

UNITED



NATIONS

**REPORT OF THE
UNITED NATIONS COMMISSION
FOR THE
UNIFICATION AND REHABILITATION
OF KOREA**

GENERAL ASSEMBLY

OFFICIAL RECORDS: NINTH SESSION

SUPPLEMENT No. 15 (A/2711)

NEW YORK, 1954

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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INTRODUCTION

The present report covers the period from 14 August 1953, the date of the Commission's last report, to 17 August 1954.

The United Nations Commission for the Unification and Rehabilitation of Korea was established by General Assembly resolution 376 (V) of 7 October 1950, and its functions in the economic sphere were further defined in General Assembly resolution 410 (V) of 1 December 1950. The Commission held its first meeting on 20 November 1950 and it has been continuously in Korea since 26 November 1950. The present report should be read in conjunction with the previous reports submitted by the Commission to the sixth, seventh and eighth sessions of the General Assembly covering the period from 7 October 1950 to 14 August 1953 (A/1881, A/2187 and A/2441).

The report was adopted unanimously by the representatives of the five Member States present in Seoul. The representative of Chile was absent. The Netherlands was not represented on the Commission at the time of its adoption. The report was signed in Seoul on 17 August 1954.

Chapter I

ROLE AND ORGANIZATION OF THE COMMISSION

A. Origin and present role of the Commission

1. Since 12 January 1948, the United Nations has been represented politically in Korea by a series of Commissions. At that time, the United Nations Temporary Commission on Korea¹ met in Seoul to facilitate and expedite the participation by elected representatives of the Korean people in the re-establishment of their freedom and independence.

2. The Temporary Commission successfully supervised an election in the southern zone where the United States was the occupying Power, but was not granted permission by the authority occupying the northern zone, the Union of Soviet Socialist Republics, to enter that area.

3. On 12 December 1948, the General Assembly declared that² there had been established a lawful government (the Government of the Republic of Korea) having effective control and jurisdiction over that part of Korea where the Temporary Commission had been able to observe and consult and in which the great majority of the people of all Korea resided. It stated that that Government was based on elections which expressed the free will of the electorate of that part of Korea and that it was the only such government in Korea. Since the objective of unification of all Korea had not been achieved, it established the United Nations Commission on Korea (UNCOK) to lend its good offices to that end. UNCOK was also to facilitate the removal of barriers to economic, social and other friendly relations caused by the division of Korea and to be available for observation and consultation throughout Korea in the continuing development of representative government based on the freely expressed will of the people, including elections of national scope. In its report to the General Assembly in 1949³, UNCOK stated that it had not been able to make any progress toward unifying North and South Korea. In 1950, it reported⁴ that the invasion of the Republic of Korea by the North Korean authorities on 25 June 1950 was an act of aggression initiated without warning and without provocation with the object of securing control over the whole of Korea. That aggression led to the resolution of the Security Council of 27 June 1950 recommending that Members "furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore peace and security in the area".

4. The United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) was established on 7 October 1950 shortly after the United Nations forces had broken out of the Taegu-Masan-Pusan perimeter and had reached the 38th parallel. UNCURK was to "represent the United Nations in bringing about the establishment of a unified, independent and democratic government of all Korea" and to exercise certain responsibilities in connection with the economic rehabilitation of Korea, a task subsequently entrusted to the United Nations Korean Reconstruction Agency (UNKRA). In addition it was to assume the functions of the former United Nations Commission on Korea (UNCOK)⁵.

5. The changed circumstances resulting from the intervention of the Chinese People's Volunteers in the autumn of 1950 made impossible the achievement of the fundamental objectives of the General Assembly resolution. In its 1951 report, the Commission informed the General Assembly of the narrowed scope of its activities (A/1881, paragraph 71). Until the Armistice Agreement was signed on 27 July 1953, the main effort of the United Nations in Korea remained military. Pending the outcome of a political conference of a higher level, recommended in the Armistice Agreement by the Commanders of the opposing sides in order to ensure the peaceful settlement of the Korean question, the Commission's role in promoting the unification of Korea has remained in suspense. On 15 June 1954, sixteen nations who had contributed military forces to the United Nations Command in Korea declared in a *communiqué* that further consideration of the Korean question by the Geneva Conference would in their opinion serve no useful purpose so long as the Communist delegations rejected two fundamental principles, viz., the authority and competence of the United Nations in Korea, and the genuinely free elections under United Nations supervision necessary to establish a unified, independent and democratic Korea. Those nations have announced their intention to report to the General Assembly, which has not yet renewed its consideration of the Korean question. At present the Commission remains unable to contribute to the realization of the unification of Korea.

6. Therefore, during the period covered by this fourth annual report, the Commission has adhered generally to the interpretation of its role expressed in 1951 and has continued to represent the United Nations in

¹ Established by General Assembly resolution 112 (II) of 14 November 1947.

² Resolution 195 (III) of 12 December 1948.

³ See *Official Records of the General Assembly, Fourth Session, Supplement No. 9*, document A/936.

⁴ *Ibid.*, *Fifth Session, Supplement No. 16*, document A/1350.

⁵ The full terms of reference of UNCURK are contained in three General Assembly resolutions (376 (V), 293 (IV) and 410 (V)). An analysis of the Commission's functions under

these resolutions is set out in the Commission's report to the sixth session of the General Assembly (paragraphs 7 to 14). UNCURK has previously submitted annual reports to the sixth, seventh and eighth sessions of the General Assembly (see *Official Records of the General Assembly, Sixth Session, Supplement No. 12*, document A/1881; *Seventh Session, Supplement No. 14*, document A/2187; and *Eighth Session, Supplement No. 13*, document A/2441). Pending the arrival of UNCURK in Korea an Interim Committee on Korea of the same composition was established to function at United Nations Headquarters.

Korea and to demonstrate the deep sense of responsibility of the United Nations towards that country. In particular, it has continued:

(a) To observe political and economic developments in the Republic of Korea and to be available to consult with and, whenever appropriate, assist the Government;

(b) To consider the problem of the administration of areas north of the 38th parallel under United Nations control; and

(c) To carry out its responsibilities towards the United Nations Korean Reconstruction Agency.

B. Organization of the Commission and transfer to Seoul

7. The members of UNCURK are Australia, Chile, the Netherlands, Pakistan, the Philippines, Thailand

and Turkey. The composition of the delegations and of the secretariat is set out in annex I.

8. In its report to the eighth session of the General Assembly, the Commission stated that it had agreed on the advisability of moving the seat of the Commission to Seoul as soon as practicable (A/2441, paragraph 8). After a long series of efforts to secure quarters in a city suffering from the war-imposed housing shortage, the secretariat was finally able to move to Seoul, where the Commission held its first meeting on 18 June 1954. Most delegations, however, continue to reside in Pusan pending the availability of suitable quarters in Seoul. Prior to and after the transfer, members of the Commission, individually and collectively, have made frequent trips to the seat of government in the course of their duties.

Chapter II

ATTITUDE OF THE REPUBLIC OF KOREA TO THE ARMISTICE AND TO THE MEANS OF A SETTLEMENT OF THE KOREAN QUESTION

A. Introduction

9. As pointed out in its last report, UNCURK had no direct participation in the negotiations which led to the conclusion of an armistice on 27 July 1953. Similarly the Commission has had no role in the operation of the armistice, which has been carried out by the agencies set up for that purpose.

10. Since the signing of the Armistice Agreement, negotiations for a political settlement of the Korean question have been carried on at the higher level recommended.

11. As the political representative of the United Nations in Korea, however, the Commission has been in a position to observe the attitude of the Government of the Republic of Korea to the operation of the armistice and to the continued efforts to reach a settlement of the Korean question.

B. Attitude of the Government of the Republic of Korea to the armistice

12. The Government's position has continued to be consistent with the attitude adopted towards the negotiations for an armistice, which was described in last year's report. At that time, the President had stated that he did not agree with the conclusion of an armistice but that he would not "disturb the armistice while the political conference undertakes within a limited time to solve peacefully the problems of the liberation and reunification of Korea" (A/2441, paragraph 34).

13. On 8 August 1953, at the time of the initialing of a Mutual Defence Treaty between the United States of America and the Republic of Korea, the Secretary of State of the United States and the President of the Republic of Korea issued a joint statement including the following undertaking:

"If, after the Political Conference has been in session for ninety days, it becomes clear to each of our Governments that all attempts to achieve these objectives have been fruitless and that the Conference is being exploited by the Communist delegates

mainly to infiltrate, propagandize or otherwise embarrass the Republic of Korea, we shall then be prepared to make a concurrent withdrawal from the Conference. We will then consult further regarding the attainment of a unified, free and independent Korea which is the post-war goal the United States set itself during the Second World War, which has been accepted by the United Nations as its goal and which will continue to be an object of concern of United States foreign policy.

"We recognize that the Republic of Korea possesses the inherent right of sovereignty to deal with its problems, but it has agreed to take no unilateral action to unite Korea by military means for the agreed duration of the Political Conference."

14. Throughout this last year the Government of the Republic of Korea has found occasion to criticize aspects of the operation of the armistice. The work of the Neutral Nations Repatriation Commission (NNRC), charged with the duty of ensuring that all prisoners-of-war had the opportunity of exercising their right to be repatriated, was watched with the closest attention through all its vicissitudes.⁶ The issue of repatriation of the prisoners-of-war generated extreme tension because of the vital importance of the principle of non-forcible repatriation in the eyes of the Government of the Republic. After NNRC had returned the repatriated prisoners-of-war to the custody of the former detaining side, their release to civilian status by the United Nations Command, which was regarded as a violation of the Armistice Agreement by the North Korean and Chinese Communists, was held by the Republic's Minister for Foreign Affairs as "a turning point in the struggle of democratic freedom versus Communist slavery".

⁶ See reports of the Neutral Nations Repatriation Commission covering the period 9 September 1953 to 21 February 1954. *Official Records of the General Assembly, Eighth Session, Supplement No. 18*, document A/2641, and report of the United Nations Command on the Operation of the Neutral Nations Repatriation Commission, *ibid.*, *Supplement No. 19*, document A/2642.

15. In March 1954 there was bitter criticism of the Committee for Assisting the Return of Displaced Civilians which, it had been hoped, would have succeeded in effecting the return of thousands of South Koreans allegedly taken north by the retreating North Korean army in September 1950. It was argued that this showed complete lack of faith on the part of the North Korean Chinese Communists.

16. The main target of criticism, however, particularly in recent months, has been the operation of the Neutral Nations Supervisory Commission (NNSC). With increasing forcefulness as the year progressed spokesmen of the Government have stated that the Czechoslovak and Polish members of the Commission, and the actions of the authorities in North Korea, had prevented its effective operation with the result that, while the Republic and the United Nations Command were subject to the closest inspection, there was no effective supervision in North Korea. It was claimed that the strength of the armed forces in North Korea was being built up in violation of the Armistice Agreement.

17. This attitude found its most extreme expression in a statement on 30 July by the Provost Marshal General of the Republic, Lieutenant-General Won Yong Duk. He declared that NNSC "lost its justification for continued existence when the truce terms turned out to be a dead letter due to the intended and deliberate tactics of the Communists at the Geneva Conference". He warned that actions essential to the preservation of national security would be taken if those members who represented hostile nations and whose presence was undesirable for military reasons did not withdraw from the Republic. It is reported that, on 1 August in Washington, President Rhee endorsed the above statement. He said that, while the Republic of Korea had observed the terms of the Armistice Agreement strictly, there had been a military build-up by its enemies and that the Communist members of the inspection teams had been acting as espionage agents.

18. There were several incidents and demonstrations directed against the Czechoslovak and Polish representatives on the Supervisory Commission in the days immediately following the Provost Marshal's statement. Subsequent statements by officials have indicated the intention of the Government to press for early dissolution of the Commission.

19. At a meeting with UNCURK in July, the Prime Minister of the Republic stated that breaches of the armistice terms had invalidated the Armistice Agreement. He pointed out that the Republic had never been a party to the armistice but had only promised not to hamper its implementation up to a certain deadline. His Government no longer regarded the armistice as binding.

C. Attitude of the Government of the Republic of Korea towards a settlement of the Korean question

20. Fundamental as it is in the affairs of the Republic, the means of achieving a settlement of the Korean question has been the subject of many statements by the President and leading members of the Government of the Republic. The unification of the country remains their constant preoccupation. Their common theme has been that there is little or no hope of advancing the cause of unification through negotia-

tion with the Communists, and that unification will only be achieved through a build-up in the strength of the Republic and its friends. On occasions it has been suggested that the threat of strength will itself be sufficient, while on other occasions it has been stated that direct military action is necessary. Most statements have stressed that action must be taken quickly, on the ground that the opposing side is gaining strength with the passage of time and also with reference to the alleged sufferings of the Korean inhabitants of North Korea.

21. Attempts at Panmunjom to set up the Political Conference envisaged in the Armistice Agreement were watched with scepticism and impatience by Government leaders in the Republic. It was stated that, even if such a conference eventuated, there was little chance that it could effect a peaceful settlement of the Korean problem. Nevertheless, the Republic of Korea finally agreed to participate in the Geneva Conference, though highly dubious about its achieving any results and apprehensive lest it should provide the Communists with still more time to make preparations for war. At that time the President stated:

"For Korea this Conference must represent the final time-consuming attempt to attain unification by peaceful means. We obviously cannot continue to sit idly by while the Communists exterminate or exile our people of the north and make a Red Chinese province out of half our country. We hope therefore that if and when the Geneva Conference has failed the United States and our other friends in the free world will join with us in employing other means to drive the enemy from our land.

"We shall do our level best to co-operate with the United States in seeking peaceful unification. But it is only fair to declare that we can accept no compromise. It must be unification under full democratic auspices, and it must include the complete withdrawal from our soil of all Chinese Communist forces".

22. On 17 June, President Rhee stated that the Korean phase of the Geneva Conference had provided "a great moral victory over the Communists". He said that the withdrawal from the Geneva Conference by the sixteen allied nations in complete co-operation and collaboration against Communist aggression clearly demonstrated that the free nations were no longer begging the Communists to come to some agreement so as to avoid at any cost the possibility of a third World War.

23. In discussions with UNCURK subsequent to the Conference, the Prime Minister, who had been chief delegate of the Republic at the Conference, said that it had proved beyond doubt that further discussions with the Communists were useless and that the Government of the Republic would categorically oppose any talks with the Communists in the future. He reiterated that the firm policy of the Republic was to expel the Chinese Communist troops from North Korea and to achieve a completely unified and truly democratic country.

24. In July, the President announced that he had accepted an invitation to visit the United States, and that this would provide the occasion for the Korean unification discussions which had been agreed upon in August 1953 between himself and the United States Secretary of State. Shortly after his return on 15 August, the sixth anniversary of the establishment of

the Republic, the President outlined his own attitude as follows:

"... The United Nations has followed a policy of seeking to settle the unification question peacefully by every possible means. But Panmunjom and Geneva already have failed, and we, the Koreans, do not believe that Soviet Russia can be talked into a reasonable and peaceful settlement.

"Despite our own convictions, we have suffered in silence and followed the United Nations plan. We have taken no unilateral action, and we have co-operated with the United Nations in all its efforts.

"Now that the discussion phase has ended, our people—and especially the Korean armed forces—desire to take action. It is our hope that the United Nations will co-operate with us in pushing up to the Yalu River and in driving the Communists out of Korea....

