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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 17

The Korean question:

**(b) Report of the United Nations Agent General
 for Korean Reconstruction (A/2750, A/2810,
 A/C.2/L.254 and Add.1) (*continued*)**

1. Sir Percy SPENDER (Australia) congratulated the United Nations Agent General for Korean Reconstruction on his excellent report (A/2750) and on the work which the United Nations Korean Reconstruction Agency (UNKRA) had accomplished under his direction during the period from 1 October 1953 to 1 December 1954. The Agent General's report gave an impressive picture of achievements by UNKRA in many fields. The continuing flow of machinery, equipment and supplies into the Korean economy proved that the United Nations not only stood ready to repel aggression but also, after it had been successfully repelled, to extend aid to the victims of aggression. It also demonstrated how effective collective action could be in reconstruction as well as in defence.

2. In the introduction to his report, the first to cover a period free of hostilities, the Agent General had in essence given an account of "a new and vital phase of reconstruction activity in the Republic of Korea." Referring to the extent of the country's reconstruction needs, the Agent General stated on the basis of an analysis by professional consultants that a five-year reconstruction programme carefully planned and swiftly put into effect would require \$1,240 million of outside economic aid and \$650 million from Korean sources. The United Nations programme could not furnish more than a portion of those requirements; the remainder would have to come from other quarters. In that connexion he noted that the United States Government, through its Foreign Operations Administration, had provided vast sums for reconstruction in Korea.

3. However, the United Nations programme had, in fact, made a useful and important contribution. The Agent General brought out the fact that rehabilitation operations in Korea were proceeding as a joint effort on the part of all the interests concerned. The joint effort had considerably strengthened the effectiveness of the Korean aid programme. He noted with approval

that the Agent General had established a system of priorities for implementing the various projects to ensure that UNKRA's limited resources were applied where they would be most effective. The variety and scope of UNKRA's activities could be seen from chapter II of the report; hardly any significant section of the Korean economy had not in some way been assisted by UNKRA. The United Nations might well be proud of the magnificent work that had been done in Korea by the Agency and the Agent General.

4. In view of UNKRA's accomplishments, the USSR representative's statement at the 340th meeting that the Agency had not contributed to the economic rehabilitation of Korea, that it had made **no effort** to develop Korean industry and that its only concern had been to encourage military preparations, could only be deeply regretted. The Australian delegation refused to give the slightest credence to such baseless allegations, which were intended to cast doubt on the veracity of the Agent General's report and to discredit the humanitarian work of the United Nations in Korea.

5. The parts of the report dealing with UNKRA's financial position were less encouraging. The Agent General had drawn attention to the fact that inadequate financial support given by the various States to the programme had compelled UNKRA to reduce the scale of its programmes. The Agency had to date received \$123 million, all of which, except for a small emergency fund, had been spent or obligated. Although that sum represented a substantial contribution to the Korean economy, UNKRA required further funds to complete the programme for 1954 and to develop the programme already authorized for 1955. The Agent General had expressed the hope that States would not allow UNKRA to fall short of its objective for want of funds. The Australian Government shared that hope and felt that Members were in duty bound to contribute to the collective effort, not only in order to ensure the survival of the Korean people, but also in order to defend the prestige of the United Nations.

6. The Australian Government had, from the outset, supported UNKRA's programme both morally and materially and would continue to do so as long as the General Assembly felt it useful and desirable to continue rehabilitation operations in Korea. He earnestly appealed to all Members to do their utmost, by increasing their contributions, to permit UNKRA to complete the task entrusted to it by the General Assembly.

7. In that connexion, he wished to clarify the position regarding Australia's contributions to UNKRA which had, the previous month, been the subject of some unfortunate publicity based on erroneous information apparently originating from Tokyo. According to that information, Australia and eight other countries, which had been named, had failed to honour their pledges to UNKRA which, the reports alleged, thus faced virtual insolvency. The Australian Minister for External Af-

fairs had disposed of those allegations in the Australian Parliament. In view, however, of the unfortunate publicity which had been given to the matter, he wished to place the true position upon record. On 6 March 1951, the Australian Government had undertaken to make available to UNKRA goods and services to the equivalent in value of two per cent of the total contributions received by the Agency up to a maximum of \$4,400,000. At the beginning of the ninth session of the General Assembly, Australia's contributions had already amounted to \$2,869,440. At the 479th plenary meeting of the General Assembly, the Australian Minister for External Affairs had announced a further contribution of \$1,160,320. Australia's total contribution thus represented about 3.3 per cent of the total contributions so far received by UNKRA. Thus, far from having fallen short of honouring its pledges to UNKRA, the Australian Government had made a considerably larger contribution than it had originally pledged. He hoped that his statement would help to clear up any misunderstanding which might still remain.

