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**Chairman: Mr. Leo MATES (Yugoslavia).**

**The Korean question:**

[Item 18 (b)]\*

**(b) Report of the United Nations Agent-General for Korean Reconstruction (A/2543 and Corr.1, A/2586, A/C.2/L.218) (concluded)**

1. Sir Clifford NORTON (United Kingdom) was happy that General Coulter had been able to attend the Committee's discussions, because it was very desirable that the Agent General should be able to present his report in person and to reply to delegations and demonstrate to them the urgent need of financial support. A tribute was due to the tireless energy and great devotion that General Coulter had shown in the performance of a task made doubly difficult by political uncertainty and financial instability. It was no easy matter to compile a report containing, as was inevitable, recommendations for the future, with the knowledge that many governments would be hesitant about pledging themselves to long-term support for the programme.

2. Although it was the Advisory Committee's task to examine past, present and future programmes in detail, he wished to draw attention to one matter. He wondered whether some projects included in future programmes did not involve obligations for the Agency extending beyond June 1955. In view of the state of political uncertainty, it might perhaps be better to concentrate on programmes that could be completed by 30 June 1955. The Agent General had referred to the close co-ordination of programmes conducted by the Agency, the Unified Command and the Government of the Republic of Korea. It might therefore be possible to transfer responsibility for the long-term projects to those other authorities. That point might well be considered by the Advisory Committee.

3. The Agent General had proposed a programme extending to 30 June 1955 (paragraphs 122, 123 and 124 of document A/2543<sup>1</sup>). The United Kingdom delegation regarded that as a sensible and realistic idea. Some delegations might feel that the Agent General had been too optimistic with regard to the level

set for contributions, but in the circumstances it must be agreed that there was a minimum below which it would be uneconomic to contract the programme. On the other hand it must also be doubted whether it would be reasonable to expect governments to pledge large new contributions. The Agent General had been wise to attempt to draw up a programme which could be expected to give satisfactory results and which on the whole could be carried out during the two years under consideration. The General Assembly would thus at its next session be able to examine the situation without being bound by long-term obligations. The amount of \$266 million seemed reasonable, but the problem of contributions was still to be solved. If the Agency were to run out of funds, the prestige of the United Nations would suffer and the Agency would be severely criticized. In order to avoid that danger, Member States should give serious consideration to the question of financial assistance. Some governments had already contributed generously in cash or kind, and others had made an even greater sacrifice for Korea, where their sons had fought and fallen. There were some governments, however, which had not yet done anything, and still others had made pledges but had not yet fulfilled them.

4. Despite its anxiety over the political situation in Korea, the United Kingdom Government was maintaining its original pledge of 10 million pounds sterling on a 250 million dollar programme. It could not go beyond that sum, but would loyally fulfil its obligation. By April of the following year it would already have paid the equivalent of \$20 million. That was undertaken on the understanding that the entire question of the Agency's future would be reviewed at the Assembly's ninth session. By that time the Korean situation might appear more favourable. In the mean time the United Kingdom Government would, as had been indicated, support the programme, and it hoped that other governments would do likewise. The United Nations had assumed a responsibility, and the task should be carried out efficiently and effectively. That could only be done if all governments lived up to their obligations.

5. He concluded by expressing the hope that the Committee would adopt the draft resolution contained in document A/C.2/L.218, of which his delegation had been a co-sponsor.

6. Mr. DULIN (France) commended the Agent General on his report, which was clear, precise and realistic and did not ignore the difficulties of the task facing the United Nations. The results thus far achieved were undoubtedly meagre in contrast with the magnitude of the needs; but since the signing of the armistice the havoc had ceased, and the work of reconstruction could be contemplated with greater confidence. The French Government was happy to note that all the agencies concerned would be able to participate in the United Nations assistance programmes and

\* Indicates the item number on the agenda of the General Assembly.

<sup>1</sup> See *Official Records of the General Assembly, Eighth Session, Supplement No. 14*.

concentrate on a common effort in the name of international co-operation.

7. The Agency's expenditure for the financial year 1953 amounted to \$70 million. That sum had most certainly helped to relieve the sorely tried Korean economy, but attention had to be given to the future. The programme for the financial year ending 30 June 1954 had had to be cut down, and the Agent General had said that he could not carry out his 1954 programme unless he obtained further contributions to the tune of \$10 million. The French delegation firmly hoped that the \$10 million would be forthcoming, and that the 1954 programme would not have to be further curtailed.

8. His delegation had carefully examined the programmes for the coming months. The ground to be covered was enormous. In consideration of the financial resources on hand, it appeared that priority could for the time being be given to agricultural and power projects. Food would again in the present year be the Korean people's chief anxiety. Special stress should be laid on the need for speedy rehabilitation of the rice fields, the building or rebuilding of the fishing fleet and the unrestricted sale of food. At a time when famine was still threatening most of the world, the development of food resources and the utilization of every agricultural possibility must be one of the essential objectives of international organizations. Electric power was also an urgent need, and the Agency would be well-advised to act as quickly as possible in restoring power lines and in repairing and reconstructing power stations. Extensive publicity for the Agency's work would be a valuable means of enabling the reconstruction programme to be carried out in the best possible conditions. In that way, competition would have full play, contracts could be made on the best terms, and the programme would in consequence be far more efficacious.