"If the countries of the United Nations cannot or will not agree to this, then they should permit the ROK forces to take their own unilateral action....

"If the United Nations will support Korea in

neither united nor unilateral action, then it becomes self-evident that our allied nations have no intention of unifying Korea—nor of defending the cause of democracy and their national security.... Koreans still believe that freedom-loving nations and individuals everywhere will support us, heart and soul, when we take definite steps to assure our own survival and to strengthen their security.... I am *not* saying we shall resume the war today or tomorrow. We must first agree upon our plan and make our preparations. After that, all our people will join together in a great crusade and campaign that will lead to victory—and to peace.... If we can succeed in driving the Chinese Communists out of our territory, and in keeping them out—as we believe we can—we shall be doing far better than we are now.... Such a success would be recognized by both the World Communists and the Free Nations as a signal victory for the cause of freedom and democracy.... It is this policy of strength that our friends have called preventive war.... This is our position, and we do not believe that we are mistaken. If our friends do not agree, we must know what they want us to do...."

Chapter III

THE QUESTION OF ADMINISTRATION OF THE AREA NORTH OF THE 38TH PARALLEL UNDER UNITED NATIONS CONTROL

A. Brief review of the problem

25. At the time of the adoption of General Assembly resolution 376 (V) establishing the Commission (7 October 1950), the United Nations forces had reached the 38th parallel and were advancing rapidly northwards. It was imminent that large areas of North Korean territory would come under United Nations control. The question of their administration had to be resolved in a way which would leave UNCURK entirely free to decide upon a procedure for the establishment of a unified Government in the sovereign State of Korea. In order to meet the situation, the Interim Committee on Korea, on 12 October 1950, adopted the following resolution:

"The Interim Committee on Korea,

"Considering the provisions of the resolution adopted by the General Assembly on 7 October 1950 under which the Interim Committee on Korea is requested to consult with and advise the United Nations Unified Command in the light of the recommendations contained in that resolution,

"Having regard to the General Assembly's recommendation that all constituent acts be taken, including the holding of elections under the auspices of the United Nations for the establishment of a unified, independent and democratic Government in the sovereign State of Korea,

"Recalling that the Government of the Republic of Korea has been recognized by the United Nations as a lawful government having effective control over that part of Korea where the United Nations Temporary Commission on Korea was able to observe and consult and that there is consequently no Government that is recognized by the United Nations

as having legal and effective control over other parts of Korea,

"Advises the Unified Command to assume provisionally all responsibilities for government and civil administration of those parts of Korea which had not been recognized by the United Nations as being under effective control of the Government of the Republic of Korea at the outbreak of hostilities and which may now come under occupation by United Nations forces, pending consideration by the United Nations Commission for the Unification and Rehabilitation of Korea of the administration of these territories;

"Recommends that the Unified Command take immediate steps to associate with all authorities established for civilian administration in accordance with the present resolution, officers from the several forces of Members of the United Nations serving under the Unified Command in Korea;

"Invites the Unified Command to keep the Interim Committee informed of steps taken in response to this resolution pending the arrival of the Commission in Korea." (A/1881, paragraph 93).

26. As envisaged in the resolution, the Unified Command undertook the task of civil administration in those areas north of the 38th parallel which came under its control (A/1881, paragraphs 92 to 127). The large-scale intervention of the Chinese People's Volunteers in November 1950 drove the United Nations forces southwards so that by the end of December 1950 United Nations forces were no longer in control of any territory north of the parallel. Since the stabilization of the front in early 1951, the area under United Nations control has been a relatively small one. So long as hostilities were in progress, the question of the

administration of that area in the zone of military operations was not one to warrant fresh consideration by the Commission.

27. On 27 July 1953, the armistice brought an end to the fighting and established a line of demarcation cutting across the 38th parallel. An area on the western side of the peninsula south of the 38th parallel was left in the control of the North Korean Army and the Chinese People's Volunteers. An area north of the 38th parallel, extending from about the centre of the peninsula to the east coast,⁷ was left under the control of the United Nations. This area of approximately 2,300 square miles is extremely mountainous and its main economic value is in the farming land in the valleys. There is a fishing fleet based on the east coast. The only important industrial asset is the Hwachon hydroelectric plant, although there is some mining potential.

B. Administration of the area

1. RESETTLEMENT

28. The assessment by the United Nations Commander of his military requirements was at all times the basis of action towards resettlement.

29. While the fighting was in progress, the area was largely cleared of population except in the south-east corner, where the area of hostilities was sufficiently to the north to permit some farming above the 38th parallel. When the fighting ceased, however, it was possible to permit resettlement of areas not essential to the activities and security of the military forces. Resettlement had been approved in principle by UNCURK as early as February 1953, although at that time the Commission recognized that any action could not be allowed to interfere with the military operations then being carried out (A/2441, paragraph 97).

30. On 9 March 1954, the United Nations Commander informed the Commission that, as the military situation had been stabilized, it would be possible to implement a comprehensive resettlement programme which would aim at re-establishing former inhabitants of the area and other refugees. Under this programme, some 55,000 people were resettled, raising the population of the area by 30 June 1954 to 130,000. It is expected that a further 25,000 people will be resettled during the present year. Most of the settlers were destitute, and the military authorities, in concert with the Korea Civil Assistance Command, had to supply not only food but also the basic materials and tools needed for them to rebuild their homes and commence farming the area. In addition, army personnel have joined with the settlers in building homes and in carrying out community tasks such as irrigation and the construction of public buildings.

2. MILITARY ADMINISTRATION

31. The Commander-in-Chief, United Nations Command, as the Military Governor of the area, acting under instructions from the Unified Command, exercised his functions through the Commanding General, Eighth United States Army, and its Civil Affairs Section, and the Corps Commanders in the area. Until the return of the civilian population, the administra-

tion of the area presented comparatively few difficulties. However, as resettlement progressed, the problem of attending to the needs of the civilian population became an increasingly complex task. The military administration was at different stages of development in different areas, depending primarily upon the length of time settlers had been established. In the most advanced region, on the east coast, basic departments of civil administration were set up under the supervision of a district administrator appointed by the Military Governor. Over-all supervision and advice in respect of the administration of all parts of the area was given by Civil Affairs Officers attached to individual Commands. In its visits to the area, the Commission was impressed by the manner in which military personnel of the Army of the Republic of Korea and other United Nations Commands had applied themselves to their task, although most of them were career officers without prior training in the administration of civil affairs. Their efforts had greatly assisted the inhabitants of the area to re-establish themselves.

32. Nevertheless, it was clear that these interim arrangements had become steadily less satisfactory as the population increased. The area had come to need facilities for the registration of land titles and vital statistics, education, postal services, irrigation, taxation, and the many other functions of civil government which are outside the scope of normal military affairs. The development of these normal civil government problems coincided with the planting of the first crops and the approach of a first harvest which, it was hoped, would make the inhabitants less dependent on relief assistance and provide the basis for a normal self-supporting community.

C. Attitude of the Republic of Korea

33. When the Interim Committee on Korea adopted its resolution in 1950, strong exception was taken by the President of the Republic, who claimed jurisdiction for his Government over the whole of Korea in accordance with the Republic's Constitution.⁸ At that time it was pointed out by the Interim Committee that the resolution merely made a logical deduction from General Assembly resolution 195 (III) of 12 December 1948 that there was no Government that was recognized by the United Nations as having legal and effective control over North Korea (A/1881, paragraphs 110 and 111).

34. As early as February 1953, the Government pressed for resettlement of the area, as soon as military circumstances would permit (A/2441, paragraph 96), as one means of relieving the pressing refugee problem which was a great burden on the South Korean economy. Upon the conclusion of the Armistice Agreement in July 1953, the Government of the Republic renewed requests for early resettlement of the area and sought transfer of the administration to the Republic.

35. The first of these requests occurred on 11 August 1953, when the Prime Minister of the Republic of Korea addressed a letter to the Commander-in-Chief, United Nations Command. He stated, *inter alia*, that the conclusion of an armistice rendered it possible "for consideration to be given to the establishment of the democratic administration of the Republic of

⁷ See annex IV, Map of area north of the 38th parallel under United Nations control.

⁸ Article IV of the Constitution states: "The territory of the Republic of Korea shall consist of the Korean peninsula and its accessory islands."

Korea over the areas north of the 38th parallel now under the jurisdiction of the United Nations Command and for the original inhabitants of that zone to return to their homes".

36. This request was repeated in subsequent communications from the Government, the most recent of which was dated 21 June 1954, and all of which received the attention of the Commission and of the United Nations Command. In 1954, an increasing number of Press reports indicated the keen interest of the Government in resettlement and transfer of the administration of the area.

37. In the actual task of resettlement, carried out by the United Nations Command, the Government was most co-operative, giving what assistance it could to the new settlers with gifts of livestock, farm implements, text books and other supplies. On some technical matters, such as irrigation, the Military Governor had to seek advice from Ministries of the Government of the Republic and this was freely given. Since the area is almost entirely agricultural, with no manufacturing industry, the residents have had to depend upon sources in the Republic for consumer goods essential to normal civil life and which do not come within the scope of the military relief and assistance programme.

D. Consideration by the Commission

38. In its report last year, the Commission explained that it had approved for practical reasons use of the new currency of the Republic of Korea in the area north of the 38th parallel under United Nations control. It had also discussed with the military authorities the possibility of resettlement in the area (A/2441, paragraphs 91 to 101).

39. During the period of the present report, the Commission continued its consideration of the questions of resettlement and administration of the area, guided by the assessment of their military aspects by the United Nations Command and bearing in mind the renewed requests from the Government. Commission members made personal observation by visits to the area.

40. In response to a query from the Commission, the Commander-in-Chief, United Nations Command, stated on 3 September 1953 that the military situation did not permit him at that time to consider transfer of administration over the area to the Republic of Korea. At a meeting with members of the Commission in November 1953, he expressed the same view. Following the introduction of the resettlement programme, he informed the Commission, on 9 March 1954, that the military situation having been stabilized, he would have no objection on military grounds to a change of administration. At the same conference, the Commanding General, Eighth United States Army, expressed the opinion that the early stages of the resettlement programme might be carried out more easily under the existing system of administrative control by the military authorities.

41. During the spring months, the Commission continued to observe the progress of the resettlement programme. Between 15 and 20 July 1954, members of the Commission and its secretariat visited the area. They conferred with the responsible Commanders and officials concerned with the administration, and attempted to obtain a full picture of the administrative problems and the progress of resettlement in each part of the area. It was apparent that the programme

had been well planned and efficiently and enthusiastically implemented. With the first harvest approaching, the Commission observed that the resettled population would soon be in a position to support itself to an increasing degree and to provide funds for the operation of essential public facilities such as health, sanitation, police and education, which are normal functions of civil government.

42. At a meeting with the Commission on 16 July 1954, the Commanding General, Eighth United States Army, on behalf of the Commander-in-Chief, United Nations Command, gave a detailed account of the increasingly complex problems arising out of his responsibility for administration of the area, and said that the Army was not organized to carry out an administrative task of such magnitude. He explained that in the event of any transfer of administration the United Nations Command would not withdraw its support from the area, because in the tactical sense it would continue to be responsible for it.

43. It was apparent to the Commission from its own observations and as a result of its discussions with the military authorities that the area presented pressing administrative problems which needed immediate solution. As stated by the Commission in 1951, it was never intended that the United Nations itself should indefinitely continue to administer any territory north of the 38th parallel. In the Commission's view it is obviously undesirable to continue to keep a population under military government for any protracted period. To attempt to set up an independent or separate civil government for the territory would not have been practicable. The area is almost completely dependent for consumer goods and technical assistance upon external aid and cannot exist as a viable economic entity.

44. The Commission was of the view that the transfer of administrative control over the area to the Government of the Republic of Korea was the only practical solution of the problem. The Commission, however, decided to make it clear that such a transfer was not to be considered as affecting in any way the final disposition of the territory.

45. The Commission therefore, on 9 August 1954, adopted, by 5 votes to one, the following resolution:

"The United Nations Commission for the Unification and Rehabilitation of Korea,

"Recalling the resolution of the Interim Committee on Korea of 12 October 1950, subsequently endorsed by UNCURK, which advised the Unified Command to assume provisionally all responsibilities for government and civil administration of areas north of the 38th parallel which might come under occupation by United Nations forces and over which the United Nations had not recognized any Government as having legal and effective control, pending consideration by UNCURK in the light of its responsibility for establishing a unified, independent and democratic Government of all Korea,

"Noting that the Unified Command has, through the United Nations Command, administered in accordance with that resolution the small area north of the 38th parallel which has been under United Nations control since 1951,

"Considering that the cessation of hostilities consequent upon the conclusion of the Armistice Agreement on 27 July 1953 has enabled the United Nations Command to develop civilian resettlement

of that area, so far as possible with original inhabitants who have been living as refugees in South Korea, under a programme viewed favourably by the Commission as a means of relieving the refugee problem and assisting the economy,

"Recognizing that the civilian population has now grown to some 130,000 in this area of approximately 2,300 square miles and has created an increasingly large and complex administrative task which needs the facilities of civilian administration,

"Bearing in mind that the United Nations Command has in consequence indicated to the Commission that it now wishes to be relieved of responsibility for an administration which it considers it is not organized to carry out,

"Believing that in any event it is undesirable to keep a civil population under military administration for a prolonged period after hostilities have ceased,

"Considering that this problem can be appropriately resolved by transferring administrative control to the Government of the Republic of Korea, and

"Further considering that such transfer of administrative control will be without prejudice to the final disposition of the territory and will not adversely affect any future negotiations for a settlement of the Korean question,

"Recommends that the Unified Command transfer, as soon as practicable, administrative control over the areas north of the 38th parallel and south of the Demilitarized Zone now under United Nations control to the Government of the Republic of Korea."

46. The representative of Chile, in voting against the resolution, stated that, in his view, the question should properly have been referred by the Commission to the General Assembly.

47. On 9 August 1954, the Commission communicated the text of the above resolution to the Unified Command. The Commander-in-Chief, United Nations Command, informed President Rhee on 12 August that, on the authority of the Unified Command, his Command was prepared to turn over to the Republic of Korea administrative control of the area north of the 38th parallel now under its military occupation. On the same day, the Commission informed the Government of the Republic of Korea of its resolution.

Chapter IV

DEVELOPMENT OF REPRESENTATIVE GOVERNMENT IN THE REPUBLIC OF KOREA

48. As has been pointed out in previous reports, the Commission has had, as one of its continuing functions, the responsibility to "be available for observation and consultation throughout Korea in the continuing development of representative government based on the freely expressed will of the people, including elections of national scope". It has therefore continued to observe the development of representative government in Korea during a year which has seen a further strengthening of the President's position and of the Liberal Party of which he is the head. The most significant stage in this development was the general election for the National Assembly⁹ held on 20 May 1954.

A. Developments prior to the national elections

49. The year under review brought to the end of its four-year term the second National Assembly which had been elected on 30 May 1950, on the eve of aggression from North Korea. As it drew to its close, the National Assembly, although nominally representing 210 constituencies, contained only 179 members, vacancies being due to deaths, resignations and the fact that by-elections had not been held to replace twenty-seven Assemblymen who were reported missing after the outbreak of war on 25 June 1950. The approximate division in the Assembly was: Liberal Party—ninety-three, Democratic Nationalist Party—twenty-two and Independents—sixty-four. This was

at best a loose alignment of the Assemblymen as there had been numerous shifts in the membership of negotiating groups¹⁰ during the course of the Assembly, and on particular issues the groupings varied.

