

United Nations
**GENERAL
ASSEMBLY**
TENTH SESSION
Official Records



**SECOND COMMITTEE, 345th
MEETING**

Tuesday, 4 October 1955,
at 3.15 p.m.

New York

C O N T E N T S

	<i>Page</i>
Statement by the Under-Secretary for Economic and Social Affairs	5
Agenda item 25: Report of the Agent General of the United Nations Korean Reconstruction Agency	6

Chairman: Mr. Ernest G. CHAUVET (Haiti).

Statement by the Under-Secretary for Economic and Social Affairs

1. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs) said that, despite the spectacular economic progress achieved throughout most of the world since 1945, serious problems still remained. Part, at least, of the credit for the progress achieved was due to international co-operation, of which a detailed account was given in the reports of the Secretary-General (A/2911)¹ and of the Economic and Social Council (A/2943).²
2. He then outlined the action taken in execution of Economic and Social Council resolution 560 (XIX) and described some recent developments in the regional economic commissions.
3. Although the flow of international capital to the underdeveloped countries was still much less than development required, it was gratifying to note, for example, that the International Bank for Reconstruction and Development had been able to maintain the volume of its loans to those countries. Another encouraging sign was the declared intention of 50 States to participate in the proposed International Finance Corporation. In addition, further progress in the establishment of a Special United Nations Fund for Economic Development (SUNFED) would follow from the adoption of General Assembly resolution 822 (IX) and Economic and Social Council resolution 583 (XX).
4. Passing to the Expanded Programme of Technical Assistance, he drew attention to the report annexed to Economic and Social Council resolution 584B (XX) and to the report of the Technical Assistance Committee (E/2779).³ So far as the effectiveness of the Programme was concerned, the Department of Economic and Social Affairs had taken steps to strengthen its participation using all the resources at its disposal, as was illustrated by practical projects such as the programme on economic integra-

tion and reciprocity in Central America and the Railway Training Centre for Operating and Signalling Officials at Lahore, Pakistan. Closer co-ordination of the programmes of the regional commissions with those of the Economic and Social Council would ensure the more effective use of United Nations resources for the advancement of the under-developed countries. A step in the right direction had been the presence of the Executive Secretaries of the regional commissions at the twentieth session of the Council.

5. The International Conference on the Peaceful Uses of Atomic Energy had revealed the mass of knowledge accumulated in various States in a relatively short time. The results so far achieved boded well for the future. The least that could be said was that the possibilities of economic development had increased substantially.

6. He then reviewed briefly the first session and the agenda of the second session of the Commission on International Commodity Trade. Price fluctuations in the world market explained to a large extent the wide interest shown in commodity agreements and in meetings such as those of the International Wheat Conference and the United Nations Conference on Olive Oil. Because of the shortage of foreign exchange in many countries, the problem of fluctuations in international commodity trade was closely linked to the more general problem of international economic disequilibrium. In that connexion, he drew the Committee's attention to Economic and Social Council resolutions 531 C (XVIII) and 579 (XX). Resolution 579 B (XX) would help to indicate the usefulness of interregional trade consultations.

7. Governments were usually alert to the national effects of inflation but gave less attention to its international effects. The recent report of the International Monetary Fund⁴ indicated that during the past year the prospects for multilateralism and convertibility and for the more effective operation of the Fund itself had improved. That progress could be maintained only if Governments bore in mind the interdependence of the various objectives—full employment, economic development and the expansion of international trade—they had set themselves in signing the Charter.

8. In conclusion, he assured the Committee of the whole-hearted co-operation of his department. He personally would have to divide his attendance between the Second and Third Committees, in addition to being present when the Fifth Committee discussed the budget of his department; but, in his absence, senior members of the Department of Economic and Social Affairs would be present.

¹ *Official Records of the General Assembly, Tenth Session, Supplement No. 1.*

² *Ibid.*, Supplement No. 3.

³ *Official Records, Economic and Social Council, Twentieth Session. Annexes, agenda item 7.*

⁴ International Monetary Fund, *Annual Report of the Executive Directors for the Fiscal Year ended April 30, 1954*, Washington, D. C.

9. Mr. STANOVNIK (Yugoslavia) thanked the Under-Secretary for Economic and Social Affairs for his statement. Under his leadership the work of the department had greatly improved and had been of very much value to the Economic and Social Council. He proposed that the statement by the Under-Secretary be circulated as a Committee document as it would be of great assistance to the Committee when the problems of economic development were discussed.