9. The French Government took a keen interest in the work of reconstruction but was unfortunately not in a position to assist the programme as much as it would like. France had for more than five years been subjected to losses of the same kind as the Korean people were now suffering, and those losses had not even yet been completely made good. The French Government had still to make a heavy contribution to the maintenance of international security not only in Europe, but also in Asia. Despite that burden, the French Government had previously furnished a considerable amount of medical supplies and had for the current year appropriated funds for emergency aid to Korea. In the hope of being able to participate in the United Nations effort in Korea, as it had been doing for several years in the case of other United Nations programmes, it had likewise considered the question of participating in the reconstruction programme covered by General Assembly resolution 410 (V). It was in that spirit that the French delegation had joined in sponsoring the draft resolution contained in document A/C.2/L.218.

10. Mr. BETETA (Mexico) said he would vote for the draft resolution (A/C.2/L.218), as a mark of his delegation's appreciation of what the United Nations was doing in a country which had undergone all the horrors of war. Mexico had already contributed in kind to the programme. Owing to the demands of its economic development, it was unfortunately unable to contemplate giving further aid to Korea. He there-

fore wished to state that his delegation's approval of the draft resolution did not imply that it was entering into any further financial commitment.

11. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that United States intervention in Korea had been the cause of that country's ruin. Bombing by the American air force had wiped out whole towns, disrupted communications and destroyed cultural centres, historical remains and the means of industrial and agricultural production. An immense effort was needed to re-establish the country's normal economic life. In the face of such a situation, the United Nations Agent General for Korean Reconstruction should obviously have first tried to provide the country with the means of restoring certain essential sectors of its economy. Analysis of his report showed that, instead of devoting himself to that primordial task, he had directed his efforts towards co-operating with the United Nations Command in Korea, whose concerns were strictly strategic. The Agent General should have resisted that tendency, but he had not done so. On the contrary, he had accepted the instructions of the military authorities. Proof was not lacking of the subordination of the Agent General to the United Nations Command. In addition to other evidence, there were the agreements concluded at Tokyo between the Agent General and the United Nations Command and the decisions taken at the time of the Washington Conferences. As a result of that subordination, the funds intended for the reconstruction of Korea had been appropriated to the building of bridges and roads in furtherance of the strategic purposes of the American Army. Those funds had been diverted from their normal use, to the detriment of agriculture, industry and public health in the war-ravaged areas. Thus—and the Agent General admitted it in his report—the priority given to military operations had prevented certain essential programmes from being carried out. The whole effort had been directed towards the reactivation of the sectors of the economy used for military purposes, and towards the importation of products needed for the war. An effort had been made to develop certain industries of strategic importance to the United States, including the tungsten mines, since that metal was used in the manufacture of atomic bombs. Lastly, the Agent General was the more directly subject to the authority of the United Nations Command, inasmuch as that Command exercised absolute control over the means of transport and communication. It could not be said, therefore, that the Agent General had been in a position to act in the interests of the United Nations and of Korea. For all those reasons, the USSR delegation would be unable to support the draft resolution contained in document A/C.2/L.218, which signified approval of the Agent General's work.

12. He then drew attention to the assistance to North Korea granted by the Soviet Union and the People's Republic of China. His Government had opened a credit of 10,000 million roubles to be used by the People's Democratic Republic of North Korea for the construction of electric power stations and factories to replace destroyed plants. With that money, the Government of North Korea would be able to rehabilitate the indispensable branches of the economy and supply the population with essential consumer goods. It would be able to undertake the construction of iron and cement works, restore communications, develop fisheries and stock-raising and build hospitals and schools. Gratifying results had already been obtained in the recondition-

ing of hydro-electric plants and the working of deposits of non-ferrous ores. Much had also been done for the textile industry and the production of preserved foods. All that assistance had been supplied directly to the North Korean authorities under an agreement concluded between two sovereign governments on a basis of complete equality, without any attempt on the part of the USSR Government to obtain military advantages or exploit strategic resources for its own benefit.