50. Since 1948, there has been a basic struggle between the Assembly and the Executive for recognition by the other of what each sought as its proper sphere of power and authority under a Constitution containing elements of both a presidential system and a parliamentary system with cabinet responsibility. That struggle engendered frictions which often hindered co-operation between the two branches of government on domestic issues.

51. In the final year of the second National Assembly, several laws enacted by the Assembly over the Chief Executive's veto were not promulgated by him, while a number of legislative measures proposed by the Executive were not passed by the Assembly.

52. Bills not promulgated by the Chief Executive included the Law regulating Political Movements, the Law concerning Testimony and Inspection in the Assembly, the Law governing Crimes Committed under Extraordinary Conditions, the Ex-Royal Property Management Law, Amendments to the Vested Property Disposition Law and to the Land Reform Law, and the Code of Criminal Procedure.

53. A significant legislative measure sponsored by the Executive but not passed was the proposed amendment of articles 85, 87, 88 and 89 of the Constitution,

⁹ Under the amendment to the Constitution promulgated on 7 July 1952, the National Assembly is to consist of a House of Councillors and a House of Representatives. At the time of writing, the legislation necessary for the election of members of the House of Councillors has not been enacted. In accordance with the Constitution, therefore, the House of Representatives continues to act as, and is referred to as, the National Assembly.

¹⁰ A negotiating group consists of twenty or more Assemblymen registered for the purpose of negotiating and reaching compromise solutions on matters being discussed by the Assembly.

relating to economic matters and more particularly to the function of state ownership and control. According to the Prime Minister, the bill was designed to encourage initiative under a private enterprise system and to promote the investment of capital, both Korean and foreign. The bill was criticized by Assemblymen who feared possible foreign control of the Korean economy or the development of private monopolies. It was claimed that there was insufficient time for the study of the measure and that changes of such significance were inopportune when a general election was approaching. The bill was therefore withdrawn, and the President expressed the intention of reintroducing the amendments when the third National Assembly had assembled.

54. Within the Liberal Party and its associated national organizations and the Executive, the months prior to the elections were marked by a continuing reorganization under the leadership of the President. There was a further reduction in the power of supporters of the former Prime Minister Lee Bum Suk (A/2441, paragraph 73). On 9 December 1953, Lee Bum Suk was expelled from the Liberal Party on the recommendation of the Party's leaders. Seven of his important supporters associated with the National Youth Corps faction of the Party were expelled at the same time. These expulsions were later reported to have been approved by the President. The ensuing months up to the annual Convention of the Liberal Party on 10 March 1954 witnessed an extensive reorganization at all levels within the Party.

55. The President's message to the Convention focused attention on the forthcoming general election. It criticized the National Assembly as having failed to represent the people's will, urged delegates to see that real representatives of the people were elected to its successor, and made it apparent that henceforth the President would be active in forming the Liberal Party's election policies.

B. The national elections of 20 May 1954

1. ROLE OF THE COMMISSION

56. The elections of 20 May 1954 represented the third occasion on which the Republic has chosen a national legislature. Elections for the first National Assembly on 10 May 1948 were conducted under the auspices of the United Nations Temporary Commission on Korea. The Government of the Republic itself invited the United Nations Commission on Korea to observe the second national elections held on 30 May 1950. For these most recent elections, UNCURK considered that observation of the elections was a function deriving from its terms of reference.¹¹

57. On 17 April 1954, therefore, the Commission wrote to the President of the Republic indicating its interest in the elections which, it believed, by affording evidence of the continuing development of representative government in Korea at an important stage in the country's history, could assist the United Nations towards its goal of establishing a unified, independent and democratic Government of all Korea. The Commission welcomed statements by responsible officials of the Republic of Korea directed towards ensuring a free atmosphere for the elections. In his reply dated 28 April, the President thanked UNCURK for its interest in the democratic processes symbolized by the

elections and reiterated the Government's desire to ensure conditions which would allow the "unhampered expression of the popular will".

58. For its observation of the elections the Commission worked to a co-ordinated plan of field trips into the provinces and on-the-spot observation of developments in major cities such as Seoul, Pusan and Taegu. All seven States members of the Commission were represented and field teams were augmented by two additional observers made available through the courtesy of the Government of Australia. Personal observations were augmented by discussion with other observers. The Commission believes that while it was unable, through limitations of personnel and time, to make an intimate survey of all aspects of the elections, its observations placed it in a position to make an adequate and comprehensive appreciation.

59. The Commission informed the Ministry for Foreign Affairs of its general plan for observation. Throughout the campaign, no restriction of any kind was placed upon observation by members of the Commission. They enjoyed complete freedom of action and received every facility for consultation with Ministers and officials connected with the election and for speaking privately with candidates of every shade of opinion.

2. THE ELECTION CAMPAIGN

60. The election campaign was distinguished from the previous elections in the Republic by the leading role played by the President as head of an official government party. In former elections for the National Assembly, President Rhee had declared himself apart from party politics, although in 1952 he had assumed the leadership of the Liberal Party, formed out of various groups of his supporters within and outside the Assembly. It had, however, remained a loosely knit organization, and within the second National Assembly, although forming a nominal majority, it had not provided a consistent solid working majority for the President and his policies. In the present campaign, the President took a leading part in forming public opinion by a series of important statements and in developing Liberal Party policy and selecting its candidates.

61. In his statements the President pointed out what he considered the deficiencies of the second National Assembly and the criteria upon which voters should base their decision on polling day. *Inter alia*, he urged the voters to elect the ablest and most devoted candidates, particularly those who evidenced their good faith by standing in their native districts where they fully understood the problems of the area and its inhabitants. He warned them against voting for candidates who were pro-Japanese or pro-Communist, or whose connexions with large-scale business enterprises would cause some conflict of interest with their rights and duties as Assemblymen.

62. At the same time, under his leadership, an attempt was made to develop a disciplined Party which would give responsible and cohesive support to his general policies, and in particular to certain constitutional amendments. Accordingly, the Liberal Party sought to establish the practice of more advanced democracies of endorsing for each constituency a single candidate pledged to the support of its policies. In the wide dispersion of votes among many candidates this was probably a decisive factor in the eventual election of a majority of Liberal Party Assemblymen.

¹¹ See resolution 293 (IV), paragraph 1(d), quoted in paragraph 48 above.

Only some forty-two out of the ninety-three incumbent Liberals were given Party endorsement.

63. As part of the struggle to resolve the problem of the relationship between the Executive and the Legislature, certain constitutional amendments were proposed, apparently designed to strengthen considerably the role of the Executive. Early in the election campaign it became apparent that support of such amendments was being made a criterion in the selection and endorsement of Liberal Party candidates and that, consequently, the elections could have major significance in respect of the structure of the Government of the Republic. The exact texts of these amendments, which appeared to have the support of the President, were never made public; indeed, reports on their terms varied in the course of the campaign. They were said to include provisions for making possible a life term for the first President, the recall of Assemblymen, referenda on issues of national importance, and a more distinct separation of the legislative, executive and judicial functions, as well as the economic amendments originally proposed in January 1954 (see paragraph 53 above).

64. These factors brought a new element of discipline and purpose into the campaign, especially since the successful passage of constitutional amendments would require a two-thirds majority of the Assembly, or 136 seats out of the total of 203. The President's widely publicized statements during the election campaign were interpreted to voters as placing on them a patriotic duty to support only candidates who were pledged to pursue principles of Party responsibility and co-operative government. The close identification of the Liberal Party with the Chief Executive and the Administration inevitably reflected itself in the atmosphere prevailing during the election campaign.

65. Elections were held for only 203 constituencies. No provision was made to provide representation for the seven constituencies south of the 38th parallel on the west of the peninsula, recognized as part of the territory of the Republic but now occupied by the other side. There were some 1,200 registered candidates, after approximately ninety withdrawals, compared with over 2,200 in the 1950 campaign. There were some 800 Independent candidates, 240 Liberal candidates (of whom 187 had received official party endorsement), seventy-seven candidates representing the Democratic Nationalist Party, the only organized opposition, and a scattering of candidates members of national organizations. The major factors responsible for the decrease in the number of candidates compared with 1950 appeared to be a growing appreciation by aspirants of the cost and complexity of an election campaign and, particularly, the official endorsement by the Liberal Party of one candidate per constituency. However, in some districts, unofficial Liberal candidates ran against official designees in spite of the threat of expulsion from the Party; in others where there was no official candidate, several unendorsed Liberals competed against each other.

66. A significant feature of the campaign was the joint speech meetings held under the auspices of local election committees, at which rival candidates outlined their views. Issues frequently touched upon included improvement of agricultural conditions by improved irrigation, fertilizer distribution and credit facilities, educational problems and inefficiency and lack of probity within the Government and among the incumbent Assemblymen. Opposition candidates tended to

place greater stress than did Liberal Party candidates on the need for more administrative efficiency and official honesty. Early unification of Korea and improvement in the standard of living were almost always mentioned. However, the tendency was for candidates to discuss the issues in general terms, only rarely developing specific and positive programmes. While widely publicized and the subject of some organized rallies, the constitutional amendment issue received relatively little attention.

67. The tendency to deal with issues broadly resulted inevitably in the personality of candidates assuming great importance irrespective of party affiliation. Voters were generally well informed on the qualities of candidates in their constituencies. The wide dispersal of votes shown in the returns indicated that voters had generally followed a free choice based on their own assessment of individual candidates.

68. The course of the campaign was marked by numerous directives by the President, the Prime Minister, the Minister of Home Affairs and other responsible officials that the elections should be conducted in a free and democratic atmosphere. In particular, on 4 May the President publicly prohibited the National Police from interfering in any way in the election campaign.

69. Despite this and other specific injunctions and frequent references in the Press to the necessity of a "free atmosphere" which would deny the possibility of pressure and allow adequate expression of opinion and a free choice to voters among freely registered candidates, the election campaign was marked by allegations of police interference with opposition candidates, their campaign managers and supporters. In some cases, for instance, the police were alleged to have harassed candidates or their supporters by such devices as the arrest of campaigners on minor charges or the questioning of them in their homes. In others, the police were alleged to have tolerated interference with the campaigning of opposition candidates by the supporters of other candidates. Complaints were prevalent and apparently well-founded that the system of group leadership, which extends down through Korean society, was used as a channel for stressing the need for responsible government which was sometimes interpreted as attainable only through the support of the party sponsored by the Chief Executive.

70. In the opinion of the Commission, some of the charges had basis in fact. However, it has been difficult for it to decide the extent to which they were the result of legitimate campaigning of an admittedly spirited nature, over-zealousness on the part of officials anxious to demonstrate their loyalty or active interference. Efforts appear to have been made to hinder the campaigns of key opposition figures. The degree to which an orderly free atmosphere was endangered frequently seems to have borne a direct relationship both to the personality of the local police chief and the standing and qualities of individual opposition candidates.

71. It is worthy of note that these events did not proceed without comment. Candidates publicly and vociferously spoke of interference which they allegedly were suffering. Numerous newspapers gave detailed coverage to reports of interference. In the end result, it was apparent in some cases that allegations of interference had led to a popular reaction against candidates supposedly being favoured by such interference. Charges of interference during the campaign have been

echoed in very strong terms in the new National Assembly in the course of the interpellation of the Minister of Home Affairs, who has been charged with responsibility for failing to maintain a "free atmosphere" during the elections.

3. THE RESULTS OF THE ELECTIONS¹²

72. On election day, the Commission found that the Election Committees had provided very adequate facilities for the actual voting. Polling day was virtually without incident and it is clear that facilities for a secret ballot were provided.

73. Of the 8,446,609 registered voters 7,698,390, or 91.1 per cent, cast their ballots. Liberal Party candidates, including those not endorsed by the Party, secured 36.8 per cent of the total, the Democratic Nationalist Party 7.9 per cent, and unaffiliated Independents and minor parties 55.3 per cent.

74. In terms of parties, the Liberal Party won 115 seats, the Democratic Nationalist Party fifteen, two minor parties three each and Independents sixty-seven. The results point up the advantage secured by the Liberal Party through the policy of endorsing one candidate per constituency, since in numerous cases Liberal candidates were elected by a minority vote over a majority divided among opposition candidates.

75. Whatever the extent to which legitimate support of a party during the election campaign may have been transgressed by improper attempts to persuade voters or interfere with individual campaigns, the results of the election show that the voters exercised an essentially free choice. While the Commission has mentioned certain pressures in the election campaign prejudicial to a free atmosphere, these must be interpreted against the background of a country in which democratic elections are of recent origin and where respect for authority is still strong. The freedom of atmosphere that prevailed was not absolute but relative. It was relative to the general tension that derives from the international situation and the continued fear of attempted subversion and aggression from North Korea. There is an understandable desire and a fundamental need for a strong and stable Government, resulting from the threat of further aggression against the Republic and from the enormous problems of rehabilitation and development which now challenge the country. The long practice of police interference has clearly not yet been overcome. Nevertheless, the Commission believes that the results of the elections show to a heartening degree the exercise of the free choice which is essential to the development of representative government.

C. Post-election developments.

76. In the period since the elections, the President and other leading figures in the Liberal Party have sought to strengthen and unify the Party by attracting to it Assemblymen elected as Independents and by attempting to establish a basis on which consistent support for policies of the President and Party leaders could be obtained from the members of the Party in the Assembly. It seems clear that the President hopes that a strong and unified Party would resolve the long-standing problems between the legislative and executive branches of the Government.

77. Since the election, twenty-one Independents have joined the Liberal Party negotiating group in

the Assembly, bringing its numbers to 136, exactly a two-thirds majority of the total Assembly. In the first test of its solidarity, elections for office within the new National Assembly, the grouping held together, electing the Liberal Party nominees Lee Ki-poong and Choi Soon-joo as Chairman and Vice-Chairman, and an Independent, Kwak Sang-hoon, as the Second Vice-Chairman. Similarly a solid Liberal Party vote carried the chairmanships of all fourteen Committees.

78. Nevertheless, subsequent votes on issues concerned with the relationship between the Executive and the Legislature showed that a number of the nominal supporters of the Liberal Party have firm views about the prerogatives of the Assembly and were prepared to vote against the Party's leaders if necessary.

79. Under the Constitution a newly elected Assembly is empowered to pass a confidence vote in the Prime Minister and the Cabinet appointed by the President on the advice of the Prime Minister. The situation was complicated when, on 19 June, prior to the vote of confidence, the President announced that he had accepted the resignation of Paik Too-chin, who had been Prime Minister since April 1953. The President expressed his opposition to a system containing an office of Prime Minister in addition to a President and said that he intended to seek the abolition of the former office by an amendment to the Constitution which would bring the Republic's system of government more closely into line with that of the United States. The President said that it might be necessary to appoint a temporary Prime Minister until that office could be replaced by a State Affairs Ministry.

80. It was apparent from a vote in the National Assembly on 22 June that some members of the Liberal Party sided with opposition members in pressing for strict adherence to the provisions of the Constitution both in respect of the appointment of a Prime Minister and the exercise of the right to a confidence vote in the Prime Minister and the Cabinet. On 27 June, the President announced the appointment as temporary Prime Minister of Pyun Yung-tae, to be held concurrently with his former position of Minister for Foreign Affairs, and several days later Mr. Pyun announced a Cabinet which included four new Ministers. The President said that he had attempted to show a co-operative spirit to the National Assembly and urged all members of the Liberal Party to work for a situation of mutual support and respect between the Administration and the Assembly.

