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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 12

Report of the Economic and Social Council, chapters II and III (A/2686, A/C.2/L.247, A/C.2/L.248 and Corr.1, A/C.2/L.252/Rev.1, A/C.2/L.253 and Add.1, A/C.2/L.256) (*continued*)

1. Mr. GUERRA (Chile) said that he would withdraw his amendment (A/C.2/L.256), as the changes proposed orally by the Venezuelan representative at the 339th meeting had been incorporated in the revised version of the joint draft resolution (A/C.2/L.252/Rev.1). He reserved the right to propose that the question to which his amendment referred be included in the agenda of the tenth session of the General Assembly.

2. The CHAIRMAN asked the Committee to vote on the USSR draft resolution on international trade (A/C.2/L.248 and Corr.1). The Polish representative had requested (339th meeting) a separate vote on each paragraph.

The first paragraph of the preamble was adopted by 31 votes to 2, with 9 abstentions.

The second paragraph of the preamble was rejected by 27 votes to 5, with 16 abstentions.

The third paragraph of the preamble was adopted by 22 votes to 4, with 21 abstentions.

3. Mr. ALFONZO RAVARD (Venezuela) requested a separate vote on the words "to remove existing measures of discrimination applying to trade with individual States or groups of States, and" in the operative part.

That portion of the operative part was rejected by 28 votes to 5, with 15 abstentions.

The remainder of the operative part was adopted by 28 votes to 3, with 17 abstentions.

4. The CHAIRMAN put the parts of the draft resolution which had been adopted separately to the vote as a whole.

The USSR draft resolution, consisting of the parts adopted separately was rejected by 11 votes to 7, with 30 abstentions.

5. The CHAIRMAN then put the revised joint draft resolution (A/C.2/L.252/Rev.1) to the vote.

The revised draft resolution was adopted by 45 votes to none, with 5 abstentions.

6. Mr. ENCINAS (Peru) explained that he had voted against the USSR draft resolution on the subject of international trade (A/C.2/L.248 and Corr.1), not because he disagreed with the ideas it expressed but because it might involve interference with the programme of the Economic and Social Council which was proceeding satisfactorily. He had abstained in the vote on the first two paragraphs, because no information regarding a contraction of civilian production or an increase in unemployment in various States had so far been received from national statistical departments. He had voted for the two joint draft resolutions (A/C.2/L.253 and Add.1; A/C.2/L.252/Rev.1) because they endorsed the Council's decisions.

7. Mr. SOLLI (Norway) said that he had voted against the USSR draft resolution on the subject of unemployment (A/C.2/L.247) because he considered that the main responsibility for ensuring proper levels of employment should rest with Governments. He had voted for the joint draft resolution (A/C.2/L.253 and Add.1) because he wished the appropriate international bodies to keep the international aspects of employment under continuous review.

8. Mr. RENOUF (Australia) said that he had abstained in the vote on the third preambular paragraph of the USSR draft resolution on international trade because it stated what was at best a half-truth. The converse of that paragraph was equally valid, namely, that a reduction in international tension would help to improve the normal development of trade between States. He had abstained in the vote on the draft resolution as a whole because he doubted whether it was necessary for the General Assembly to call upon Members to take steps which they had already taken.

9. Mr. O'NAGHTEN (Cuba) said that he had voted against the USSR draft resolution on unemployment because the Economic and Social Council had already requested various studies to be made on the world employment situation and any action in the Second Committee in that connexion would be premature. He had voted for the two joint draft resolutions (A/C.2/L.252/Rev.1 and A/C.2/L.253 and Add.1) because he believed that the General Assembly should endorse the Council's resolutions. Although abstaining on two paragraphs, he had voted against the USSR draft resolution on international trade as a whole.

10. Mr. UMARI (Iraq) said that the attitude reflected in the USSR draft resolutions was unacceptable in the present world situation. He had therefore opposed them and had voted for the two joint draft resolutions which endorsed the resolution adopted by the Council, the organ responsible for studying questions of employ-

ment and trade. He felt, however, that in the joint draft resolution on full employment the International Labour Organisation should not have been singled out since the question also came within the purview of the Secretary-General. His delegation had not taken part in the vote on the separate paragraphs of the USSR draft resolution on international trade.