8. He had two comments to make regarding the utilization of Australia's contributions by UNKRA. Firstly, his Government had been disappointed that the Agent General had, until very recently, used only a very small portion of the funds which Australia had made available to the Agency for the financial year 1953-1954. Delay by an international agency in making maximum use of contributions as they were provided inevitably tended to have an adverse effect on the desire of a Government to make maximum contributions. His delegation was, however, glad to say that that problem appeared to be well on the way to solution as the result of recent purchases by UNKRA of Australian wool.

9. One reason for the delay in spending the Australian contribution had, he understood, been the fact that the prices for some of the Australian supplies desired by UNKRA were slightly higher than prices elsewhere; he wished also to comment on that point. The Australian Government's pledge was, by its very terms, to provide Australian goods and services up to a certain value. It appeared reasonable that UNKRA should pay for those goods and services at the export prices ruling in Australia. The fact that those prices might be slightly higher than prices elsewhere was not a legitimate reason for the Agency to delay expenditure of the Australian contribution.

10. Those comments were not intended as a criticism of the Agent General; they were made in order to record some of the difficulties of the Agent General's post and to indicate that the initial difficulties were on the way to a solution.

11. The Agent General was right in stating that contributions to the rehabilitation of Korea provided a test of the efficacy of the United Nations in fulfilling its intention to protect freedom and maintain peace. The joint efforts of the United Nations in repelling aggression in Korea had given hope to the small nations of the world, and particularly to those in South-East Asia which were threatened to a greater or lesser degree with the possibility of aggression, that they could count on the support of the United Nations to preserve their independence and integrity. It was reasonable to expect that those countries should also be able to count on the generous support of the United Nations in rehabilitating their war-ravaged territories and in restoring to their peoples their means of livelihood. From that

point of view the success of the United Nations reconstruction programmes in Korea was of the utmost importance to the prestige of the United Nations and to the confidence of the peoples of the world in the virtues of collective security.

12. Mr. PSCOLKA (Czechoslovakia), outlining the damage that had been done in Korea in the course of three years of pitiless warfare, said that the inhabitants of the Democratic People's Republic of Korea had worked enthusiastically to rebuild their ruined country. The main objective of the Government of the Republic was to improve the people's living conditions. To that end it had prepared a three-year reconstruction programme, covering the period from 1954 to 1956, aimed primarily at the development of industry, particularly the consumer goods industry. It also placed great emphasis on the development of agriculture and on efforts to raise the cultural level of the people. It had opened numerous schools and educational establishments to train the technical and scientific staff which the country needed to carry out its reconstruction programme.

13. In its enthusiastic efforts to rehabilitate the country's economy, the Democratic People's Republic of Korea benefited from the fraternal and entirely disinterested assistance of the Soviet Union, the People's Republic of China and the other peoples' democracies. Czechoslovakia, for example, was providing and would continue to provide the Democratic People's Republic of Korea with considerable material and technical aid. Thanks to the aid which it was receiving from all friendly countries, the Democratic People's Republic of Korea would undoubtedly make substantial progress in rehabilitating its economy and raising the standard of life of the people.

14. In contrast, as a result of the Syngman Rhee régime and foreign occupation, South Korea had sunk into decline and anarchy. Considerable testimony from South Korean and other sources—and he quoted in particular an extract from a publication entitled *Inside South Korea*¹, whose author, Mr. G. Jenkins, was a former member of the United Nations Korean Reconstruction Agency—as well as the Agent General's report, tendentious though it was, proved that the political and financial situation of South Korea was disastrous and that the people suffered untold privations. Even before the outbreak of the war against the Democratic People's Republic of Korea, more than half the industrial enterprises of Korea had been closed down. In 1950, production in key sectors of industry had reached only 3.3 per cent of the 1945 level. Even in agriculture the area under cultivation in South Korea, which had always been the country's principal granary, had, in 1950, dropped by one-half as compared with 1945, and the production of rice, the staple foodstuff, had reached only 40 per cent of the 1945 level.

15. That situation had been aggravated by the war, which had shaken the very foundations of the economy, and there had been little or no improvement since the cessation of hostilities. There were 2 million unemployed and the number of persons not working full time was even higher. The economic decline was accelerated by the increase in military expenditure which, as the Agent General admitted in paragraph 82 of his report (A/2750), had "produced inflationary pressures which made it difficult to pursue an adequate investment programme".

¹ London, Union of Democratic Control, 1953.