81. The vote of confidence in the Prime Minister was carried by a large majority but, in a subsequent vote on the new Cabinet, a number of Liberal Party members joined with the opposition to prevent the absolute majority required. It is reported that a number of Liberal Party members believed that more of the Cabinet should have been members of the Party and individual members in the Cabinet were criticized.

82. Following this further evidence of stresses within the Liberal Party, the President submitted a new Cabinet list, replacing one of the Ministers who had been singled out for criticism. The President said that this was a further sign of his desire to co-operate with the Assembly. Following the change, the Assembly confirmed the Cabinet by a substantial majority.

83. During the course of the confidence votes, the President showed preparedness to compromise in the interests of holding the Liberal Party together and

¹² See annex III for statistics.

securing an Assembly majority. His efforts and those of the Party's leaders proved successful.

84. The issue which appears likely to throw most light on the prospects of the Liberal Party is that of the amendments to the Constitution, a number of which directly affect the structure of the Government. As has been mentioned earlier in the present report, various amendments have been publicly mentioned, and at the time of the writing the report no final version has been officially announced. It is reported that the Liberal Party Study Group has recommended amendments on the following lines:

(i) National referenda shall be held on matters concerning changes in national territory or national sovereignty;

(ii) The office of Prime Minister shall be replaced by a State Affairs Ministry;

(iii) The House of Councillors (for the establishment of which early legislation has been promised) shall be given the right of confirmation of the appointment of Government Ministers, while the House of Representatives shall have the right of a confidence vote on individual Ministers;

(iv) Restrictions in the terms of office of the President shall not apply in the case of the first President; and

(v) Amendments to the economic clauses of the Constitution on the lines mentioned in paragraphs 53 and 63 above.

85. The form of the amendments has been under active consideration by the Liberal Party since the elections, and the delay in the announcement of the terms of the amendments is itself an indication of the elements of controversy which have been aroused within the Party. It is interesting to note that the Assembly wing of the Party has been actively participating in drafting the final form of the amendments and it would appear that revisions have been made in deference to its views, in an attempt to secure Party solidarity when the amendments are finally presented to the Assembly. Such solidarity would be necessary to secure the two-thirds majority required to amend the Constitution.

86. Inevitably this survey of post-election developments has focused primarily on the Liberal Party because of its substantial majority in the Assembly

and because of the attention which the President and its leaders have given to the translation of that nominal majority into an effective voting group. At the same time there are signs of developing unity among the non-Liberal Assemblymen. The only other negotiating group to register has been the Independent Comrades' Association, with thirty-one members under the leadership of Kwak Sang-hoon, the Second Vice-Chairman of the Assembly. The Democratic Nationalist Party, formerly the main opposition group, lost ground in terms of numbers in the elections, returning only fifteen members, although among those are some of the best known figures in the Republic. It has been reported that there are Democratic Nationalist Party supporters among the unaffiliated Independents in the Assembly but the Party has not registered as a negotiating group. There have been reports that leaders of non-Liberal Party groups within the Assembly are working towards closer co-operation, especially in taking a common stand against constitutional amendments which might diminish the Assembly's status *vis-à-vis* the Executive.

87. Through the interpellation of Ministers, the National Assembly continues to assert vigorously its responsibility towards the people and the Government. Criticism of individual Ministers and policies has been forthright and often pertinent. As in the past, the main grounds for criticizing the Government and demanding reform have been found in its agricultural policies, its failure to promulgate laws passed by the Assembly, allegations of official corruption, irregular taxes, especially in rural areas, police excesses and inefficient administration. Such criticism often transcends party lines and is one of the many reflections of the vocal and active role played by the opposition in the Republic of Korea.

88. The form of representative government is still undergoing a process of growth and adaptation. An encouraging sign is the development of more responsible groupings within the Assembly, which could lead to a more consistent direction of the workings of that body, and which might permit a smoother working relationship between the Executive and Legislative branches of the Government. It is to be hoped that the result will be a more effective combination between these two branches in dealing with the grave tasks which face the young Republic.

Chapter V

ECONOMIC SITUATION AND THE PROBLEMS OF RECONSTRUCTION

A. Basic problems in the economy

89. Previous reports of the Commission have dealt with the extremely difficult economic circumstances of the Republic of Korea resulting from the unbalanced and run-down economy existing at the termination of the Japanese occupation, the loss of resources caused by the continuing division of the country since 1945, and the appalling destruction and refugee problem caused by the ebb and flow of war up and down the peninsula. Until the conclusion of the fighting, the most that could be done was to attempt to maintain some sort of order in the economic life of the country,

which meant the application of considerable amounts of money and material in assistance and relief.

90. Since the conclusion of hostilities in July 1953, however, a new phase has begun. The relative stability since the armistice has permitted a more comprehensive assessment of the present and future tasks that face the Republic of Korea and the United Nations.

91. The immediate needs are pressing and the long-term task is immense. At a 1949-1950 level of about \$70 per head, the annual consumption needs of the Korean population of some 22 million would amount to \$1,500 million. This would absorb completely the

total amount of goods and services available from domestic Korean sources as measured by the gross national product, which has been estimated at a present annual level of about \$1,700 million. Given such low *per capita* earnings, there is a fixed upper limit to revenue from taxation and other sources, especially since there are many indirect and local taxes to be met by the population. The total revenue from domestic sources in the financial year 1953-1954 was the equivalent of approximately \$170 million, while the budget for 1954-1955 estimates revenues of the equivalent of \$250 million.¹³

92. As against this revenue, the estimated minimum expenditure by the Government for civilian purposes is about \$130 million, but this is exclusive of the whole or partial relief needs of large numbers of the population. The total investment needed for maintenance, repair, rehabilitation and an expansion aimed at economic viability within the next five years is in the order of \$300-400 million per year, based on over-all plans mentioned later in the present report.¹⁴

93. To these amounts must be added the cost of maintaining the army. At present, defence costs are met partly from the Republic's budget and partly by direct assistance from the United States of America. The cost within the budget in the financial year 1953-1954 was of the order of \$210 million, and estimates for the current year are \$280 million. The over-all cost of maintaining the army at its present strength of 750,000 men approximates \$600 million per year, including the direct aid given by the United States.

94. It is obvious, therefore, that the Republic of Korea from its own resources could barely support the costs of its own administration and the immediate relief needs of its citizens. At present, it could not provide any adequate amount for reconstruction and certainly it cannot, from its own resources, support an army of even a fraction the size of the present armed force which it considers necessary in the light of the international situation and the continuing division of Korea. The whole fabric of the economy, now and for a number of years ahead, will therefore depend on the extent to which foreign aid is available to fill the gap.

B. Foreign aid to Korea

1. CO-ORDINATION

95. Subsequent to the allocation by the United States of \$200 million for the purposes of the Foreign Operations Administration (FOA) at the conclusion of the fighting in Korea, Mr. C. Tyler Wood was appointed on 7 August 1953 to the staff of the United Nations Commander-in-Chief as Economic Co-ordinator. It is the responsibility of the Economic Co-ordinator to co-ordinate the various aid programmes under over-all economic and fiscal policies established by him, and to advise the Government of the Republic of Korea on its fiscal and economic policies. The aim

¹³ The financial year and budget previously covered the period 1 April to 31 March, but in 1954 a budget was drawn up for a fifteen-month period. From 1 July 1955 the financial year, from July to June, will conform with that of the United States and numerous other countries. Budget figures for 1954-1955 have therefore been scaled down in the present report from a fifteen-month to a twelve-month period.

In this report the official exchange rate of 180 *hwan* = US\$1 has generally been used in making currency conversion. In practice, varying exchange rates apply to different transactions, making exact comparisons impossible. However, it is believed

is to achieve the maximum effect from overseas aid and resources available in the Republic.

96. In his report to the eighth session of the General Assembly¹⁵ the Agent General of the United Nations Korean Reconstruction Agency has described the agreement in September 1953 between himself, the Commanding General of the Korea Civil Assistance Command¹⁶ and the Economic Co-ordinator, under which fields of responsibility were assigned to the two operating agencies, UNKRA and KCAC. Broadly speaking, UNKRA was charged with long-term rehabilitation, i.e., power rehabilitation, reconstruction of mining and manufacturing facilities, irrigation, flood control and land reclamation and forestries, fisheries, housing and education. KCAC was assigned responsibility for public health, welfare, public works, transportation, communications, the stimulation of agricultural production and the provision of food and other essential civilian requirements. Although this division of responsibilities was made, the arrangement was a flexible one to permit, for example, UNKRA to continue certain work already begun in the health and welfare fields. As will be pointed out, however,¹⁷ subsequent adjustments have had to be made when UNKRA lacked funds to carry out projects falling within its allotted spheres of responsibility.

97. The main forum for co-ordination between the aid agencies and the Government of the Republic is the Combined Economic Board and its three sub-committees which cover (i) over-all planning; (ii) finance; and (iii) relief aid goods distribution. The Board is constituted by the Economic Co-ordinator for the United Nations Command and by Mr. Paik Too Chin for the Government.

98. The establishment of the Office of the Economic Co-ordinator has contributed greatly towards more satisfactory over-all planning and performance in regard to relief and reconstruction in Korea. The aid programme now being undertaken in Korea is considerably larger in scope than any conducted here previously by United Nations or United States agencies. The Commission has welcomed the institution of an over-all system of co-ordination, the need for which had been noted in the Commission's last annual report.

2. UNITED STATES AID

99. The United States has continued to bear the principal burden of aid to the Republic of Korea. Apart from its role as the principal contributor to UNKRA, the United States contributed \$80 million to the Republic in the financial year 1953-1954 through the Civil Relief in Korea and the Armed Forces Assistance to Korea and \$200 million through FOA. In addition, it contributed considerable amounts of direct military aid to the Republic's armed forces.

100. Since KCAC already had an operating organization in Korea, the United States authorities decided not to establish a separate FOA Mission but

that the comparisons shown are valid for the general purposes of this report.

¹⁴ See paragraphs 111 and 112 below.

¹⁵ See *Official Records of the General Assembly, Eighth Session, Supplement No. 14*, document A/2543.

¹⁶ The Korea Civil Assistance Command (KCAC) is the subordinate military organization of the United Nations Command which, from 1 July 1953, took over the civil relief functions previously carried out by the United Nations Civil Assistance Command, Korea.

¹⁷ See paragraph 112 below.

to use the existing machinery of KCAC. There was initial delay in the application of the FOA funds until such time as the United States-Republic of Korea Aid Agreement was signed on 14 December 1953. The Economic Co-ordinator took steps to commit up to \$50 million in advance of the signing of this agreement but no additional firm requests could be approved until after that date. By 30 June 1954, however, firm requests had been submitted and funds obligated for practically the full sum of \$200 million. Of this sum, \$102 million has been allocated for investment goods, including a number of basic industries; \$80 million for essential raw materials; \$15 million for finished consumer-type goods; and \$2 million for technical assistance.

101. Actual arrivals of aid goods to 30 June 1954 amounted to \$33 million, almost all of which were consumer goods and raw materials intended for sale. This total was less than had been hoped, and there has been criticism of the slow rate of flow by the Korean authorities, who claim that their budget has been based on the expectation of the early arrival of the aid that had been promised. It is expected that the rate of flow of aid goods will rise within the next few months and that goods in the pipeline will permit a smooth merger of last year's FOA programme with the programme of approximately \$230 million for the coming year which is, at the time of signing of the present report, under consideration by Congress.

3. UNITED NATIONS AID

102. Collaboration and consultation between UNKRA and the Commission, as called for in their respective terms of reference, has continued throughout the year; and the Commission, through conferences with the Agent-General and his staff, and by personal visits to UNKRA projects, has kept in close touch with the work being done by the Agency.

103. Any consideration of the position of UNKRA in the aid programme to Korea must emphasize, as a matter of importance, the serious financial situation of the Agency, which has caused the reduction of the present programme to a fraction of the level already approved by the General Assembly and which places the future of the Agency in considerable doubt.

104. It will be recalled that when UNKRA was set up in 1950 a committee of the Economic and Social Council decided that a sum of \$250 million would be necessary for the first year of UNKRA's full-scale operations.¹⁸ The Negotiating Committee for Extra-Budgetary Funds has obtained pledges which, to 30 June 1954, total \$209 million, a sum not only short of the total required but further conditioned by the percentage limitations attached to the United States and United Kingdom contributions. As of 30 June 1954, the actual funds available to the Agent General totalled \$103,700,000, to which a further \$8,100,000 was subsequently added by the United States. It is hoped that a recent contribution of £2 million by the United Kingdom and \$100,000 from Belgium will release a further \$10,500,000 of the United States pledge, bringing the total funds available to about \$122 million.

105. Of the above amount, \$71 million has been committed or spent for the 1952-1953 programme,

the first which it was possible to undertake, and for expenses incurred prior to the inception of that programme. The Agent General originally drew up a programme of \$130 million for 1953-1954, which was approved by the UNKRA Advisory Committee on 26 August 1953, but in his report to the eighth session of the General Assembly (A/2543) he advised that shortage of funds required this to be scaled down to \$85 million. A further programme of \$110 million for 1954-1955 was outlined and approved, bringing the over-all UNKRA programmes to a figure of \$266 million.

106. The recommendations in his report had been discussed by the Agent General with UNCURK and, in compliance with its responsibilities laid down in resolution 410(V) the Commission, on 30 November 1953, sent its comments to the Secretary-General.¹⁹ The Commission, noting that the programme for 1953-1954 had been reduced from the original figure of \$130 million, emphasized the following points: "The Republic of Korea is a long way from establishing a viable economy at a level of production adequate to support the Korean people at a *per capita* level of consumption approximately equal to that of 1949-1950. In the present circumstances of Korea, and particularly in view of the need of the Republic of Korea to maintain between sixteen and twenty divisions under arms, the problem of inflation requires a considerable proportion of external assistance to be directed to promoting financial stability . . . It is evident that Korea's relief and rehabilitation needs are very great and that the present programme is limited not by the requirements and absorptive capacity of the Korean economy, but by the total pledges that have been made. The Commission believes that increased aid is desirable and that a sustained aid programme must continue if the contributions already made and which are now beginning to have beneficial effect are not to be wasted."

107. At its 468th meeting on 7 December 1953, the General Assembly, by resolution 725(VIII), approved the 1953-1954 and 1954-1955 programmes, noted with concern that sufficient funds were not available to implement the programmes and urged Governments to give immediate consideration to the prompt payment of pledges already made or to make contributions if they had not already done so; and requested the Negotiating Committee for Extra-Budgetary Funds to seek funds for the new target of \$266 million.

108. This action by the General Assembly demonstrated the Assembly's belief that Member States intended to support the principles implicit in resolution 410(V), which established UNKRA, to assist the Government of the Republic of Korea to restore and rehabilitate the economy of the country.

109. As has been pointed out, funds have not come forward, even to cover the already reduced programme for 1953-1954 of \$85 million. On 23 February 1954, the Agent General met with the Commission and said that the financial situation of the Agency had become so grave that he felt it necessary to inform the Secretary-General of the position. The Commission also sent a cable to the Secretary-General on 16 March supporting the Agent General and pointing out, *inter alia*, that if UNKRA were to fail in its mission

¹⁸ See *Official Records of the Economic and Social Council, Eleventh Session*, document E/1864.