10. The CHAIRMAN also thanked the Under-Secretary for his statement and asked the Secretariat to arrange for its circulation as a Committee document.⁵

AGENDA ITEM 25

Report of the Agent General of the United Nations Korean Reconstruction Agency (A/2936⁶, A/2982, A/C.2/L.260)

11. The CHAIRMAN gave the floor to General Coulter, Agent General of the United Nations Korean Reconstruction Agency.

12. General COULTER (Agent General of the United Nations Korean Reconstruction Agency) said that the desire of the General Assembly expressed in resolution 828 (IX) that United Nations Korean Reconstruction Agency (UNKRA) programmes should be implemented to the greatest extent possible was being met. During the past year all the careful planning of previous years had borne fruit throughout the Republic of Korea in thousands of completed projects as well as in other work which was rapidly nearing completion. The progress achieved was evident both in the report of the Agent General on the activities of the Agency (A/2936) and in Korea itself, where there had been some degree of recovery in almost every sector of the economy.

13. All over South Korea, UNKRA had become known to the people it was assisting. The Korean people had shown tremendous enthusiasm for the work which had been made possible by the contributions of Member States. It was reflected in the close working partnership between UNKRA and the Government of the Republic of Korea and in the willingness of the local population to join with UNKRA in shouldering the heavy burdens of reconstruction.

14. So far, UNKRA had received governmental contributions totalling \$139 million. For a variety of reasons, Governments had not been able to contribute all the \$266 million anticipated as the total of United Nations economic aid for Korea. However, the sum available would provide Korea with a more than substantial start on the road towards economic recovery. With it the Agency would complete many additional projects. Work would continue during the rest of 1955, in 1956 and, on some projects, in 1957. When all those projects were completed, the Republic would be provided with a foundation on which further economic progress would be based.

15. The joint draft resolution (A/C.2/L.260) before the Committee stressed the desire that the approved programmes of the Agency be expeditiously implemented to the maximum extent possible within available funds. If that resolution were adopted by the

Assembly, UNKRA would carry it out to the best of its abilities and with the greatest possible efficiency.

16. Thanks were due to the Negotiating Committee for Extra-Budgetary Funds and to the Advisory Committee to the Agent General for the unstinting help they had given. The Agency was also grateful to all contributing Governments and to representatives of specialized agencies and voluntary organizations who had helped in Korea.

17. The collective action being undertaken in Korea was something new in history. Many Governments and agencies had pooled their strengths and skills to aid a stricken neighbour. Their friendly interest and the work they had made possible had given new hope to a resolute people. It had been a United Nations effort and the Korean people, by looking around them, had gained a new understanding of what the United Nations meant. They saw it not only as a means to build a secure world but also as a constructive force in the daily struggle of men and women for a better life.

18. Mr. HAYS (United States of America) thanked the Agent General for his informative and comprehensive report which painted an encouraging picture of the important and growing contribution the United Nations had been making to the rehabilitation of the Republic of Korea.

19. The speaker's own State had been a battlefield during the American Civil War. His compatriots were therefore only too well aware of the problems of reconstruction and rehabilitation. Unless those problems were viewed in human terms, little progress would be made.

20. The Agent General had noted in his report that UNKRA was now at the height of its operations. It was gratifying that projects, which last year had merely been future plans, were now actually under way. The sufferings of the Korean people were being at least partly alleviated by UNKRA's programme. The Agency was a symbol, not only in Korea, but throughout the world, of what collective action among nations could do to make life a little better for men, women and children who had already suffered far more than human beings should be called upon to endure.

21. The joint draft resolution expressed sentiments which should meet with general approval. Operative paragraph 1 commended the Agent General for the excellent progress the Agency had made. In that connexion, he recalled with grateful pleasure the recognition which had already been paid to the Agency by the Korean people in a ceremony at Seoul the previous July.

22. Operative paragraph 2 stressed the desire that UNKRA programmes, so urgently needed to strengthen the Korean economy, should be completed as soon as possible. Financial contributions to UNKRA had very nearly reached their limit. It was, nevertheless, gratifying that UNKRA had been able to accomplish so much with the contributions it had received. It was to be hoped that outstanding pledges would be made available as soon as possible. UNKRA should know definitely what funds it could count upon to make final plans for its work.

23. Operative paragraph 3 expressed appreciation for the assistance given to the programme by the specialized agencies and by voluntary non-governmental organizations. Such specialized agencies as the Food and Agriculture Organization of the United Nations,

⁵ The text of the statement was subsequently circulated as document A/C.2/L.261.

⁶ Official Records of the General Assembly, Ninth Session, Supplement No. 18.

the United Nations Educational, Scientific and Cultural Organization and the United Nations Children's Fund had co-operated fully with UNKRA in Korea and had greatly added to the effectiveness of the programme, while 53 voluntary agencies had actively participated in assistance to Korean institutions and had provided experience, ideas and personnel which had proved invaluable to the later organized efforts of Governments.

24. Support for the draft resolution would record the well-deserved approval of a United Nations project in which everyone could take pride.