16. Those facts clearly showed that UNKRA was merely a tool used by the United States military command to attain its strategic and military objectives. The Agent General had done nothing to provide real economic aid to the people; a substantial part of the Agency's resources were used for activities which in no way helped to raise the people's standard of living. Moreover, the efforts made to increase industrial production had been concentrated mainly on industries of military importance and on mining, which was in the hands of United States companies. Hence the aid extended in that respect was offset by a new subjection of Korea which was being reduced to the status of a producer of cheap raw materials.

17. Obviously such methods served the interests of neither the United Nations nor the Korean people. It was for that reason that the Czechoslovak delegation had criticized the activities of the Agent General and would be unable to vote for the joint draft resolution (A/C.2/L.254 and Add.1).

18. Mr. STEWART (New Zealand) said that his delegation had carefully studied the Agent General's report and his statement at the 340th meeting, and had come to the conclusion that UNKRA was carrying out the mission assigned to it by the United Nations faithfully and well, within the limitations of the resources available to it.

19. A wide range of projects had been undertaken with a view to assisting in the reconstruction of the Korean economy; most of those projects were, he was pleased to note, of a long-term nature which would be of lasting benefit to the Korean people. His delegation also noted with satisfaction the administrative improvements which the Agent General had brought about in the Agency's structure. The fact, for example, that he had succeeded in making staff economies at a time when the Agency's workload was increasing justified the confidence placed in him by the United Nations. It was clear that UNKRA was an efficient instrument able to perform the duties assigned to it by the General Assembly.

20. It was impossible not to realize how much UNKRA owed to the United States of America, which had provided the major part of the funds and was prepared, as the United States representative had announced at the 340th meeting, to make an additional contribution. That was yet another example of the generous response which the American people invariably gave to an appeal for a worthy cause. He also paid tribute to the United Kingdom and Canada for the substantial material support they were giving to UNKRA's work.

21. Unfortunately, however, as the Agent General had stated in paragraphs 162 and 163 of his report (A/2750), UNKRA was without the funds required for the completion of the programme for the financial year 1954 or for the initiation of the programme for the financial year 1955 and, unless additional funds for the execution of the overall UNKRA programme were made available without delay, the mission assigned to the Agency could not be accomplished. The New Zealand delegation thought that it was incumbent upon the United Nations to prevent that possibility from becoming a reality. As the Agent General had stated in paragraph 164 of his report, UNKRA needed "tangible assurance from Governments in the form of additional pledges and contributions". It was not right that the burden of discharging a United Nations re-

sponsibility should be borne by a small number of Members. Much had been said in the Committee about the responsibility of the more advanced countries towards those which were less advanced. Such an obligation was generally recognized and many Governments, including his own, had taken steps to help under-developed countries. Such help could not, however, be limited to one particular group of countries. Korea was not merely an under-developed country; it had suffered war devastation. It therefore had a double claim to assistance from the United Nations. That was why the New Zealand delegation had joined others in sponsoring the joint draft resolution.

22. As far as his Government was concerned, he was glad to be able to say that it had carried out in full its pledges to UNKRA. The final instalment of \$279,000 had been paid in September 1954. His delegation was not at present in a position to give an indication as to New Zealand's future action with respect to contributions. He could, however, inform the Committee that the New Zealand Government was fully apprised of the situation facing UNKRA and intended to consider the possibility of making a further contribution during the coming financial year. Its decision would, however, depend to some degree upon the willingness of other Members to respond to the Agent General's appeal.

23. Mr. UMARI (Iraq) congratulated the Agent General on his outstanding report and paid tribute to the work which the United Nations had done in Korea. His delegation had the greatest sympathy for the people of Korea and was glad that, unlike certain less fortunate peoples, they had been able to return to their ruined homes and start rebuilding them with the international assistance they were receiving.

24. Mr. GUERRA (Chile) pointed out that, according to table A in Annex I of the report, Chile still owed the sum of \$250,000. He drew attention to the relevant note included in that table, and explained that the 5,000 tons of nitrates which his country had pledged had been at UNKRA's disposal at a Chilean port for over 18 months and that it was not the fault of the Chilean Government that they had not yet been shipped.

25. General COULTER (United Nations Agent General for Korean Reconstruction) assured the Chilean representative that UNKRA was actively concerned with the question of the 5,000 tons of nitrates, but had not yet been able to find the means of transport needed to obtain delivery of them. However, according to the latest information he had received, their shipment now appeared to be possible.

26. He thanked the delegations which had congratulated UNKRA on its work and which had expressed their confidence in it. UNKRA would continue, with the help of the Advisory Committee to the Agent General, to carry out the mission assigned to it by the General Assembly. He also thanked those delegations which had indicated that their Governments would make additional contributions; he hoped that other Governments would follow suit so that work on the economic assistance programme might be continued.