11. Mr. STANOVNIK (Yugoslavia) explained that he had voted for operative paragraph 1 but against paragraphs 2, 3 and 4 of the USSR draft resolution on unemployment. However, he had had no choice but to abstain from the vote on that resolution as a whole.

12. He had abstained on the first part of the operative paragraph of the USSR draft resolution on international trade but had voted in favour of the second part of that paragraph. He had abstained on the other paragraphs.

13. He had voted in favour of the two joint draft resolutions.

14. Ato Araya OQBAEGZY (Ethiopia) said that he had abstained from voting on the two USSR draft resolutions, not because he disagreed with their substance, but because the measures recommended by the Council in resolutions 531 B (XVIII) and 531 C (XVIII) were adequate. He had therefore voted for the two joint draft resolutions, but had voted for the first preambular paragraph of the USSR draft resolution on international trade because the idea it expressed was valid by itself.

15. Mr. USCOCOVICH (Ecuador) explained that he had voted in favour of the two joint draft resolutions because they advocated the logical course of endorsing the relevant Council resolutions.

16. Mr. OFER (Israel) said that his country was closely acquainted with trade boycott and discrimination in its part of the world; it was opposed to such policies because they made for international tension and endangered peace, prosperity and freedom. He had voted for the joint draft resolution on international trade because it widened the area of consideration of the subject, although it did not go far enough and failed to convey a sense of urgency. However, it was better than the USSR resolution on that subject which was too narrow in scope.

AGENDA ITEM 17

The Korean question:

(b) Report of the United Nations Agent General for Korean Reconstruction (A/2750¹, A/2810; A/C.2/L.254 and Add.1)

17. The CHAIRMAN invited General Coulter, United Nations Agent General for Korean Reconstruction, to address the Committee.

18. General COULTER (United Nations Agent General for Korean Reconstruction) said that the United Nations could take pride in the fact that its programme for rehabilitation in Korea was achieving positive and far reaching results. It was based on the needs of the people and was closely linked with other aid programmes. Many recent Korean newspaper articles and letters from Korean business concerns and individuals attested to the progress being made by the United Nations Korean Reconstruction Agency (UNKRA). Its major accomplishments had been

summed up in his report (A/2750) and if members of the Committee could make a tour of Korea they would see for themselves the reawakening of a war-devastated economy made possible by the material assistance of UNKRA.

19. So far UNKRA had received and had spent, had obligated, or was in the process of obligating, approximately \$123 million in aid for Korea, the major portion of which was allocated to increasing the country's productive capacity and to improving the living conditions of its people.

20. However, the UNKRA programme faced serious curtailment unless United Nations Members made the necessary funds available. Certain Members who had given generously to UNKRA in the past had indicated their willingness to contribute more. All Members had an opportunity to join in a collective effort for peace and for the constructive rehabilitation of a country. The successful accomplishment of UNKRA's mission was a challenge to the United Nations. He believed that Governments appreciated the importance of that mission and would make prompt and substantial pledges and contributions so that UNKRA might complete a realistic and effective programme of economic assistance to Korea.

21. Mr. NASH (United States of America) said that the devastation suffered by Korea in its resistance to aggression and the degree of recovery thus far achieved with UNKRA's assistance were known at first hand to the sixteen Members of the United Nations which had sent troops to fight with those of the Republic of Korea in the successful effort of the United Nations to preserve that country from conquest by the aggressors. Many of the countries represented in the Committee had lately experienced the terrible destruction of war and had received outside help for the rehabilitation of their war-shattered economies. All could comprehend the magnitude of the task of assisting the Korean people to survive the ravages of the war in which they had so valiantly defended themselves. The collective action of the United Nations and the Republic of Korea in the defence of that country had involved great and terrible loss of life, vast destruction of property and disruption of the country's entire economy.

22. The Agent General's report of UNKRA's accomplishments so far was indeed impressive. The programme had been most efficiently administered. At the same time the United States Government was concerned about the task still to be done by the United Nations.