¹⁹ See *Official Records of the General Assembly, Eighth Session, Annexes*, agenda item 20, document A/2586.

there would be understandable and deep disappointment in the United Nations on the part of the Korean people. Attention was drawn to the unsatisfactory situation of having an organization and establishment geared for a full programme, with only a reduced programme to implement; and attention was drawn to the previous report of the Commission which stressed that United Nations action could not be limited to military resistance to aggression but must include a constructive programme of economic help.

110. The Agent General in February 1954, and again in June, made personal trips abroad in search of contributions. The action was necessary but none the less it is a matter for regret that the need should have arisen. The trips had some success but the upshot is that the 1953-1954 programme has had to be further reduced and has had to be implemented in stages as funds became available. An initial commitment of \$22 million was made for projects of high priority, then a second commitment of \$6 million as additional funds were received. Beyond this the Agent General has been able, thus far, only to make a tentative programming of a further \$14 million for projects. These sums should be compared with the original programme for 1953-1954 of \$130 million, and yet they exhaust the funds at present available to the Agency. Shortage of funds also meant that the 1953-1954 programme could not commence until well into 1954. The programme for 1954-1955 of \$110 million, approved by the General Assembly in December 1953, has perforce become hypothetical.

111. An indication of the size of the reconstruction programme necessary in the Republic of Korea was given by the comprehensive survey carried out for UNKRA by the consultant firm of Robert R. Nathan Associates. The survey, entitled "An Economic Programme for Korean Reconstruction", was issued as a public document in March 1954. The report is valuable as giving a broad over-all assessment of the reconstruction needs of Korea and ways in which these needs might be met. The significance of the report is that it states that the Republic can become self-supporting within five years with external aid of \$1,250 million plus the equivalent of \$650 million from Korean sources. The figures take into account the cost of maintaining armed forces of only 200,000, which was assumed to be the limit which the economy could support.

112. The Nathan report gives a sobering indication of the immensity of the task to be done in Korea and the Commission believes that the General Assembly should bear it in mind in now considering the position of UNKRA. So far, the extent of the United Nations economic aid has been considered by many Koreans to be most disappointing and the division of functions, mentioned in paragraph 96 above, while commendable on the grounds of practicability, was a serious reflection of the fact that UNKRA did not have available adequate funds to undertake tasks needing immediate fulfilment. Due to shortage of funds, UNKRA has not been able to carry out its full share even of those functions allocated to it. The major part of the development of electric power, and the principal share in the construction of a \$20 million chemical fertilizer plant, have been passed to FOA and KCAC. Planning of the type required for UNKRA reconstruction projects is a long and complex procedure, and a delicate balance must be maintained in the over-all pattern unless serious stresses are to occur. Both the Agent

General and the Economic Co-ordinator have been under a most severe handicap in their efforts to carry out such planning because of the continuing need to reduce the UNKRA programme. Planning must be undertaken immediately for 1954-1955 but this is impossible until such time as it is known what funds will be available.

113. The Commission has been in a position to observe closely the UNKRA programmes. It is only in the last year, since the fighting ceased, that substantial progress could be made in translating into reality some of the reconstruction projects which have existed as plans for several years. Full details of the Agency's projects are being given in the annual report of the Agent General, but as general comment UNCURK believes that the Agency has made a good start on its task. The programmes have only really been able to get under way in this last year but already UNKRA's activities are spread through the Republic, providing concrete evidence of United Nations efforts for the people of Korea. Plans have been prepared which could profitably absorb funds up to the limit of the objectives set for the Agency. It is for the Members of the United Nations now to decide how many of those plans can be put into effect. The Agent General will meet with his Advisory Committee in the near future, and will subsequently report to the General Assembly. The Commission believes that decisions must be made as to how UNKRA is to carry out its task.

114. In its last report, the Commission pointed to the need for an agreement between UNKRA and the Republic of Korea to govern the operation of the aid programmes (A/2441, paragraph 169). The Commission therefore noted with satisfaction that, on 31 May 1954, such an agreement was signed between the two parties. A draft of the agreement was discussed between the Agent General and UNCURK. As described by the Agent General, the agreement makes a final currency settlement for all aid received prior to the signing of the agreement and establishes procedures covering the procurement and disposal of future aid. The agreement adheres to the principles and directives under which the Agent General is required to operate, and in the opinion of the Commission marks a satisfactory solution.

115. The Commission believes that it is important to stress that, while over-all planning is now the responsibility of the Economic Co-ordinator, UNKRA initiates its own planning. UNKRA projects retain their full United Nations identity. In the opinion of the Commission, UNKRA has adhered strictly to the conditions set down in resolution 410(V) regarding the purposes to which aid was to be put.

116. Both the Agent General and the Economic Co-ordinator have discussed with UNCURK the question of co-ordination and have stated that the present system is working smoothly and without friction. The Economic Co-ordinator stressed that the UNKRA programme, even apart from its reflection of the continuing interest of the United Nations in Korea, had a special value in that it made available from many countries experts with special skills.

117. Any description of the aid programmes in Korea would be incomplete without appreciative reference to the work of the numerous voluntary agencies. Some thirty in number, from many countries, these agencies have contributed materials valued at about \$18 million in the past year, together with the services

of skilled staffs. The contribution may be even higher for the coming year, and they are playing an increasingly important role, particularly in the field of social welfare, where their work reaches the immediate and pressing needs of the Korean people. All the organizations co-ordinate their work with the Economic Co-ordinator and with UNKRA through an organization called the Korean Association of Voluntary Agencies.

C. The Government of the Republic of Korea and the aid programmes

118. It is inevitable that aid programmes of such magnitude being applied to a country whose needs are so dire could not have proceeded without some differences of opinion as between the donors and the recipients. Some of these differences have been distorted and exaggerated. Reduced to the simplest terms the differences have generally been as between aid agencies conscious of the need for complex planning and a Government understandably anxious to sustain and rebuild its country quickly. It has happened also, through a combination of circumstances, that even when planning has been completed, immediate effect could not always be given to those plans, as in the cases of the initial delay in FOA's programme and UNKRA's lack of operating funds.

119. However, the year has seen a working out of many of the points of contention, especially through the system of joint planning in the Combined Economic Board. Under present arrangements, Korean officials take a full part in planning, and final action requires the concurrence of the Government. Planning can be initiated either by the relief agencies or by the Government itself.

120. The Commission supports this procedure because it is self-evident that no programme of reconstruction can succeed in Korea without the full and complete co-operation of the Koreans themselves.

121. The Government of the Republic is anxious to use to the full its natural resources and to devote as much as possible of the aid programmes to capital investment. Indeed, this attitude has occasionally led to differences of opinion between the Korean planners and their foreign counterparts over the import of consumer goods and raw materials for sale. A balanced proportion of saleable commodities is, however, essential to satisfy immediate needs and to absorb the inflated money supply.

122. The Government has continued to use its earnings of foreign exchange for a vigorous import policy. In the financial year 1953-1954, foreign exchange earnings amounted to \$97 million, while imports totalled \$132 million. It is hoped that foreign exchange earnings in the present year will be about \$110 million, permitting imports to sustain the economy and assist in reconstruction. As yet, however, these import programmes have not been co-ordinated with the foreign aid programmes, although discussions towards this end have been held between the Government and the Economic Co-ordinator. It would seem desirable for some form of co-ordination to be established.

123. Planning of the magnitude of the present programmes is a novel experience to many of the officials of the Republic and there is due appreciation by

them of the fact that organization and experience have at times been lacking on their part. This is part of a problem which the Commission has referred to in its previous reports: the relative inexperience of many government servants and the generally inadequate pay scales of officials of all classes, which militates against optimum efficiency. It was encouraging that the Government approved large increases in salaries to government servants, retroactive to the beginning of this year, but an adequate level of payment has not yet been reached. It is recognized that the Government is attempting to economize in order to balance its budget and to promote the implementation of the reconstruction programme; but it is to be hoped that gradually improvements will be made.

124. Korean officials have claimed that the machinery for administering the aid programmes is unnecessarily cumbersome, and that administrative costs absorb too large a proportion of aid funds. They have stated that procedures would be simplified, aid expedited and administrative costs reduced if more responsibility were given to the Koreans themselves. So far as UNKRA is concerned, the Commission has discussed the question of administrative costs with the Agent General on a number of occasions. The Agent General states that he has paid constant attention to the problem and has reduced staff wherever and whenever possible within the limits necessary for the successful operation of the programme.

125. A problem which has complicated the implementation of the FOA programme has been disagreement over the question of purchases in Japan, which for several weeks in May 1954 brought part of the programme to a standstill. Procurement of supplies in Japan is only one aspect of the considerable problem of relations between the Republic and Japan, and in this particular instance, of course, the problem is one for solution between the Governments of the United States and the Republic of Korea. Inasmuch as the problem affects the aid programmes, and the reaction of the Government of the Republic to those programmes, it is to be hoped that a mutually agreed course of action can be decided upon. It should be mentioned that the UNKRA programme has not been directly affected to any extent, largely due to different procurement procedures which in many cases require the expenditure of funds in the contributing country. In some instances, such as the rehabilitation of plants of Japanese origin, UNKRA has secured agreement to purchase in Japan.

126. Although much of the long-term reconstruction will aim at industrialization, it must be borne in mind that Korea is primarily an agricultural country, 70 per cent of its people deriving their livelihood from primary production. Given favourable harvests, and increasing returns from improved agricultural methods, there is a likelihood of a grain surplus for the next few years, thus providing an export capacity which could play a large part in the balance of trade and in tiding the economy through till industrial reconstruction can make its effect felt.

127. However, despite very good crops of rice last year and barley this year, the agricultural population is going through difficult times. Prices of other commodities have risen, but grain is at a price lower than a year ago. The Commission believes that full emphasis should be placed on all aspects of agricultural development. Community development projects and extension

services have been initiated by UNKRA and KCAC, and the Commission believes that these should be extended if possible. At the same time, there is much to be done by Government in the establishment of co-operatives and adequate credit facilities for the agricultural population, to give them an equitable return for their crops and overcome the chronic shortage of capital among farming communities. It would be welcome to see a vigorous agricultural policy being planned and implemented, as a necessary follow-up to the relatively successful land reform which has already been put into operation.

128. In its previous report, the Commission pointed to the system of pricing which has established prices for some commodities below the cost of domestic production or landed cost in the case of aid goods. Some progress has been made in the last year, particularly in respect of the sale price of aid goods, but further action seems necessary on the part of the Government. More realistic prices would probably cause an increase in the general price index but domestic production would be encouraged and counterpart fund receipts from the sale of aid goods would be increased and would diminish the over-all budgetary deficit.

129. There is also a need for the establishment of adequate banking facilities and avenues for encouraging private investment for productive purposes. At present, the economy suffers from continuing inflation, destructive of the stability necessary to encourage investment, and speculative and non-productive money ventures unfortunately attract too much of the capital available in the Republic at the moment. The Government has indicated its intention to amend the economic provisions of the Constitution, with the aim of extending private enterprise into some fields at present under State management. Already, and to an increasing degree as the reconstruction programme gets under way, every available source of capital is needed and private investors must be encouraged to associate themselves with the task of rebuilding their country.

D. Prospects and conclusions

130. During the past year, improvements have been noted in various sectors of the economy, marked particularly by a more adequate supply of the basic necessities of life. Crops have been very good and there has been some rise in industrial production. However, the economy is far from sound, even as supported by relief supplies, and most of the needed capital investment task lies ahead.

131. A major immediate cause for concern is the monetary inflation caused almost completely by the Government's need to finance its budgetary deficits. In the financial year 1953-1954 the deficit was approximately 30,000 million *hwan* or about \$150 million. This year a deficit of 50,000 million *hwan*, or \$250 million, seems likely. These estimates include expenses of the general account, the net operating costs of special government agencies, the domestic financing of reconstruction projects, and the portion of the defence cost at present carried in the Republic's budget.

132. Within the budget, the deficits are offset by the proceeds of saleable consumer goods and raw materials in the aid programmes. Last year, when the benefit of the FOA programme was only partly felt,

sales proceeds were 10,000 million *hwan*, leaving a net deficit of 20,000 million *hwan*. Present indications are that from all sources in this coming year consumer goods for sale will total about \$180 million, yielding about 36,000 million *hwan*, and leaving an estimated deficit of some 14,000 million *hwan*.

133. These deficits are covered by government overdrafts at the Bank of Korea. The note issue and the supply of money are already at a disturbing level. On 30 June 1954, the note issue was 31,660 million *hwan* compared to 13,000 million *hwan* on 30 June 1953, an average monthly increase of 12 per cent. The deficit for the present year will have to be covered by a still greater increase in money supply. Price indices during the past year fortunately have not kept pace with this increase in the note issue. From 30 June 1953 to 30 June 1954, the wholesale price index for the whole year increased by only 14 per cent and the retail index by 18 per cent. Factors contributing to this relative stability of prices have been the stable price of grain, the increased availability of other consumer goods, some increased confidence in the currency, and an increased tempo of economic activity which has permitted the absorption of some of the money supply without a direct reflection in prices. However, the pressure of the inflated money is ever present and there has been a disturbing upward movement of prices over the last few months. Also the open market exchange rate, after a period of relative stability, has risen rapidly—from 450:1 to 600:1 between April and June 1954. There is the danger that a price spiral could gather quick momentum.

134. Great demands will be made on the Korean population in the years ahead. Energy and selfless service will be required from the Administration, and a very considerable degree of austerity from the people. Only minimum standards will be possible if there is to be a sufficient surplus to permit the reconstruction that is essential for a goal of viable economy. These standards cannot be allowed to fall below the pre-war standards without endangering the stability of the Republic.

135. To support the efforts of the Koreans themselves external aid must be given. During the writing of the present report, the President of the Republic has visited the United States, one of his aims being to seek increased economic aid from that country. The United States is already bearing a major portion of the burden in Korea, and the Commission believes that Members of the United Nations should give earnest attention to the extent to which they can assist.

136. As pointed out previously, the maintenance costs of the army militate severely against plans for reconstruction in Korea. They could nullify such plans. From a procedural point of view it would seem desirable to separate completely the costs of maintaining the army from the ordinary and reconstruction budgets, so that more consistent planning would be possible. But that will in no way solve the basic problem: the firmly expressed belief by the Government of the Republic that conditions of world tension and the continuing division of Korea require the maintenance of an army of at least the present size. In addition, division of the country has deprived both sectors of complementary elements in an over-all economy, elements which cannot be easily or economically replaced. The continuance of the division adds immeasurably to the

immense task of reconstruction. As the Commission pointed out last year, unification remains a goal necessary for economic as well as for other reasons.

Ku, Seoul, Korea, this seventeenth day of August one thousand nine hundred and fifty-four.

(Signed)

H. M. LOVEDAY, *Australia*

... *Chile*²⁰

... *Netherlands*²¹

A. Salim KHAN, *Pakistan*

Maximino G. BUENO, *Philippines*

Pridi Debyabongs DEVAKULA, *Thailand*

Tevfik K. KEMAHLI, *Turkey*

Signed in the presence of the Principal Secretary:

(Signed) JOHN P. GAILLARD

* * *

The present report is transmitted to the Secretary-General for submission to the ninth regular session of the General Assembly pursuant to the provisions of paragraph 2(c) of General Assembly resolution 376 (V) of 7 October 1950.