25. Mr. CONROY (Canada) congratulated the Agent General on his thorough and informative report. It reflected the obvious devotion of the Agent General and his staff to the task of putting a nation back on its feet. They had been helped by the obvious industry of the people and the Government of Korea.

26. It was gratifying that the work of restoration had moved rapidly from the planning stage to that of active operations and that some degree of recovery had been achieved in almost every phase of the country's economy.

27. Great satisfaction could be felt by the countries which had helped in the enormous task of restoration. The low administration costs were evidence of the selfless adherence to the task and efficiency with which the Agency had worked. Canada had been glad to play its part.

28. The Canadian delegation hoped that the joint draft resolution of which it was a co-sponsor would commend itself to every delegation.

29. Sir Alec RANDALL (United Kingdom) was glad to pay a further tribute to UNKRA's excellent work. His Government was most impressed by the energy and efficiency with which General Coulter was carrying out the difficult mission entrusted to him by the United Nations. He had infused all his staff with much of his own unflinching enthusiasm, and results were to be seen in a progressive and very substantial improvement in Korea's war-shattered economy.

30. His delegation was grateful for the extremely clear, concise and encouraging report before the Committee. It gave a detailed picture of the part played by the Agency in the peaceful task of relieving suffering and rehabilitating the Korean economy. The Agency's work had now moved from the stage of careful planning into that of effective large-scale operations.

31. Despite its manifold national and international commitments, the United Kingdom had contributed the equivalent of almost \$27 million to the reconstruction work, that is, about one-fifth of the total funds so far received by the Agency. Its contribution had been prompted by a desire that the first collective effort of the United Nations to aid a stricken people should be successful.

32. The effective co-ordination achieved between the Agency and the Government of the Republic of Korea and the other agencies concerned was most gratifying.

33. For those reasons his delegation had been glad to co-sponsor the joint draft resolution and hoped that it would receive the overwhelming support both of the Committee and the General Assembly.

34. Mr. DE GAAY FORTMAN (Netherlands) congratulated the Agent General on his report and on

the excellent work he and his staff had performed in Korea. Substantial progress had been achieved in the great common task of repairing the damage sustained in the common war against aggression.

35. The well-considered and balanced way in which the reconstruction and the rehabilitation of the Republic of Korea had been planned was gratifying, and the people of Korea were particularly to be congratulated on the part they were taking in the difficult task of rebuilding the economic and social structure of their country. The Agent General had rightly seen his task as an auxiliary one and had left it to the people of Korea to do the job themselves. To enable them to do the job, much attention was being given to education with special emphasis on vocational training, one of the most important aspects of technical assistance.

36. With reference to the joint draft resolution which stressed the desire that the approved programmes would be implemented to the maximum extent possible within available funds, he asked what proportion of the \$121 million mentioned in paragraph 8 of the report had actually been spent and what proportion obligated.

37. His delegation interpreted the joint draft resolution as meaning that there was no need for the time being to collect additional funds because of the fact that some UNKRA funds were still available, that considerable sums had been pledged but not yet paid in, that funds from other external sources were available and that a part of the reconstruction programme could be financed from internal sources. If, however, it became necessary to broaden UNKRA's activities, that would not be prevented by the adoption of the joint draft resolution. Subject to that understanding, his delegation would vote for the draft resolution.

38. He emphasized that no decision to terminate UNKRA's work should be taken before a clear and well-argued proposal to that end had been placed before the General Assembly.

39. Mr. LIRA MERINO (Chile) thanked the Agent General for his report and his description of the progress being made.

40. He wished to make it clear that Chile's contribution of 5,000 tons of nitrate valued at \$250,000 had been placed at the disposal of the Agency in time, and that he regretted that for various reasons, over which the Government of Chile had no control, it had not been possible for UNKRA to collect that contribution until a very recent date.

41. Mr. HAYTA (Turkey) congratulated the Agent General on his report on the work he and his staff were doing to alleviate the sufferings of the Korean people and to restore the economy of their war-devastated country.

42. His delegation would support the joint draft resolution.

43. Mrs. WRIGHT (Denmark) said that, as the Agent General's report listed Denmark among the countries which had not yet fulfilled their pledges, she wished to mention a few facts concerning Denmark's participation in the work of UNKRA.

44. In June 1951, the Danish Government had pledged itself to ask Parliament for the necessary funds to enable the Danish Hospital Ship *Jutlandia* to remain in Korean waters for six months after the cessation of hostilities in order to assist the people

of Korea. The cost involved would have been \$860,000, but the Government had realized that it might be desirable to replace the stationing of the *Jutlandia* with other contributions of the same value for which there proved to be a demand in the rehabilitation period. Accordingly, on the request of UNKRA, the sum of \$289,555 had been released for other purposes, leaving an outstanding balance of \$570,445 of the original pledge.