27. Mr. A. P. MOROZOV (Union of Soviet Socialist Republics), replying to the comments of several delegations on the statement he had made at the 340th meeting, said that his observations on the results of UNKRA's work were based solely upon facts. In that

connexion, one had only to refer to the Agent General's report, which stated, among other things, that production had not increased, that the country's economy was stagnating, and that 1,543,000 Koreans were seeking employment, in paragraphs 109, 110 and 93 respectively. The concrete facts stated in the report did not seem to correspond with the Agent General's statements.

28. Mr. GUERRA (Chile) asked for a separate vote on paragraph 1 of the operative part of the joint draft resolution (A/C.2/L.254 and Add.1).

Paragraph 1 of the operative part was adopted by 35 votes to 5, with 3 abstentions.

The joint draft resolution as a whole was adopted by 38 votes to 5.

29. Mr. LEDOUX (France) explained that he had voted in favour of the draft resolution because the French delegation was aware that it was at present most important to continue the Korean relief and rehabilitation programme. That was why the French Government, in spite of the heavy burden it still had to bear in Indo-China, would endeavour to respond to the appeal in the draft resolution.

30. Mr. OZGUREL (Turkey) said that he had voted for the draft resolution without hesitation. The report of the Agent General and his statements had convinced him of the value of the excellent work being done by UNKRA in Korea. However, that country's requirements were immense in comparison with the resources available. To ensure the successful completion of the work undertaken, the United Nations had to continue to give financial assistance to Korea and thus honour its past pledges. It had to help the Korean people to attain economic independence, which was the prerequisite of political independence.

31. Ato Araya OGBAEGZY (Ethiopia) said that he had voted for the draft resolution because Ethiopia approved of the work which was being done in Korea and to which the Ethiopian Government had made a financial contribution. The fact that the Ethiopian delegation had voted for the draft resolution was not, however, to be interpreted as a commitment to make further contributions.

32. Mr. A. P. MOROZOV (Union of Soviet Socialist Republics) said that the USSR delegation had voted against the draft resolution because it considered that the work done by the Agent General was far from satisfactory.

33. Mr. MANSOUR (Iran) said that he was glad that peace had been restored in Korea. He paid tribute to UNKRA's efforts and the substantial aid given by certain countries. From the strictly humanitarian point of view and without regard to political considerations, it was to be hoped that all Koreans, whether they were from the South or from the North, would be able to rebuild their country and enjoy a lasting and honourable peace. It was with those considerations in mind that the Iranian delegation had voted for the draft resolution. He congratulated the Agent General on the work he had done to further Korean reconstruc-

tion and on the remarkable progress that had been achieved.

34. Mr. SAENZ (Mexico) said that the Mexican delegation had voted for the draft resolution because it approved of the humanitarian principles on which the Korean reconstruction programme was based. Mexico had already made a contribution to the Korean programme which was in keeping with its resources. Unfortunately it was at present faced with a number of domestic financial problems, and could not assume any new commitment to supply goods or money.

35. Mr. GUERRA (Chile) explained that the fact that his delegation had voted for the draft resolution did not indicate that it was ready to assume further financial obligations with regard to operations undertaken in a foreign country, however valuable they might be.

36. Mr. BIRECKI (Poland) explained that he had voted against the draft resolution because he did not believe that UNKRA's activities, which were completely under the control of the United States military authorities, would further South Korean rehabilitation. The increase in that country's war potential would not improve the lot of its unhappy people. The statements made by Mr. Syngman Rhee in Washington and by the South Korean representative before the First Committee (739th meeting) had revealed the aims of the present régime in South Korea. Support of that régime would not help the Korean people.

37. On the other hand, certain delegations had drawn attention to the rapidity with which reconstruction was being carried out in North Korea with the effective help given by the USSR, China and the peoples' democracies. The Polish Government was particularly proud of its contribution to that country's rehabilitation and of being able to give it the benefit of the experience acquired by Polish architects and technicians after the Second World War in the rebuilding of its towns.

38. Mr. ENCINAS (Peru) said that he had voted for the draft resolution because his delegation approved of the action being taken in Korea. It had already made a contribution in kind to Korean reconstruction, but it should not be assumed that its vote meant that it had undertaken further obligations.

39. Mr. GABAL (Egypt) said that, while the Egyptian delegation had voted for the draft resolution, it had not changed its position with regard to the Korean question.

40. Mr. STANOVNIK (Yugoslavia) said that he had voted for the draft resolution because the Yugoslav delegation approved of the humanitarian action that was being taken in Korea. It had however abstained when operative paragraph 1 had been put to the vote, because it believed that the assistance which the United Nations was giving to South Korea should be extended to North Korea. If the United Nations helped with the reconstruction of the whole country, an important step would have been taken towards Korean unification.

The meeting rose at 12.15 p.m.