Done in a single copy in the English language at Commission Headquarters, 47 Okin Dong, Chong No

²⁰ The representative of Chile informed the Commission of his disagreement with certain parts of the report and, therefore, he declined to sign it.

²¹ The representative of the Netherlands had left before the completion of the report and therefore did not sign.

ANNEX I

Delegations to the United Nations Commission for the Unification and Rehabilitation of Korea, and United Nations Secretariat

A. Delegations to the Commission

1. LIST OF DELEGATIONS

AUSTRALIA

Representative

Mr. Thomas K. Critchley²²
Mr. H. Maxwell Loveday²³

Alternate representative

Mr. Lionel E. Phillips²⁴
Mr. C. Garrard Woodard²⁵

CHILE

Representative

Mr. Gonzalo Montt

NETHERLANDS

Acting representative

Mr. Berend J. Slingenberg²⁶

Assistant

Mrs. Berend J. Slingenberg²⁷

PAKISTAN

Acting representative

Mr. Abdul Salim Khan²⁸

PHILIPPINES

Representative

Mr. Maximino G. Bueno

THAILAND

Representative

Prince Pridi Debyabongs Devakula²⁹

Alternate representative

Mr. Chitti Sucharitakul³⁰

Assistant

Mr. Prayud Nawongs³¹

TURKEY

Representative

Mr. Tevfik K. Kemahli³²

2. ROSTER OF CHAIRMANSHIP OF THE COMMISSION

In accordance with the rules of procedure, the Chairmanship of the Commission has been held as follows for periods of one month by the representatives on the Commission, with the Chairman for the succeeding month acting as Chairman if the Chairman-

designate has not been in a position to perform his functions.

1953

August:

Mr. M. G. Bueno, *Philippines*;

September:

Prince Pridi Debyabongs Devakula, *Thailand*;

October:

Mr. T. K. Critchley, *Australia*;

November:

Mr. G. Montt, *Chile*;

December:

Mr. B. J. Slingenberg, *Netherlands*;

1954

January:

Mr. A. Salim Khan, *Pakistan*;

February:

Mr. M. G. Bueno, *Philippines*;

March:

Prince Pridi Debyabongs Devakula, *Thailand*;

April:

Mr. T. K. Critchley, Mr. H. M. Loveday, *Australia*;

May:

Mr. G. Montt, *Chile*;

June:

Mr. B. J. Slingenberg, *Netherlands*;

July:

Mr. A. Salim Khan, *Pakistan*;

August:

Mr. M. G. Bueno, *Philippines*;

B. United Nations Secretariat

Principal Secretary

Mr. George J. Mathieu (left 12 April 1954)

Mr. John P. Gaillard (from 13 April 1954)

Special Assistant to the Principal Secretary

Mr. F. Blaine Sloan (left 29 August 1953)

Political Affairs Officer

Mr. Ansar H. Khan (from 19 April 1954)

²² Left on 15 April 1954 to attend the Geneva Conference.

²³ Joined the Commission on 15 April 1954.

²⁴ Left on 20 November 1953.

²⁵ Joined the Commission on 16 November 1953.

²⁶ Left on 5 July 1954.

²⁷ Left on 5 July 1954.

²⁸ Normally resides in Tokyo.

²⁹ Left on 13 April 1954 to attend the Geneva Conference and rejoined the Commission on 30 July 1954.

³⁰ Rejoined the Commission for the period 18 to 24 May 1954.

³¹ Left on 13 April 1954 to attend the Geneva Conference and rejoined the Commission on 30 July 1954.

³² Joined the Commission on 20 May 1954.

Public Information Officer

Mr. Dimitri Andriadis (left 1 April 1954)

Administrative Officer

Mr. Walter B. Squire (left 4 September 1953)
Mr. Ole W. Danielson (from 5 September 1953;
left 22 March 1954)
Mr. Charles G. Ilka (from 23 March 1954)

Secretaries

Mr. Ping Hong Go (left 4 June 1954)
Mr. Douglas F. Hedgecock (from 14 August 1953)
Mr. Anthony Martin (from 2 July 1954)
Mr. Brian H. Ockenden (left 27 July 1954)

Telecommunications Unit

Senior Field Service Radio Officer:

Mr. Kai W. Mortensen (left 12 March 1954)
Mr. Einar Michalsen (from 27 May 1954)

Radio Technician

Mr. Henry J. Lang (from 13 November 1953 to
10 August 1954)

Radio Officers

Mr. Joseph Anzarut (from 21 December 1953)
Mr. John Higgins (left 5 November 1953)
Mr. Vadakke A. S. Menon
Mr. Bruce H. Young (left 4 June 1954)

Transportation Unit

Mr. Abdul J. Al-Khattab
Mr. Nassib J. Nassar

Procurement and Supply Unit

Mr. Kåre Moksnes (left 28 June 1954)
Mr. Joseph C. Mount (from 27 May 1954)

Interpreters-Translators

Mr. Kim Yoon Yui (Chief)
Mr. Kim Jong Sae
Mr. Kye Kwang Kil

Administrative Assistant

Mr. Chun Ki Poong

ANNEX II

Officials of the Government of the Republic of Korea

(Note: All names given below follow the spelling employed by the individuals themselves.)

A. The Executive

President of the Republic

Syngman Rhee

Elected by National Assembly 20 July 1948. Assumed office 15 August 1948. Re-elected by direct popular vote 5 August 1952. Assumed office 15 August 1952.

Vice-President of the Republic

Ham Tae-Yung

Elected by popular vote 5 August 1952. Assumed office 15 August 1952.

Prime Minister

Paik Too-Chin

Nominated 21 April 1952 and confirmed by National Assembly 24 April 1953. Resigned 18 June 1954.

Pyun Yung-Tae

Nominated and confirmed 28 June 1954.

Minister of Home Affairs

Chin Hun-Sik

Dismissed 10 September 1953.

Paik Han-Sung

Appointed 19 September 1953.

Minister of Foreign Affairs

Pyun Yung-Tae

Appointed 16 April 1951.

Minister of National Defence

Sohn Won-II

Appointed 30 June 1953.

Minister of Finance

Paik Too-Chin

Resigned 9 September 1953 to serve full time Premiership.

Park Hi-Hyun

Appointed 9 September 1953. Resigned 30 June 1954.

Lee Joong-Jai

Appointed 30 June 1954.

Minister of Justice

Suh Sang-Hwan

Appointed 5 March 1952. Resigned 30 June 1954.

Cho Yong-Soon

Appointed 30 June 1954.

Minister of Education

Kim Bup-Rin

Appointed 30 October 1952. Resigned 5 February 1954.

Lee Sun-Kun

Appointed 21 April 1954.

Minister of Agriculture and Forestry

Shin Joong-Mook

Appointed 29 August 1952. Dismissed 10 September 1953.

Yang Sung-Bong

Appointed 7 October 1953. Resigned 6 May 1954.

Yoon Kun-Joong

Appointed 6 May 1954. Resigned 30 June 1954.

Choi Kyoo-Ok

Appointed 30 June 1954.

Minister of Commerce and Industry

Lee Jai-Hyung

Appointed 6 November 1952. Resigned 7 October 1953.

Ahn Dong-Hyuk

Appointed 7 October 1953. Resigned 30 June 1954.

Kang Sung-Tae

Appointed 5 July 1954.

Minister of Social Affairs

Park Sool-Um (Solemn Park)

Appointed 9 October 1952.

Minister of Transportation

Yoon Sung-Soon

Appointed 3 February 1953. Resigned 10 February 1954.

Lee Jong-Lim

Appointed 10 February 1954.

Minister of Communications

Kang In-Taek

Appointed 9 October 1952. Resigned 30 June 1954.

Lee Kwang

Appointed 30 June 1954.

Minister of Public Health

Choi Jai-Yoo

Appointed 5 February 1952.

Minister without Portfolio

Park Hyun-Sook (Mrs.)

Appointed 9 October 1952. Resigned 30 June 1954.

B. The National Assembly**Chairman**

Lee Ki-Poong

Elected 9 June 1954.

Vice-Chairmen

Choi Soon Jo and Kwak Sang Hoon

Elected 9 June 1954.

ANNEX III**A. Statistics relating to the national elections of 20 May 1954**

(Source: Report of the Central Election Committee)

City and province	Civilian population	Number of candidates	Number of seats	Number of voters registered	Number of votes cast
Seoul	1,022,758	116	16	458,735	405,222
Kyonggi Do.....	2,206,056	100	23	902,018	815,731
Chungchong Pukto.....	1,185,039	67	12	493,725	455,446
Chungchong Namdo.....	2,126,359	144	19	886,133	803,272
Cholla Pukto.....	2,093,867	124	22	870,132	808,012
Cholla Namdo.....	2,907,904	169	30	1,263,480	1,168,597
Kyongsang Pukto.....	3,203,075	205	34	1,400,337	1,292,332
Kyongsang Namdo.....	3,495,570	212	32	1,564,962	1,407,456
Kangwon Do.....	1,051,180	53	12	468,915	435,288
Cheju Do.....	284,960	17	3	138,072	107,034
TOTAL	19,576,768	1,207	203	8,446,509	7,698,390

B. Distribution of Assemblymen by parties*Announced election returns*

Liberal Party.....	114
Democratic Nationalist Party.....	15
Taehan Nationalist Party.....	3
National Society.....	3
Independent (unaffiliated).....	68
TOTAL	203

After the formation of negotiating groups in the new House of Representatives

Liberal Party.....	136
Independent Comrades' Association.....	31
Independents (unaffiliated).....	35
TOTAL	202^a

^a One Liberal Party Assemblyman has died. The seat will be filled by a by-election.

ANNEX IV

AREAS NORTH OF THE 38th
UNDER UNITED NATIONS C

ANNEX IV

ORTH OF THE 38th PARALLEL
UNITED NATIONS CONTROL

126°00'

126°30'

P'YONGYANG

KYOMIP'Ŏ

38°30'

SARIWON

PYONGSANG

NUCH'ON

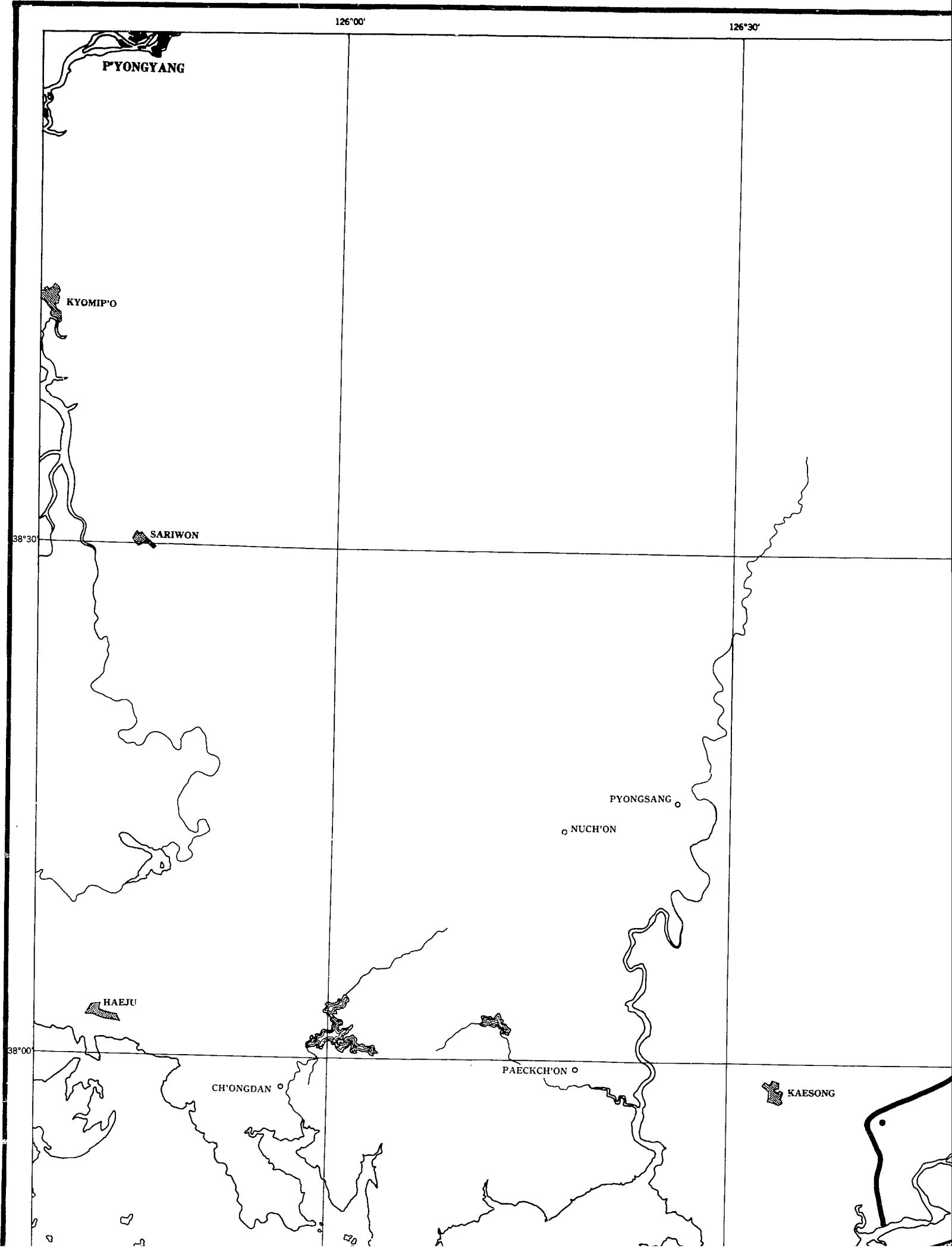
HAEJU

38°00'