23. In recognition of the immediate need for increased contributions, the United States, the United Kingdom and Canada were ready to subscribe a total additional amount of approximately \$13,500,000. The Australian Government had recently announced an additional payment to UNKRA of \$1,160,000 so that the total additional funds would amount to about \$14,500,000. His Government was participating in the mutual effort of the four Governments in the hope that their action would be imitated by others.

24. His Government was a co-sponsor of the joint draft resolution (A/C.2/L.254 and Add.1). His delegation hoped that it would receive widespread support and that its adoption would call for prompt initial or additional contributions to UNKRA.

25. All nations which had recognized the responsibility of the United Nations to take collective action in Korea in 1950 had to feel a similar clear obligation to help

¹ Official Records of the General Assembly, Ninth Session, Supplement No. 20.

to rehabilitate the country so as to justify the courage and steadfastness of its people and the faith of all peoples in the United Nations.

26. Mr. JONKERS (Netherlands), as a co-sponsor of the joint draft resolution, stressed UNKRA's need for more money. He agreed with the Agent General's conclusions (A/2750, paragraphs 159 to 164), especially with those contained in paragraph 164 of his report, and hoped that the ultimate goal of unification would be borne in mind by the United Nations.

27. The Netherlands Government intended to double its contribution for 1955. The amount involved, 2 million guilders, was equivalent to \$526,000 at the official rate of exchange, but that sum could buy much more in the Netherlands than in the United States. His Government would do its utmost to make payment as soon as possible.

28. Sir Alec RANDALL (United Kingdom) paid tribute to the work of the Agent General. In the first year since the cessation of hostilities, UNKRA had already made solid progress in its task of rehabilitating a country that had suffered dreadful loss of life and had seen its economy shattered. The effectiveness of UNKRA had been increased by the close co-ordination of its work with that of the Government of the Republic of Korea and with the other agencies assisting that country.

29. Despite its manifold national and international commitments, the United Kingdom Government had contributed to UNKRA on a most generous scale. It had done so because it believed that the peoples of the world should be assured that the United Nations was not only willing to take collective action against aggression, as in Korea, but was also prepared to take collective action to repair the terrible damage resulting from that aggression.

30. The amounts so far contributed by his Government had far exceeded its original pledge and what might reasonably have been expected of it in relation to total contributions. His Government was planning to make a further substantial contribution to enable the agency to continue its mission to the maximum extent possible, in the hope that many other Governments would follow suit. For those reasons the United Kingdom delegation had been happy to co-sponsor the joint draft resolution. He hoped that it would receive overwhelming support and would enable the United Nations to respond to the challenge of Korean reconstruction.

31. Mr. A. P. MOROZOV (Union of Soviet Socialist Republics) said that the war had brought untold suffering to the people of Korea. As a result of barbarous air and artillery bombardments of civilian objectives, there had been heavy loss of life and widespread destruction involving 600,000 houses, 5,000 schools, 1,000 hospitals and 9,000 factories, power stations, reservoirs, theatres and other buildings.

32. During the short time since the cessation of hostilities, due to the independent efforts of the people and the Government of the Democratic People's Republic of Korea, that country had made great progress with its rehabilitation. Industrial production in the third quarter of 1954 had been 66 per cent higher than in the third quarter of 1953. Since the armistice, 232 State industrial enterprises, including 30 large ones, had been brought into operation. The Soviet Union and the People's Republic of China and other peoples'

democracies had supplied modern industrial equipment. Great progress had also been made in the rehabilitation of agriculture. The interventionists had not hesitated to destroy even water reservoirs, which were of special importance to Korea's agriculture. The Government had reduced the price of consumer goods three times since the armistice; wages, on the other hand, had been raised. As a result, real wages had been more than doubled as compared with 1953. A large-scale housing programme was being undertaken, and hundreds of educational establishments had been built. At present there were roughly 1,900,000 pupils attending educational institutions of various kinds in North Korea.

33. Those results had been achieved because the Government of the Democratic People's Republic of Korea was interested, not in building up armaments, as was being done in South Korea, but in economic development and in raising the people's material and cultural standards of life. An indication of that Government's determination to achieve peaceful economic progress was its three-year economic plan for the period 1954-1956, which was designed to increase production and to raise the people's standard of living. By 1956, industrial production would reach a level one and a half times higher than it had been in the pre-war year of 1949, while the production of consumer goods would have doubled.

