

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Korea	REPORT	
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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(FOR KEY SEE REVERSE)

- 25X1 As of June 1953 the following taxes were being levied by the North Korean government in Chongsong-gun:
- 25X1 a. Tax-in-kind. A 27 percent tax on rice crops, and 23 percent on other grain crops was levied annually.
- 25X1 b. People's Self-Governing Tax. At the end of each year each farmer was required to give the government grain to cover his tax-in-kind and seed requirements for the following year. In addition he had to pay a one percent tax on the value established by the government for the amount of grain required to supply 600 grams of food per day for each member of his family during the coming year. Any surplus grain was valued at the market price and on this the farmer was also required to pay a one percent tax.
- 25X1 c. Tax-in-Kind Estimates Committee Fund. Each household was required to contribute 50 won per year to this fund, which was used to support the local tax-in-kind estimates committee.
- d. Meat Purchasing Fund. The purpose of the fund was to provide meat for the North Korea army. Each farmer was required to contribute to the fund at a rate determined by the amount of tax-in-kind he paid. Under this system the government purchased from the farmer, at 60 to 70 won per kilogram, beef and pork which was worth 240 won per kilogram. The difference constituted the farmer's contribution to the meat purchasing fund. Each pig or cow was examined by a veterinary before the government made a purchase, and only old cows and pigs, useless for breeding, were bought. Farmers were financially liable when livestock died on the trip to the veterinary.
- e. Ox-Cart Tax. An annual tax was levied on all farmers owning ox-carts. The carts were inspected by the government once a year.

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

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- f. School Fund. Each North Korean village was required to support its own schools, including the purchase of supplies and equipment, and, as a result, every household had to contribute to the school fund, regardless of whether it had children or not. The amount of each family's contribution was recommended by the school principal, who submitted his recommendations to the chairman of the school association. The figures were then sent to the heads of both the village People's Committee and the local Korean Labor Party (KLP) committee, and then forwarded to the gun officials for approval. The recommendations were usually approved without change. The fund was collected at the beginning of each school year. Funds assessed from households in an average village ran from 100 - 5,000 won.
- g. North Korean Army "Consolation" Fund. Since the organization of the North Korean army in February 1948, contributions for a "consolation" fund for the army had been solicited annually. These drives, which were sponsored by the Women's Association, were generally held on 7 February (North Korean Army Founder's Day), 1 May, and 15 August. Each household was assigned an amount which it had to contribute, but often was forced to give more than its assigned quota. Farmers were usually required to contribute from 400 to 1,500 won to this fund.
- h. Village Administration Fund. This fund was collected in each village annually, in order to support the staff members of the village People's Committee. Each household was required to contribute from 50 to 300 won, under a plan drawn up by the staff members of the People's Committee, the local KLP committee, and various social organizations.
- i. Poor Relief Fund. This fund was collected on a local basis by each village annually, in order to provide assistance to needy families. Each household was required to make a specified contribution to the fund, usually in the form of food. There was much criticism of the fund because in many instances the recipients of relief from this fund were employees of the KLP who did not have regular jobs.
- j. People's Team Fund. Each household was required to pay 50 won per year to maintain a fund for the support of the local people's team. Office supplies and other materials for the team were purchased out of this fund.
- k. "Consolation" Fund for Model Soldiers. The ostensible purpose of this fund was to "console" honored North Korean army soldiers sent to the rear from the frontlines. Actually, however, it was designed to finance a huge feast which was held in honor of four or five soldiers sent to each village to spread propaganda for the army. These "model" soldiers gave speeches praising army life, and gave assurances that the North Korean army was really supporting the people. Each farmer was required to contribute from 50 to 500 won annually to this fund, which was usually collected on North Korean army Founder's Day.
- l. Patriotic Rice. Each community sponsored an annual drive to collect "patriotic rice" to give to the government, with local KLP members playing a major role in the drive. Most farmers and villagers contributed to this drive, because of fear of persecution.

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