13. The agreements between the People's Democratic Republic of China and the People's Democratic Republic of North Korea had also been concluded on the basis of the sovereignty of the parties. Under an agreement concluded at Peking, the Government of the Republic of China had renounced the right to repayment of the sums due to it in respect of the economic aid already furnished to North Korea. In addition, the People's Republic of China had undertaken to provide Korea with cotton, cereals, capital goods, ships, rolling-stock and the raw materials needed for industrial reconstruction. All those supplies, amounting in value to 80,000 million *hwan*, had been remitted directly to the North Korean authorities. Unlike the American military command in South Korea, which strictly controlled the distribution of relief, the authorities in charge of the Chinese volunteers in North Korea did not interfere in any way with the application of the agreements. As had been pointed out by Mr. Chou En-lai, Minister of Foreign Affairs of the People's Republic of China, the agreement concluded with North Korea reflected the solidarity of the people's democracies in resisting those whose purpose was to use aggression as a means of preventing the progress of the Asian peoples. Mr. Kim Il-sung, head of the North Korean delegation at Peking, had associated himself with that statement when he had said that such assistance strengthened the faith of his countrymen in a victorious conclusion to the struggle for the rehabilitation of the Korean economy and the peaceful unification of the country. Those should be regarded as the conditions of any genuine aid to Korea.

14. Mr. CHENG (China) recalled that, so far as the production of food was concerned, the Chinese economy, far from permitting any exports at all, had for over a century necessitated the importation of between a million and a million and a half tons of foodstuffs. Any aid, in money or kind, granted by the puppet Chou En-lai to the puppet Kim Il-sung could only come from the forced labour of six million persons imprisoned in concentration camps and from an exorbitant demand upon the very limited resources of the agricultural population.

15. He would like to thank the Agent General and the United Nations Unified Command for their untiring efforts to secure the re-establishment of order in an area where chaos reigned. He had noted with satisfaction that the Agency had set its hand to long-term reconstruction programmes to be carried out in stages, and that the Unified Command was arranging for the supply of emergency relief. The difficulties facing the Agency in Korea were a matter of general knowledge. In the first place, since peace had not yet been firmly established in the country, any reconstruction programme could be only provisional and could not apply to the entire territory. Secondly, it was impossible to base a reconstruction programme on the utilization of the economic and labour potential of the whole peninsula. Lastly, it must not be forgotten that economic

and financial sabotage was always possible on the part of the North Koreans living in the territory of the Republic of Korea. In those circumstances it was obvious that until Korea had been unified no programme could be entertained which aimed at making Korea a country that produced more than it consumed.

16. The Chinese delegation would vote for the draft resolution before the Committee (A/C.2/L.218). It would like to point out that Annex A to the Agent General's report showed that, while the non-member States had paid up their pledges in full, the same could not be said of Member States. It hoped that adoption of the draft resolution would give more satisfactory results.

17. Lastly, his delegation would inform the Negotiating Committee on Extra-Budgetary Funds of the Chinese Government's position with regard to the further contributions requested.

18. General COULTER (United Nations Agent General for Korean Reconstruction) stated that the Agency was not subordinate to any other body in Korea. It operated in accordance with the provisions of General Assembly resolution 410 (V), and its activities were supervised by an Advisory Committee consisting of five States Members of the United Nations. The funds placed at its disposal for promoting the reconstruction of Korea had been assigned solely to the rehabilitation of the civil economy. No money had been spent on the construction of roads and bridges, or for the development of natural resources of strategic importance. Efforts had been concentrated on the exploitation of resources which served the needs of the civil economy.

19. While thanking the Committee for giving him the opportunity to explain the conditions in which the Agency was discharging its task, he expressed the hope that the United Nations would give its support to the proposed programmes, in view of their importance not only to Korea, but to the Organization itself.

20. Mr. HALL (United States of America) expressed regret that in his observations the USSR representative had offered no comment at all on the collective action undertaken by the United Nations to assist a people so cruelly tried by the aggression of which it had been the victim, or on the draft resolution submitted to the Committee.

21. The USSR delegation's criticisms had already been answered by the Agent General. He would merely add that, in order to prove the emptiness of the Soviet Union's charge that the Agent General was serving United States interests, it was enough to quote a letter in which the Agent General had informed the Economic Co-ordinator that he would be willing to accept the Economic Co-ordinator's suggestions to the extent that the Advisory Committee and he himself determined them to be consistent with his mission as defined by the General Assembly.

22. Mr. KAIGL (Czechoslovakia) read a passage from an article in *The New York Times* of 9 November 1953, in which it was stated that the Economic Co-ordinator oversaw both the Korean Civil Assistance Command, a United States agency, and the United Nations Korean Reconstruction Agency. That was proof that the Agency was really under the control of the American authorities.

23. The CHAIRMAN, noting that no other representative had asked to speak, put the draft resolution contained in document A/C.2/L.218 to the vote.

24. Mr. GURINOVICH (Byelorussian Soviet Socialist Republic) moved that the parts of the draft resolution should be voted on separately.

*It was so decided.*

*The preamble to the draft resolution was adopted by 33 votes to 5.*

*Paragraph 1 of the operative part was adopted by 33 votes to 5.*

*Paragraph 2 of the operative part was adopted by 33 votes to 5.*

*Paragraph 3 of the operative part was adopted by 32 votes to none, with 6 abstentions.*

*Paragraph 4 of the operative part was adopted by 32 votes to none, with 6 abstentions.*

*The draft resolution as a whole was adopted by 33 votes to none, with 5 abstentions.*

The meeting rose at 4.30 p.m.