CH'ONGDAN

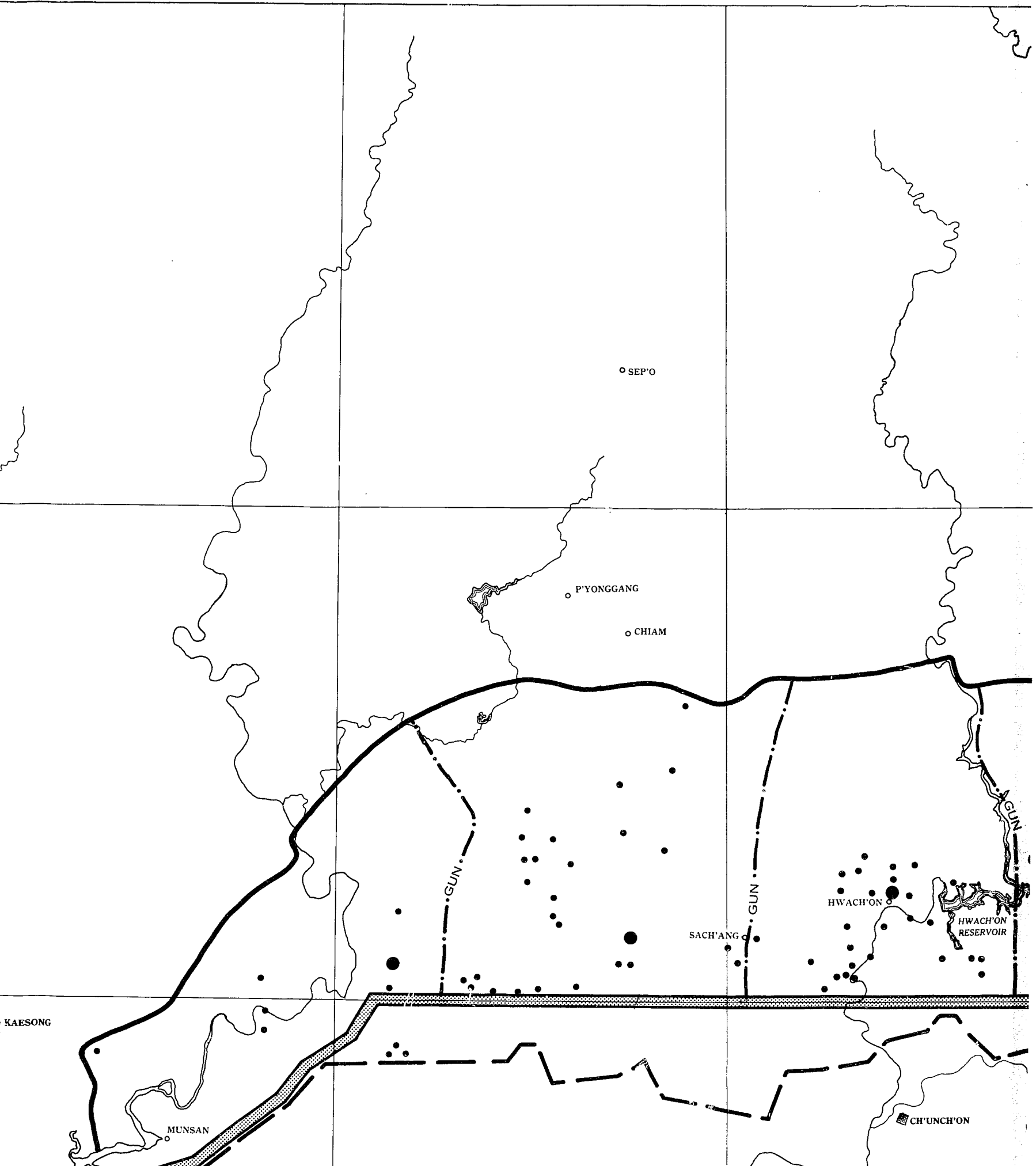
PAECKCH'ON

KAESONG



127°00'

127°30'



KAESONG

MUNSAN

CH'UNCH'ON

127°00'

127°30'