34. The Soviet Union, the People's Republic of China, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, the German Democratic Republic and the Mongolian People's Republic had all given material assistance to the people of Korea. The Soviet Union, for example, had authorized the expenditure of 1,000 million roubles on assistance to North Korea and had already supplied the country with industrial equipment and consumer goods to the value of 300 million roubles. The People's Republic of China had allocated 8,000,000 million yuan for assistance to Korea, against which Korea had already received equipment and consumer goods for the sum of 3,000,000 million yuan. The peoples' democracies had allocated several hundred million roubles for aid to Korea. That assistance was unconditional; the people of North Korea were free to make use of it as they saw fit; there was no interference in the domestic affairs of the Democratic People's Republic of Korea and no violation of its sovereign rights.

35. The situation in South Korea was quite different. The foreign agencies set up to provide assistance ignored the views of the Korean people and a large portion of the aid given to South Korea was used not for peaceful economic development but for rearmament in preparation for a new war. Moreover, industrialization was not encouraged because the countries that contributed funds to the various agencies wished to use South Korea as a market for their goods and as a source of raw materials. The Agent General had admitted in his report that there was still considerable distress in South Korea; that the cost of living was rising and that at the beginning of 1954 almost one-fifth of the total adult population had been unemployed, as noted in paragraphs 80, 96 and 93 respectively of the report. Those were the results of many years of aid to Syngman Rhee's régime, which had suffered complete political and economic bankruptcy.

36. The Agent General had not achieved anything substantial with the millions of dollars that had been assigned to him, and at present UNKRA did not have

sufficient funds to complete its 1954 programme or to carry out its programme for 1955. That Agency acted in conformity with the policy of the United States of America, which, as the Agent General's report showed, controlled the financial and economic policy of the South Korean régime. That régime would collapse if it was deprived of the foreign aid it was receiving. The Agent General had done little or nothing to promote Korea's economic development, and the United Nations programme for the reconstruction of Korea had come to nought.

37. For those reasons he could not approve of the activities of UNKRA.

38. Mr. HOWARD (Canada) said that UNKRA had made substantial progress during the past year, the first in which there had been no hostilities. Comprehensive reconstruction and rehabilitation projects had been undertaken. Canada had been a member of the Advisory Committee to the Agent General since its establishment and consequently had a direct and continuing interest in those projects, which it firmly believed would help the Republic of Korea to reconstruct its war-devastated economy and would enable its people to enjoy once again a reasonable standard of living.

39. He commended the Agent General under whose able direction UNKRA had achieved so much. It was gratifying that he had been able to make substantial staff reductions without impairing the effectiveness of his programme.

40. In answer to the USSR representative's assertion that little had been done in Korea by UNKRA or

through other economic assistance programmes, he pointed out that the Agent General's report showed that since the outbreak of hostilities the Republic of Korea had received inter-governmental assistance to the value of over \$472 million, in addition to UNKRA's contributions of \$123 million. Voluntary agencies had provided supplies valued at \$17 million. In the year ending 1 July 1954, the United States had provided South Korea with bilateral economic assistance totalling over \$265 million, and was to provide a further \$280 million during the ensuing twelve months. Thus, considerably more than \$1,000 million had been provided for economic assistance to South Korea.

41. The Canadian Government had honoured in full its 1951 pledge to contribute \$(Canadian) 7,250,000 to UNKRA and was prepared to request Parliament to approve an additional contribution. It was important that those countries which had not yet paid the full amount they had pledged should do so, and that additional contributions be made to the Agency's programme. He therefore hoped that the Committee would unanimously adopt the draft resolution of which his delegation was one of the sponsors.

42. Mr. CARANICAS (Greece) said that his Government considered that the establishment of UNKRA was one of the outstanding achievements of the United Nations. Its work during the past year had been most effective, but much remained to be done. For that reason, his delegation had been glad to co-sponsor the draft resolution before the Committee.

The meeting rose at 5.10 p.m.