45. In 1952 the Danish Government, together with the Governments of Sweden and Norway had decided to assist UNKRA by establishing a Scandinavian hospital in Korea through an agreement between the Governments of the three Scandinavian countries, UNKRA and the Korean authorities. In September 1953, the Scandinavian Governments had sent a delegation of experts to Korea to undertake the necessary negotiations and in its report of November 1953 the delegation had unanimously recommended the establishment of a medical centre in Seoul. The recommendation was whole-heartedly supported by UNKRA and the Korean authorities. The Governments of the three Scandinavian countries had accepted the recommendation, despite the fact that the cost involved considerably exceeded the contributions originally envisaged, and the three Parliaments had voted the necessary funds.

46. In the beginning of this year the negotiations had proceeded so far that the Danish Government informed the Agent General that the Danish budget for 1955-56 contained an authorization for the payment of an amount of Kr.4,609,167 (about \$660,000) which constituted Denmark's part of the necessary expenses for establishing and operating the Scandinavian hospital in Korea for the financial year 1955-56.

47. The Danish Government hoped that the Scandinavian delegation would shortly succeed in reaching a final agreement with UNKRA and the Korean authorities. In that event, Denmark's pledge would not only be paid in full but would be considerably increased.

48. Her delegation would vote for the joint draft resolution.

49. Mr. DEJARDIN (Belgium) said that he shared the regret expressed by other representatives at the French delegation's absence. He hoped that circumstances would enable the French delegation to return shortly.

50. He commended the Agent General on his report which underlined the importance of the Agency's work and indicated that satisfactory progress had been made in all fields.

51. The Belgian Government believed that it was the duty of the United Nations to restore the Korean economy, and had contributed to UNKRA to the best of its ability.

52. In co-sponsoring the draft resolution his delegation had been motivated by sympathy for the sufferings of the Korean people and a desire to assist the Agent General and to ensure that the best possible use was made of available funds.

53. Mr. WALKER (Australia) associated himself with the expressions of regret voiced by other representatives at the absence of the French delegation.

54. With reference to the Agent General's report, which was an excellent record of achievement in the face of great difficulties, he said that Australia had from the beginning been an active participant in the

work of UNKRA and had contributed to the earlier Emergency Relief Programme for Korea. In that connexion, he wished to correct an error in annex I of the report, where Australia was shown to have an outstanding balance of \$385,280. There was in fact no balance outstanding of Australia's pledged contribution. In March 1951, the Australian Government had undertaken to make available Australian goods and services to the equivalent in value of 2 per cent of the total contributions received. The amount paid by Australia, including its contribution to the Emergency Programme, represented 2.9 per cent of the total contributions received and was therefore substantially in excess of Australia's original pledge.

55. It was to be regretted that not all Member States had contributed to UNKRA and that the total funds available had been less than the expectations of the General Assembly. Fortunately UNKRA was not the only source of financial assistance to Korea and in that connexion he wished to pay a tribute to the great generosity of the United States whose contributions to the reconstruction of Korea through UNKRA and through other channels had been considerable.

56. The UNKRA programme was reaching its peak. By 30 June 1955 it had spent or obligated a total of \$121 million for its reconstruction programme. A timetable had been drawn up for the completion of projects now being implemented within the funds available to the Agency. Substantial progress had been made in many fields and, as he had been able to see for himself on a recent visit to Korea, there were visible signs of improvement in the general economic situation and the condition of the people. Much of the credit must be given to the Korean people who had shouldered the main burdens of reconstruction. As the Agent General had pointed out in his report, UNKRA's role was an auxiliary one.

57. A long and difficult road still lay ahead of the Korean people and they would continue to need foreign assistance, but the economic outlook was undeniably more encouraging than it had been last year.

58. His delegation was happy to join in sponsoring the draft resolution before the Committee.

59. Mr. AMADOR (Mexico) said that his delegation had consistently supported the common effort to rehabilitate the Korean economy through UNKRA. During the last two years Mexico had unfortunately been unable to make any material contribution to UNKRA because of urgent domestic problems. Recently, however, as a result of governmental action and favourable economic developments, the economic situation had improved and the Mexican Government had decided to contribute 500,000 pesos (\$US40,000) which, in agreement with the Negotiating Committee for Extra-Budgetary Funds, would be used to purchase essential commodities and supplies for Korea. The amount was modest but it represented Mexico's recognition of the fact that it was the moral obligation of all peoples to assist one another and to co-operate in relieving the suffering and devastation caused by wars.

60. He noted with satisfaction that paragraph 13 of the report indicated that more than half the projects had been completed and he hoped that the reconstruction of Korea would be further advanced with the co-operation of other countries which were in a position to make more substantial contributions.

The meeting rose at 4.50 p.m.