○ SEP'Ŏ

MAR

○ P'YONGGANG

○ CHIAM

GUN

GUN

GUN

HWACH'ON

HWACH'ON
RESERVOIR

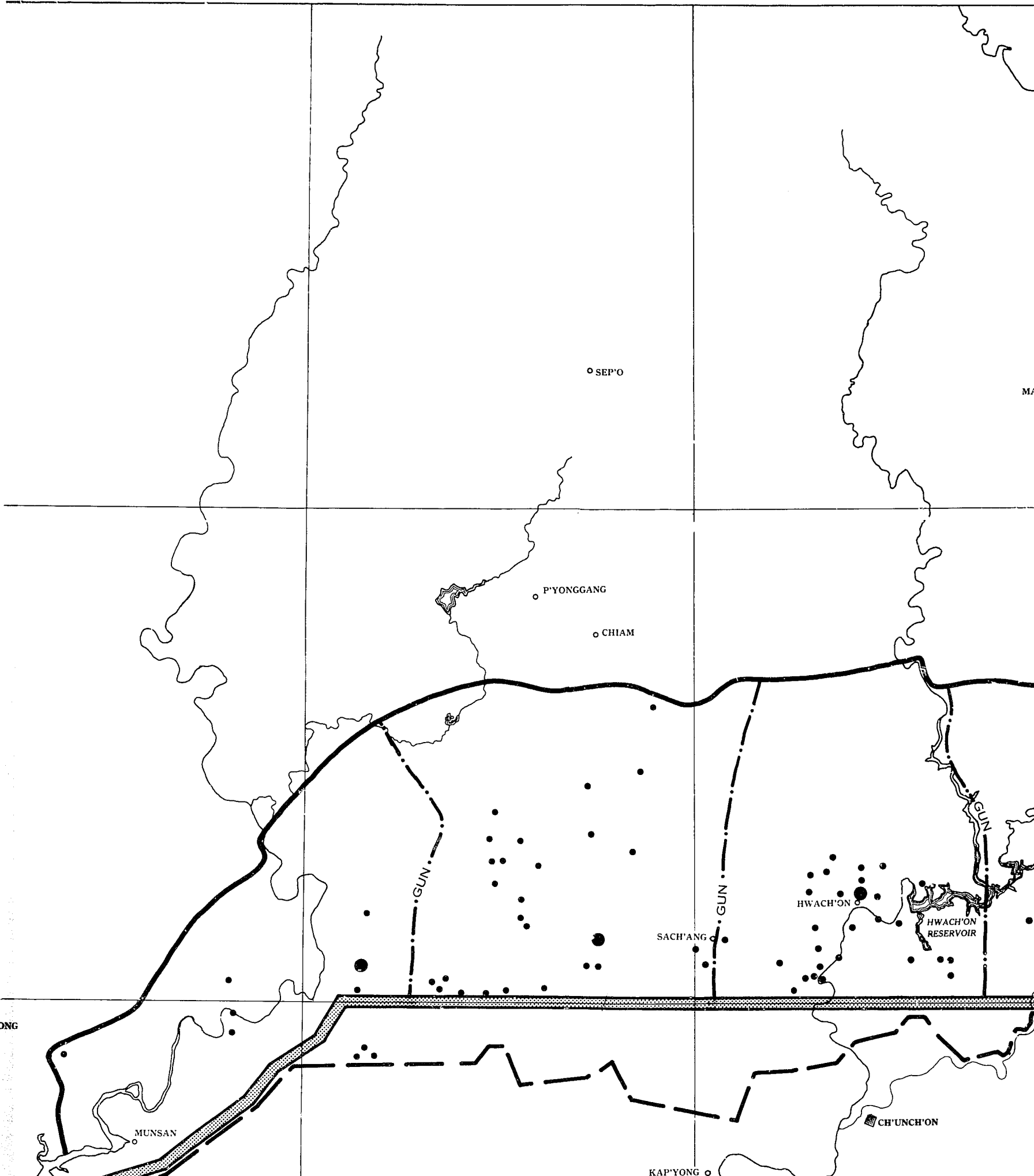
SACH'ANG

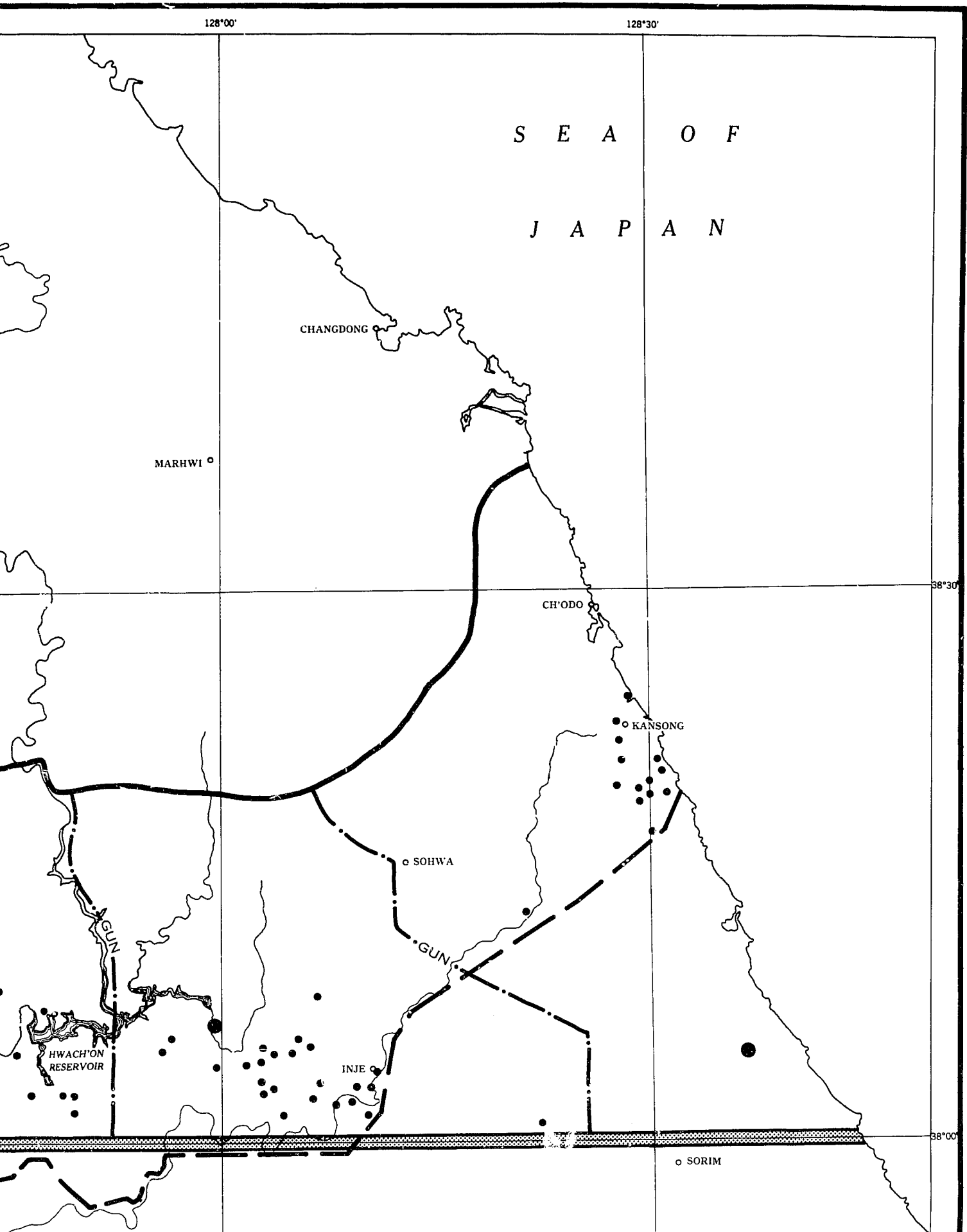
MUNSAN

CH'UNCH'ON

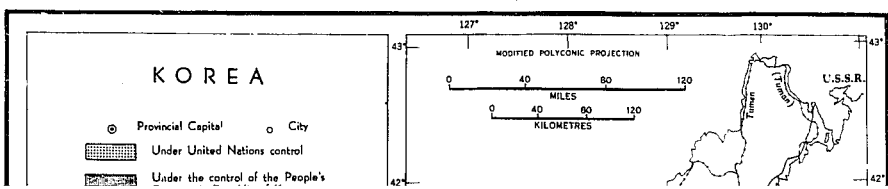
○ KAP'YONG

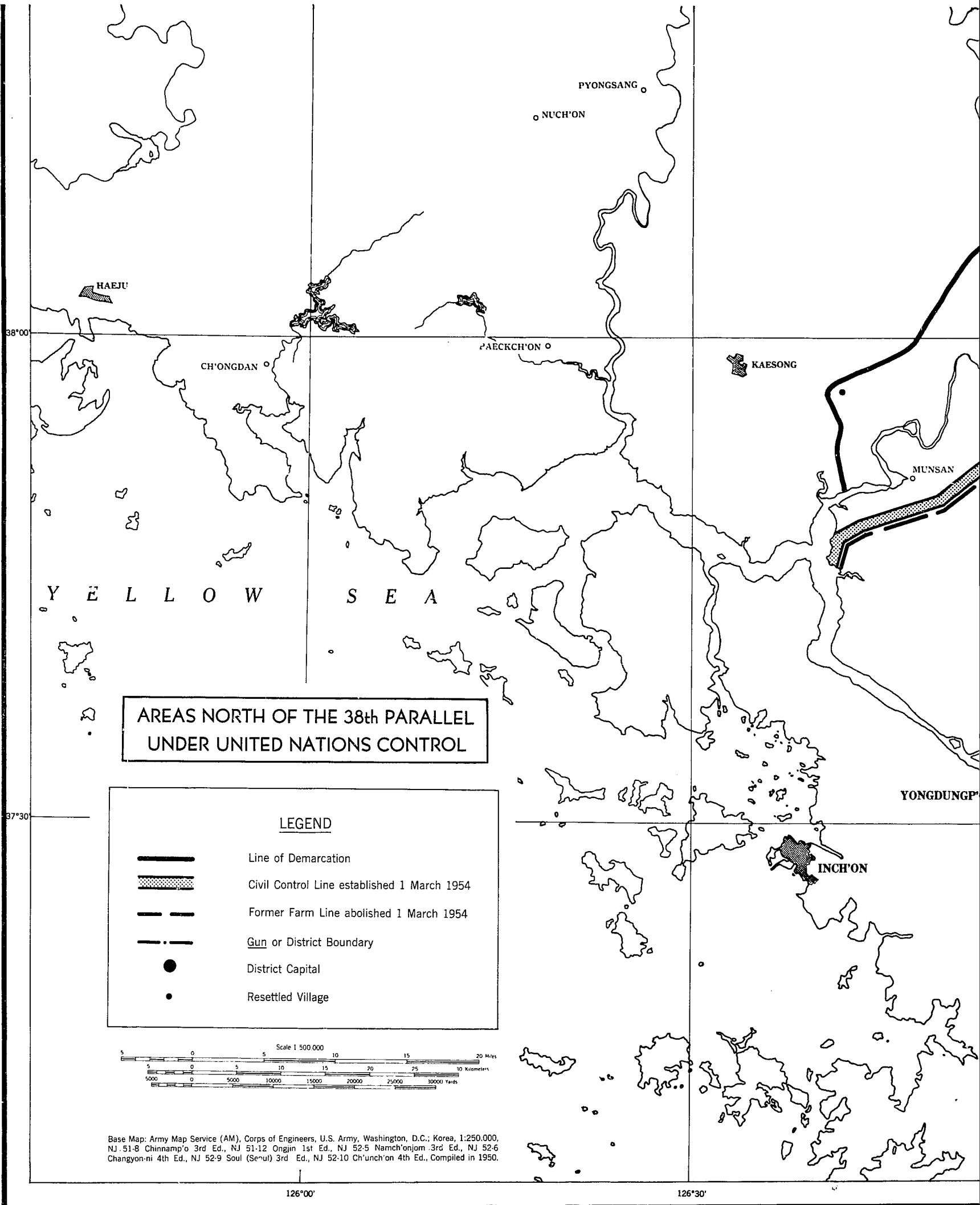
ONG











H'UNCH'ON

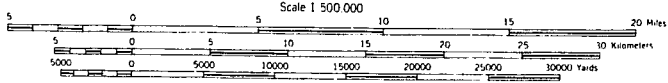




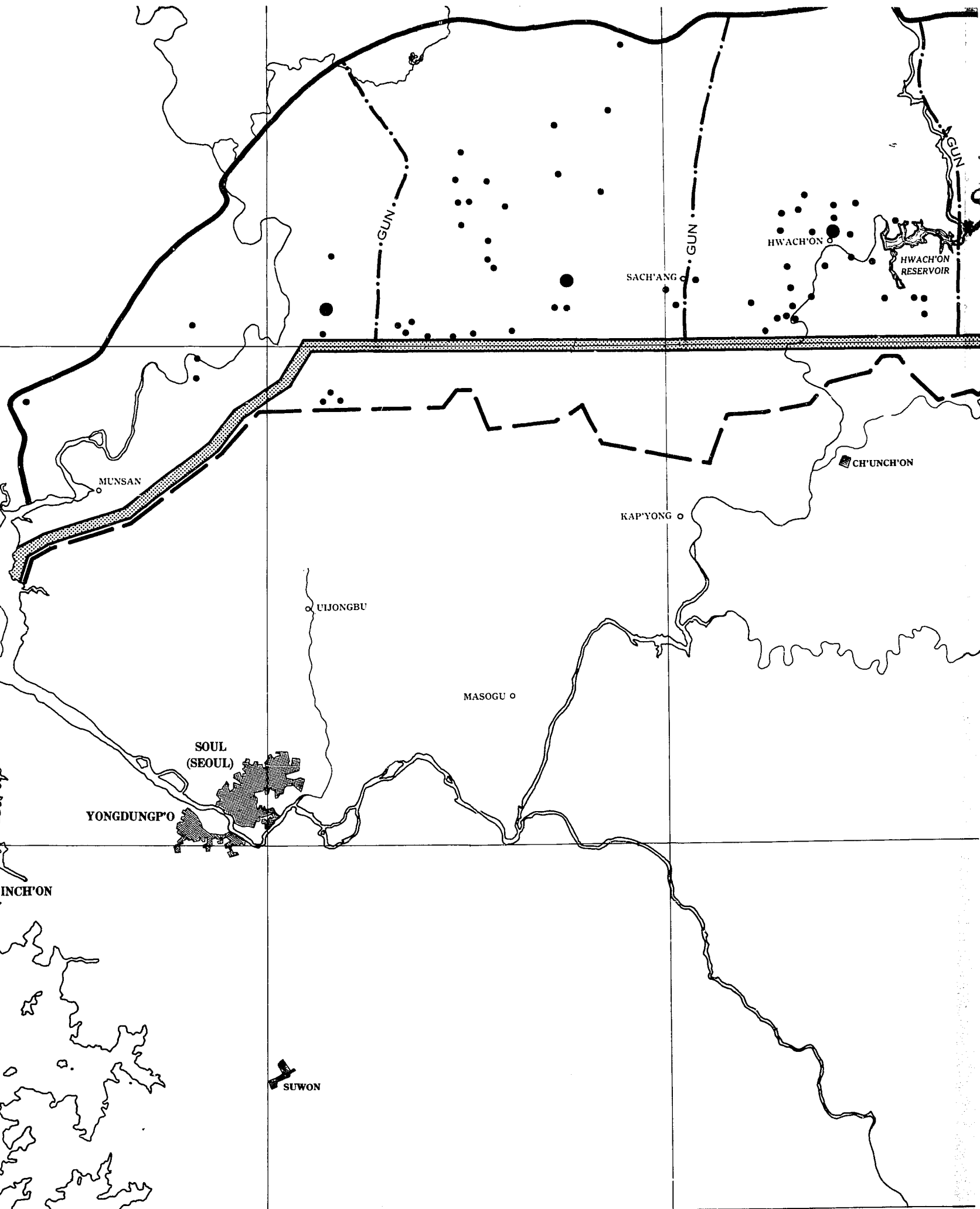
**AREAS NORTH OF THE 38th PARALLEL
UNDER UNITED NATIONS CONTROL**

LEGEND

	Line of Demarcation
	Civil Control Line established 1 March 1954
	Former Farm Line abolished 1 March 1954
	<u>Gun</u> or District Boundary
	District Capital
	Resettled Village

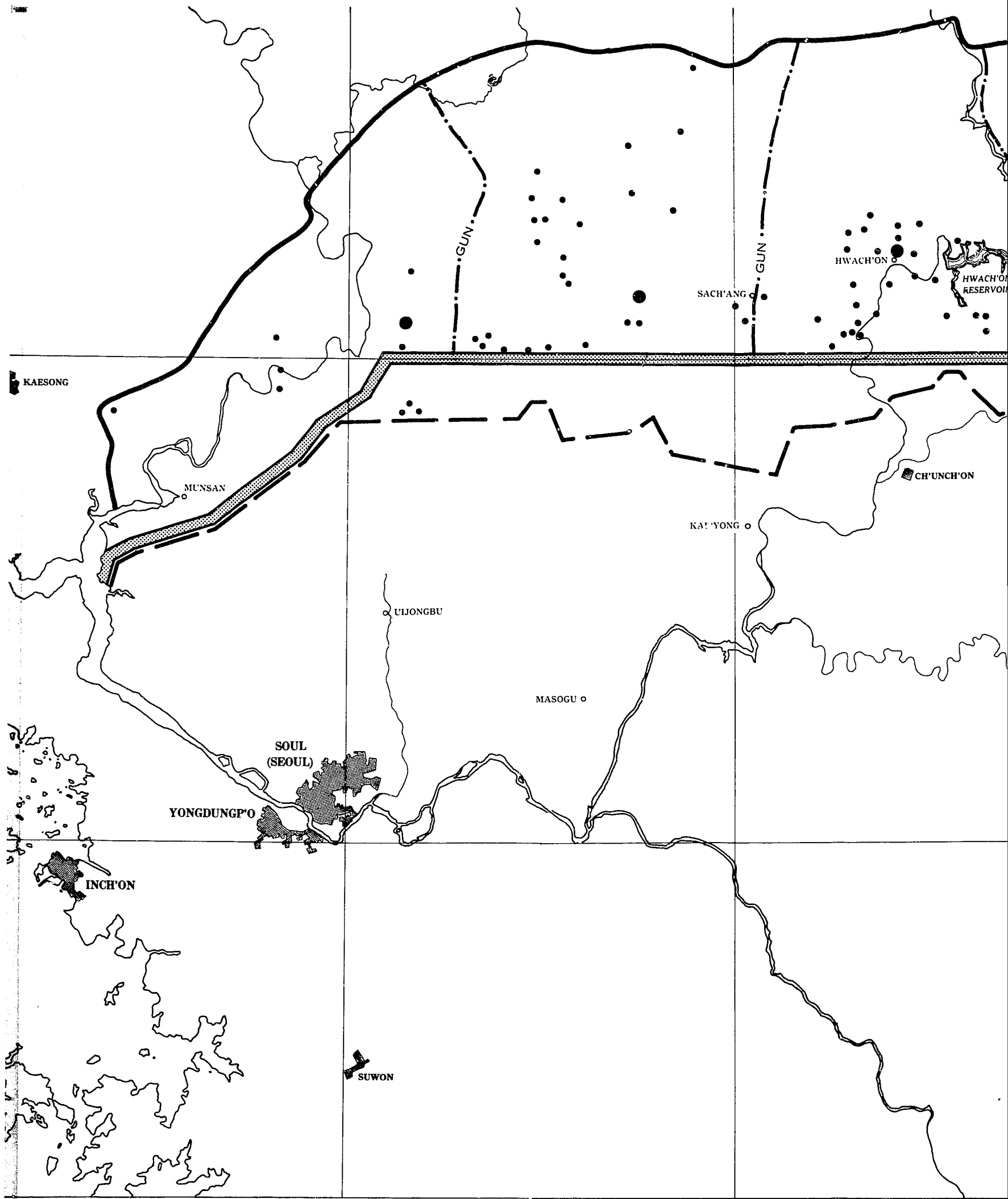


Base Map: Army Map Service (AM), Corps of Engineers, U.S. Army, Washington, D.C.; Korea, 1:250,000, NJ 51-8 Chinnamp'o 3rd Ed., NJ 51-12 Ongjin 1st Ed., NJ 52-5 Namch'onjom 3rd Ed., NJ 52-6 Changyon-ni 4th Ed., NJ 52-9 Seoul (Seoul) 3rd Ed., NJ 52-10 Ch'unch'on 4th Ed., Compiled in 1950.



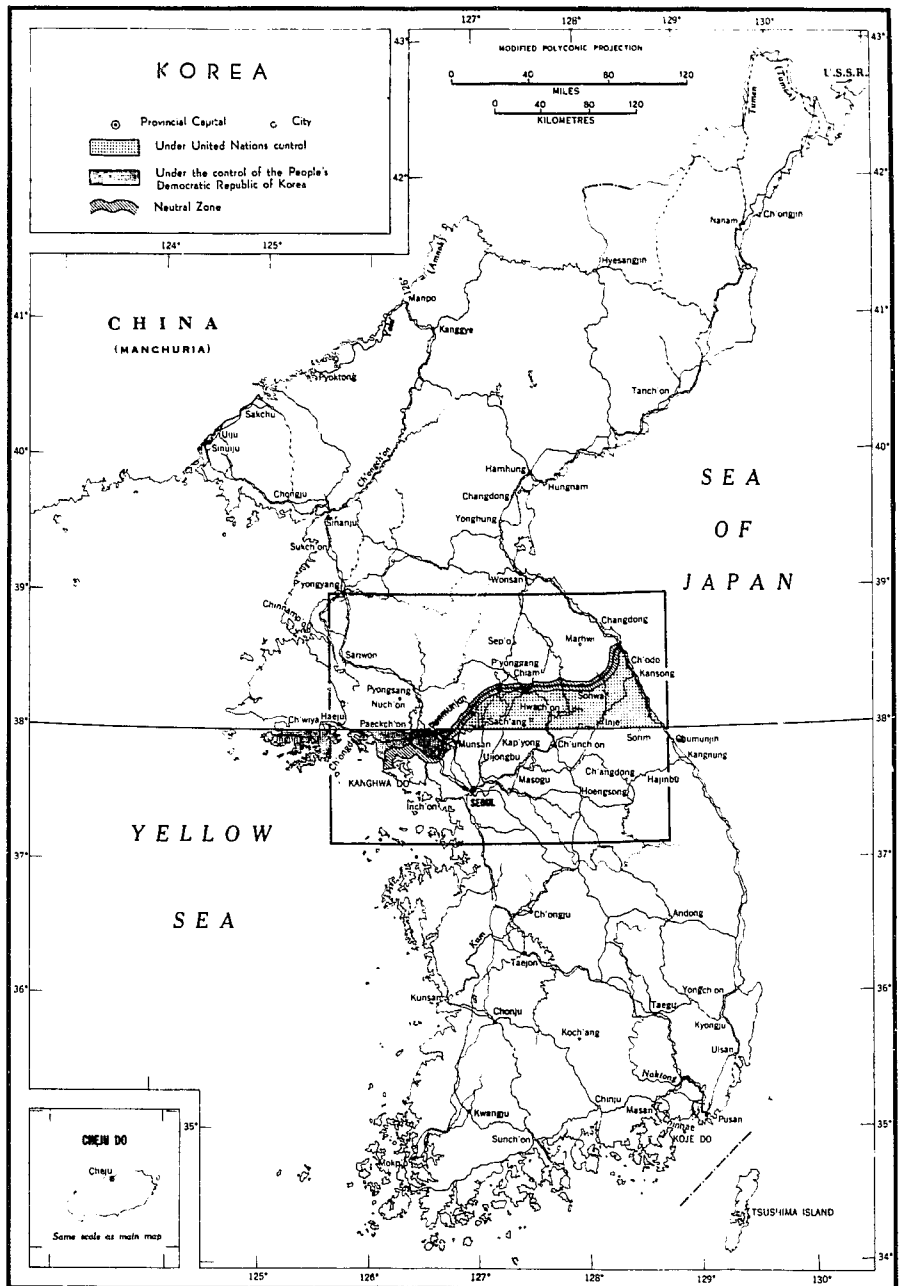
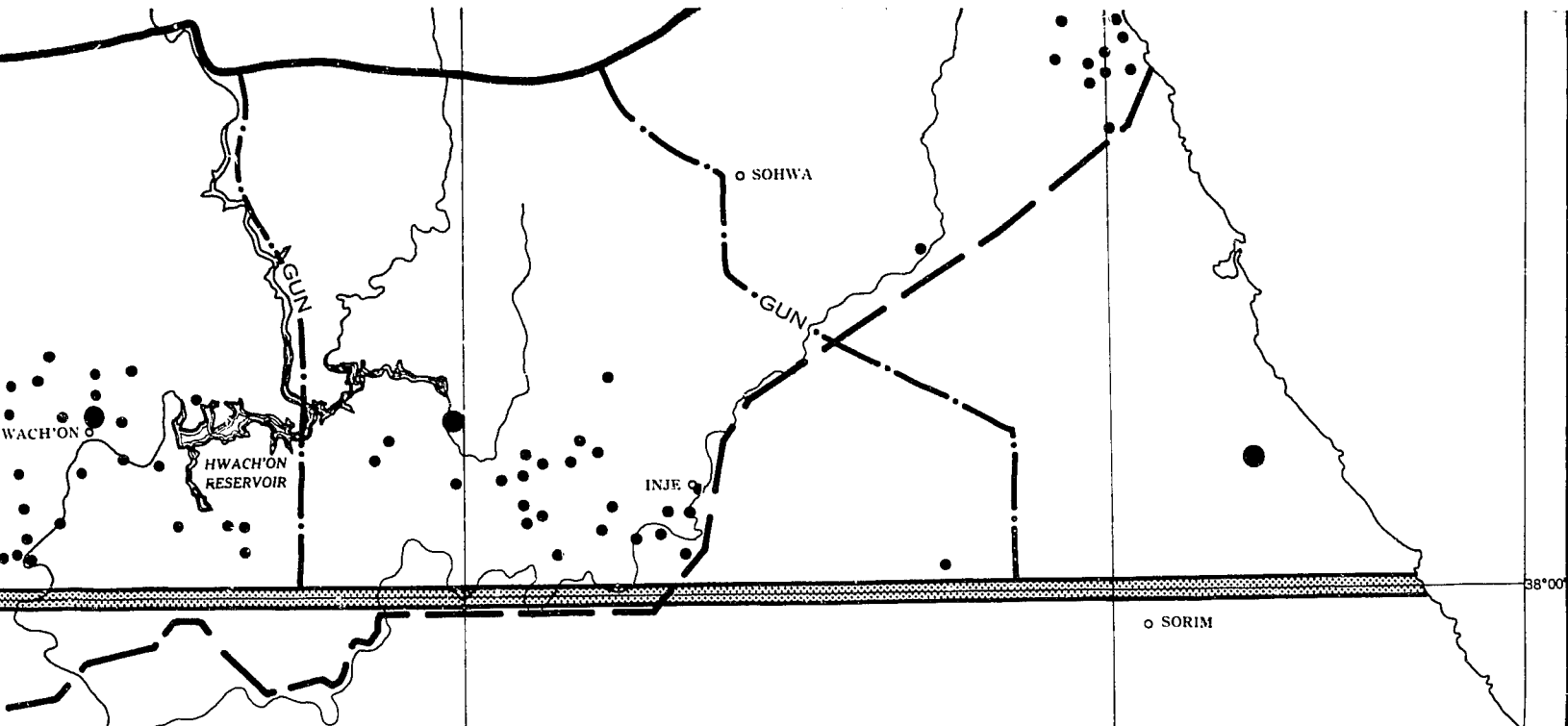
127°00'

127°30'



127°00'

127°30'



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