally, North Korea’s efforts to generate and consolidate international support for its reunification policy were reflected in its continuing diplomatic contacts with the nonaligned countries, the formation of solidarity groups throughout the world, and the holding of international conferences in Brussels, Algiers, and elsewhere. A total of seven heads of government journeyed to North Korea during the year, of whom President Tito of Yugoslavia was the most prominent.<sup>27</sup>

Two notable setbacks on the diplomatic front were the break-offs of diplomatic relations with Mauritania in March and with Argentina in June. In both cases, the decision was made by the other side, although North Korean actions obviously contributed to the developments. Mauritania cited Pyongyang’s recognition and support of the Arab Republic of Sahara, while Argentina cited North Korea’s “unilateral” withdrawal of its diplomatic mission from Buenos Aires “without prior notice.”<sup>28</sup>

In short, while North Korea redoubled its efforts to pave the way for the eventual reunification of Korea through the familiar strategy of consolidating revolutionary forces on three fronts—at home, in South Korea, and in the world at large—it also made tactical readjustments to the changing environment—such as the proclamation of economic and military zones and renewed overtures to Washington. As President Kim Il Sung put it, however, “[d]ifficulties can arise in the course of development, because a subjective desire cannot give a solution to everything. As we live in a world society, we are subject to worldwide influences.”<sup>29</sup> As the year drew to a close, North Korea’s supreme objective appeared to be as elusive as ever.<sup>30</sup>

<sup>26</sup> *Korea Herald*, November 12, 1977; *Han’guk ilbo* (Seoul), November 22, 1977.

<sup>27</sup> The other visiting heads of government included Presidents of Burma, Gabon, Guyana, and Equatorial Guinea and Prime Ministers of Cambodia and Laos. In addition, the Prime Minister of Sao Tome and Principe (who is not head of government) visited North Korea.

<sup>28</sup> *Kita Chōsen kenkyū*, June/July, 1977, pp. 25–29.

<sup>29</sup> In an interview with *Le Monde* on June 20, 1977, as quoted in *Pyongyang Times*, July 23, 1977.

<sup>30</sup> In mid-December, North Korea’s newly elected parliament, the Sixth Supreme People’s Assembly, held its first session. Two most noteworthy accomplishments of the session were (1) the official adoption of the new Seven-Year Economic Plan (1978–84) and (2) a restructuring of top government organs as well as a personnel reshuffle. Li Chong Ok, a 72-year-old economics expert, replaced Pak Sung Chul as Premier of the Administration Council. Pak was elevated to the largely ceremonial post of a Vice-President. Significantly, Kim Yong Ju, the younger brother of Kim Il Sung, was dropped from both the post of a Vice-Premier and the Central People’s Committee, North Korea’s super-cabinet. Predictably, Kim Il Sung was reelected as President of the DPRK. Finally, the predominance of economics experts in North Korea’s top government hierarchy underlined its determination to step up its economic construction.